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Don't think of them as roads : think of them as road transport markets : congestion pricing as a neoliberal political project

Reference:

Vanoutrive Thomas.- Don't think of them as roads : think of them as road transport markets : congestion pricing as a neoliberal political project
Progress in planning - ISSN 0305-9006 - 117(2017), p. 1-21
Full text (Publisher's DOI): <https://doi.org/10.1016/J.PROGRESS.2016.04.001>
To cite this reference: <https://hdl.handle.net/10067/1335360151162165141>

Don't think of them as roads. Think of them as road transport markets.

Congestion pricing as a neoliberal political project

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Published in: Progress in Planning <http://dx.doi.org/10.1016/j.progress.2016.04.001>

abstract

For some time now, many planners have embraced the idea of congestion pricing, an idea that has its origins in the field of transport economics. A positive attitude towards pricing, however, seems to be at odds with values commonly held by planners. To clarify this paradox, we need to thoroughly understand the history and sociology of the idea, and to acquire such understanding, this dialogue discusses the claim that the history of thinking about congestion pricing can best be understood by seeing it as a discursive politics of the market. The current view on congestion and road pricing originated in the 1950s, and there is clearly a link between the dissemination of the idea of congestion pricing and the rise of neoliberal thinking in general, although a different, rather Keynesian, tradition has continued to exist since the early days. The article also presents some criticisms of congestion pricing based on technical, equity as well as normative arguments. Finally, some attention is devoted to the format of the paper, given that it is written as a dialogue.

Keywords: road pricing; congestion; neoliberalism; transport planning; economic thought

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*'Congestion' is a term of art*¹**Preamble**

Congestion pricing is an idea that has its origins in the academic economics of the 1950s. Since then the idea has spread and an increasing number of planners have become convinced that pricing is an essential element of any comprehensive urban plan. However, the degree of professional acceptance varies across the world. While the Australian planning and transport reports analysed by Nicholas Low remained largely silent on road pricing,² official Dutch planning documents saw congestion pricing as an important tool for traffic management already in the 1970s and 1980s.³ Nevertheless, the Dutch government has not succeeded in implementing a road pricing system. In London, where a congestion charge was introduced in 2003, the local branch of the Royal Town Planning Institute recommends to extend the existing system, arguing that 'Intelligent road-user pricing is needed to reduce peak motor traffic demand, internalise the costs of road transport, and incentivise low and zero-carbon vehicles.'⁴ Likewise, a recent manifesto of the Flemish Council of Spatial Planners (Belgium) promotes road pricing as a means to internalise the social costs of travel.⁵ Finally, we can refer to the 'Policy Guide On Planning & Climate Change' of the American Planning Association (APA).⁶ According to the APA, congestion pricing is one of the effective tools to reduce congestion and transport-related greenhouse gas emissions, and ensures efficient use of transport infrastructure and a more balanced modal split.

In general, planners with a positive attitude towards the concept see pricing as an anti-car measure, as an alternative for road construction, and as one element of a policy cocktail consisting of demand management, investments in public transport, traffic calming and physical planning strategies. This places these planners in the 'progressive' camp of road pricing proponents.⁷ For this camp, pricing is not a goal in itself, but a tool to achieve environmental goals, and also the goal of congestion reduction is regularly mentioned. Although the division into two camps is a simplification, it makes clear that congestion pricing advocates can also be found in 'mainstream' neoliberal circles. Remarkably, both sides of the spectrum share the same underlying model, which, as will be argued below, is clearly distinct from the traditional funding toll concept. According to the 'new' approach, prices are set at short-term marginal cost, with the consequence that charges vary throughout the day

¹ p.15; Torrance, 2008

² Low, 2005

³ Smaal, 2012

⁴ p.4; RTPi London, 2016

⁵ VRP, 2015

⁶ APA, 2011

⁷ See e.g. Arnott, 2005

and over space. The right to use road space is then re-conceptualised as a commodity in a newly constructed road transport market. As the quote from RTPI London illustrates, the statement that there are too many cars on the road is rephrased in terms of excess demand, external costs, a too low price for driving, and systems that confront road users with the real cost of travelling by car.

This application of market metaphor to road use is part of the broader trend of neoliberalisation and this paper presents a dialogue in which the idea of congestion pricing is analysed as an example of neoliberal market constructivism. A full understanding of congestion pricing requires insight in the history and sociology of the idea, which obliges us to focus on the transport economics discourse. As the literature acknowledges, economists played a significant role in the development and dissemination of neoliberal ideas, however, this does not mean that neoliberalism and academic economics are the same thing.⁸ In order to go beyond a superficial description of the relationship between neoliberalism and economic thought, we build on the work of Zuidhof, who understands neoliberalism as a discursive politics of the market (inspired by the work of Mirowski and Foucault).

Markets, such as the market for road use, are actively constructed, both discursively and materially, and this process is accompanied by discursive shifts in how we think about roads and trips. To illustrate, the idea that congestion ought to be understood in terms of traffic demand and supply was met with considerable scepticism in the 1950s, while today this is no longer the case. Note that besides the rise of congestion pricing rhetoric, other discursive shifts have occurred with regard to roads. O'Neill discusses the privatisation of ownership, financing and operation of infrastructure, and he emphasises the role of language since privatisation requires a redefinition of roads as private property, i.e. as a product in which one can invest, that generates profits, and that can be traded.⁹ Commercialisation and privatisation are accompanied by a discourse that normalises investments by, for example, Spanish or Australian companies in a motorway in Canada, something which was unthinkable in the 1960s.¹⁰ Similarly, congestion pricing implies that the right to drive on a particular road at a particular time is a service to be bought; this would be a strange view not only for the 'average' planner of the 1960s, but also for the 'average' economist.

These conceptual transformations are an essential part of processes of neoliberalisation, and the aim of this paper is to revisit the history of congestion pricing, interpreting it as an example of neoliberal market constructivism. This approach enables us to address following questions: (1) How did the once 'unthinkable' idea of congestion pricing become popular – at least among transport professionals?, and (2) What is wrong with the idea of congestion pricing? The

⁸ Mirowski, 2009

⁹ O'Neill, 2013

¹⁰ Torrance, 2008; O'Neill, 2010

answer to the first question is a historical explanation, while the second question deals with normative issues. The latter is important since congestion pricing is often promoted as a progressive measure. The critique presented here focuses on what we consider the essence of neoliberalism, the market constructivist aspect, while (progressive) proponents see congestion pricing mainly as a means to 'tame' the private car, and to reduce congestion and pollution. These supporters also emphasise the positive effects of most implemented schemes on the distribution of income.¹¹ These issues are all relevant, however, most studies tend to ignore the fundamental transformation of infrastructure in the pricing discourse. What this paper hopes to make clear is that congestion pricing is not just a means, but a political project that transforms the nature of infrastructure and mobility.

The remainder of the paper consists of six dialogues. The first introduces the perspective on neoliberalism used in this article. Although this section contains little new material, it provides the background necessary to understand the rest of the paper, and for the sake of completeness, this section deals with some popular misunderstandings, such as the equation of neoliberalism with neoclassical economics, or with retreating governments. Subsequently, the construction of the congestion problem and the pricing solution in the 1950s and 1960s is discussed, which is followed by a section on the sociological dimension. Given that understanding congestion pricing requires insight in the history and sociology of the idea, the composition of the 'congestion pricing discourse community' is outlined. The next dialogue deals with major development after the 1960s, such as the growing attention to environmental problems, the neoliberal answer to these problems, and the effective implementation of congestion pricing schemes in several cities. The fifth dialogue provides a critical assessment of the idea of congestion pricing. Finally, a stand-alone section reflects on the dialogue as a style and method for academics. The reader interested in the dialogue approach may want to read this section first.

¹¹ Eliasson, 2014

1. Introduction: neoliberalism

A: Welcome, and thanks again to accept the invitation to participate in the panel debate.

B: The pleasure is mine. But there is still plenty of time, right?

A: Definitely. But I have to do a lot of practical work before the debate. So, let me introduce you to another participant, then you can talk about the topic of the debate.

B: Congestion and the city, that was the theme, right?

A: Yes. As you might know, mobility, congestion and road pricing are widely debated within the planning community. We invited both planners and transport economists to have a fruitful dialogue and to – hopefully – join forces.

B: Well, my main question is whether planners and others fully understand what congestion pricing means.

A: That's what you can find out today. But, please excuse me for a moment. Ah, here is one of the other panellists.

C: Nice to meet you.

B: Hello. Nice to ...

A: I really have to leave now. Please take food and drinks as much as you like.

C: No problem.

B: So, finally we meet, professor road pricing ...

C: ... and the one who can discredit me with one word.

B: Umm ... and that one word is?

C: *Neoliberal*. You called congestion pricing a neoliberal idea, am I correct?

B: Yes, I did, as did some others.¹² Although you said it half-jokingly, I assume you don't like to be called like that.

C: Well, ... when you don't like something, you just have to call it neoliberal, then no further explanation is needed.

B: I understand your point. I hesitated to use the word neoliberal too. Today, the term is only used by critics and often in a very vague way. On the other hand, it is an established term that refers to processes of privatisation, deregulation and liberalisation from the second half of the twentieth century onwards.

C: I know, and the 1980s are considered an important period since Thatcher and Reagan have induced a major shift in policy making in the UK and the United States based on so-called neoliberal ideas. Do I have to mention the role of Chicago school economists in Chile in the 1970s, or will you do it?

¹² Chronopoulos, 2012; Rooney, 2014; Sager, 2011

B: The story of the infamous Chicago boys is indeed a well-known episode in the history of neoliberalism. The United States had funded the training of Chilean economists since the 1950s, this was part of a Cold War strategy to prevent Latin America from becoming communist. After being trained in Chicago, these economists also received funding from Chilean business elites, and in the 1970s they had become influential in the Pinochet regime. Ideas of privatisation, deregulation and the opening of markets were put into practice.¹³

C: Now you only have to refer to the role of the International Monetary Fund and the character assassination is complete. So, my positive stance towards congestion tolls makes me an ally of dictators and unscrupulous vultures who prey on poor countries. I exaggerate things, but that's what you're trying to do. I myself am critical of the congestion pricing literature, but why is it neoliberal? Can you give a definition?

B: Not really, the phenomenon neoliberalism or neoliberalisation is approached by scholars in different ways. Brenner et al. distinguish three important approaches.¹⁴ The first one is the varieties of capitalism approach which sees neoliberalism as a national regime type, the liberal market economy, of which the United States is the most commonly given example. The liberal market economy stands in contrast with the coordinated market economy with better welfare provision, more centralised wage bargaining systems, ...

C: This sounds like the Rhine model. Am I correct that neoliberalisation is here a synonym for Americanisation?

B: To a certain extent, yes, but I will not further discuss this approach. It's not the most relevant one for my argument. Let me first introduce the second approach, historical materialist international political economy. There it is not about regimes at the national level, but about something more global or worldwide, although with very different manifestations and degrees of success in different parts of the world. Your reference to the International Monetary Fund - and you can add the World Bank, the World Trade Organization, the OECD and related organisations - is relevant here.

C: Can I assume that this is the approach of David Harvey and related authors, according to whom neoliberalism is a 'project to achieve the restoration of class power'?¹⁵ I can't see why my preference for congestion pricing is neoliberal in that sense, it all depends on the distribution of cars in society and on what's done with the toll revenue. Pricing can be a progressive measure, if designed well.¹⁶ It is significant that many urban planners support the introduction of road pricing.

B: But as Chronopoulos has argued, the proposals to introduce congestion pricing in New York City can be interpreted as an attempt to achieve a class privilege for wealthy drivers.¹⁷ Roads would have become more exclusive instead of being

¹³ Harvey, 2005

¹⁴ Brenner, Peck, & Theodore, 2010

¹⁵ p.16; Harvey, 2005

¹⁶ Small, 1992; Levinson, 2010

¹⁷ Chronopoulos, 2012

infrastructures for the masses. Or in Gartman's terminology: the car would again have become an expression of class distinction instead of mass individuality.¹⁸

C: But attempts to introduce road pricing in New York City have failed, while left-wing politicians in London and Stockholm have successfully implemented a toll system.¹⁹ Let's go back to what I said earlier, wouldn't it be more apt to call congestion pricing progressive instead of neoliberal?

B: To sustain my argument –congestion pricing is a neoliberal idea – I will turn to the third set of approaches discerned by Brenner and his colleagues, namely governmentality approaches. Governmentality scholars generally emphasize the context-specific nature of neoliberalisation processes.

C: Governmentality? In the sense of Michel Foucault?

B: Yes, and Foucault offers a good starting point to analyse the idea of congestion pricing. I will focus on the academic literature on this topic, but I cannot stress enough that neoclassical economics is not the same as neoliberalism. The latter is a much broader project, involves more disciplines and is not restricted to academic circles. Several leading economists were and are nevertheless part of the core of the neoliberal thought collective.²⁰ But economics is merely '*une science latérale*'.²¹

C: The neoliberal thought collective? Sounds like a conspiracy.

B: A thought collective, others prefer to use the term discourse community,²² is not the same as a conspiracy since its members do not have full control, they have to invest a considerable amount of effort to reach a consensus, to convince others and to get things done without knowing what the outcome will be. By speaking in terms of a thought collective authors such as Plehwe and Mirowski highlight the role of agency. Especially before neoliberal thinking had become hegemonic, the Mont Pèlerin Society and its members played a central role in the development and dissemination of neoliberal ideas.²³

C: And is it the focus on agency that distinguishes this approach from that of structuralists? Marxist scholars too refer to the Mont Pèlerin Society and prominent members such as Hayek and Friedman.²⁴

B: We shouldn't overemphasise the difference between the Foucauldian and the Marxian accounts of neoliberalism. Both describe how a certain discourse has become dominant.²⁵ And I understood that discourse is important to you.

C: How? I'm critical of researchers who overemphasize the role of words, as if using the word *automobile* instead of *car* would make a traffic jam shorter.

¹⁸ Gartman, 2004

¹⁹ Chronopoulos, 2012

²⁰ Mirowski, 2009

²¹ p.290; Foucault, 2004

²² Plehwe, 2009

²³ Mirowski & Plehwe, 2009

²⁴ Harvey, 2005

²⁵ Springer, 2012

B: But when I used the word *neoliberal*, I got a fierce response. This indicates that words matter to you, whether you like it or not. Let me be more precise, congestion pricing is a neoliberal idea when we see neoliberalism as a discursive politics of the market.²⁶ And the field of transport economics has helped 'to think up markets where no one previously saw any'.²⁷ The discursive nature of this political project can perhaps best be summarised as: *don't think of them as roads, think of them as road transport markets*.²⁸

C: Transport markets in search for an equilibrium between transport demand and transport supply, that's how transport economists look at things. Thanks to this terminology and conceptual framework - you may call that a discourse if you want - we are able to better understand the congestion phenomenon. Drivers seldom pay the real cost for the trips they make and that's why there is overconsumption and why the government should intervene. And you can say that this is not a real market like the car market where multiple buyers and sellers trade commodities, but that doesn't make it a neoliberal political project.

B: So, you agree that we can see it as a metaphorical market?

C: Umm... yes.

B: And the use of the market metaphor is not restricted to academic circles. The conceptualisation of the road network as a transport market is exported to political arenas via policy-oriented research reports, publications of think tanks and other forms of communication.

C: I consider it a good thing that research is policy-relevant and that academic scholars disseminate the results of their work to a wider audience, although conclusions are oversimplified or abused by policy makers.

B: I cannot deny that economic concepts are often used in an opportunistic manner. But by seeing something as a market, the obvious solution will be a market solution, congestion pricing in our case. The construction of the problem using a particular discourse favours particular solutions, as all kinds of discourse analyses have shown.²⁹ Economics, including the case of transport economics, is often 'portrayed as the a-political science of the market', but a closer look reveals that it can better be described as 'a treatise on government'.³⁰

C: That's all nice, but do you mean that every economist who discusses policy-relevant issues is a neoliberal, including Keynes, Varoufakis and Galbraith?

B: No, and this brings us back to Foucault.³¹ He made a clear distinction between liberalism and neoliberal governmentality, the latter is fundamentally different from the modern view of the market. The modern, liberal view distinguishes between, on

²⁶ Zuidhof, 2012

²⁷ p.107; Zuidhof, 2012

²⁸ The term 'Road Transport Markets' is used by among others Verhoef (2008); The title of the present work is derived from a cartoon discussed by Zuidhof, 'Don't think of them as terrorist states. *Think of them as terrorist markets*.' See Zuidhof, 2012

²⁹ See e.g. Hajer, 1995

³⁰ p.64, p.70; Zuidhof, 2012

³¹ Foucault, 2004; Lemke, 2001

the one hand, the sphere of the market, the economy, and on the other hand, the sphere of the state, the political domain. The instinct of states to increase their power is constrained from the outside by other states, but also from the inside. The liberal *autolimitation* is closely related to the concept of market failure, the state should only intervene when the market fails.

C: As in the case of road pricing, the sum of the decisions of individual drivers is not optimal and the efficiency of the system can be improved by imposing a toll. This requires more planning, not less.

B: Well, there is a fundamental difference between the idea of congestion pricing and the traditional market failure rhetoric. Let me give two examples. When access to health for all is not guaranteed by the market, or when the absence of building restrictions leads to an inefficient spatial structure, then the traditional response of governments involves the application of instruments typical of the public sphere. The government itself runs a hospital or introduces permits in the case of urban planning policy. In contrast, neoliberal governmentality involves the introduction of market mechanisms, and the accompanying construction of markets. Such market constructivism is fundamentally different from the naturalist view of the market, which can be found in the modern market-state dichotomy.

C: This seems to imply a change in the role of economic science: from the analysis of market failure and the legitimation of government intervention to the development of market mechanisms ...

B: ... and the active construction of markets. Neoliberalists were pretty successful in changing how we look at things. They were able to make a particular discourse dominant, and since the way we think affects the way we act, their discursive strategies have material impacts.

C: If I understood you well, the neoliberal strategy is less about direct intervention and more about having an impact via the dissemination of ideas and the use of regulations.³² It is thus more nomocratic than teleocratic, the aim is to change the world via rules, which stands in contrast with a teleocratic approach based on a plan describing a desired end-state.³³

B: Neoliberalisation involves both direct and indirect interventions. Policy reforms in Chile, privatisation of airports and railways in several countries, structural adjustment programs and the mass implementation of CCTV are all examples of more direct ways of intervening. And these interventions contribute to the imposition of a norm, which is something less tangible. The market transforms individuals into entrepreneurs, rational beings who continuously make cost-benefit analyses to decide what they will or will not do, and who themselves are responsible for their choices.

C: And the introduction of markets - metaphorical or real - is instrumental to create such...

³² Marshall, 2014

³³ Alexander, Mazza, & Moroni, 2012

B: ...entrepreneurial men and women. In other words, it is the imposition of competition as a general norm. Many authors refer in this context to the Foucauldian notion of governmentality since the strategy is to a large extent based on the *conduct of conduct*. It is via the creation of the right context that individuals form, produce and govern themselves.³⁴

C: Sounds scary. But I still have the feeling that the world you sketch is designed by a small network of influential persons. The Mont Pèlerin Society didn't plan the oil shocks of the 1970s, they didn't invent the personal computer,...

B: I agree, the historical materialists have a point when they stress the importance of structural characteristics. On the other hand, the reaction to the crises of the 1970s and 1980s was inspired by neoliberal thinking, especially when Thatcher and Reagan came into power. The crisis which started in 2008 was to a certain extent the result of neoliberally inspired financial deregulation policies and the reaction to it was to a large extent dictated by actors associated with the neoliberal thought collective.³⁵ And yes, I stressed the importance of the Foucauldian approach to neoliberalism. The reason for that is simple, I dealt with the idea of congestion pricing and its intellectual history, and not, for example, with the reasons why the car has become so widespread.³⁶

C: Okay. So, may I conclude that, according to you, the intellectual history of road pricing can be read as the discursive construction of a market for road travel?

B: Yes.

A: Excuse me, the debate will start in five minutes. May I invite you to come with me.

B: Okay.

C: Do you have some time after the debate? I wonder if we could further discuss your view on congestion pricing?

B: Excellent idea, and... I know a nice pub around the corner.

³⁴ Dardot & Laval, 2013

³⁵ Mirowski, 2013

³⁶ For a rich analysis of the rise of the automobile, see Paterson (2007)

2. The early years: the construction of the congestion problem

B: Here we are again. If I'm correct, you would like to discuss - or challenge - my claim that the intellectual history of road pricing can be read as the discursive construction of a market for road travel?

C: Be aware that the history of transport economics is one of my fields of interest.

B: Great! Where shall we start?

C: Luckily, we do not have to start from scratch, the intellectual history of road pricing is extensively described by Robin Lindsey in 2006.³⁷ As is common in the literature, the year 1920 is chosen as the starting point since Arthur Pigou published *The Economics of Welfare* in that year. Lindsey discusses older work, notably that of Adam Smith and Jules Dupuit, but he recognizes that these are conceptually different from the literature based on marginal social cost pricing.

B: So Pigou is a better starting point?

C: I wasn't finished yet. You hoped that I would uncritically accept Pigou as founding father of road pricing, but I will not fall in that trap. We better discuss the two most relevant contributions of Pigou separately. The most interesting discussion by Pigou is about the difference between the marginal social cost and the marginal private cost, and about the imposition of a tax to bring the marginal private cost at the same level as the marginal social cost. I use the current terminology and not Pigou's old-fashioned terms 'marginal social net product' and 'marginal private net product'. But to go back to my earlier point, Pigou is important since Pigouvian taxation has been the dominant idea in the bulk of the road pricing literature.

B: I agree, but then there is the second contribution of Pigou. I assume that you refer to the two-road model.

C: Indeed, and it's a puzzling story. In the 1920 edition of *The Economics Of Welfare* Pigou wrote a paragraph in which he described two parallel roads and the possibility that differential taxation might lead to a more optimal situation if shifting some carts from one road to the other would create less trouble on the lower taxed road than it solves on the other road. However, Pigou used this two-road example as a metaphor and didn't link this to congestion problems.

B: It all started with a metaphor ...

C: You're correct in the sense that Pigou used the two road model to illustrate something else, the need to tax industries subject to decreasing returns. For him, the two road model had little to do with transport and since the idea behind the metaphor turned out to be incorrect, the two road model was no longer present in subsequent, more widespread, editions of *The Economics Of Welfare*. As John F. McDonald suggested,³⁸ Pigou's two road model wouldn't have become so popular

³⁷ Lindsey, 2006

³⁸ McDonald, 2013

without the extension by Frank Knight in his critical discussion of the first edition of Pigou's *The Economics of Welfare*.³⁹

B: And it was Knight who introduced congestion in the two road model, one road was poorly graded and surfaced, the other was of good quality but congested. But the two road model was still a metaphor.

C: I agree, it was a kind of thought experiment. At a certain point, Knight asks the reader to 'think of the owner of the road hiring the trucks instead of their hiring the use of the road'.⁴⁰ This illustrates the metaphorical role played by the two road model. According to James Buchanan, the road case was merely used 'to illustrate more important general principles'.⁴¹ But we shouldn't overemphasize the importance of the two road model at this stage.

B: Although the same Buchanan called it 'One of the most famous illustrative examples in the literature of economic theory'.⁴²

C: I mean that the general discussions on marginal cost pricing were far more important. Think of Vickrey's 'Some objections to marginal-cost pricing'⁴³ published in 1948 and in his overview Lindsey also refers to Ronald Coase's 'The Marginal Cost Controversy' of two years earlier.⁴⁴ Roads and railroads were popular examples in the literature on marginal costs along with utilities like electricity. It should be clear that it's hard to cite one paper as the fons et origo of the road pricing literature, but a number of key ideas came together in the mid-1950s in the work of Alan A. Walters,⁴⁵ William Vickrey,⁴⁶ and in the report of Beckman and colleagues,⁴⁷ which can be considered a landmark and to which Vickrey contributed as a reviewer. In the following decade, these ideas were developed further and these still form the core of road pricing theory. Take for instance Walters' 'Track Costs and Motor Taxation', it's all there: alleviating congestion by bringing the marginal private costs nearer to the marginal social costs, the difference between short run marginal cost and long term marginal cost, ...

B: Wouldn't it be better to consider Walters' paper on the theory of highway congestion as the founding paper of congestion pricing literature?⁴⁸ Or why not Vickrey's article on congestion theory?⁴⁹

C: It's Walters' merit that he elegantly integrated the marginal social cost curve and the engineer's view on congestion. On the other hand, the idea was present in the Beckmann report as well.⁵⁰ Vickrey's discussion of different types of congestion and

³⁹ Knight, 1924

⁴⁰ p.588; Knight, 1924

⁴¹ p.305; Buchanan, 1956

⁴² p.305; Buchanan, 1956

⁴³ Vickrey, 1948

⁴⁴ Coase, 1946

⁴⁵ Walters, 1954

⁴⁶ Vickrey, 1955

⁴⁷ Beckmann, McGuire, & Winsten, 1956

⁴⁸ Walters, 1961

⁴⁹ Vickrey, 1969

⁵⁰ Beckmann et al., 1956

bottlenecks came later, but has the merit that it takes a more dynamic approach and that's why Arnott and de Palma consider it a real milestone.⁵¹ But as I suggested earlier, I'm not looking for the founding paper, all this was rather the logical outcome of decades of discussion on welfare economics and marginal cost pricing.

B: Well, looking in hindsight, it might seem a natural evolution of ideas, but it was not self-evident that marginal social cost pricing would have become the standard theory. Tjalling Koopmans, who was the research leader of the seminal work reported in the Beckmann report, cautiously introduces the market metaphor. He mentions that there 'is a certain degree of analogy between highway traffic equilibrium and the models used by the economist to explain quantity sold in a market by the interaction of demanders and suppliers'. But he acknowledges that on 'the supply side the analogy is not a close one. Except for toll roads, there is no party in the market selling access to roads for a price'.⁵² So, Koopmans, a physicist by training, was really aware of the metaphorical character of the market analogy.

C: I assume that you will refer to the relationship between physics and economics next? But I'm not the one who will take physical metaphors literally, I'm well aware that 'Every year a paper or book appears, bemoaning the fate of economics and complaining about its attempts to ape physics', if I may quote from Taleb.⁵³

B: My critique of congestion pricing is not based on *physics envy* type of arguments. I assume that you don't want to slavishly copy equations from physics as some 18th or 19th century political economists did?⁵⁴ I could point to the analogy which Harold Greenberg observed between the theory of fluid dynamics and traffic flows, and to which Walters referred.⁵⁵ Also Johnson pointed to 'the essential physical nature of traffic congestion'.⁵⁶ Furthermore, Beckmann and his colleagues do refer to the striking resemblance of traffic flows to physical flows and acknowledge the usefulness of the mechanics of motion, but they warn that a physical view 'neglects the purposive aspect of traffic'.⁵⁷ Although it's interesting to have a closer look at the influence of the natural sciences on transport science, I would go back to my earlier point of market constructivism: it's a kind of re-education project in which we learn to see roads as markets with demand, supply and a price. Likewise, congestion had to be constructed.

C: Now I have to be re-educated, or did I miss something? You seem to suggest that economists invented congestion, while complaints about congested roads can be found in ancient Roman texts. Already in the first half of the 19th century, engineers in London put forward the 'idea that time lost to congestion has a monetary value'.⁵⁸ The quantification of congestion costs in the first half of the 20th century was not uncommon. So what do you mean by the construction of congestion?

⁵¹ Arnott & dePalma, 1997

⁵² p.xiv; Koopmans, 1956

⁵³ p.180; Taleb, 2007

⁵⁴ See e.g. Cohen, 1994

⁵⁵ Greenberg, 1959; Walters, 1961

⁵⁶ Johnson, 1964

⁵⁷ p.46; Beckmann et al., 1956

⁵⁸ p.109; Weinstein, 2006

B: Social or cultural constructivism separates *real* events from perceptions and interpretations, even when these are shared by a larger community. When cars drive at low speed bumper to bumper along a road, this can be interpreted in many different ways. Perhaps the most common interpretation is that this situation causes delays and that drivers and passengers lose time. It is, by the way, not easy to say why people complain about congestion, although there seems to be a consensus that congestion is a bad thing, it has often been called the *congestion evil*. Weinstein discusses congestion in Boston in the 1890s and 1920s and points to traffic safety as an important concern, especially in the 1890s when central city streets were crowded with streetcars and horse-drawn vehicles. People did complain about unpredictable and slow travel times, but the major economic concern related to the attractiveness of the city for businesses vis-à-vis other cities, and, to a lesser extent, increased costs for freight delivery.

C: So, it's all about perception. Congestion was not necessarily new, but our view of the problem has been changed.

B: Yes. Congestion was presented as a new problem, caused by rapid motorization.

C: Thinking about it... you're right. In the 1950s and 1960s it was not uncommon to call 'widespread severe congestion' a 'new factor'.⁵⁹ But what you said about Boston suggests that such statements need qualification.

B: What the Boston case also highlights is that a problem is almost always raised when a solution is present, be it investments in a subway or circumferential highway.⁶⁰

C: Or congestion pricing...

B: Which was a new idea in the 1950s.

C: But road tolls weren't.

B: Indeed, but the old idea was that tolls should pay for the construction and maintenance of roads, while Vickrey and his contemporaries argued that the primary role of pricing is promoting economy in the use of infrastructure.

C: So, you see a fundamental difference between 'economist-engineers' such as Dupuit who propose 'funding tolls' and the Pigou-Vickrey tradition of 'decongestion tolls'?⁶¹

B: Yes. Look, what's the cure for congestion proposed by engineers?

C: Building a new road.

B: And what do they do when there's no money?

C: They build a toll gate.

B: Where?

C: On the new road.

⁵⁹ e.g. p.9; Ministry of Transport, 1964

⁶⁰ Weinstein, 2006

⁶¹ Derycke, 1998

B: According to Vickrey, this a perversity.⁶²

C: Since the focus should be, from a marginal cost perspective, on the efficient use of the road network, and thus not on the payment for the most recent piece of engineering.

B: Exactly, and when would congestion pricing scholars invest in new infrastructure?

C: Well, congestion pricing is based on the short-run marginal cost, for investments one has to take a long-term perspective. But when congestion gets worse and the short-term marginal cost goes up, the willingness to pay rises until a certain point where investments in road capacity are justifiable. Or as Hau formulated it: 'If a road makes money [...], expand it, else not'.⁶³ This is definitely not a call for more roads, but a call for more rational investment policies. Already in the early 1950s, James Buchanan warned that ignoring the demand reduction alternative would potentially lead to overinvestment.⁶⁴

B: I don't know. Didn't Walters claim a decade or somewhat later that 'There is no danger of over-investment in roads'.⁶⁵ But seriously now, Buchanan did indeed argue for rational investment policies, but he preferred the 'rationing device of the free economy',⁶⁶ marginal cost pricing, over government instruments like prohibitions and licences.

C: But many transport economists discuss a wide range of measures including subsidies for public transport and cleaner vehicles, taxes on vehicle purchase, fuel taxes, odd-even number plate restrictions, parking fees, area licenses and so on.⁶⁷ Even Walters, one of the founding fathers of the road pricing literature, was rather critical of congestion pricing and saw fuel taxes as a reasonable alternative.⁶⁸

B: But marginal social cost pricing was, and has remained, the benchmark. Taking into consideration alternative measures was mainly inspired by technical difficulties to collect charges. I return to the essential point that the 1950s brought a new perspective on congestion, it was now defined in terms of demand and supply with marginal social cost pricing as the evident solution. Also the view on investments in road infrastructure has changed dramatically. The thinking on the use of information in society is clearly neoliberal.

C: The use of information? Can you be a bit more specific?

B: Wait,... I will take my computer. Give me a minute, I will open one of Vickrey's papers... here it is... can you read it?

⁶² Vickrey, 1963

⁶³ p.31; Hau, 199

⁶⁴ Buchanan, 1952

⁶⁵ p.138; Walters, 1954

⁶⁶ p.98; Buchanan, 1952

⁶⁷ See e.g. De Borger, Peirson, & Vickerman, 2001

⁶⁸ Walters, 1961

C: Yes, 'the information provided by a system of congestion control through pricing has an essential role to play in the evaluation of investments designed to afford relief from congestion'.⁶⁹

B: And on the next page Vickrey wrote: 'In the absence of the information that would be provided by the charging of appropriate tolls, planning of investment in expanded transportation facilities is half blind'. And he concludes his paper as follows ...

C: 'Appropriate patterns of congestion tolls are thus essential, not only to the efficient utilization of existing facilities, but to the planning of future facilities'. And ...?

B: Doesn't it sound familiar?

C: In what sense?

B: How shall I say,... this could have been written by Hayek, don't you think?

C: How? Vickrey was a post-Keynesian economist.⁷⁰

B: I know, but if we just look at the text, it corresponds to Hayek's idea that markets provide information and, by doing so, are a superior way of planning, namely decentralized planning, which stands in contrast to central planning which Hayek famously abhorred.⁷¹ The idea that the market is 'the greatest information processor known to humanity' is considered by Mirowski to be a core idea in neoliberalism.⁷²

C: So markets are not only efficient allocation devices, ...

B: ... but also information processors. This is a widespread idea in transport economics and is present in the work of Walters,⁷³ the Smeed Committee,⁷⁴ Roth,⁷⁵ and others.⁷⁶ It's the application of the concept of consumer democracy to transport: citizen-consumers express their preferences by purchasing the right to use road space. If the market works well, if prices are correct, then we know which investments are to be made.⁷⁷

C: Then cost-benefit analysis becomes redundant!⁷⁸

B: As well as parliamentary debates on investments in transport infrastructure, provided that we describe the idea in a simple way. I agree that not all transport economists think like that, but more moderate opinions on the role of prices as a source of information are mainstream.

⁶⁹ p.259; Vickrey, 1969

⁷⁰ Chronopoulos, 2012

⁷¹ Hayek, 1945

⁷² p.253; Mirowski, 2013; Mirowski, 2009

⁷³ 'High "efficiency tariffs" on congested roads are evidence of the need for new investment.' p.685; Walters, 1961

⁷⁴ 'One of the advantages of road pricing is that it would give some guidance as to the places where the need for road improvement is greatest.' p.40; Ministry of Transport, 1964

⁷⁵ 'user cost pricing provides its own built-in criterion for investment' p.36; Roth, 1966

⁷⁶ The idea can also be found, in more general terms, in Coase (1946)

⁷⁷ On consumer democracy and related concepts, see e.g. Dardot & Laval (2013)

⁷⁸ For a more nuanced version, see Roth (1966, p.39): 'Cost-benefit analysis may be a useful tool [...] where the price mechanism cannot be used.'

C: Maybe, but it's getting late. I have to leave now, although I would like to continue our discussion. And next time, I will take my notes with me.

B: Next Thursday I give a lecture at your university. Can I come to your office afterwards? Around three pm?

C: Okay. Believe it or not, I look forward to meeting you again. Have a safe trip!

B: Bon voyage!

3. The sociological dimension of transport economics

B: That's what they call a charming office.

C: Ah, you're already here.

B: Good afternoon. How do you do?

C: I'm good. And you? Do you want some tea?

B: Yes please.

C: Then we can start.

B: I can't stop you.

C: Well, last time you claimed that neoliberalism is about seeing things in new ways. More specifically, seeing markets where no one previously saw any.

B: Yes.

C: In the case of road travel, the market metaphor assumes that there is an equilibrium between transport supply and transport demand and that congestion appears when the price for road space paid by individual travellers is too low...

B: ... since there are external costs. Yes.

C: Furthermore, when prices are right, the transport market tells us when we have to invest in additional capacity.

B: Yes...

C: You also mentioned that the application of this metaphor originated in the 1950s.

B: Correct.

C: And you maintained that such ideas did not appear ex nihilo. On the contrary, ideas were purposefully developed and disseminated, and you referred to the Mont Pèlerin Society as an influential group of intellectuals. I looked it up, this Society was founded by Friedrich Hayek in 1947.

B: That's all correct. But what's your point?

C: Well, Hayek didn't seem to be a proponent of road pricing,⁷⁹ while our post-Keynesian friend Vickrey was 'one of the earliest advocates of road pricing' and 'its most ardent spokesman in the U.S.'.⁸⁰ The seminal report of Beckmann and colleagues was a product of the Cowles Foundation for Research in Economics. In 1955, the year when the report was completed, the Cowles Commission moved from Chicago to Yale. By then, the relations between Chicago school scholars like Frank Knight and the Keynesian Cowles school had been troubled.⁸¹ This seems to contradict your thesis.

B: In what sense?

⁷⁹ Block, 1980

⁸⁰ p.21; Holland & Watson, 1978

⁸¹ Rooney, 2014

C: You stressed the sociological dimension of the evolution of thinking on congestion.

B: Well, the rise of neoliberalism cannot be fully understood without taking into account sociological issues. Ideas are discussed and developed by people, and within the Mont Pèlerin Society, but also in think tanks, members have discussed how ideas should be disseminated. They have also put a significant amount of effort into consensus-building activities.

C: And did the Mont Pèlerin Society discuss road pricing?

B: On the basis of the list of topics discussed during their general meetings,⁸² I would conclude that the only *road* that was discussed, was Hayek's 'The Road to Serfdom'. Nevertheless, during our discussion we encountered Knight, Coase, Buchanan and Walters, who were all members of the Society.

C: If you say so. However, Knight and Coase treated more general principles and Buchanan can hardly be called a transport economist. Looking back at his career, he mentioned that he had started writing a book on highway economics but he subsequently 'lost interest in the highway topic', 'abandoned it completely' and turned his attention to public debt and other topics.⁸³ It seems that also Milton Friedman's interest in roads was short-lived.

B: Oh, you refer to the essay he wrote with Boorstin in 1951 or 1952, but which he forgot and which was not published until 1996.⁸⁴

C: Indeed, in a book of Gabriel Roth, which reads as a manifesto in favour of private roads. I would not object if you call this a neoliberal piece of writing.

B: While I doubt whether it is correct to label this volume neoliberal.

C: How do you mean?

B: It might be more appropriate to call it classical liberalism, which is a radical mix of political and economic liberalism.

C: I assume that political liberalism refers to ideas of liberal thinkers on civil rights, liberty and individual freedom? And economic liberalism is then a synonym for *laissez faire*?

B: Correct, do you remember that we discussed the modern view of the market with a clear distinction between the economy and the state?

C: Yes. So, economic liberalism means, if I may paraphrase Matthew, 'render unto the state the things which are public; and unto the market the things that are economic'?

B: Less or more. The *laissez faire* idea is also present in classical liberalism, but is complemented by an extension of 'the norms of individual liberty and property rights beyond the domain of the economy'.⁸⁵ And, generally speaking, the '*phobie*

⁸² Liberaal Archief, 2004

⁸³ p.103; In: Horn, 2009

⁸⁴ Friedman & Boorstin, 1996

⁸⁵ p.134; Zuidhof, 2012

d'État', although always present in liberal discourse,⁸⁶ is much more developed in classical liberalism compared to economic liberalism.

C: Anti-state rhetoric is abundantly present in Roth's book, including Friedman and Boorstin's essay. Why do you prefer to call Friedman - who's often portrayed as high-priest of neoliberalism - a classical liberal and why do you hesitate to label him a neoliberal?

B: Milton Friedman was important for the development of neoliberalism, but if we go back to the Foucauldian perspective, you will understand my restraint. For Foucault, Gary Becker illustrates best the neoliberal way of looking at things. With their human capital discourse, Becker and others have changed the way we look at things. For example, education has been restricted to investments in human capital, ignoring aspects like the formation of critical citizens and other tasks attributed to education.

C: So, a school is a human capital producing factory.

B: Even when it's public. Anti-statism is a rather superficial description of neoliberalism since the boundary between the economy and the state is blurred. The positive attitude of planners toward road pricing is connected to the idea that pricing enhances the role of government in a largely unregulated sector. Pricing is then seen as a form of state planning, but this view misses the essence of what neoliberalism is. Neoliberalism implies that when a problem is discussed, this is done in market terms.

C: As a consequence, travel behaviour is a matter of transport demand and supply, and congestion can be seen as external diseconomies.

B: And the implementation of a market solution, marginal social cost pricing, might imply an increase of the influence of the state in the daily lives of people. On top of all traffic regulations and road signalling, the state adds an additional instrument, congestion pricing. Neoliberals accept state power as long as the state adopts market-like instruments and discourses. This line of thinking corresponds better to the ordoliberal approach of the Freiburg school than to the classical liberalism of the Chicago school and Austro-Americans such as von Mises and Hayek.⁸⁷ Of course, there was an exchange of ideas, both schools were, for instance, represented in the Mont Pèlerin Society.

C: That's all nice, but the essence of congestion pricing was already present in Friedman and Boorstin's essay which was written in the early 1950s, an essay which predates several seminal works on congestion pricing. Leaving aside the free enterprise rhetoric and the assertive style, the essay proposes to charge road users more during the congested peak hours.

B: That's all true, but the essay wasn't an in-depth study and they applied the market analogy more literally than others did. When roads are managed by private actors, as was proposed by Friedman and his co-author, the situation is different. Anyway, the fact that ordoliberals and classical liberals gathered and cooperated illustrates that their ideas overlapped, at least to a certain extent, it indicates that there was a certain

⁸⁶ Foucault, 2004

⁸⁷ Dardot & Laval, 2013

degree of consensus. Nevertheless, we shouldn't overemphasize the direct influence of Friedman on the road pricing debate in the 1950s since the essay was left unpublished for more than forty years.

C: So even the author of the foreword of Roth's book had more direct influence?

B: Umm ... who wrote the foreword? Walter Block?

C: No, James Buchanan! Who, as you said earlier, after two papers turned his focus to more interesting topics.

B: Now I remember, I once used his foreword in a presentation to illustrate the constructivist nature of neoliberalism. I will open the file ... wait a minute ... I highlighted the relevant parts.

C: 'Worldwide momentum toward privatization, depoliticization and devolution surrounds us [...] economists have proffered their familiar efficiency-based solutions. Idealized congestion pricing can effectively ration demands for road usage and at the same time generate revenues sufficient to construct and maintain the network. But economists' arguments have been politically persuasive only in part. We observe congestion on roads and streets everywhere,'⁸⁸

B: The first sentence reflects hope, there is a 'momentum toward privatization'. However, the desired outcome is neither achieved nor guaranteed. Now read this paragraph.

C: 'Public and political attitudes remain stubbornly resistant to explicit price rationing, for roads as for anything else. The challenge is that of organizing an effective coalition of interests in support of an efficient road system.'⁸⁹

B: It is clear that a coalition of interests should be established, and what is really interesting is that Buchanan sees a role for *semantic entrepreneurship*. Please continue reading.

C: "Is it possible that the time is ripe for some combined semantic and institutional entrepreneurship here? By replacing 'taxes' with 'prices', irrelevant issues might be more readily removed from political debate."⁹⁰

B: This way of thinking was not unusual in circles such as the Mont Pèlerin Society, of which Buchanan acted as president a decade before he wrote this foreword. Their philosophy is that ideas play and have to play an important role in political struggle. But first ideas have to be nurtured and discussed in an intellectual environment where a program has to be developed that is able to gain mass support. But the Mont Pèlerin Society has not been the main disseminator of ideas, that has been the task of other institutions.

C: What you've called the neoliberal thought collective seems to consist of several layers.

⁸⁸ p.xv; Buchanan, 1996

⁸⁹ p.xvi; Buchanan, 1996

⁹⁰ p.xvi; Buchanan, 1996

B: Indeed, Mirowski compares the neoliberal thought collective with a Russian doll which consists of a small, less visible, inner circle which is surrounded by a larger, more visible cover.⁹¹ Especially in the U.S., but also in the UK, a plethora of think tanks is involved in the active dissemination of neoliberal ideas, they form one of the layers of the doll.⁹²

C: So, we should not be surprised that Gabriel Roth's *Self-financing Road System* was published by the Institute of Economic Affairs, already in 1966, and that the Brookings Institution published a shelf of books on congestion and highway finance.

B: Again, it's not a conspiracy, but there is a system in it, notwithstanding the wide variety of ideas. Let's have a look at often-cited authors who published on road pricing.

C: We can use Lindsey's extensive literature review for this. Last week I generated a list of authors and indicated how many of their publications can be found in Lindsey's reference list. There are 21 authors with at least three publications in the list. I printed a copy for you.

B: Let's have a look. We just mentioned Gabriel Roth and his link to the Institute of Economic Affairs. Let's have a look at his webpage... here it is... Roth is a research fellow at the Independent Institute, worked for the World Bank, and his work is published by the Adam Smith Institute, the International Center for Economic Growth and the Reason Foundation.⁹³ A real think tank man, that's clear.

C: And we already discussed James Buchanan, of whom you mentioned that he acted as president of the Mont Pèlerin Society. But the list is not restricted to think tank men.

B: I don't know. There's also Jose A. Gómez-Ibáñez, he did some work for the World Bank and several of his books are published by the Brookings Institution.⁹⁴ He co-authored 'Going Private' - published by the Brookings Institution- with John R Meyer, who's also in our list of leading road pricing authors, together with Clifford Winston, senior fellow at ...⁹⁵

C: ... the Brookings Institution. Yes, I know, and Winston published together with Kenneth Small, who's also in the list of key authors. But Small, despite his past at Brookings, is non-resident fellow at Resources for the Future.⁹⁶ It's a kind of think tank, I agree, but of a more progressive nature. Moreover, Small worked together with Verhoef, who's also present in our list, and equity and environmental considerations occupy a central position in their writings.

B: That's true, but they analyse equity and environmental issues through a neoliberal lens. I shall come back to that later.

⁹¹ Mirowski, 2009

⁹² Zuidhof, 2012

⁹³ http://www.independent.org/aboutus/person_detail.asp?id=493 access date 15/9/2015

⁹⁴ <https://apps.hks.harvard.edu/faculty/cv/JoseGomez-Ibanez.pdf> access date 15/9/2015

⁹⁵ http://www.brookings.edu/~media/experts/w/winstonc/winstonc_cv.pdf access date 15/9/2015

⁹⁶ <http://www.socsci.uci.edu/~ksmall/Vita.pdf> access date 15/9/2015

C: And what about Herbert Mohring? He pioneered transport economics in the 1960s, but was less involved in think tanks, as far as I know.

B: Let's have a look... Besides his academic activities, Mohring was director at HDR/HLB Decision Economics Inc.,⁹⁷ and, believe it or not, research fellow of the Independent Institute.⁹⁸ And other fellows of that institute include Harry W. Richardson and Daniel B. Klein. The latter is affiliated to the Mercatus Center at George Mason University,⁹⁹ where we find another scholar from the top-21 list, Ken Button.¹⁰⁰ The Mercatus Center is known as a very influential think tank with strong links to the right-wing libertarian Koch family. To some, Mercatus is the present-day equivalent of the Chicago school in the times of Milton Friedman.¹⁰¹ If I may return to the Independent Institute, another top-21 scholar was in the Board of Advisers, sir Alan Walters,¹⁰² and his cv reads like a description of a prototypical neoliberal. He was economic adviser to Margaret Thatcher and member of the Mont Pèlerin Society.

C: And Walters was one of the members of the Smeed committee, a group of researchers which advised the British Ministry of Transport to introduce road pricing, already in the first half of the 1960s.¹⁰³ Also sir Christopher Foster was a member of that group and is present in our list. He later advised, besides academic and consultant activities, the British government, notably on the privatisation of the railroads. But Foster wasn't a prototypical neoliberal like Walters.¹⁰⁴

B: True. Michael Beesley was in the Smeed committee too, he played a pioneering role in the value of time estimation, and he argued in favour of bus deregulation and privatisation of rail services.¹⁰⁵ Who else do we have?

C: Walter Block, senior fellow of the Mises Institute and probably the most radical libertarian in our list.¹⁰⁶ Next on your list is professor Timothy Hau, a former World Bank official;¹⁰⁷ David Newbery, another former World Bank official, but he published with among others Stiglitz, a left-wing icon; then we have William Sandholm, a game theorist; David Hensher, an expert in choice modelling and the valuation of travel time savings, ...

B: Say what you think, compared to many others in the list, it seems fair to state that Sandholm, Hensher and some others are not closely related to the neoliberal thought collective. The same can be said of Richard Arnott, who takes a more urban studies approach.

⁹⁷ <http://www.bloomberg.com/research/stocks/private/board.asp?privcapId=26954629> access date 15/9/2015

⁹⁸ <http://www.independent.org/aboutus/research-fellows.asp> access date 15/9/2015

⁹⁹ <http://economics.gmu.edu/people/dklein> access date 15/9/2015

¹⁰⁰ <http://mercatus.org/kenneth-button> access date 15/9/2015

¹⁰¹ http://www.sourcewatch.org/index.php/Mercatus_Center access date 15/9/2015

¹⁰² <http://www.independent.org/aboutus/advisors.asp> access date 15/9/2015

¹⁰³ Ministry of Transport, 1964

¹⁰⁴ Rooney, 2014

¹⁰⁵ <http://www.theguardian.com/news/1999/oct/08/guardianobituaries1> access date 15/9/2015

¹⁰⁶ <https://mises.org/profile/walter-block> access date 15/9/2015

¹⁰⁷ http://www.sef.hku.hk/people/faculty/timothy_hau.html ;

<http://www.econ.cam.ac.uk/people/crsid.html?crsid=dmgn&group=emeritus> access date 15/9/2015

C: Indeed, and to complete our overview of 21 transport economists, we only have to add Vickrey, who wasn't a hard core neoliberal either. I agree that a significant number of leading transport economists can be linked to – dare I say – *neoliberal* organisations, but you have to recognise that there exists a second strand of literature.

B: One that is more moderate.

C: And dates back to the 1950s and 1960s. It is my impression that Arnott and de Palma consider themselves as the heirs of Vickrey since they paid tribute to him in an In Memoriam.¹⁰⁸ Also Lindsey and Small can be added to the Vickrey tradition.¹⁰⁹

B: A tradition whose members present themselves generally as apolitical. Or they produce arguments which serve to legitimate state intervention. But their ideas are certainly neoliberal.

C: Perhaps, but what about the Smeed Committee? From a sociological perspective, several members were part of what you've called the neoliberal thought collective. However, as you might know, considerable effort was invested to forget about the Smeed Report, which has nevertheless achieved an iconic status in transport circles. The publication was delayed so that Colin Buchanan's *Traffic in Towns* overshadowed the publication of the Smeed report. The conservative transport minister Marples heavily promoted the Keynesian *Traffic in Towns*...

B: A book which has more to do with urban planning than with transport economics. And the main author, Colin Buchanan, couldn't see the relevance of the market-led approach of road pricing.¹¹⁰ It's true, a conservative transport minister preferred the work of planners over a report in favour of road pricing.

C: While in the same period, the idea of congestion charging was positively received in Labour circles.¹¹¹ In a young Fabian pamphlet Jonathan Radice refers to the Smeed Committee and states that 'the criterion for charging should be the relation between supply and demand of road space'.¹¹²

B: Despite the presence of some neoliberal thinking in a 1965 Fabian pamphlet, congestion charging was only one element of a wider social-democratic policy proposal, in which there was also room for subsidies for public transport and a single parking authority with control over garages provided by private developers. The conservatives' preference for *Traffic in Towns* - and their rejection of the Smeed report - reflects that the planning consensus of the post-war period was still alive in the 1960s.

C: But although some members of the Smeed Committee reacted to the rejection of their ideas by publishing them widely, congestion pricing was not on the political agenda, not even during the Thatcher era. You keep on saying that congestion

¹⁰⁸ Arnott & dePalma, 1997

¹⁰⁹ Small, 2015

¹¹⁰ Gunn, 2015

¹¹¹ Rooney, 2014

¹¹² p.10; Radice, 1965; Rooney, 2014

pricing is a neoliberal idea, but it was a Labour politician who introduced it in London.

B: Yes, to understand the paradox, I propose to turn to the most libertarian authors. In line with their focus on institutional arrangements, the essence of the problem is that roads are supplied socialistically.¹¹³ Libertarian road capitalists¹¹⁴ such as Walter Block, Milton Friedman, James Buchanan and Gabriel Roth argue that governments are unable to efficiently provide roads.¹¹⁵ Likewise, they have little confidence in the capacity of governments to implement a scheme based on marginal cost pricing.

C: What you're trying to say is that libertarians will only accept road pricing when it's organised by private road suppliers.

B: Yes, and anti-government feelings can be found in popular opposition against road pricing too. In the US, some considered road pricing as the imposition of socialist theories,¹¹⁶ and in the UK of the 1980s, a congestion tax was simply not compatible with Thatcherite class politics of car ownership and anti-tax sentiments.¹¹⁷

C: As you say, road pricing is often perceived as just another tax. The public accepts higher prices during peak times for hotel rooms and theatre seats, but these are not provided by road authorities.¹¹⁸ Moreover, congestion charging involves paying for something which was previously free, it is not an easy thing to convince the masses of this.

B: Neither is the outright privatisation of roads a realistic policy option in many countries. Lindsey identifies road privatisation as one of the points of disagreement in the literature.¹¹⁹ Similarly, different neoliberal think tanks hold different opinions.¹²⁰ The Brookings Institution, for example, holds a technocratic market discourse, while others put more emphasis on competition or on the potential of markets to increase consumer choice, and as you might know, modal choice is sometimes interpreted as consumer choice.

C: I know, but choice is not a bad thing in itself, and not every think tank is as anti-government as the Cato Institute. Market mechanisms can serve a public agenda by reducing overconsumption, which is beneficial from a sustainability point of view.

B: The latter view is representative of a moral market discourse, and while I acknowledge that the moral order advocated by neoconservatives is fundamentally different from the sustainability agenda of the average planner, both see the market as a tool to control insatiable desires.

¹¹³ Buchanan, 1996; Block, 1996

¹¹⁴ The term 'road capitalists' is borrowed from Block (1996)

¹¹⁵ Block, 1980; Buchanan, 1956; Friedman & Boorstin, 1996; Roth, 1996

¹¹⁶ See Button, 1984

¹¹⁷ Rooney, 2014

¹¹⁸ Roth, 1966

¹¹⁹ Lindsey, 2006

¹²⁰ Zuidhof, 2012

C: ...like the desire to drive. Well, the moral, even religious, undertone of sustainability discourses is recognised in the literature.¹²¹ However, as you have argued, researchers shouldn't shy away from moral issues. But above all, I see a wide variety of opinions, even within particular communities.

B: My general conclusion is that ideas - including market metaphors - move and change, are transformed and are not restricted to one single group. Research, policy-making, elections and communication aren't linear processes.¹²² However, patterns can be detected, key actors can be identified and the origin of ideas can be traced.

C: In other words, you see a line from the development of congestion theory by a handful of economists in the 1950s and 1960s, to professional acceptance and the implementation of congestion charging in London and elsewhere.

B: A line, but not a straight one, although neoliberal institutions are a constant in this story.

C: Anyway,... I have to leave now for a meeting with the Dean. But I hope this wasn't our last meeting.

B: If you wish, I would be happy to welcome you in my office.

C: Thanks. I will send some possible dates and times. See you.

B: Goodbye, and thanks for the tea.

¹²¹ See e.g. Skidelsky & Skidelsky, 2012

¹²² Rooney, 2014

4. Major developments after the 1960s

C: Good afternoon.

B: Hey...welcome,... wait... if I put these books on the floor, you can use this chair. Tea?

C: Yes please.

B: Here you are.

C: Thanks. Regarding our conversations about congestion charging, it struck me that we kept on talking about the 1960s.

B: Though many things have happened since then.

C: Indeed. A key event was the introduction of the Area Licensing Scheme in Singapore in 1975.¹²³ Although the system was rather crude - the purchase of a special license was required to enter the city centre during the morning peak - the initiative was welcomed by the research community as the first congestion pricing experiment.¹²⁴ However, the optimism was short-lived given the failed attempts to introduce road pricing in Hong Kong and the cool response of U.S. cities to an initiative of the Urban Mass Transportation Administration to experiment with road pricing.¹²⁵ The same level of optimism was probably not reached until the implementation of cordon charging in London in 2003 and in Stockholm in 2006-2007.¹²⁶ Other often-cited examples include the Norwegian cities Bergen, Oslo and Trondheim.¹²⁷ But the list of failed attempts is many times longer than the list of successful implementations.

B: It is. Another major shift since the 1960s has to do with technology. Singapore switched to Electronic Road Pricing in the late 1990s, London uses automatic number plate recognition and many other technologies have been developed.

C: Yes, but I doubt - together with Gomez-Ibanez - whether technological developments have been a deciding factor. Political will and public acceptance depend more on problems with congestion and air pollution than on the availability of advanced technologies.¹²⁸ Growing environmental consciousness might have had a bigger impact.

B: But technology shapes our world! Take the example of the motor car, a world 'after the car' would be fundamentally different from the current situation.¹²⁹

C: I agree, but let us go back to the literature of the 1960s.

B: Again...

¹²³ Holland & Watson, 1978

¹²⁴ Morrison, 1986; Holland & Watson, 1978

¹²⁵ Higgins, 1979; Button, 1984

¹²⁶ Eliasson, 2014

¹²⁷ Langmyhr, 1997, 1999

¹²⁸ Gomez-Ibanez, 1992

¹²⁹ Dennis & Urry, 2009

C: Yes, again, but you will see why. The iconic Smeed Report, published in 1964, 'considered only *how* various forms of taxes could be levied'.¹³⁰ The report listed technically feasible solutions, the focus was on practical methods to collect charges. As a result, a theoretical description of the application of marginal cost pricing to roads was moved to an appendix.

B: Presumably to make the report more acceptable to the minister.¹³¹

C: But that's not relevant here. What is relevant is the description of techniques to collect tolls. Also Vickrey, who studied electrical engineering before he became an economist,¹³² discussed practical issues such as the development of cheap electronic identifiers.¹³³ So technology matters, but it wasn't the major obstacle to road pricing.

B: ...I can agree with that. But what about the environment? Tell me, what was new about environmental consciousness? Environmentalism has a long history and already before the Second World War cars were criticised for polluting the environment. Anti-noise committees were active in several cities and the emission of fumes and dust by cars was problematized.¹³⁴

C: That's all correct, but in the 1960s, reductions in noise levels and petrol fumes were considered *non-measurable benefits*.¹³⁵ Today, such external costs are quantified and included in the calculus.

B: In the *neoliberal* calculus. Look, during the 1970s and 1980s environmental effects became better quantified and understood, and researchers estimated the costs of pollution, for instance by estimating the effect of noise levels on residential property values.¹³⁶

C: But in the 1980s, there were still authors for whom environmental issues were of minor importance. I remember a paper by Peter Else...

B: Do you refer to 'No entry for congestion taxes'?

C: Yes, do you have it on your computer?

B: Off course. Here it is...

C: Thanks... Here, read this passage.

B: Okay, 'everyone's enjoyment of the environment may be reduced by noise and atmospheric pollution...'

C: ...but 'the costs involved are basically subjective, estimating them would create additional problems'.¹³⁷ He did not seem convinced about the importance of environmental externalities. This paper may have been an exception, but I see the 1990s as the decade when the environment became recognised as important. For a

¹³⁰ p.iii; Ministry of Transport, 1964

¹³¹ Rooney, 2014

¹³² Arnott & dePalma, 1997

¹³³ Vickrey, 1963

¹³⁴ Paterson, 2007; Weber, 2009

¹³⁵ Thomson, 1967

¹³⁶ Such figures can be found in e.g. Higgins, 1979

¹³⁷ p.103; Else, 1986

systematic discussion, we had to wait until the early 1990s, think of books like Button's '*Transport, the environment and economic policy*'.¹³⁸

B: I can agree with that, but economists invariably transform environmental problems into external costs by taking either a Pigouvian or a Coasian approach. It's another example of the application of market metaphors: drivers pay the wrong price since external costs are not taken into account and the correct equilibrium between transport supply and demand will be achieved by introducing a Pigouvian tax. Coase heavily criticised this since more efficient outcomes could be achieved when those who emit pollutants negotiate directly with those who receive the emissions. The latter aren't seen as mere victims but as agents who can enter into a contractual agreement with the polluter. Either by paying the polluter a sum of money to reduce its emissions or by negotiating a compensation, they can agree on the optimal level of pollution.¹³⁹ This illustrates that the polluter pays principle can easily be translated into the right to pollute principle. This becomes especially problematic in the case of road accidents and safety in general.

C: Although it might sound strange at first, some investments in safety are not worth the benefits.

B: I agree on the general idea... but the question is, how do we define the *optimal* level of safety? Walter Block, a right-wing libertarian, points to competition. He imagines a world with private roads in which consumers choose between a slower, safer road and a faster road with a higher risk of accidents. The market then decides which road is profitable.

C: But most transport economists, and certainly most planners, are not in favour of road privatisation.

B: Nevertheless, economists imagine roads as if they were markets. Take, for example, Verhoef's way of seeing externalities, if I may set him up as a straw man. As we said earlier, equity and the environment are key themes in Verhoef's work, and it's clear that he's not as radical as Block.

C: Certainly.

B: Nevertheless, he lists different types of externalities without taking into account differences in quality. Where have I put it,... here it is. Look, he lists six types of external cost categories: safety, noise, local emissions, climate and two types of congestion. He also lists the major determinants of these external costs.¹⁴⁰ For instance, congestion depends on the time of the day, while greenhouse gas emissions depend on the type of vehicle used.

C: Wait a minute, you said that they do not take into account differences? Verhoef does differentiate,... here... he writes: 'different types of externalities require different types of differentiation.'¹⁴¹

¹³⁸ Button, 1993

¹³⁹ Coase, 1960; for an application to transport see Verhoef (1994)

¹⁴⁰ Verhoef, 2008

¹⁴¹ p.18; Verhoef, 2008

B: Yes, but the policy measure is the same, a charge should be levied. Differentiation for him means that for congestion the time of the day should be taken into account to determine the amount to be paid, while for safety, the charge should reflect differences in driving style. Look here: 'For safety, dimensions such as driving style and alcohol use ought to be considered', and he continues: 'which is currently still hard to imagine,...

C: ...'although fines may provide an adequate substitute for such toll differentiation'.¹⁴²

B: This clearly illustrates the effects of using a neoliberal economic lens.

C: How?

B: Tolls should be differentiated on the basis of characteristics such as driving style and alcohol use, that's what Verhoef wrote, right?

C: Right.

B: Why shouldn't we drink and drive?

C: Because it is a wrongful act, you put yourself and others in danger.

B: Why should you get a fine?

C: To know that you did something wrong.

B: So the message is clear: don't do it again.

C: Yes. But what has this to do with road pricing?

B: Nothing, since the goal of paying a congestion toll is to make drivers aware of the *real* cost of their trip. If a driver is willing to pay the toll, she or he is allowed to drive on the road.

C: Do I understand it correctly that you're trying to say that someone who pays an externality charge...

B: ...gets a license to kill and is allowed to drive drunk.

C: That's too ridiculous for words. I suppose economists see it the other way around, they propose to reward safe driving.¹⁴³

B: Maybe, but it illustrates what Foucault already observed decades ago, there is a general trend of considering punishments like fines as an economic disincentive and not as a normative message. But let us go back to the increased concern for the environment. At the most general level, most proposals fit into the ecological modernization agenda.¹⁴⁴ The translation of environmental problems into external costs makes the problems manageable. Moreover, environmental conflicts can be solved without threatening the system; even more, the solution reduces inefficiencies

¹⁴² p.18; Verhoef, 2008

¹⁴³ Note that in 1997 Verhoef wrote 'as the regulation of driving style is rather different from the regulation of the other dimensions mentioned, requiring instruments of control and appropriate fines and probabilities of being caught for contraventions, this element is not discussed in this paper' p.536; Verhoef, Nijkamp, & Rietveld, 1997

¹⁴⁴ Hajer, 1995

in the system. At a more specific level, the view on environmental problems illustrates a key feature of neoliberalism and economics. When problems arise, they are analysed using a particular lens. Atmospheric pollution, noise, accidents and greenhouse gasses are all seen as external costs.

C: You can't blame an economist for thinking like an economist.

B: Even when this implies a narrow or awkward view on a phenomenon?

C: Can you be a bit more specific?

B: I will give an example. Road pricing has experienced considerable opposition.

C: Tell me something new.

B: Subsequently, proponents of road pricing ask the question 'why citizens are not more supportive of road pricing'.¹⁴⁵ Researchers have taken different paths to analyse this question. Some take a historical approach and investigate political discourses and policy documents from the past decades,¹⁴⁶ others have based their work on concepts from psychology,¹⁴⁷ stating that 'Microeconomic theory [...] is not the only relevant theory of behavioural change'.¹⁴⁸

C: But economists have their own view of acceptability?

B: Yes, the clearest example of a neoliberal approach to public acceptability is based on the work of the Public Choice School of economics.

C: Of which James Buchanan was one of the founding fathers.

B: Correct. The work of Oberholzer-Gee and Weck-Hannemann is a good example of a Public Choice approach. I will open one of their papers... Please read this part.

C: 'Elected officials supply the policies that voters and interest groups demand. In exchange for regulation, politicians receive votes, money and information.'¹⁴⁹

B: In other words, decision-making processes are seen as market processes. One particular feature of this approach is the emphasis on self-interest as the driver of human behaviour.

C: Interesting. Can you give me that book, please?

B: This one?... here you are.

C: So if I understand you well, this is another example of a neoliberal view on public acceptability... here it is... 'The acceptability of a policy reform has to do with the change in utility', and 'a reform will be acceptable' if 'a sufficiently large number of voters' doesn't experience a decrease in utility'.¹⁵⁰

¹⁴⁵ p.357 ; Oberholzer-Gee & Weck-Hannemann, 2002

¹⁴⁶ e.g. Rooney, 2014; Smaal, 2012

¹⁴⁷ e.g. Gärling, Jakobsson, Loukopoulos, & Fujii, 2008; Johansson, Gustafsson, Falkemark, Garling, & Johansson-Stenman, 2003

¹⁴⁸ p.204 ; Gärling et al., 2008

¹⁴⁹ p.358; Oberholzer-Gee & Weck-Hannemann, 2002; see also e.g. Frey, 2003; for a critique see Dardot & Laval, 2013

¹⁵⁰ p.98; Mayeres & Proost, 2003

B: Voting behaviour and public acceptability are restricted to changes in utility. It's an example of the extension of economic reasoning to other domains such as political science, sociology and psychology. In its most popular form, this is also called *freakonomics*.¹⁵¹ But in most work on the acceptability of road pricing, the influence of Public Choice theory is less visible.¹⁵² Take, for instance, Lave's approach. He argues that 'Political success depends on the demand characteristics at the right-hand side of the demand curve'.¹⁵³ He tries to explain popular opposition to a theoretical proposal using the very same theory. The sectoral ideology of neoclassical transport economics is omnipresent in studies on acceptability.

C: The ideology of economics? You mean that some ideas and convictions are widespread among transport economists? Believe me, there is a lot of disagreement.

B: Yes, but members of professional groups – whether they are urban planners, transport economists or highway engineers – share values, convictions and frames of reference. There are always exceptions, but general patterns can be observed.

C: Let's see. Neoclassical economics is about the efficient allocation of scarce resources like road space. This is commonly accepted among transport economists, but what else? As Lindsey stated, 'economists do agree that highway congestion should be solved by pricing. Beyond that primary insight, however, there is much disagreement.'¹⁵⁴

B: I don't know, to quote McCloskey, 'The extent of disagreement among economists [...] is in fact exaggerated'.¹⁵⁵ But let's first look at how transport economists position themselves relative to others. For example, it is typical that Lindsey explicitly mentions that some authors aren't economists but engineers.

C: Given the history of congestion pricing, this comes not as a surprise. When Thomson looked back at the history of the congestion literature, he reminds us that until the 1960s, roads were 'the province of engineers', and the intrusion of economists 'was often treated with a mixture of suspicion and amusement'.¹⁵⁶ Roth, like Thomson a former member of the Smeed Committee, claimed in 1966 that 'the application of basic economic ideas can help planners and engineers'.¹⁵⁷ And there was a need for that, the solution proposed by highway engineers – building more roads – isn't the most efficient one. Fortunately, from the late 1980s onwards, both engineers and planners have joined economists in their support for pricing.¹⁵⁸

B: But the public is still suspicious, like many policy-makers, while economists remain convinced of their own righteousness. And this is reflected in their approach to equity and the environment. Much has been written about equity and road

¹⁵¹ Zuidhof, 2012

¹⁵² Small's (1992, p.360) view is worth mentioning in this context: 'a theory of politics based entirely on individual and group self-interest. While I do not endorse such a theory, I believe it is a useful benchmark.'

¹⁵³ p.83; Lave, 1994

¹⁵⁴ p.296; Lindsey, 2006

¹⁵⁵ p.514; McCloskey, 1983

¹⁵⁶ p.94; Thomson, 1998

¹⁵⁷ p.9; Roth, 1966

¹⁵⁸ Goodwin, 1990; Arnott, 2005

pricing,¹⁵⁹ but in several papers the perception that pricing is regressive is seen as an obstacle to implementation which should be overcome with educational programs.¹⁶⁰ Or as Thomson once put it: 'there is still an educational gap to be bridged: the gap between economic truth and public comprehension'.¹⁶¹

C: His formulation seems a bit too strong. I tend to agree with Richardson,¹⁶² whether pricing is regressive to income is an empirical question. As a consequence, redistributional side-effects should be countered by other measures.

B: But several authors seem to suggest that equity only matters when someone else perceives it to be a problem. To give one example, according to Wang et al. 'a high level of equity' is needed to 'avoid serious political resistance'.¹⁶³ Transport economics, and economics in general, is often presented as an amoral science which is indifferent to equity issues. Others should deal with these questions, not economists. Gomez-Ibanez once stated that 'time-of-day pricing may raise troubling equity issues to non-economists'.¹⁶⁴

C: This can be seen as a sign of modesty...

B: ...not when all possible arguments are put forward to convince policy makers and others of the necessity of congestion pricing. Think of Vickrey's plea for marginal cost pricing during a US congressional hearing in the 1950s, the British Smeed Report in the 1960s and numerous publications by think tanks since. Especially since the 1990s, revenue recycling seems to be the most promising argument.¹⁶⁵

C: But revenue recycling is the key to make pricing progressive!

B: Yes, but many proposals made by researchers are of a somewhat arbitrary nature and are mainly designed to convince opponents.¹⁶⁶ Especially investments in transit are popular to sell road pricing, together with environmental arguments.

C: I'm convinced that many researchers, including transport economists, really care about the environment. Their concerns are genuine.

B: True, but air quality is nevertheless used to gain support for congestion pricing. Button called the Air Quality Act the " 'back door' approach to congestion charges".¹⁶⁷ The introduction of a pricing mechanism seems to be an end in itself.¹⁶⁸

C: Going back to your earlier point that there's a transport economics ideology, a positive attitude towards pricing seems a first characteristic, am I right?

¹⁵⁹ For an overview see Levinson, 2010

¹⁶⁰ Button, 1984; Giuliano, 1992; Education programs and targeted communication intended to increase the popularity of road pricing are not restricted to policy makers and the general public, but is also recommended to convince hostile business communities, see Gerrard, Still, & Jopson, 2001

¹⁶¹ p.109; Thomson, 1998

¹⁶² Richardson, 1974

¹⁶³ p.427; Wang, Yang, Zhu, & Li, 2012

¹⁶⁴ p.347; Gomez-Ibanez, 1992

¹⁶⁵ Small, 1992; Verhoef, Nijkamp, & Rietveld, 1997

¹⁶⁶ Goodwin, 1990; Small, 1992

¹⁶⁷ p.89; Button, 1984

¹⁶⁸ Owens, 1995

B: Some widely shared ideas are that efficiency is a leading principle, that social phenomena should be seen as markets, that economic solutions –pricing in particular- are superior, and that others should be educated and convinced that economists offer the most rational solutions.¹⁶⁹ I apologize for my lack of nuance, an ideology is never pure, but you get an impression of what I mean.

C: I do.

B: This doctrine permeates many studies. Several documents are rather marketing guides than scientific documents. These should better be called 'introducing congestion pricing in five steps'.¹⁷⁰

C: Okay. So, we have discussed the most significant developments in the congestion pricing literature, increased environmental concern, the vast literature on acceptability, discussions on equity,...

B:and the rise of neoliberalism in general. There is one development we have not yet mentioned.

C: And that is? The increased use of mathematics?

B: No, tradable permits.

C: Oh yes, instead of paying a Pigouvian tax, a road operator distributes permits which allow holders to drive at a particular moment on a particular road. Drivers can trade these permits with other road users. It was hoped that such a system would be more feasible socially.¹⁷¹ Different variants have been proposed, most of them come close to the cap-and-trade idea known from emission trading schemes.¹⁷²

B: But the basic idea can be traced back to Coase and the early work of Buchanan.¹⁷³ Property rights – it's all about the right to access - take a central position in this approach,¹⁷⁴ an approach which takes the market metaphor a bit further. The idea is clearly a neoliberal one, introducing market mechanisms where there were none, arguing that markets are the most efficient allocation device. The idea of transferable permits boils down to the commodification of road space, be it via commercialization or privatization.

C: Not that I'm in favour of the privatization of roads, but are private roads and transferable permits not two different things? If I go the bakery and I buy a piece of bread, then I simply pay the price. I don't start trading bread myself, I'm simply a consumer. Likewise, if I want to drive on a road, I have to pay the correct price, including external costs.

B: So, according to you, a road user is only a consumer?

¹⁶⁹ See among others Roth, 1966; Hau, 1992; Button, 1984; Gomez-Ibanez, 1992; and Lindsey, 2006 (especially note 13 (p.296) and p.344).

¹⁷⁰ e.g. Eliasson, 2014; Hau, 1992

¹⁷¹ Verhoef et al., 1997

¹⁷² Raux, 2004; Kockelman & Kalmanje, 2005; Viegas, 2001

¹⁷³ Coase, 1960; Buchanan, 1952, 1956; see also Roth, 1966; The idea of the 'creation of a free market in licenses' is also mentioned in the Smeed Report (Ministry of Transport, 1964, p.14)

¹⁷⁴ Buitelaar, Van der Heijden, & Argioli, 2007

C: Yes, although I'm well aware that scholars such as Hau talk of *producer-travellers*.¹⁷⁵ But that's rather confusing.

B: Is it just confusing? Let's have a look at Hau's World Bank paper...let's open the file... He states: 'Economic analysis of transport problems is simplified considerably by explicitly recognizing the traveller as both consumer and producer, and as producer-traveller he purchases factor inputs such as travel time from himself.'¹⁷⁶ And on the next page he recalls 'that transport is unusual in that the traveller is both a producer and a consumer.'¹⁷⁷ Taking into account the history of economic thinking, the idea of a producer-consumer is not that unusual. In fact, this is a key idea within the neoliberal doctrine. May I refer back to Foucault's *naissance de la biopolitique*?

C: If you can do it quick, I have a train to catch.

B: I will try. During one of his lectures, Foucault referred to the neoliberal view of the *homo oeconomicus*. Instead of being a partner in a process of exchange, the consumer is now seen as an entrepreneur who is both a consumer and a producer.¹⁷⁸

C: And what does this new type of *homo oeconomicus* produce?

B: Foucault referred to Gary Becker who stated that the *homo oeconomicus* is the producer of her or his own satisfaction. Accordingly, a driver is not a passive consumer but a rational decision maker who invests travel time and rights to use road space.

C: Thanks for the discussion, but now I have to go...Umm, I would like to have one other meeting, I still have one pressing question.

B: And that is?

C: What's wrong with a neoliberal approach?

B: For that we do need another meeting. Next week, same time?

C: Invitation accepted. Bye.

B: Have a safe trip home.

¹⁷⁵ Hau, 1992; for earlier examples, see Mohring, 1970, p.699; Mohring, 1972, p.591

¹⁷⁶ p.18; Hau, 1992

¹⁷⁷ p.19; Hau, 1992

¹⁷⁸ Lecture of 14/3/1979; Foucault, 2004

5. Why is neoliberalism wrong?

C: Here we are again! How do you do?

B: Fine, thanks. And welcome back! Everything fine with you?

C: Sure.

B: Although you still don't know why neoliberalism is wrong...

C: ...and why congestion charging is a bad idea. It surprised me that you devoted little attention to the potentially regressive nature of road pricing. I expected that you would refer to Walters, who once stated that a detailed analysis of income distribution problems 'would be cumbersome and boring',¹⁷⁹ or to Buchanan who laconically noted about inequitable highway prices: 'so are the prices of Cadillacs'.¹⁸⁰ The effects on income distribution would be the most obvious point of critique.

B: At first sight, yes. I will not deny that income effects can have a real impact on the well-being of individuals. But as said earlier, revenue recycling can be done in a progressive way and the distributional impacts of congestion pricing are an empirical matter. There is no guarantee that congestion pricing leads to a restoration of class privilege. That's why Chronopoulos concludes about the introduction of congestion charges in London, 'From a neoliberal perspective, it has been a failure'.¹⁸¹ In contrast, toll roads in Chile can be seen as an example of a successful class project. The commodification of road space, which was accompanied by investments in road infrastructure by the privatized pension system, has made lower income classes worse off.¹⁸² The toll road 407 in Toronto is also an interesting example. This case illustrates well the impact of financialization, some roads are mainly seen as financial products of international investors...¹⁸³

C: That may all be true, but tolling practices on these roads have perhaps more in common with 18th century turnpikes than with congestion pricing theory.

B: But current toll roads can't be seen in isolation from the neoliberal agenda of commercialization, deregulation and privatization.¹⁸⁴ Congestion charging and calls for privatization are part of the same discourse. Nevertheless, you're right, from an intellectual perspective the average toll booth is an imperfect example of time-of-day pricing as described in congestion theory.

C: So, your critique on neoclassical transport economics is not only based on examples of commercialized toll roads?

B: No. And several criticisms can be made. First, there is internal criticism, often of a more technical or practical nature. To give an example, Rothengatter heavily

¹⁷⁹ p.686; Walters, 1961

¹⁸⁰ p.106; Buchanan, 1952

¹⁸¹ p.60; Chronopoulos, 2015

¹⁸² Trumper & Tomic, 2009

¹⁸³ Torrance, 2008; Marshall, 2014

¹⁸⁴ Sager, 2011

criticized the quasi-monopoly of marginal social cost pricing in transport economics and European policy documents.¹⁸⁵

C: Indeed, he notices that transport investments are not perfectly divisible, that the marginal cost of infrastructure is below average cost, which implies a loss, that there is no perfect information, and that marginal cost pricing is not applied in related markets. In short, according to Rothengatter, marginal social cost pricing works well in theory, but the necessary assumptions are not met in practice.

B: However, his alternative is heavily inspired by James Buchanan, whose work we discussed earlier. A further point of criticism to transport economics relates to the empirical track record, you only have to think of the predictive or explanatory power of transport models.

C: Transport economists haven't done a good job predicting future demand. Several authors point to the often overoptimistic forecasts in cost-benefit analyses for infrastructure projects.¹⁸⁶ There is still room for improvement, notwithstanding the increased complexity of models.

B: There's also the justice-based critique on transport models. The dominant principle in such models is demand, in other words, what people are willing - or are able - to pay is a crucial element of cost-benefit analyses for infrastructure projects, together with travel time savings and the related value of time. It is now common to use the *equity value of travel time* in order to avoid evaluations that favour travellers with higher incomes. However, even when the average income is used, the approach works to the advantage of the more mobile higher income groups since current travel patterns are used to estimate future demand.¹⁸⁷ Karel Martens argues in favour of a need-based approach to offer an alternative based on notions of social justice.¹⁸⁸

C: In other words, the toolbox developed by transport economists is not a sufficient basis for transport policy that aims to tackle social injustice and exclusion. I share with Martens a preference for the concept of accessibility. When the focus is on traffic flows, the goal is to make traffic more fluent, while accessibility-based approaches more directly take into account the derived nature of transport, i.e. the aim is to increase the number of people that can reach a location within a given time period.¹⁸⁹ But economists who bridge the gap between transport and urban economics take accessibility already into account.¹⁹⁰

B: But urban and regional economists emphasise the relation between accessibility and productivity, and generally ignore the dimension of need. Individual people *need* access to activities in order not to be excluded. This has little to do with agglomeration economies generated by the intense interaction between economic agents in cities, which is related to the accessibility of locations, not of individuals.¹⁹¹

¹⁸⁵ Rothengatter, 2003

¹⁸⁶ Flyvbjerg, Holm, & Buhl, 2004; Button & Benson, 2013; van Wee, 2011

¹⁸⁷ Martens & Hurvitz, 2011; van Wee, 2011

¹⁸⁸ Martens, 2006

¹⁸⁹ Levine & Garb, 2002

¹⁹⁰ Authors who bridge transport and urban economics include Small, Verhoef and Arnott.

¹⁹¹ Geurs & van Wee, 2004

C: So, the essence of this critique is that the focus on efficiency and traffic flows leads to the neglect of other relevant issues such as poverty and social exclusion. In contrast, researchers like Martens argue for a fairer distribution of accessibility.

B: Indeed. But it would be erroneous to restrict the critique to questions of distributive justice.¹⁹² Dardot and Laval's work on neoliberalism goes beyond allocation issues and takes into account the cultural dimension, although they emphasize agency in their extensive discussion of the origins of neoliberal ideas and the strategies of key actors. According to Dardot and Laval, the neoliberal economics discourse promotes a new type of subject, entrepreneurial man or the man-enterprise. Their Foucauldian approach to neoliberalism highlights that it's not just about big multinational corporations, financialization and structural adjustment programs, but also about the way citizens are governed. The neoliberal strategy involves the creation of appropriate contexts in which individuals transform themselves into rational, calculating human beings who act as if they are in a permanent state of competition. Citizens are not directed by the state as in totalitarian regimes, but the state creates an environment in which they produce themselves, it is all about self-education, self-disciplining and self-formation.

C: Self-formation, sounds like a management book.

B: This is no coincidence, the enterprise logic is deliberately extended to other spheres. The clearest example is new public management which entails that government agencies should work and think like private companies. As a consequence, and in line with Public Choice ideas, civil servants are considered opportunistic agents guided by self-interest. It's only by placing them in market-like situations that they will show the desired behaviour. The impact of a sense of duty or a code of honor is ignored.¹⁹³

C: And this also applies to road users, or should I say, trip producer-consumers?

B: Indeed. It sounds all well and good that 'road users should pay for the services of the highways'¹⁹⁴ and should be 'fully aware of the congestion costs of road travel in urban areas',¹⁹⁵ but it restricts citizens to, albeit entrepreneurial, consumers of road space.

C: Umm... what else are they?

B: I will base my response on the valuing and evaluation of trips, building on the work of Elizabeth Anderson, who extends the field of ethics beyond questions of allocation. This view is reminiscent of communicative planning theory.¹⁹⁶ But I will start with the view of the most libertarian authors who published on road pricing. I printed some relevant passages on this sheet of paper. I will start with Friedman and Boorstin, who stated, 'For the production and financing of automobiles [...] we do not make any collective 'plans', or make collective estimates of 'needs'. Instead we rely on each individual deciding for himself how much he 'needs' and how much he

¹⁹² Cook & Butz, 2015

¹⁹³ Dardot & Laval, 2013

¹⁹⁴ p.135; Walters, 1954

¹⁹⁵ p.78; Button, 1984

¹⁹⁶ Sager, 2009

is willing to pay. We rely on the prospect of profit to lead other individuals to meet this “need” by producing the products and selling them on the free market.’¹⁹⁷ And these are two quotes from the Smeed Report:

C: ‘When dealing with prices, however, the problem of assessment is eased by the fact that some road users can themselves give some information about the value they attach to their respective uses by their willingness to pay the price.’¹⁹⁸

B: And the same idea can be found a bit further in the report: ‘The price mechanism enables people to assess their needs and to base the choice on the price that confronts them.’¹⁹⁹ Two years later, Roth, one of the authors of the Smeed Report repeated that “Economists prefer to distinguish between the ‘essential’ and the ‘inessential’, not by reference to the purpose of the journey but by measuring the benefits and losses arising from it.”²⁰⁰ Similar ideas can be found in the work of Block, please read these passages.

C: ‘Given this translation, the problem transforms itself into the more usual and hence more manageable conflict over scarce means and competing ends.’ And ‘the non-pricing solution is seen to ignore the heterogeneity of human plans and purposes.’²⁰¹

B: And here’s a last quote of Block: ‘the market is more responsive to consumer wishes than is the government to the desire of the citizenry. The dollar vote occurs every day’.²⁰² This is what we’ve called consumer democracy. And as you might know, ‘economists favor consumer sovereignty’, as it was once said by Arnott.²⁰³

C: But what’s wrong with it? To me, it’s problematic because dollars aren’t fairly distributed, the problem is thus essentially one of distribution.

B: No, something more is going on, although questions of distributive justice remain. According to Elizabeth Anderson, there are ethical limitations to the market, even if the distribution of income is fair, just and acceptable. It’s also about ‘what sorts of people and communities we make of ourselves’.²⁰⁴ The simplification of the distribution of road space to correct prices and willingness to pay valuations leads to a reductionistic view of the problem.

C: But Block recognises ‘the heterogeneity of human plans and purposes’.

B: Yes, but the evaluation and valuation of a trip is governed by market norms. However, ‘people value different goods in different ways’,²⁰⁵ and each social sphere – the market, the state, but also families and professions – has its own norms.

C: Can you be more specific about what you mean by market norms? Do you mean that markets are governed by greed?

¹⁹⁷ p.224; Friedman & Boorstin, 1996

¹⁹⁸ p.2; Ministry of Transport, 1964

¹⁹⁹ p.4-5; Ministry of Transport, 1964

²⁰⁰ p.69; Roth, 1966

²⁰¹ p.322; Block, 1980

²⁰² p.201; Block, 1996

²⁰³ p.10; Arnott, 2005

²⁰⁴ p.xi; Anderson, 1993

²⁰⁵ p.141; Anderson, 1993

B: Well, no, not exactly,... let me explain. A first characteristic of a market relationship is its impersonal character.²⁰⁶ You buy or sell something and it doesn't matter who the other party is, as long as you pay the price, you obtain a good or service without any further obligation to one another. A second feature of markets is egoism, economic freedom is related to the idea that individuals pursue their individual interests, without taking into account the interests of others.

C: Egoism has a negative connotation, but it has a positive side too. Economic freedom implies that you are free to buy goods and services, free from the judgements of others.

B: Indeed, and this relates to a third characteristic of the market sphere, market relations are want-regarding, you yourself decide what you want, you don't have to explain why you need or desire something. And what you buy is yours, it's your private property, in other words, market relations deal with goods that are exclusive, that's a fourth characteristic. A fifth and final feature is that customers exert influence mainly via the possibility to exit a market relationship.

C: How? If I ask a baker to bake a blue cake, I determine which type of commodity is produced. And my relationship with my baker isn't impersonal, we aren't friends but if I express my appreciation for her work, then she's proud and this is not just because I'm willing to pay more.

B: A market relation can be accompanied with characteristics of non-market spheres. Many shopkeepers feel a social responsibility and refuse to sell products of inferior quality, even if they could increase their profitability. Professional codes of conduct can be more important than market norms, especially in the case of pharmacists and physicians. In short, there is often an overlap between the norms of different social spheres.

C: And what about the influence I have as a customer? I can't see why exit is the dominant way of customer influence. Many firms enter into a dialogue with their customers to know their preferences.

B: Absolutely, but the final decision about the design and price of a commodity is in the hands of the producer. There is a fundamental difference with democratic decision making where citizens can decide on the design and price. People can democratically decide to organise a free, half hourly bus service funded by general tax revenues. In this case, influence is exerted through *voice*, not *exit*. This illustrates that there are considerable differences between democratic political norms and market norms.

C: It makes me think about the distinction made by De Rycke between the market-inspired 'liberal, individualistic Californian model' of decongestion tolls and the more traditional 'French style public service' model of funding tolls 'based on a conception of public service of the highways inherited from the Ancien Regime'.²⁰⁷

B: This distinction illustrates that the fact that you have to pay for something doesn't make it a commodity governed by market norms. Moreover, even if a similar good is,

²⁰⁶ On the norms structuring market relations: see Chapter 7 in Anderson, 1993

²⁰⁷ p.72; Derycke, 1998

or could be, provided by the market, there is still the option to consider it as a political good which should be governed by other norms. Transport economists regularly criticize the government, claiming that 'the state is known as a most incompetent manager',²⁰⁸ in doing this, they evaluate governments on the basis of market norms.

C: How else should we evaluate public policy?

B: In the first place on the basis of democratic political norms.²⁰⁹ To give an example, welfare states make a distinction between wants and needs, whereby the state guarantees that the needs of all citizens are met.²¹⁰ This view is built on the idea of fraternal relations, and not on the idea of market relations.

C: Fraternal relations?

B: While market relations are individualistic, fraternal relations emphasise sharing. Roads are provided in common by the community on the basis of public principles and discussion. Your preference for a chocolate cake is based on your personal taste and in a market context, you're not expected to justify your choice to buy a piece of cake, for good reasons. In a democratic setting, reasons should be given to enable others to understand and respect your position. Furthermore, Anderson argues that the public character of roads guarantees individual freedom since there's no private road owner who can restrict access on the basis of criteria which are not publicly discussed.²¹¹

C: But if I understood you well, market norms are increasingly used to evaluate public policy and to assess governmental organisation.²¹²

B: And the increased use of market norms makes it difficult to think of alternative explanations and solutions. We might lose 'our instinct for infrastructure', as Phillip O'Neill has put it.²¹³

C: And that's one of the main characteristics of neoliberalism, a market ethic is applied at the expense of other norms?

B: Indeed, policy making is restricted to the evaluation of individual preferences,²¹⁴ building on an undersocialised conception of the individual. The market – metaphorical or real – is seen as a panacea to deal with conflicting ideals, principles and values without having the need to understand the reasons behind one's opinions. And these ideas have been developed and propagated by, among others, transport economists. Do you now understand why I'm reluctant to join economists – but also urban planners – in their sixty-year-long crusade to implement congestion pricing?

²⁰⁸ p.123; Rothengatter, 2003

²⁰⁹ Sager, 2009

²¹⁰ Fraser, 1989

²¹¹ Anderson, 1993

²¹² Dardot & Laval, 2013

²¹³ p.10; O'Neill, 2010

²¹⁴ For example: 'In democracies, citizen preferences are an important determinant in the choice of policy instruments.' p.359; Oberholzer-Gee & Weck-Hannemann, 2002

C: I think I do. You offered a multi-layered critique. First, you referred to the bad track record of transport models and the gap between theory and empirics. Second, you claimed that the focus on efficiency comes at the expense of a focus on fairness and justice.

B: Correct. Subsequently, we discussed the cultural and moral dimension of neoliberalism. Competition is praised, as if solidarity and altruism are unnatural phenomena or signs of weakness. Why efficiency and competition? Why not a different imaginary? Why can't social justice be the basis for transport policy?²¹⁵ Because it cannot be measured objectively?²¹⁶ This relates to a, third, broader critique of the democratic character of congestion pricing proposals. Many scholars reduce democracy to questions of economic freedom and citizen preferences, but authors such as Anderson argue that public policy should not be evaluated on the basis of market norms.

C: But on the basis of democratic political norms. Here your critique becomes ideological, or at least political.

B: True. And this is inevitable, although economists attempt to depoliticize problems.

C: Well, they propose a technocratic way of governance, which is more rational than traditional partisan politics.

B: Governance based on a rationality which requires 'the right institutional setting'²¹⁷ which can only be found in 'very different political environments such as Singapore's',²¹⁸ 'where the governing party is fairly secure in office',²¹⁹ and can more easily be convinced to follow the advice of technocratic supranational organisations such as the World Bank?²²⁰ Is this the lesson to be learned from the Singapore case?

C: Uh, no, I suppose not.

B: Should governments uncritically follow the advice of organisations such as the OECD which recommend to 'Introduce a road pricing system and differentiated public transport fares to reduce congestion'?²²¹

C: Well, no, not exactly.

B: It's this neoliberal efficiency discourse which has become hegemonic. Can't you see the problem?

C: Well, you understand neoliberalism as the discursive politics of the market. I agree with you that market language is widely used, to the extent that most people do so without thinking. So what? Isn't all language metaphorical? What's left of market thinking after policy makers use it for their own purposes? They simply use words that sound nice. They don't bother about the exact meaning of the term *market*. Look,

²¹⁵ Martens, 2006

²¹⁶ See e.g. Verhoef (2008, p.15): 'Because fairness cannot be defined or measured objectively and unambiguously, it would be a tricky objective for policy making.'

²¹⁷ p.95; Morrison, 1986

²¹⁸ p.121; May, 1979

²¹⁹ p.107; Else, 1986

²²⁰ Holland & Watson, 1978

²²¹ p.5; OECD, 2013

let's take Europe as an example. I don't have to convince you that European policy makers are fond of using market terminology.

B: What you say is true.

C: I have the impression that there's often no comprehensive strategy behind market metaphors. These metaphors are basically employed to ease communication between individuals with diverse cultural and political backgrounds. The market, no matter how poorly defined, became the common project of Europe.²²²

B: You actually take an anthropological perspective! You're right about the market as common ground in debates at the European level, and I agree, in different policy domains, the market has different meanings. Nevertheless, the case of Europe illustrates that market metaphors were acceptable, and what's more, the frequent use of such metaphors makes them even more acceptable.

C: This comes at a cost, market metaphors lose their economic meaning during the dissemination process. Take, for instance, cost-benefit analysis. Some interpretations have little to do with traditional microeconomics or neoliberalism. In his book *Transport and Ethics*, van Wee is critical towards the application of cost-benefit analysis, but he doesn't throw the baby out with the bathwater. All kinds of factors and valuations can be included: from landscape appreciation to equity concerns, these extensions make cost-benefit analysis a rich and valuable aid in decision making. This differs strongly from the economic *a road must pay its way* approach.

B: Of course... However, even advanced types of cost-benefit analysis have the tendency to see goods as commodities by applying a consumerist logic. In other words, market norms tend to prevail and no account is taken of the pluralist nature of valuations.²²³

C: You mean that not everything can be measured using the same scale.

B: Well, yes, among other things.

C: So you continue to say that it matters which metaphors are used?

B: Certainly.

C: Although equivalents of concepts such as externalities can be found in sociology?²²⁴

B: Yes. Popular discourses determine – to a certain extent – what we consider normal and which solutions are acceptable. In the 1950s, congestion pricing was a subversive idea. To illustrate, C.B. Winsten, one of the contributors to the Smeed report, remembered the first time he heard the idea of road pricing, which was in 1952. Fifteen years later, he looked back and noted: 'As to most people, the suggestion came as a shock to me'.²²⁵ Today, congestion pricing and other market-based instruments are part of the transport policy toolbox.

²²² Jabko, 2006

²²³ See Chapter 9 in Anderson, 1993

²²⁴ Callon, 1998

²²⁵ p.367; in: Thomson, 1967

C: Despite fierce opposition from politicians and the public.

B: Yes. Despite this opposition, the idea is on the table. As mentioned earlier, also more structural factors influence the acceptability of ideas. To give one example, the oil crises of the 1970s are seen by several authors as an inhibiting factor.²²⁶ But to come back to your point about discourse, neoliberalism is characterized by the *combination* of market discourse, deliberate strategies to create an entrepreneurial society, the active development and dissemination of ideas, and direct interventions. It is not just the increased popularity of neoclassical microeconomics or market metaphors.

C: But in your critique of congestion pricing, you focused on ideas and discourses?

B: Yes, I did. Since ideas matter and have material consequences.

C: And you criticized the idea of congestion pricing on the basis of normative and moral arguments?

B: Yes,... besides other arguments.

C: And you maintained that ideas cannot be seen in isolation from people?

B: Umm...yes.

C: And do academics have a duty to examine and critically assess their own ideas?

B: Of course.²²⁷

C: So, does your critique imply a moral judgment of transport economists?

B: It's not a judgment of persons. My aim is to challenge ideas, to let people think about things,... I argue that it would be beneficial to take more viewpoints into account. Wouldn't the literature benefit from a real debate with opponents? Isn't the marginal utility of reading one extra transport economics paper smaller than that of reading a paper on neoliberalism?

C: Marginal utility? This is an economic metaphor, you know?

B: Uh...just leave it... What I propose is a debate with an exchange of ideas...

C: You mean a dialogue?

B: Dialogue, that was the word I was looking for! A dialogue!

...

²²⁶ Else, 1986; May, 1979

²²⁷ Sager, 2009

6. Epilogue: the dialogue as an analytical technique

D: Hello.

E: Good afternoon. Any news?

D: Well, I printed some pages and I found these... I assume that this paper is your work?

E: You're right, thanks... is there something else?

D: Umm... I don't have the habit of reading someone else's prints, but my eye fell on it... Are you writing a novel?

E: A novel? No, it's a scientific dialogue.

D: Nice gimmick... but can I ask why you don't write a normal paper?

E: Yes, you can, but let me emphasize two things. First, it's not a gimmick. Second, if I understood you well, I have to explain why I use a style of scientific writing developed centuries ago. Isn't that the world upside down? Wouldn't it be more logical to ask others why they did not?

D: I don't know. You're right that Plato and Voltaire wrote dialogues before the classical scientific paper became standard. But you have to admit that contemporary academic journals don't publish them.

E: Of course you're right that writing dialogues is the exception and not the rule, but in the past decades a wide variety of dialogues have been published in academic journals and books. And I want to stress that there is neither just one type of dialogue, nor one single reason to use this form.

D: Now that I think about it, I remember a paper by Masa Fujita and Paul Krugman in which they discuss the past, present and future of the field of New Economic Geography. The setting was rather unusual, the authors were relaxing, together with an interlocutor who preferred to remain anonymous, on reclining chairs under the Puerto Rican sky.²²⁸

E: That paper is an example of an *interview* between real-life persons. What distinguishes interviews from other types of dialogues is the different role played by the interviewer since the main focus is on the responses of the interviewees. Perhaps the most common format is the interview with a leading academic who reflects on her or his previous contributions to a field. But dialogues can also be used the other way around.

D: You mean that instead of dialoguing about previous work, authors can also reflect on dialogues.

E: Exactly. Take, for example, Elizabeth Shove's fictional conversations between a policy-maker and a social scientist in a 2014 paper. The article contains several short dialogues followed by a discussion of the actors' ideas and ways of thinking. Shove chose this approach to illustrate the relationship between social theory on the one

²²⁸ Fujita & Krugman, 2004

hand, and the realm of action, intervention and policy on the other.²²⁹ Another example can be found in this book. Please go to Chapter 7.

D: Let's have a look: 'Planning by contract: two dialogues'.²³⁰ The first dialogue is between an 'interventionist planner' and a 'libertarian planner',... and the second between an 'anarchist libertarian economist' and a 'libertarian planner'. Interesting, and the dialogues are followed by a section titled 'The key message of the dialogues'. Here, fictional conversations seem to be the object of reflection.

E: Indeed, and we can learn something else from these fictional conversations.

D: And what might that be?

E: Well, the stylized characters must be plausible and credible, and this forces the author to obtain a good understanding, not only of the ideas held by the character, but also of the context.

D: I agree, you have to imagine how a character would respond in a particular situation, but that's not unique to dialogues. Scientific writing is a creative act, you need your imagination, besides a good understanding of the topic at hand, to apply a theoretical framework to a new situation.

E: Correct. And in some occasions, the dialogue style offers a suitable alternative for the standard academic paper. The story of Tim Rogers is exemplary in this respect.²³¹ He is fascinated by the work of Henri Lefebvre, however, Lefebvre's writings and theories are complex. According to Rogers, the standard academic writing style is a strait jacket unsuitable for the task of discussing a complex concept such as Lefebvre's 'third space'. And guess what...

D: ...he wrote a dialogue.

E: Not just a dialogue, but a fictional conversation between Lefebvre, who died in 1991, and himself at Rogers' farm in British Columbia.

D: This sounds like scriptwriting.

E: You're right, but for that you need skills which are valuable in academic work. It has even been argued that dialogues are a good substitute for student research papers. Weren't you complaining about student papers last week?

D: Yes, I was. In general, and notwithstanding some exceptions, the quality of student papers is going down.

E: And on what do you base your judgment? What should students be able to do?

D: Well, students must show familiarity with the relevant literature,... I expect to see signs of critical thinking,... writing competency is another criterion,...

E: What else?

D: Well, how should I say... a general weakness is the lack of originality.

²²⁹ Shove, 2014

²³⁰ Lai, 2014

²³¹ Rogers, 2002

E: You mean that you get the feeling that you are reading your own words, or the textbook used in class?

D: Exactly.

E: Then I have good news for you. There is a simple trick to make traditional student essays more attractive and meaningful.

D: Let me guess. You ask students to write a dialogue?

E: You got it. When writing a dialogue, students are forced to see the world through the eyes of others, they have to understand how others think, and this involves critical thinking and the development of writing skills. The result is definitely original. By the way, the idea isn't original, I borrowed it from Linda Simmons.²³² She correctly states that writing a dialogue between Henry IV and Pope Gregory VII, or between Voltaire and Newton, is a challenging test for history students.

D: I remain skeptical, but there is something in the idea... it might be interesting to ask planning students to write a dialogue between an environmentalist and a farmer. We could ask students to conclude their paper with an agreement between two opposing camps... But what remains unclear to me is the status of a dialogue. Is it art or science?

E: Does it matter? Even the scientific character of narrative historical writing is put into question. I'm not as much interested in the exact position of the demarcation line between art and science as I am in the literary and rhetorical dimensions of scientific inquiry and writing. Historical writing offers an interesting case to illustrate the discursive nature of science. Narrativisation is essential to impose meaning on historical events, and the imaginative element is always present when writing about the past. That's inevitable, so we must take the literary aspect seriously.²³³

D: McCloskey said the same things about economics. The official rhetoric emphasizes objectivity and rationality, while a closer examination reveals that economists base their conclusions, opinions and methodological choices on a wide range of considerations.²³⁴ They tend to believe that economics is more 'scientific' than other social sciences and this might be the reason why economists are reluctant to discuss the normative and rhetorical dimensions of their work.²³⁵ But is this a reason to write dialogues?

E: Well, McCloskey experimented with this style.²³⁶ But turning back to the normative aspect, according to some, the dialogue is the style *par excellence* for discussions about ethical matters, a recent dialogue in an InPlanning book refers to Plato and Feyerabend to support this claim.²³⁷

D: Let's see, you're writing about neoliberalism. Am I right that you chose to write in dialogue form because you are inevitably confronted with normative and moral

²³² Simmons, 2008

²³³ White, 2000

²³⁴ McCloskey, 1983

²³⁵ Fourcade et al., 2015

²³⁶ See for example McCloskey, 1988

²³⁷ Vanoutrive & Boussauw, 2015

issues and arguments when writing about this topic?²³⁸ I mean, neoliberal thought starts from the assumption that market norms are morally superior to other alternatives.

E: I agree in the sense that a critique of neoliberalism is not complete unless the normative aspect is brought into the discussion. But I decided to use the dialogue style for a mix of reasons. We already discussed the potential for reflection, for narrowing the gap between theory and practice, for ethical debates,...

D: ...and to deal with hard-to-grasp concepts, such as Lefebvre's 'third space',...

E: ... and neoliberalism. And this concept has another feature which calls for a 'dialogical' approach. Look, my work is situated in Foucault's and Mirowski's account of neoliberalism. Following Zuidhof, I see neoliberalism as the discursive politics of the market, and accordingly, I emphasize the *discursive* dimension of market constructivism.²³⁹

D: So the dialogue style lends itself well to the Zuidhofian approach,...

E: ... although his work illustrates that an excellent analysis can be presented in a different style.

D: It does you credit that you do not a priori exclude other writing styles. May I ask you one more question?

E: Of course.

D: Just a thought. Is it appropriate to call the dialogue a writing style? Hearing you, I would call the dialogue an analytical technique.

E: I think you're right, although other characteristics should not be overlooked, including the playful aspect.

D: But a dialogue is not a gimmick, as you emphasized.

E: Well, perhaps I was too hard on the fun aspect. I admit... it took a while before I realized... actually, it took a *dialogue*...

...

²³⁸ See the section titled 'Why is neoliberalism wrong?'.
²³⁹ Zuidhof, 2012; 2014

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