



Road pricing as a citizen-candidate game

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Abstract

We construct a political economy model to analyze the political acceptability of road pricing policies. We use a citizen-candidate framework with a population composed by three groups differing for their income level. We show that road pricing policies are never applied when there is no redistribution of the resources in favour of other modes of transport or when the congestion of these types of transport is relatively high. The results suggest that the efficiency of the redistribution of resources from road to the alternative types of transport as well as the fraction of the population that uses the road transport are key factors in explaining the adoption of road pricing schemes.

Keywords: Road pricing; Political acceptability; Citizen-candidate.

1. Introduction

This paper studies the political acceptability of a road pricing policy in a context characterized by heterogeneous agents choosing between two distinct congestible infrastructures producing differentiated transport services. One service is fast and expensive (e.g., auto) while the other slow and not expensive (e.g., public transport). By assumption, public transport is slower than private transport, regardless of the modal split. The heterogeneity of agents is accounted for by assuming the existence of three groups. People are homogeneous within each group and the three groups differ for the level of income of the agents. For this reason, we call these groups rich, middle class and poor. No one group has the absolute majority of votes which, therefore, requires the combination of any pair of groups. At the same time, we assume that initially (i.e. at the

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