

Road Pricing Around the World

March 2002

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As the mayor of London has recognised, road pricing is the future. This will be a hard lesson for Britain, and the whole of western society, to learn. But learn it we must.

Roads are a commodity -- just like roofing tiles and roller-skates -- and to have an efficient economy, and most especially to avoid the wasteful queues of socialist countries, commodities need prices.

Congestion-charging works by making drivers pay a toll. The toll is set deliberately high at peak times; when the roads are quiet it is set low. Road use is then sold in a rational way. People buy what they need. Crucially, by adjusting the tolls, a busy road can be made to flow, so that the decision by one driver to take his car does not contribute to bad 'externalities' -- traffic jams -- upon others.

As cities like Singapore and Trondheim show, this is not a theoretical dream, nor is it any longer necessary to have physical toll booths where drivers throw coins into a plastic chute. New electronic methods keep down the costs of employing staff in toll booths and the inconvenience of having to slow down. Some methods rely on electronic transponders that follow a vehicle as it passes points in a highway; others use satellite global positioning systems.

The barrier is now psychological -- nothing more.

Our generation has grown up thinking that roads are 'free', that traffic jams are acceptable, and that the ten-fold rise in UK traffic volume since the 1950s is part of the inevitable wallpaper of civilisation. It is time to support the campaign to bring congestion charging into London -- and then throughout the country. By reducing the jams that plague life, the UK would be transformed.

Road pricing is working elsewhere. East Coast Parkway in Singapore is probably the world's most advanced electronic toll road. The peak toll applies between 8:00 and 9:00am, when the number of commuters into the cordon is at its greatest. On each entry to the city, car owners have to pay approximately a pound (1.40 US dollars), which is deducted from pre-paid smartcards. A toll of around half that amount is set to apply for 30 minutes before and after the peak hour. Mini-buses and trucks are charged at a separate rate; the system is advanced enough to recognise the type of vehicle.

Trondheim works in the same general way. Toll charges are levied on each vehicle coming into the city. A peak rate of approximately one pound applies between 6:00am and 10:00am in the morning. A charge of roughly half that is deducted between 10:00 a.m. and 6:00 p.m. Larger vehicles pay bigger tolls.

What has happened to traffic flow? Despite the low charges -- compared to the 5 pounds being suggested for London -- most observers agree that the schemes have had an effect. On East Coast Parkway in Singapore, traffic volume fell 15% in the first year of electronic road tolls. Average traffic speed went from 30km/h to 60km/h and the number of single-occupant cars declined.

In Trondheim, traffic also went down. The greatest impact was on the distribution of vehicle flow during the day. Norwegians now pay attention to tolls, and come and go at less concentrated times than before.

Certainly, things were not plain sailing. Before the introduction of the Trondheim toll ring, most citizens were opposed. In the early 1990s, 72% of those questioned in a random sample survey were dissatisfied with the idea of a scheme. Two months after its start, only 48% were opposed. Today, 36% of citizens of Trondheim disapprove of tolls. The numbers of dissenters will keep falling. Publicity campaigns have helped explain the logic of road pricing to Trondheim's citizens.

Road pricing exists elsewhere. The San Diego Interstate 15 plan was started four years ago. Solo drivers could purchase monthly permits for 70 dollars. A fully automated system then began in 1998: it

deducts a fee for every trip. Tolls vary between 50 cents and 4 dollars, and can change every few minutes. In surveys, most users have so far been pleased about the reduction in journey times.

There continues in public debate to be muddled objections to the principle of road tolls.

First, some believe that building roads is better. Yet experience shows that they quickly clog.

Second, some say road tolls would raise firms' costs. But road pricing would actually make life cheaper for companies. Having your chief executive or lorry-load stuck in traffic is what is really bad for profits.

Third, some say that road tolls would hurt the poor. In fact most people in the lowest fifth of the income distribution in Britain do not own a car; road tolls are not going to affect them. Moreover, toll revenue can be converted into cash for better public transport and into tax reductions. Both can be designed to help the less well-off.

Fourth, by introducing road pricing in the UK, we could begin, if we wished, to lower the tax on petrol. That tax is a blunt weapon; it strikes as much on pretty country lanes as crowded city streets. Tolls are a sharp one.

Fifth, there is no alternative to road tolls. The demand for travel will continue to grow. Doing nothing will leave our grandchildren stuck fast in fumes and concrete.