

Do regional politicians and civil servants care about economic efficiency? A choice experiment on policies to achieve a fossil free vehicle fleet in Sweden.

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Extended abstract

When it comes to policy making, the Nordic model has attracted much interest from scholars and policy makers (Hilson, 2011). Its characteristics is the welfare state, and the faith in the ability to create the “good society”. In Sweden, this also relates to having a good natural environment. The backbone for environmental policy is the environmental quality objective system that was introduced in 1997. At the regional level, 21 county administrative boards and county councils (with elected politicians) are expected to take responsibility for the achievement of the environmental goals. This has been criticized by the OECD, however. The organization has in various published reports described that there is a mismatch between official responsibilities and actual powers of lower government levels (OECD 2007; 2014). These problems have also been highlighted by the Swedish National Audit Office regarding central government initiatives in regional development policy (Riksrevisionen, 2022). The Governments steering at arm’s length also implies lack of incentives for compliance with national goals (Blanchenay, Burns and Köster, 2014).

One question then is how decentralisation in the area of environmental policy influences policy outcomes and economic efficiency. Much of the EU environmental legislation is characterized by federalism (Oates and Portney, 2003). Federalism is a concept that is traditionally connected to policy making in federal states such as the USA (Pettersson, 2004) where the question of how to assign responsibility and legislative rights between different levels of government has also been addressed in the scientific literature (Williams III, 2012; Vogel, 2021). Vogel (2021) for example illustrates the interplay between policy making at the state and the federal level regarding risk regulation and how this has shaped the division of regulatory authority. This is different in Sweden where the regions have no legislative power. In a more recent paper, Howarth, Sudmant and Lane (2022) conclude that the question of the relationship between international, national and local environmental quality targets remains unaddressed in the literature. They suggest that ambitious

climate targets may face a serious challenge being realised because transformative capacities take time to develop.

Using a choice experiment, we have investigated how politicians and civil servants working with energy and climate at the regional level in Sweden (i.e. counties) respond when faced with a trade-off between achievement of national goals and economic efficiency. The respondents are asked to make a choice between possible measures that can contribute to the achievement of the national goal of a fossil free vehicle fleet. Half of the sample is also given information about that there is a budget restriction on public funds. To our knowledge this is the first study to investigate the choice behaviour and preferences of decision-makers at the regional level addressing both politicians and civil servants. Regarding civil servants, previous studies have investigated if their preferences and those of the general public in Sweden differ using willingness to pay techniques (Carlsson, Kataria & Lampi, 2011; Eggert, Kataria & Lampi, 2018; Ek et al., 2022). For politicians on the other hand, the question has been raised, but not empirically tested, how well their preferences reflect those of the general population (Lindvall & Rothstein, 2006; Rothstein, 2009).

The motive for our focus on the use of economic information is that we know from previous research that costs are seldom focused on in transport- and environmental policy making in Sweden (Nerhagen, Forsstedt and Hultkrantz, 2017; Hansson and Nerhagen, 2019; Nerhagen, Brandt, Mortazavi, 2022). In relation to public transport for example, which is a responsibility for the regional and local level, Vigren and Ljungberg (2018) analyse the use of cost-benefit analysis as a planning tool and find that it is not used. Furthermore, Sweden, although participating in the EU's work on Better regulation, has not fully implemented the Regulatory Impact Assessment (RIA) method in the design of legislation and policy measures (Nerhagen and Forsstedt, 2019; Hansson, 2019).

The choice experiment used is based on previous research where we investigated how bureaucrats in different government agencies working with transport and environment -related issues use economic information in decision making (Jussila Hammes, Nerhagen and Congdon Fors, 2020). It was found that the response behaviour differed between the agencies, one reason being the educational background of the bureaucrats and their knowledge of CBAs. Individual preferences for the environment also made a difference as well as information about a budget restriction. We have also used a similar design, but in different policy context, in a study on students with different academic majors (Nerhagen, Pyddoke and Jussila Hammes, 2014). We found that there is a difference in response behavior depending on academic major. Furthermore, the information about an international standard increased the likelihood to accept alternatives that imply higher costs. These findings are supported by the results of this research, but we also find that the information

about a budget restriction has different influence on the response behavior of civil servants compared to politicians.

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