When financial concerns shape traffic policy: How economic assumptions muted the Copenhagen payment zone issue

ANDREAS BIRKBAK

Techno-Anthropology Research Group, Department of Learning and Philosophy, Aalborg University, A. C. Meyers Vænge 15, 2450 Copenhagen SV, Denmark.

Email: ab@learning.aau.dk

Keywords: fiscal responsibility, congestion charges, public issues, controversy studies

Introduction

In 2011 and 2012, “the payment ring” (betalingsring in Danish) became the popular term for a policy proposal to charge drivers a fee every time they passed in or out of Copenhagen’s city centre. The plans were not particularly new given how other European cities like Oslo, Stockholm and London were already operating similar payment zones or congestion charge systems in order to reduce traffic levels. However, the Copenhagen payment ring and its rather spectacular failure is useful as a case of what happens when new sociotechnical infrastructures are configured in financial terms based on a set of specific economic assumptions.

The policy framework in which the payment ring plans arose was informed by neoclassical economics. Such a frame, I argue, was not equipped to handle the multifaceted controversy that came to surround the payment ring proposal. In the field of science and technology studies, however, scholars argue that the introduction of new sociotechnical devices must always be expected to spark controversy. As Latour puts it, for any new technological solution, "the price to pay is an innovation" (Latour, 1996, p.31). Innovation here means that "the numbers of actors that have to be taken into account is not a given from the outset" (Latour, 1996, p.72). In other words, the introduction of a new object into collective life will require the reconfiguration of existing worlds, which is likely to involve new alliances, shifts in power, and controversy (see also Latour, 2003, 2005).

The Copenhagen payment ring was no exception in this regard. The popular narrative today is that its intertwinemement with the Danish national elections of 2011 made the payment ring a political hot potato so controversial that it could not be instituted. In this article, I argue the opposite. The Copenhagen payment ring was never realized because it was, in a Latourian sense, never made controversial enough. The argument involves a reorientation towards a more positive understanding of controversy.
I follow Latour’s (1996) conclusion from his study of the failed ARAMIS transport system in Paris. For a new socio-technical system to be actualized, it requires that actors of sufficient strength and numbers support it so much that they carry it through the inevitable controversies, which means doing the hard work of making the necessary amendments and compromises. For purposes of clarification, I use the notion of “issues” to refer to this positive understanding of controversy as an inevitable part of object-oriented politics (Marres, 2007), thus leaving “controversy” to refer to the more common-sensical meaning of a political drama often played out in the media.

How we can come to understand why the city of Copenhagen to this day does not have any kind of road pricing or congestion charge system in place despite its much-advertised commitment to environmental causes and the fact that ‘neighboring’ cities already have such systems in place? My argument is that when the issue finally emerged on the center stage of Danish politics, backed by a seemingly strong political alliance, the policy was understood primarily in economic terms, something which prevented the proposed new infrastructure from unfolding as a sociotechnical issue. The payment ring controversy is thus an instructive case of how economic assumptions, including in this case financial concerns, configure and to some extent obstruct the politics of sociotechnical systems.

In order to unpack how this happened, I first go back to the years before the election in 2011 and specify how economic assumptions shaped the idea of building a payment ring from the outset. Then I revisit the media controversy of 2011-2012 that built up to the decision to drop the payment ring. Finally, I illustrate how the politicians in charge stuck with their economic assumptions and missed the opportunity to renegotiate how a payment ring could be made part of life in Copenhagen. In other words, they missed the chance to treat it as an issue.

**Demonstrating financial responsibility**

The payment ring came onto the Danish political agenda through the specific setting of an alliance between the Social Democrats (S) and the Socialist People’s Party (SF). The formation of the S-SF alliance was part of the attempt to overthrow a right-wing government that had been in power in Denmark for a decade. The idea was that in order to achieve this, a feasible alternative would have to be carefully and consistently demonstrated well in advance of the national elections. Among other things, this included trying to make SF part of a coalition government for the first time in the party’s history. SF was not just a more left-leaning partner than the Social Democrats had been used to historically when forming coalition governments, it was also an explicitly “green” party. Accordingly, it was through SF that the idea of a payment ring around Copenhagen was brought to the forefront of national politics.

The payment ring was first presented in a series of common political programs, serving to bolster the S-SF alliance in the lead-up to the national elections of 2011. The first publication, “Fair Change,” was published in 2009. The second and expanded version called “Fair Solution” came out in 2010. The final program, “Fair Solution 2020,” was published in May 2011, with the elections taking place in September that same year (S-SF, 2009, 2010, 2011). The general aim of these documents was to present a set of economic reforms that a new S-SF government would introduce if elected.

The overarching concern was to show financial responsibility in order to push back against oft-repeated claims that a center-left government would inevitably lead to increased government spending, followed by a destabilization of the state finances. The need to counter such claims could be seen as especially high due to the proposed inclusion of a left-wing party
like SF in the proposed coalition government. The means to achieve an image of financial responsibility, it was believed, was to forge a reform program that would not incur an overall increase in state expenditure. The purpose of the series of policy documents was to outline such a program, and the payment ring was introduced as a part of these efforts.

The problem of showing political agency and financial responsibility at the same time thus overshadowed the problem of how to introduce the payment ring to the Danish electorate. To quote my interview with one of the politicians that took part in the process, the aim of the common policy documents was to demonstrate that there existed “a clear alternative to the sitting government” (Birkbak, 2016). Indeed, the series of “Fair” documents presented a set of reforms that were supposed to make Denmark a better place to live while also being self-financing. Taxes would not increase; instead, they would be distributed more intelligently (SF, 2011).

In this policy setting, the payment ring was not treated as a potentially contentious public issue. It was not even treated as an issue in the smaller political arena of the internal S-SF negotiations, according to my informant (Birkbak, 2016). After brief discussions in 2009, the parties simply agreed to treat the payment ring as a source of income in their much larger reform package. As a result, the political programs dedicated only a couple lines of text to the payment ring, focusing on how it would generate an estimated annual income of 2 billion DKK that could then be spent on more environmentally friendly transportation systems.

Figure 1: “Betalingsring om København” (Danish for “payment ring around Copenhagen”) figures in the policy plan as raising 2 billion DKK (around €270 million) for “green” traffic solutions (S-SF 2011)

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While part of efforts to make Copenhagen “greener”, the payment ring was also claimed to be an example of a more intelligent way of running the Danish economy. Aside from generating an income, it would simultaneously make Copenhagen greener, safer, and more efficient. As such, the policy can be understood in relation to a more general shift in environmental policy towards a regime of “ecological modernization,” where economics becomes the key discipline with which the environment is known and acted on by politicians (Blok, 2007). In this perspective, the payment ring was part of a larger shift towards a political primacy of economics and economic assumptions as the means with which to deal with a wide range of themes.

The idea that a payment ring could be part of a regime of ecological modernization, where economics play the central role, preceded the S-SF alliance. At least since 1990, a payment ring had been understood as a potential solution to the issue of automotive congestion in
Congestion is here understood in economic terms as a necessary evil (‘externality’) in any healthy modern economy, and as a result any attempts at reducing traffic must be considered a financially risky business for the state. DEC was clear about its focus: “Our analyses indicate that the general economic effects are of outmost importance” (ibid.). In order to determine how best to design a system of road charges that would be economically sound, DEC ran an economic model called ASTRA (Pilegaard, Bjørner, and Hauch, 2006), whose primary emphasis was not congestion or pollution, but the amount of labor available in the Danish labor market (Sørensen et al. 2006). The introduction of congestion charges, the economists argued, was likely to decrease labor availability by making it more expensive to get to work. However, the model showed that this could be compensated for by using the revenue from the payment ring to lower income taxes, which would then increase the amount of available labor by making it more attractive to work. DEC emphasized that they recommended spending the revenue this way and not elsewhere, for example on improved public transport.

Having solved the problem in economic terms, DEC concluded that it was only a question of when and how to build a payment ring, not whether to build it at all. They did note that there were several approaches to modeling the economic effects of road charges and recommended that more research be conducted before a specific plan could be produced. But this was regarded a question of using further technical economic expertise to fine-tune the modelling, and was not expected to call the desirability of a payment ring into question.

Other expert bodies argued for a payment ring based on different arguments and with somewhat different recommendations (Wrang, Nielsen, and Kohl, 2006), but in general there was no heated controversy about the payment ring in the Danish policy expert setting. It was understood as an economic problem to be solved. The question of how to conceive and build the necessary infrastructure in engineering terms appears to have been even less open for critical scrutiny. There was also consensus across the two main blocks in Danish party politics. News coverage shows that back in 2008, the Ministry of Finance recommended a payment ring as the “only solution” to the problems of congestion and pollution in Copenhagen, even though a right-wing coalition (the main opponents of S-SF) held governmental power at the time (Gräss, 2011).

The S-SF documents did not follow DEC’s recommendation that the income from a payment ring should be spent on lower income taxes, which is part of the explanation why their plans came to be seen as controversial. But the S-SF plans nonetheless drew on a couple of decades
of thinking about a payment ring in terms of economic policy, which goes some way in explaining how it came onto the public agenda not so much as a complicated infrastructure but as a financial instrument. Keeping in mind Latour’s argument that any innovation involves the proliferation of new actors, the lack of other-than-economic considerations about instituting a payment zone in Copenhagen suggests that the next step would be a controversy. But from the perspective of neoclassical economic assumptions just described, it came as a surprise, something I will try to explain after having revisited the controversy.

**A ring of fire: The media controversy**

In the months before and after the 2011 national elections (which did bring the S-SF alliance into power), the payment ring consensus vanished. This was not least due to a shift of setting. The payment ring suddenly became a hot topic in the media after years of relative quiet. In 2011 and 2012, the topic was mentioned almost 1000 times each year in the national news media. In all other years since 1990, the word was used in less than 100 articles per year, except for 2013 where some interest still lingered, resulting in 190 mentions (Infomedia, 2015).

The publicity around the payment ring was driven both by how the S-SF coalition tried to leverage it in advance of the elections to gain momentum, and by how their political opponents tried to expose it as a mistaken idea in order to weaken the S-SF bid for power. For example, two of the mayors of Copenhagen (representing S and SF, respectively) advocated for a payment ring by elaborating on the existing negative consequences of congestion and the future positive consequences of a payment ring (Jensen and Kjeldgaard, 2011).

The discussion still centered on economics, but the argument was not the same as DEC had made years before. According to the mayors, it had been calculated that current congestion levels came at a price of around 10 billion DKK annually in terms of lost productivity in the Danish economy due to the time wasted in traffic. A payment ring would lower the congestion level by more than 20 per cent, meaning that less money would be lost to congestion. On top of that, a payment ring would generate 2 billion DKK annually that could then be spent on improving public transportation without having to increase other taxes.

Compared to the DEC argument, where the revenue would have to be used to lower income taxes in order to compensate for an assumed economic cooling effect, the S-SF politicians assumed that the payment ring was self-financing due to a more efficient transport flow, which again meant that the 2 billion DKK revenue figure was free to be used elsewhere. As a result, the S-SF politicians were able to claim that a “payment ring will benefit everyone,” to quote the heading of their letter to the editor, printed in the Danish daily Politiken. As mentioned, the common political programs of the S-SF coalition cast the payment ring as primarily a source of income in a much larger reform package. In the media setting, the payment ring was placed at the center of attention and referred to as an initiative that could stand on its own.

These pro-payment ring arguments were not left unchallenged for long. Three days after the S-SF text, another letter to the editor was published in Politiken arguing that a payment ring would not “solve the traffic issues, only harm the poorest motorists, those with children, etc.” (Jørgensen, 2011). This letter was given the title “Asocial Payment Ring” and opened yet another line of argument, suggesting that those who could pay the fee would just continue to drive as they pleased, meaning that the payment ring would impact only economically
vulnerable people – and thus not align very well with the expected stance of a center-left government.

These letters in Politiken in January 2011 are indicative of the media controversy that came to surround the payment ring plans. Some people worked hard to publish the positive consequences of a payment ring, while others worked hard to publicize the negative consequences of a payment ring – and what was at stake was not just the payment ring, but the outcome of the 2011 elections. Above all, reading the news articles and the commentary published about the payment ring in 2011-2012 makes clear that the contours of the payment ring issue are not stable at all. On the contrary, there was an ongoing proliferation of possible consequences that caused concern and conflict, something which activated new actors and expanded the relevant political community (Latour, 2003).

For instance, The Danish Road Association, a corporate lobby, argued that in many cases, it would take longer for people to get to work using public transportation than by using their cars (Rasmussen, 2012). This created uncertainty about the argument that reducing congestion with a payment ring would save Denmark money overall, because more people would be at work instead of in transit. This again made it much harder for people to accept that they would have to pay to use their cars. The argument about long public transportation times was met with counter-arguments, including the idea that the travel times had been calculated based on unfair assumptions, such as people walking to the train station instead of riding a bike. Another counter-argument was that the calculations of travel times did not take into account the positive effects of the public transport improvements that a payment ring would finance. This last argument was tied to the larger argument about whether a payment ring should be understood as an expense or as a source of income for the Danish economy.

When these concerns and arguments were published and circulated by the news media, multiple relationships between the payment ring and a variety of actors proliferated. Following Latour’s (2003) use of Dewey’s (1927) theory of the public as consisting of those assembled by a specific problem, these relationships can be understood as articulations of the various indirect consequences that could be associated with a payment ring. Some of these actors were specific groups and individuals, such as “those with children” and “the poorest motorists,” as argued above. Others were nonhuman actors. In the argument just referenced, not just cars, but also bikes and trains, became part of the issue, as did several organizations. When critics of the payment ring said that it was an open question whether the Danish national railway service (DSB) could carry all the passengers that were supposed to shift from cars to public transport, it activated DSB as part of the political community that had to be consulted on the issue (Østergaard, 2011).
As these payment ring associations multiplied in the news media, more actors were introduced and more uncertainties were articulated in relation to the consequences of implementing the payment ring policy. In February 2012 the prime minister decided to drop the plans altogether rather than reconsider how to carry them out. Even though there had been consensus among experts and the political elite that a payment ring was both needed and realistic, there was no change to the status quo, except for what was perceived by media pundits as a humiliating defeat for the S-SF coalition, now in government. In their view, the media controversy was an example of “how not to do politics well”, as the political commentator of the public service news broadcaster Danmarks Radio (DR) put it (Ringberg, 2012).

Such a view aligned with the view of S-SF politicians who in hindsight regretted that they had not planned the introduction of the payment ring idea better so as not to provoke media controversy. As the politician mentioned earlier told me: “Seen in retrospect, it was a grave mistake that the issue was not primed much better” (Birkbak, 2016). Priming here refers to the technique of foreshadowing reactions, for instance avoiding to name something a “payment” ring in order to prevent people from understanding the policy as yet another fee.

Economic assumptions and the role of publics

The Latourian perspective offers an alternative viewpoint, which does not only make the media controversy appear as less of a surprise, but also points towards a way of rendering it
politically productive. In Latour’s (1996) conceptualization, the appearance of new actors and concerns is a sign that a socio-technical innovation is happening. The stage of uncertainty is unavoidable because it can, by definition, not be known or foreseen what new actors will appear. Notions such as political priming do not capture this feature of new socio-technical infrastructures.

Furthering Latour’s understanding of controversy as the natural state of affairs when new infrastructures are introduced, Marres (2005) redescribes the democratic public as always ‘sparked into being’ by new objects, such as the payment ring, which comes with unexpected consequences that reach beyond their immediate setting. In the Copenhagen case, the proposal to introduce congestion charges turned out to implicate a wide variety of settings, including the everyday lives of families, public transport solutions, and the concerns of businesses relying on road traffic to make themselves profitable. Conceiving of these emergent actors and concerns as a public assembled by an issue makes it possible to appreciate the payment ring debacle as a democratic event rather than a controversy that less clumsy politicians would have avoided.

Indeed, from a perspective of democratic politics, where citizens are expected to play an active role in decision-making, it can appear surprising how something as engaging as the payment ring controversy could come to be understood as the opposite of good politics. Barry (2002) offers a distinction between politics and the political, where politics is understood as the art of containing dissent, while the political are moments that overflow the existing frames to an extent where the political can no longer be contained by politics. The political here is akin to situations where new publics are sparked into being by specific issues, whereas politics can be used to describe how policy makers try to prevent this from happening.

The distinction is useful for pin-pointing the role of economic assumptions in supressing the political potential of the payment ring issue. Specifically, the payment ring was understood in economic terms as an infrastructure with which to deal with some of the externalities related to driving – e.g. driving around as one pleases, while avoiding the problems of congestion. The payment ring was understood as a solution to a problem, not a problem in itself, which again makes the public controversy unwanted – “how not to do politics”, as the DR journalist put it.

In this view, the payment ring is a question for experts and elected politicians acting on a mandate given to them by a general public that is not equipped to interfere in the details of complicated policies that rest on economic expertise. It is noteworthy how this also positions the role of publics in a specific way. The comments made by the (then) prime minister, Helle Thorning-Schmidt, when she defended her decision to drop the payment ring policy are revealing here. She gave a couple of explanations, one of which highlighted the role played by experts and their calculations:

We received calculations all the time, which showed that the congestion ring generated a smaller income than we would have liked. But things take time, and I am glad that we made the decision [to drop it] (Politiken, 2012).

This conclusion became the headline of a Politiken news story. In its explanation of the discontinuation of the payment ring plan, the newspaper said that the proposed method for reducing congestion in Copenhagen was not desirable after all, because expert bureaucrats had told the government that the solution would not work as they had first thought. This explanation focuses on economic expertise as the decisive factor, something which implies a specific role for the public in democratic politics as an electorate that chooses representatives
who can then make informed decisions. It was not the only explanation offered, however. Three days earlier, the prime minister said the following to a DR journalist:

> What hit the nail on the head was that those who use public transportation suddenly also opposed the payment ring, even though they were the ones that would benefit from it. That made it clear to me that it was not just the motorists and the surrounding municipalities, but broad parts of the population, who did not find it a good idea (Vester, 2012).

In this statement, the prime minister implicitly refers to the alleged complication that shifting large amounts of commuters from cars to public transportation might result in longer travel times for those using public transportation (Rasmussen, 2012). The statement, however, can also be seen as a realization that the general public opinion about the payment ring simply turned around. In any case, what is noteworthy about this statement is how the prime minister emphasizes something other than expertise, namely the role played by “the population.” Her explanation thus expands further on the implied role of the public in politics. Groups with vested interests, in this case the motorists and those living close to the planned payment ring, were not perceived as a legitimate source of political agency. The leanings of the broader population, however, could be a decisive factor for the government, especially because some of these people were against a policy that was believed to benefit them personally. The decisive factor of payment ring politics here is not only the experts, but also signals from ‘the general public’ as long as it is cleansed from ‘special interest groups’.

What the two official explanations have in common is that the public is not framed as emerging together with an issue (cf. Marres, 2005). Either the public is framed as leaving issues to experts and representatives entirely (explanation 1) or the public is framed as only intervening in the negative sense of not wanting a policy even though it would benefit from it (explanation 2). There is no room in these understandings of democratic politics for those who are implicated in negative ways by the payment ring, as the last quote underlines. In both explanations, economic assumptions play a key role. In the first, economic expertise is needed in order to have a say in what is a feasible and financially responsible policy. In the second, members of the public are conceived as individual agents that are expected to first and foremost follow their private economic interests.

The two explanations understand the payment ring project as either an always-already good idea or an always-already bad idea, which obscures the many grey zones of partial benefit and partial harm introduced by such a project. For instance, one letter to the editor in Politiken expressed the dilemma of a voter who was normally loyal to the center-left in Danish politics, and was willing to sacrifice something to achieve less congestion in Copenhagen. Nevertheless, the voter feared that her car repair shop would go bankrupt because of its potentially unfavorable physical location right outside the projected payment ring (Ejlertsen, 2011).

Such complications are backgrounded in the statements of Helle Thorning-Schmidt. Instead, the official explanations understand the public as split in two. The first public consists of people with concrete transportation needs, which means that each individual is understood to be motivated by personal interests. It follows that politicians can intervene in their behavior by implementing a tax. It also follows that this particular public must be expected to be difficult to convince to agree to such a policy, since those with cars will not appreciate having to pay a fee to drive. Because the first public can be understood to be partisan in nature, it is not a legitimate ground for democratic decision making. Any scheme of congestion charges
“affords the citizen rather limited political agency” (Huse, 2015:49), but in this case the notion of acting on citizens as consumers driven by individual rationality is extended to how members of the public can be expected to participate in relation to a public issue.

The second public is a public of citizens who vote in elections. It is possible to convince this public if policies like the payment ring are made part of larger reform packages that are both progressive and financially responsible. The second public is not partisan in nature, something which can be ensured by consulting only those parts of the populations that speak up against a policy “even though they were the ones that would benefit from it,” as the prime minister put it. If a protest happens despite personal interest, it is understood as concerned with the common good and thus as a legitimate force in democratic politics.

Following this two-level understanding of the public, the payment ring proposal worked as expected. The motorists got angry, but overall, the citizens voted for the reform package by voting the S-SF alliance into office. In fact, it might seem that the politicians had done their job quite well, not only in terms of identifying and launching a device for reconfiguring car-human-relations in Copenhagen, but also in terms of finding ways to relate the device to the public through a successful election platform. However, when the payment ring did not stay within the frame of the common reform program crafted by experts and elected representatives, the politicians behind it found no way of carrying it through and craft a settlement between the various concerned parties (cf. Latour, 1996). Instead, the politicians stuck to an understanding of the public based on economic assumptions, as just described, where the individuals are either involved as rational market agents (to be acted on with levies and fees) or not thinking about personal benefit (to be appealed to through financially responsible reform packages).

As such, the payment ring never escaped the setting of economic reforms in which it was first conceived, which made the media controversy appear as a negative event. Here, the payment ring continued to be treated as primarily a question of economics. Top right-wing politicians campaigned in 2011 with claims that were widely publicised in the news media that living with a payment ring would cost inhabitants in Copenhagen thousands of kroner each year, while at the same time arguing that the policy would only serve to harm the economy overall (e.g. Jensen, 2011). Even if the payment ring could be seen as being primarily about making Copenhagen a less polluted place to live, it was never treated as just a solution to environmental problems. From the very beginning, the payment ring was also part of a policy of financial responsibility. As such, it was not treated as an issue that could implicate people’s lives in unforeseen and potentially antagonizing ways, but as part of a reform program aimed at the Danish population in general.

**Conclusion**

Latour gave his book about the failure of the ARAMIS transportation system an alternative title: “the love of technology” (Latour, 1996). In his argument, new technological solutions need love and support in order to be actualized in societies that must always be expected to be complicated and changing. The story about ARAMIS is helpful for seeing how the Copenhagen payment ring was not born out of anything resembling love. It was introduced as just a small part of a complicated package of economic reforms proposed by two center-left parties in Danish politics. This meant that the payment ring was first and foremost conceived of in financial terms. Its feasibility was based on economic assumptions about the individual economic agency of motorists in Copenhagen.
The ensuing media controversy corrected this by providing abundant evidence that the payment ring implicated much more than economic modelling expertise and the assumed economic rationalities of individual citizens in the Danish capital. Understood as an issue, these struggles could have provided directions for constructing a world with a payment ring, but the issue was pushed aside by policy-makers and commentators, not willing to leave behind the economic assumptions that first shaped the policy. The original motivation of making Copenhagen a “greener” place was lost to financial concerns almost from the beginning of the S-SF alliance. The environmental issues never made it back to the center stage, although they could have provided an alternative frame. The defeat of the “green” ambition can partly be explained by the policy regime of ‘ecological modernization’ where environmental issues are acted on with economics (Blok, 2007), but also points to how such a regime can stall the development of new solutions.

The aim of this article has been to show how concerns with state finances, and the implicit and explicit economic assumptions that come with such concerns, create a politics that are adverse to the unfolding of new sociotechnical solutions as issues, something that their realization might very well require. An important part of the argument was that it is not just a question of democratic politics or not, but a question of what kind of democratic politics, specifically whether the public is split in two levels based on economic assumptions, or understood as emerging together with issues.

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