

## **Congestion pricing: the political viability of a neoliberal spatial mobility proposal in London, Stockholm, and New York City**

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This article examines the debates and contradictions that surrounded the promotion of congestion pricing proposals in London, Stockholm, and New York City. On the one hand, congestion pricing is a neoliberal urban proposal that seeks to reduce motor traffic in a cordoned area by pricing out certain drivers. On the other hand, the political authorities believe that the success of congestion pricing proposals depends on the degree of redistributive elements regarding spatial mobility that are built into them. Redistribution in the form of improved mass transit provision was proposed in all three cities and was implemented in Stockholm and London. The problem with this political gesture is that neoliberals are lukewarm to redistributive politics and consider spatial mobility to be a matter of capacity and not a right. This means that neoliberal political parties because of their skepticism of redistributive politics, have more difficulties in imposing congestion pricing schemes than Left Parties. The congestion pricing proposal of the New York City failed because it was proposed by a neoliberal city administration without a credible redistributive spatial mobility plan.

**Keywords:** congestion pricing; Neoliberalism; spatial mobility; London; Stockholm; New York City

### **Introduction**

Congestion pricing is a mechanism under which vehicular congestion is reduced from a cordoned area because drivers are required to pay a fee to enter it (and possibly exit it). If set correctly, this fee discourages many drivers from entering into the congested area and reduces traffic to more optimal levels. Thus, congestion pricing represents a market solution to the decades-old traffic problem in city centers. In 1975, Singapore implemented a congestion pricing system by making drivers pay to enter its central business district. Although other cities have entertained the idea of congestion pricing, it was not until 2003 that London implemented a comprehensive congestion charge system for its city center. Stockholm was the third such city, with its congestion charge trial program taking place in 2006.

Congestion pricing seeks to alter the dynamics of spatial mobility in cities. Geographers who have a long tradition of analyzing and measuring the movement of people and goods in space have argued that mobility depends on prevailing power relations and that restrictions in mobility can interfere with citizenship and individual rights (Cresswell 2006). However, under urban neoliberal governance, citizenship has been transformed from

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a possession of rights to a capacity to act (Rose 2000). In the sphere of mobility, this has profound implications. Powerholders guided by market principles configure and organize space in ways that facilitate certain types of movement and restrict others (Adey 2006, Henderson 2009). Congestion pricing schemes aim to do just this; design spatial mobility systems under which certain drivers are priced out from certain spaces. Although there are environmental and spatial benefits associated with these mobility restrictions, these benefits are obtained through the ability of free market mechanisms to exclude the motorized movement of the not so affluent.

Road pricing proposals are highly controversial and subject to intense popular opposition. Hong Kong, which conducted a road pricing experiment from 1983 to 1985, decided not to actually impose this system because of privacy issues and public opposition (Khan 2001). In Lyon, France, the operator and local authorities of a road toll scheme implemented in 1997 were forced to reduce the tolling area and to significantly decrease toll rates because of popular resistance (Raux and Souche 2004). Voters in Edinburgh, Scotland, rejected a congestion charge scheme in a referendum in 2005 (Rye *et al.* 2008). In every city where congestion pricing has been proposed, opposition has threatened to derail it. This article examines the debates surrounding congestion pricing proposals in London, Stockholm, and New York City and advances an explanation of the reasons behind the implementation of the scheme in London and Stockholm and its rejection in New York City.

Congestion pricing is controversial because of its neoliberal dimension, which favors higher income drivers who can afford to pay a fee and punishes lower income drivers who are burdened by the fee. Eliasson and Mattson (2006) are skeptical of contentions that congestion charges are regressive, claiming that most of these arguments come from an American perspective where the automobile is the main mode of transportation for people of all socioeconomic backgrounds. They claim that in most European cities, it is affluent people who drive more frequently in the central urban locations, meaning that affluent people end up being penalized for the congestion they cause. Under this framework, low-income people who usually take mass transit are not penalized from congestion charging. This claim could also be applied to New York City, which is different from the typical US city in the sense that the majority of its population patronizes mass transit and drivers tend to be more affluent. Although these arguments about the class position of drivers have their merits, the neoliberal dimension of congestion pricing is still an issue. Congestion pricing may not affect many low-income people because they tend not to drive, but disproportionately affects many middle-income drivers. Congestion pricing proposals generate conflicts between the middle classes and the upper classes.

In the end, the political acceptability of a congestion pricing scheme largely depends on the redistributive aspects built into it and this mainly concerns the enhancement of mass transit. As the experience of London, Stockholm, and New York City reveals, this is one of the main reasons behind the success or failure of a congestion pricing scheme. The expectation is that many people who take mass transit and could be indifferent or opponents to congestion pricing become supporters of the scheme. Many drivers who can get to their destinations faster and cheaper because of improved mass transit can also become supporters of the scheme. In a way, the elites ally with the lower classes in their support for congestion pricing because both groups benefit. As not everyone in the middle class drives, and given the environmental benefits of congestion pricing, the scheme may also gain the support of middle-income people. Although redistribution goes against neoliberal principles as articulated by orthodox economists, the governing authorities may have to go as far as to downplay the neoliberal aspects of congestion pricing and emphasize the redistributive aspects of the scheme in order to gain popular acceptance.

### The congestion pricing schemes of the three cities

The London congestion charge scheme began on February 2003 and covered a 22-km<sup>2</sup> area in central London. The congestion charge area represented London's center of finance, entertainment, business, government, and law. Vehicles were charged a daily fee of £5 to drive or park on public roads inside the congestion charging zone between 7 am and 6:30 pm, Monday to Friday. Alternative fuel vehicles, motorcycles, vehicles for disabled people, emergency vehicles, London taxis, military vehicles, and roadside assistance vehicles were exempted from the charge. Car owners from inside the zone received a 90% discount. Weekends and holidays were excluded from the scheme. The main goals of the program were to reduce motor vehicle congestion, increase journey time reliability for car users, make the distribution of goods and services more efficient, and use net revenues to improve mass transit in London (TfL 2003a). These goals were achieved almost immediately. Vehicular congestion inside the zone decreased by 30%, mass transit was able to accommodate higher demand, car travel time improved, and despite lower revenues than originally expected, mass transit also improved (TfL 2004b). When it came to the affordability of congestion charges, almost a quarter of drivers surveyed claimed that they were experiencing difficulty in paying it. In terms of geography, residents of Greater London experienced more difficulties in paying the charge than residents of Inner London, whereas Borough residents were more likely to experience affordability difficulties than people living in the West End (TfL 2004a). However, the proportion of people negatively affected by the charge especially in Inner London was small and this also contributed to the overall popularity of the measure.

In Stockholm, congestion charging was first implemented as a trial with the possibility of becoming permanent after a popular referendum. During the trial, charges were imposed on vehicles passing a cordon around the inner city of Stockholm between 6:30 am and 6:30 pm weekdays. Evenings, nights, weekends, holidays, and the day before public holidays were excluded from the charge. Vehicles were charged either entering or leaving the city center and the fee was 10 SEK, 15 SEK, or 20 SEK (€1.1, €1.6, or €2.2) depending on the time of day. Vehicles that crossed the cordon boundaries multiple times paid a maximum fee of 60 SEK. Buses, taxis, eco-cars, motorcycles, diplomatic vehicles, military vehicles, emergency vehicles, vehicles with disability parking plates, and bypass traffic from the island of Lidingö were exempted, meaning that about 30% of vehicle passages did not pay the fee (Vägverket 2006). The toll zone, which covered about 30 km<sup>2</sup>, had about 300,000 residents and 23,000 workplaces employing 318,000 people. About two-thirds of these employees commuted to work from outside the zone. Moreover, about 30,000 people who lived inside the zone commuted to workplaces located outside the zone (Eliasson *et al.* 2009, Schuitema *et al.* 2010). As expected, the congestion tax trial succeeded in reducing the number of vehicles crossing the cordon area and managed to dissuade less affluent drivers from entering or exiting the center of Stockholm frequently. During the congestion tax trial, the number of vehicles crossing the cordon decreased by about 22%. The decrease was largest in the afternoon peak (−23%) and smaller in the morning peak (−18%). Traffic inside the cordon area decreased to a lesser extent, as vehicles moving there were not charged (Eliasson *et al.* 2009). Households with high discretionary income paid nearly three times as much congestion tax as households with low discretionary income. Affluent men living in the inner city paid the most. The people who paid the most congestion tax were not necessarily the commuters driving to work from outside the cordon area, but the people with the highest incomes. This happened because affluent people drove more frequently, lived closer to the inner city, and could afford to pay the tax (Transek 2006).

New York City's congestion pricing scheme remained a proposal, as it was not implemented. In 2007, on Earth Day (22 April), Mayor Michael Bloomberg proposed the institution of automobile congestion pricing in the Manhattan central business district as a key element of a comprehensive environmental plan for the future of the city entitled PlaNYC. Bloomberg's proposal recommended that passenger vehicles entering (or exiting) Manhattan below of 86th Street would be charged a fee of \$8 between 6 am and 6 pm on weekdays. Trucks would be charged \$21 and large trucks \$42. Passenger vehicles travelling only inside the congestion pricing zone would be charged \$4. Vehicles crossing tolled bridges and tunnels would be able to deduct that toll from the congestion fee. The plan would exempt the two highways running north–south in the western and eastern parts of Manhattan as well as the approaches of all bridges and tunnels so that vehicular travel from neighborhoods outside the congestion area to other neighborhoods outside the congestion area would be possible without paying the fee. Moreover, the plan would exempt taxis, emergency vehicles, livery cars, and automobiles with disabled license plates from the fee (PlaNYC 2007). As this congestion pricing scheme was never implemented, there have been no concrete distributional impacts and redistributive effects. However, studies by the city administration and the state assembly indicated that the majority of the people affected by the charge would be middle-income drivers from the boroughs outside Manhattan (Brodsky 2007).

### **Neoliberalism and class privilege**

Neoliberalism is defined as a theory of political-economic practices that encourages the deregulation of capitalist markets, the reduction of international trade barriers, the privatization of state companies, the encouragement of private investment, and the withdrawal of the state from public provision (Chronopoulos 2011a). David Harvey has contended that above all 'neoliberalization has been a vehicle for the restoration of class power' (2005, p. 31). Unlike the more egalitarian political economic system that it replaced, neoliberalism redistributed wealth upward and increased social inequality (Duménil and Lévy 2004). In the United States, neoliberal reforms since the 1970s have created a spectacular concentration of wealth among few families, a phenomenon that has not been encountered since the period before World War I. In recent years, the term the 'New Gilded Age' has been invented to characterize this new super affluent class and its fortunes (Krugman 2007). Although they have never surpassed the 20% mark, under neoliberalization the upper classes become more sizable at the expense of the middle classes and seek to circumvent public institutions in ways that only the top 1% of the population previously could. Charles Murray (1991) has viewed this trend similar to the formation of a 'caste society'.

The author would like to introduce the concept of class privilege, which has a relationship to Harvey's class power but differs in the sense that it is an expectation that the affluent develop once class power has been accomplished. Although class power achieved through the accumulation of spectacular levels of wealth is important, it is not fully realized unless its beneficiaries enjoy the privileges that most ordinary people cannot. The logic of a 'caste society' is that social relations are defined through an expectation of deference under which ordinary people are obligated to defer to the elites. In most cases, the elites are able to buy such deference or at least the pretense of it. However, deference of any degree is not achieved whenever the elites drive in public roadways. Traffic rules apply to everyone and it is possible for multimillionaires to be delayed and inconvenienced by wage workers. Schemes like congestion pricing seek to restore class privilege to the elites in a realm that their affluence has been unable to penetrate.

Scholars of congestion pricing have generally not addressed its neoliberal dimension, though they frequently discuss the potential regressivity of the measure. In this literature, there is a propensity to focus on low-income groups, as they are more likely to experience hardship from the implementation of congestion charging. For example, in their study of the Edinburgh metropolitan area, Cain and Jones (2008) concluded that congestion charging would cause additional hardship to households in the lowest income quintile. However, the great majority of this population sample does not own automobiles and congestion charging is more likely to impact middle-income drivers. Richardson (1974) found that congestion charging adversely affects primarily middle-income groups, whereas Layard (1977) argued that the policy is regressive. Small (1983) and Cohen (1987) have claimed that higher income groups benefit disproportionately from congestion relief because they tend to drive more frequently and have higher values of travel time. The ROCOL Working Group (2000) estimated that middle-income drivers would be less likely to continue driving into the cordon area of central London after congestion charging. Santos and Bhakar (2006) calculated that the minimum annual income required for a car commuter to benefit from a £5 charge was almost £75,000, which meant that only upper-class people would benefit given that only 10% of full-time workers earned more than £65,835 a year. At the same time, Santos and Rojey (2004) have insisted that road pricing is not always regressive and that its impacts are town-specific and depend on geography and mobility. Moreover, the effects of congestion pricing depend on how the proceeds from the scheme are distributed and whether the population sample considered includes nondrivers (Santos and Rojey 2004).

Despite these findings, popular acceptability of urban road charging schemes remains an issue. Generally, it increases when there is a mechanism to use the proceeds for mass transit improvements. Three MORI surveys in England (Commission for Integrated Transport 2000, 2001, 2002) found that public support for congestion charging at peak hours was only 27%, 37%, and 30%, respectively. However, public support increased to 39%, 54%, and 58% when the revenue raised from congestion charging was invested in mass transit. Similarly, the ROCOL Working Group (2000) survey found that 67% of the public felt positive about congestion charging if net revenues were used for transport improvements. The European Union's TransPrice (2000) project discovered a similar increase in support (to as much as 64%) when respondents were told that proceeds from congestion charging would be redistributed to improve transportation infrastructures. To be sure, drivers tend to favor the improvement of roadways as opposed to nondrivers who prefer improvements in public transportation. Still, without public transportation improvements, popular support for road pricing schemes declines significantly.

Whatever the case, given that most drivers are of a higher socioeconomic background, congestion pricing proposals propagate antagonistic relations between the upper classes and the middle classes. Low-income people are not directly part of this conflict because most of them cannot afford the cost of driving. Once congestion pricing is enacted, urban spatial relations are altered with mass transit becoming a mobility option for a higher proportion of the middle class and automobile travel remaining a mobility option for the upper classes.

### **The neoliberal credential of congestion pricing**

Transportation economists argue that unless there is a mechanism like a toll that penalizes drivers for the delays they impose to others using the same roadway during peak hours, the situation will persist, the costs associated with driving in that highway will remain high,

and the market will fail. Under a road pricing scheme, a user price is set to reduce peak congestion to an optimal level (Downs 2004). Once road pricing has been implemented, travelers have the choice of entering the priced area during peak hours and paying the fee, entering the area during the off-peak and not paying the fee, using public transit, driving with others so as to share the fee, or choosing some other destination. Although a version of this economic argument dates back to the 1920s when Pigou (1920) and Knight (1924) cautioned against the possibility of free automobile access to public roads, it was William Vickrey who in a series of essays between the 1950s and the 1970s developed a theory of congestion pricing that is similar to the one that currently prevails in the economics profession. Vickrey was a post-Keynesian and not a neoliberal economist, though neoliberals have always been covetous of the concept. Vickrey originally proposed differential tariffs for New York City subway riders according to their destination and the time of the day that they used the system (Vickrey 1955). He later employed some of his subway proposal principles to propose a pricing system for automobiles (Vickrey 1963, 1969).

In the British popular press, it is ironically Milton Friedman who is credited with the idea of congestion pricing. Ken Livingstone, the mayor of London who instituted a congestion charge system for central London in 2003, bragged that he 'nicked the idea off Milton Friedman' (Beckett 2003). In reality, Friedman, who became an ardent opponent of post-Keynesian economics and a champion of neoliberal economics, cowrote an article with Daniel J. Boorstin about road pricing in 1951 or 1952, but shelved it after entering it unsuccessfully in a prize competition. In that article, which was finally published in 1996, Friedman and Boorstin (1996) argued that government highway service provision was socialistic and that the private sector would do a better job in maintaining and improving highways. They proposed that private companies should take over roadways and charge motorists variable fees depending on the kind of road they use, the time of the day they drive, the distance they travel, and the degree of congestion that prevails in those roads. Another early proponent of road pricing was economist Alan A. Walters who served as Chief Economic Adviser for Britain's Prime Minister Margaret Thatcher between 1981 and 1983 and also in 1989. In the 1950s and 1960s, he argued that those who use congested roads should have to pay high congestion charges, whereas those who drive in uncongested roads should see a reduction in their gasoline taxes (Walters 1954, 1961). Walters has repeatedly claimed that the reduction in gasoline taxes would be the best way to gain political support for congestion charges. Given that various taxes increase the price of automobile gas by more than 200% in Britain, Walters (2002) also views the elimination of gas taxes as one of the best ways to shrink the size of government.

As neoliberals began to dominate the economics profession, they regularly proposed road pricing systems as ways to reduce traffic at peak times and to pay for the maintenance and expansion of existing roads. Many neoliberals view the complete privatization of roadways as the ultimate solution, but disagree over the possibility of privatization in the near future. Walter Block, an early major proponent of complete privatization, has argued that everything associated with transportation should be privately owned and that this should include 'not only the vehicles, buses, trains, automobiles, trolleys, etc., that travel upon them, but the very roads, highways, byways, streets, sidewalks, bridges, tunnels, crosswalks themselves upon which journeys take place' (Block 1979, p. 215). Block has contended that it is difficult to imagine a private company doing a worse job with regard to roadway safety than government officials and that just like airline companies that suffer whenever one of their airplanes crashes, roadway companies would also experience demand problems if their traffic corridors became too dangerous. His conclusion is that all transportation infrastructures should be as private as the fast food industry (Block

1980, 1983). Gabriel Roth has embraced most of Block's proposals, but has advocated a different system of road pricing based on the commercialization rather than the privatization of roads. Roth considers the public highway system that has prevailed in the United States to be a top-down Soviet-style arrangement. He has proposed to reform the running of roadways in a manner similar to that of the US telecommunications industry where pricing, service, and infrastructure investment are turned over to private companies that operate under governmental oversight (Roth 1996). Roth (2007) has also argued that congestion revenues should be used for highway improvements and not mass transit because the drivers paying the congestion price should be compensated.

### **The neoliberal context**

In London, congestion charging was implemented by Ken Livingstone, a person who was not even expected to be a mayor by the political establishment. Livingstone, whose nickname is 'Red Ken', was a leftist Labour Party politician and the leader of the Greater London Council from 1981 to 1986, which was the time when Margaret Thatcher's Conservative government was able to crush Britain's powerful labor unions, privatize public companies, dismantle portions of the welfare state, neutralize the national Labour Party, and redistribute wealth upwardly. Livingstone represented her biggest antagonist. As leader of the Greater London Council, Livingstone pursued socialist policies, engineered embarrassing publicity stunts against the Tories and Thatcher, and showed that there could be a political alternative. However, Thatcher abolished the Greater London Council in 1986 and Livingstone was out of his powerful position. Livingstone went on to be elected Member of Parliament for Brent East. Livingstone's political fortunes declined once Tony Blair became leader of the Labour Party (Carvel 1999). Blair abandoned Labour's traditional support for state-led redistributive politics and argued that the future depended on the success of the free market economy. Known as the Third Way, Blair reoriented the state toward enhancing the free market, even as it also maintained many aspects of social policy (Romano 2006). In 1997, the Labour Party won an overwhelming majority of parliamentary seats in the nation and Blair did not need to forge alliances with leftist politicians such as Livingstone who was left out of a cabinet position. During this period, Livingstone angered many Labour politicians because of his repeated attacks against the Chancellor of the Exchequer Gordon Brown for his handling of the economy. When the Blair government decided to bring back a London-wide government and a popular referendum approved the notion, Livingstone defied his party's wishes and ran for mayor of London. Livingstone was elected as mayor of London in 2000 as an independent because the Labour Party expelled him. A major part of his campaign platform was the imposition of a congestion charge system for central London.

Although road pricing in the UK was first proposed in 1964 by a panel commissioned by the Ministry of Transport (1964), it was not seriously considered before the 1990s when a strong economy generated even more congestion in roads. By that time, drivers in central London spent half their time driving at less than 5 mph, and transportation experts predicted that in less than 20 years, every major road in London would be severely congested (Department of the Environment, Transport and the Regions 1998). In a transport Green Paper released in 1996, the Tories proposed congestion charging and area licensing for vehicles (Department of Transport 1996). However, the Tories were defeated in the election of 1997, and the Labour government took over transportation policy. That year, an independent study for the Government Office for London claimed that congestion charging at £5 a day for cars in central London during the week would reduce traffic by 10% (Department

of the Environment, Transport and the Regions 1997). In the following year, the Blair government released the first transport White Paper in 21 years; it supported congestion charging in London among other transportation management features (Department of the Environment, Transport and the Regions 1998). Regardless, Labour politicians were slow to implement the controversial aspects of the White Paper, whereas the Tories reversed their position and began to campaign against road pricing. Steven Norris, Minister for Transport in London under Prime Minister John Major (1990–1997), also turned skeptical of congestion charging when he ran for mayor of London; he had been an avid proponent of it before. In the 2000 campaign, Livingstone promised that if he became mayor, he would implement congestion charging in central London and that he would gradually enlarge the cordon area (Harper 2000). The Labour Party remained noncommittal to the idea despite the passage of the Transport Act (Acts of Parliament 2000), which gave local governments in England and Wales the power to introduce road user charges and workplace parking fees as part of a local comprehensive transportation program. The Conservatives continued to oppose congestion charging. Livingstone went on to defeat Norris and Labour candidate Frank Dobson and became mayor.

Livingstone was aware of the neoliberal credentials of congestion charging and the dangers that such an imposition could cause to his political future. In an interview, he admitted that it was a policy that members of the Tories had been proliferating: ‘I was initially skeptical about the congestion tax. I was aware of the origins of the tax. It comes from the Thatcherite right. Milton Friedman and others have argued for it . . . It is a flat-rate tax, like the poll tax. It would not be the tax of first choice’ (Beckett 2003). And yet, Livingstone who wanted to free up road space and reduce vehicular congestion in central London had already announced that congestion charging was the only formidable solution (Greater London Authority 2001). Besides its regressive nature, a congestion charging initiative was politically risky for Livingstone who would have to stand for reelection in 2004. Although members of Livingstone’s administration were optimistic that once implemented, congestion charging would become popular with Londoners, the actual beginning of the program would be dangerously close to the election. Bob Kiley, Livingstone’s Commissioner of Transport for London (TfL), advised him in the end of 2001 to delay the congestion charge scheme until he was reelected (Harper 2001). But Livingstone ignored that advice, tying his political career to the success and acceptability of congestion charging.

Although congestion charging in Stockholm has been debated since the 1970s, it was not implemented until decades later because of the popular opposition. In 1992, an agreement on infrastructure and environment in Stockholm known as the ‘Dennis Package’ included road tolls. However, this agreement collapsed in 1997 because various major political parties were not interested in pursuing long-term policies with controversial components such as road tolls (Ahlstrand 2001). Conservative political parties in Sweden had been previously punished by the voters for their efforts to enact neoliberal reforms and were reluctant to be associated with congestion charging. In fact, short-term political calculations transformed these parties into opponents of congestion charging.

The political parties involved in the Dennis Package had been clashing over the direction of the economy since the 1970s. The Social Democratic Party, which constructed a comprehensive and successful welfare state between the 1930s and the 1970s, began to falter during the oil crisis of 1973 (Esping-Andersen 1990). Nonetheless, usually with the assistance of coalition partners, the Social Democrats governed Sweden between 1982 and 1991 and between 1994 and 2006. The conservative Alliance of the Center, Moderate, and Liberal Parties, which governed between 1976 and 1979 and between 1991 and 1994, attempted to push through neoliberal economic reforms and transform labor relations

but failed (Lewin 2006, Lindbom 2008). It was, in fact, the Social Democrats who cut public spending, reduced the scope of the welfare state, deregulated the financial markets, restrained wages, and reformed the pension system during this period (Agius 2007, Belfrage and Ryner 2009).

These neoliberal reforms, which were ironically instituted by the Social Democratic Party, had been promoted by the small but powerful capitalist class of Sweden since the 1970s. During that period, corporate and banking leaders transformed the Swedish Employer's Federation (SAF) into a more active organization that launched an offensive against the welfare state and workers' prerogatives. The SAF funded think tanks such as the influential Center for Business and Policy Studies and sponsored economic chairs in universities willing to hire neoclassical economists. This alliance of business and intellectual interests penetrated public debate through the mass media, advanced arguments against workers' prerogatives, and portrayed the welfare state as an inflexible structure threatening to strangle the Swedish economy. The SAF also threw its financial support behind politicians of the Alliance. For example, Prime Minister Carl Bildt (1991–1994), who was handsomely supported by the SAF throughout his political career, has been considered the architect behind the Moderate Party's neoliberal transformation. The think tanks of the SAF have generally supported congestion charging schemes (Ryner 2002, Harvey 2005, Lindbom 2008).

Having been bruised by the voters because of their neoliberal proposals, politicians of the Alliance did not bring to debate congestion charging in the election of 2002. However, the leading politician of the Social Democratic Party in Stockholm, Annika Billström, promised to consider environmental charges if she was elected mayor. Almost immediately, the Moderate Party printed election posters saying 'stop Social Democratic tolls!' The Liberal Party also opposed road tolls and presented a program of new road investments in order to reduce automobile congestion in Stockholm. Weeks before the election, in a televised debate Billström backed away and promised not to introduce road pricing. The election outcome was a slender majority both locally and nationally for the coalition of the Social Democratic Party, the Green Party, and the Left Party. In order to participate in the coalition, the Green Party demanded the implementation of congestion charging in Stockholm. Eager to form a national government, the leader of the Social Democratic Party Göran Persson accepted the demands of the Green Party and became the prime minister. Billström reversed her election promise, formed a local coalition with the Green and Left Parties as well, and accepted the institution of a trial of congestion charging with the possibility of making it permanent. In response, the Moderate and Liberal Parties along with motorist organizations demanded a voter referendum on the issue, arguing that the Social Democrats had lied to the voters during the election campaign. At the time, polls showed that an overwhelming majority of voters opposed congestion charging. In June 2003, the national government defined congestion pricing as a tax and took over the implementation of the scheme, as according to Swedish law only the national parliament can introduce taxes (Vägverket 2006). The national parliament delayed the implementation of congestion charging because of disagreements over the length of the trial. The Green and Left Parties wanted the trial to last longer. However, the Social Democrats argued that the trial should be shorter and that the referendum should be held in conjunction with the general election of 2006. In the end, the coalition parties decided to end the congestion charging trial by 31 July 2006; what they did not expect was that court challenges would delay the beginning of the trial to 3 January 2006 (Isaksson and Richardson 2009).

Unlike London where the congestion charging proposal was devised by a leftist and Stockholm where the Social Democrats implemented it after pressure by the Green and

Left Parties, in New York City it was proposed by someone who is considered to be a neoliberal and a champion of the corporate and real estate sectors. Bloomberg founded and still owns Bloomberg L.P. (2010), a global financial news and information company that is employing today more than 10,000 people in hundreds of offices around the world. He was a lifelong Democrat but switched to the Republican Party in order to avoid the crowded Democratic primary for mayor in 2001 (Collins 2001). Bloomberg spent about \$73 million of his own money in the 2001 campaign and defeated his Democratic opponent Mark Green by winning 50% of the vote over 48%. Many observers from the business sector viewed Bloomberg as one of their own and felt that the corporations would be able to directly influence public policy when he became mayor. Owing no political favors, Bloomberg appointed highly qualified deputy mayors, advisors, and commissioners with expertise in the departments they were asked to manage; however, many of the crucial positions that dealt with economic development, large projects, and overall policy were filled by affluent members of the corporate world. These appointees favored big businesses and developers and sought to attract to the city large corporations from around the world (Brash 2011). Most of the grand scale priorities of the Bloomberg Administration have been similar if not identical to those of the Partnership for New York City, the city's premier business organization whose members are 200 CEOs of the city's top firms. Congestion pricing in parts of Manhattan is one of the proposals that the Partnership has pursued (Partnership for New York City 2010).

The founding of the Partnership for New York City coincided with the fiscal crisis of New York City in the mid-1970s. New York City was one of the first locations in the world to experience a neoliberal intervention. It was in 1975 when the business elites of New York City, dissatisfied with the direction of the city and its political leadership, refused to continue lending the municipal government money and forced it into a technical bankruptcy. This maneuver amounted to the overthrow of the elected government of the city by the financial elites, which used the fiscal crisis to dictate a vision that included the dismantling of the social safety net (Freeman 2000, Chronopoulos 2011b). To that end, the leaders of the city's financial community formed the Financial Community Liaison Group in order to continuously pressure political leaders to make the right kinds of reforms and to guarantee investors the city's solvency. In 1979, David Rockefeller formed the Partnership for New York City to replace the Liaison Group as a business advocacy vehicle and merged it with the New York Chamber of Commerce. In 2002, the two merged organizations took the name of Partnership for New York City.

Encouraged by the success of the congestion charging scheme in London and the reelection of Livingstone, congestion pricing in New York was originally proposed by the Partnership for New York City. Immediately after Bloomberg's reelection in 2005, the Partnership suggested that vehicles travelling south of 60th Street in Manhattan should be levied a \$7 fee (Hu 2005). Given that Bloomberg had not even mentioned the idea of a driving charge system during his reelection campaign, administration officials were dismayed with the Partnership for opportunistically advocating such a politically charged issue so close after the mayor's reelection (Neuman 2006). The Partnership shelved its proposal but undertook a new study on the economic effects of traffic gridlock in Manhattan. Bloomberg continued to dismiss the proposal throughout 2006, likening the Partnership's proposal with a commuter tax and arguing that the state legislature would never allow it (Neuman and Cardwell 2006).

Despite the seeming disagreement between the Partnership and the administration, a debate emerged across spatial and class lines. The Queens Chamber of Commerce released a study, which contended that congestion pricing would hurt small businesses

and middle-class commuters who drove and that a reduction of only 40,000 people entering Manhattan each day would result in a reduction of \$2.7 billion annually in economic output (Appleseed Consulting 2006). Small business owners, residents, and politicians from Queens became among the fiercest critics of congestion pricing. Drivers and organizations from boroughs other than Manhattan also criticized the proposal as insensitive to the peculiarities of class and geography. The progressive Transportation Alternatives, which has favored the development of pedestrian and bicycle infrastructures in the city, released a report, which contended that most people who drove into Manhattan south of 60th Street did so for convenience and not because of economic necessity. The report also estimated that only 6% of shopping trips in Manhattan were done by car and that businesses would not suffer because of congestion pricing (Schaller Consulting 2006). In the end of 2006, the Partnership released a revised study on the economic costs of traffic gridlock in Manhattan. The study argued that traffic gridlock in the Manhattan central business district cost the region about \$13 billion annually and that the amount of traffic in midtown and downtown Manhattan had surpassed the beneficial levels and was harming the economy of the area. The study briefly considered a number of urban traffic reduction schemes and praised London's congestion charge program as worthwhile (Partnership for New York City 2006). The Partnership's response appeared to be that of the city's corporate elites. After the release of the report, the conservative Manhattan Institute entered the debate in favor of congestion pricing (Schaller Consulting 2006).

In 2007, the US Department of Transportation sought to form urban partnership agreements with certain cities that were willing to implement a congestion pricing scheme or variable toll demonstration (Federal Highway Administration 2006). This was part of an effort by the George W. Bush Administration to convert car pool lanes into toll lanes and to encourage private corporations to build and operate roadways (Egan 2005). Secretary of Transportation Mary E. Peters hinted that New York City could obtain a substantial amount of the funds available for congestion pricing demonstrations if the city and the state approved such a plan (Hakim and Rivera 2007).

In April 2007, the Bloomberg Administration changed its approach and embraced congestion pricing eyeing federal funding for the scheme. The city government promoted congestion pricing as an environmentally shrewd-smart-growth-proposal that would reduce pollution, minimize the tyranny of automobile traffic, improve the provision of public transportation, and benefit New Yorkers of all backgrounds living in all locations of the city. Although congestion pricing was only a part of a larger planning initiative (PlaNYC 2007) that sought to remake New York by 2030, the Bloomberg Administration promoted it exclusively and with unusual fervor in the months that followed. What followed was a debate over the regressive nature of congestion pricing, even though the city administration attempted to emphasize the environmental benefits.

### **The credibility of redistribution**

Government entities believe that popular acceptability of congestion pricing largely depends on the enhancement of mass transit. That being the case, governing bodies have to plan, promote, and ideally implement these mass transit improvements before congestion pricing even begins. They also need to propose and publicize how congestion pricing proceeds will benefit public transportation systems in the long run.

In London, the TfL implemented a number of bus improvements before and during the period that congestion charging was initiated. There were new bus routes, the introduction of larger buses, faster direct service, frequency improvements of existing routes,

and increased service in the evenings, nights, and weekends. By February 2003, passenger capacity improvements had been introduced in 114 bus routes. There was also an emphasis on bus service reliability so that buses arrived on time and required less time to reach their destination. Toward that end, TfL enhanced driver training programs, introduced mechanisms for faster boardings, increased the number of bus lanes, intensified traffic enforcement in bus lanes, and improved infrastructure in bus stops. TfL also reduced the overall ticket cost for bus passengers (TfL 2002, 2003a, Santos 2008). Other mass transit improvements included regular service increases in the London Underground after the central government handed it over to TfL in July 2003 and more departures in the National Rail and the Docklands Light Rail. Overall, mass transit in London improved to unprecedented degrees (TfL 2002, 2003b). Livingstone planned to continue improvements in mass transit by using the proceeds from congestion charging (as well as other funds). In 2006, TfL announced a 4-year plan that included the further improvement of bus service and mass transit accessibility, the development of segregated bus lanes and trams, and the enhancement of transport mode interchanges (Santos 2008).

These improvements were embraced by Londoners. Passenger satisfaction reached the highest levels in the Underground's history and this with a higher ridership and more train kilometers traveled than before. Something similar happened with the other modes of transportation with London buses improving the most in terms of frequency, ridership, punctuality, and distances traveled. In 2004–2005, bus ridership grew to its highest level since 1965 (TfL 2005). An Ipsos-MORI poll in the lead up of the 2005 general election showed that 40% of Londoners identified public transport as one of their defining voting issues. Nationwide polls in 2007 showed similar trends with support for congestion charging rising to 61% (from 49%) and opposition dropping to 21% (from 29%) if the revenue was invested in improving public transportation. In London, the percentages were probably higher given that its population utilized public transportation more and had consistently supported congestion charging in higher numbers than the people from the rest of the country (Klahr and Marshall 2007).

The Swedish national government presented the Stockholm congestion charging trial as a policy package under which the congestion tax was only one element; other elements included expanded public transportation services and more park and ride facilities near city access roads and train stations. In fact, the public transport expansion began in the fall of 2005 and went on for 16 months. Although limited track capacity made it difficult to increase rail services during peak hours, there were some additional peak hour departures as well as lengthened trains. More than this, the transportation agency increased the frequency of nonpeak train traffic. In addition, 20 of the existing bus lines were strengthened with extra departures and 14 new express bus routes were instituted. The new bus lines were direct and fast and sought to alleviate heightened public transit demand in busy areas and to make for a more comfortable commute. As it turned out, trains and the metro did not experience increased crowdedness because of the additional bus service. Finally, garages near train stations and other mass transit centers were retrofitted and extra parking spaces were created. The number of parked vehicles in park and ride garages was increased by 23% (Stockholmsförbundet 2006). The improvements helped to accommodate the 58 million additional mass transit journeys during the congestion tax trial. Most people who gave up their cars to take public transportation were from the municipalities around Stockholm. The average resident of Stockholm County made 350 trips in mass transit during 2006 (The Local 2007).

Although the Swedish authorities emphasized the improvement of mass transit in their promotion of congestion charging, it is more difficult than in London to conclude that

redistribution would make or break the scheme in Stockholm. On the one hand, less than 60% of Stockholm residents have an available automobile and less than 30% regularly go to work or school by car (Eliasson and Jonsson 2011). Furthermore, habitual users of public transport – who represent a majority of commuters – were among the strongest supporters of congestion charging before the trial even started and their support remained constant (Winslott-Hiselius *et al.* 2009). On the other hand, the number of passengers during the congestion charge trial period increased only by 6%, and 1.5% of this increase is attributed to increases in the price of petrol (Eliasson *et al.* 2009). This means that many of the automobile users did not switch to public transport. This does not mean, however, that political gestures of redistribution did not have any effect. Kottenhoff and Brundell-Freij (2009) argue that Stockholm already had a high-quality public transport system (that improved even more in the months leading to the trial), meaning that many individuals did not think that congestion charging would affect them negatively. Moreover, the 14 new direct bus routes attracted 13,000 passengers per day during the trial, which amounted to approximately 29% of the public transport travel increase over the charging cordon. This was significant in the sense that existing public transport riders were not inconvenienced by newcomers and continued to support congestion charging.

In New York City, the Bloomberg Administration's credibility over the scheme began to suffer once it became clear that the mayor had no specific plan of improving mass transit as part of congestion pricing, despite promises to the contrary. Unlike the mayor of London, the mayor of New York has absolutely no control of mass transit. Public transportation in New York City is operated by the New York City Transit Authority (NYCTA). The NYCTA is a subsidiary of the Metropolitan Transportation Authority (MTA). Chartered by the New York State Legislature, the MTA is a quasi-autonomous public authority whose 17-member board is nominated by the governor of New York and confirmed by the state senate. Only four members of the board are recommended by the mayor of New York City (MTA 2008, Laws of New York 2011, §1263). Despite its quasi-independence, the MTA answers to the state legislature and the governor who provide direct funding, appoint or remove board members and directors, and allow the authority to embark into capital campaigns with state-backed bonds. For various reasons that include an unfriendly local media, many residents of the New York City distrust the MTA and blame it for fare increases and inadequate services. They also understand that the mayor of the city has little to do with the MTA, and when Bloomberg promised improved mass transit during congestion pricing, they did not believe him. Moreover, Bloomberg's promises to provide services in southeast Queens and other parts of the city that are not serviced by buses or trains were also considered to be exaggerations. Such promises have been proliferating since 1929 (PlaNYC 2007).

Nonetheless, the Bloomberg Administration continued to argue that congestion pricing was not regressive because most of its proceeds would benefit mass transit riders who tend on the average to have a lower income than drivers. However, there was no plan of a mechanism that would channel the revenues from congestion pricing to mass transit. Moreover, in June 2007, the Republican state senators proposed the elimination of hundreds of millions of dollars of new state money earmarked for the city's mass transit, arguing that the city would have its own slash fund of congestion pricing proceeds (Hakim and Rivera 2007). Given the budget constraints that the state had been facing and the anti-city sentiment by many upstate and suburban legislators, it was possible that the funding formula from Albany would change if the city was able to spend other funds for mass transit. To make things worse, many subway lines, especially the 4, 5, and 6 trains in the east side of Manhattan, had been operating beyond capacity during rush hour. The problem was too many riders with no room in the tracks to run additional trains, meaning that many

subway improvement promises would be difficult to enact (Neuman 2007). Finally, once the city administration began to face difficulties in the state assembly over its congestion pricing proposal, its members claimed the quality of mass transit provision in New York City would suffer, without the federal money earmarked for the establishment of congestion pricing. Many politicians considered this claim to be disingenuous.

### **Political entrepreneurship and class politics**

In the 2004 London mayoral election, congestion charging was elevated into one of the biggest campaign issues. Steven Norris ran once again against Livingstone and promised to scrap congestion charging if elected. Livingstone, who was readmitted by the Labour Party, confirmed his commitment to retain congestion charging, which was becoming increasingly popular, and to focus on improving mass transit. Besides bus service, Livingstone promised to extend the Croydon Tramlink and the Docklands Light Railway, expand London's transport infrastructure such as Crossrail and the East London Line, deploy 800 police officers to crack down on illegal taxis and criminals in transportation facilities, and invest £4 billion on the underground metro in the following 4 years (Mulholland, 2004). During the campaign, Norris argued that congestion charging was damaging the well-being of central London retailers and that it threatened economic growth. Michael Howard, the leader of the British Conservative Party (2003–2005), also campaigned against congestion charging and stated that 'if you want to reduce traffic you can create a ghost town' (Murphy 2004). However, most of these arguments did not appear as credible and Livingstone was reelected.

During his second term, Livingstone increased the congestion charge fee and almost doubled the congestion charging area. In July 2005, the charge was increased to £8 (TfL 2006). In February 2007, the charging zone was extended west to include Westminster and portions of Kensington and Chelsea while the charging hours were shortened by half an hour in the evening (Santos 2008). Bus and other mass transit services were improved in and around the extended zone before the new charge took place. The Western Extension did not make as much of a difference as the original congestion zone, mostly because the number of employees in the original zone was more than 1 million as opposed to 170,000 in the area of expansion (TfL 2008, Santos 2008). In 2008, while running for a third term, Livingstone unveiled plans to charge the heaviest 4 × 4 vehicles £25 a day and to exclude them from the 90% discount if they belonged to a driver from the charge zone (Sparrow 2008).

In the election of 2008, Tory Boris Johnson defeated Livingstone. Johnson, a maverick Member of Parliament for Henley and former editor of the *Spectator* magazine, benefitted from a national discontent against the ruling Labour Party, which was punished in the local elections (Hinsliff *et al.* 2008). Congestion charging did not play a major role in this election despite Livingstone's efforts to present the scheme as one of his greatest achievements and Johnson's promises to reconsider the Western Extension (Mulholland 2008). As for the redistributive aspects of congestion charging, which had proved popular with voters in the past, mass transit improvements had already been in place in 2003 and they helped Livingstone to be reelected in 2004. Afterward, mass transit improvements became more difficult, despite the proceeds from congestion charging, because the city and the national government needed to improve rail service with large capital projects that would take years to complete. Moreover, as traffic slowly increased to precongestion charge levels (TfL 2008), the claim that London's air was cleaner and the quality of life of its residents had improved became hollow.

In Stockholm, the congestion charging trial would become permanent only if a majority of voters approved it. The referendum, which coincided with the general election of 2006, revealed how the congestion charge tax in Stockholm was still a controversial and unpredictable issue. The Social Democrats tried to dissociate themselves from the tax, claiming that the voters had a chance to reject the tolls and still vote for them. The Liberals and Moderates tried to equate the Social Democratic Party with road tolls and hoped that voter discontent would help them to prevail in both the local and the national elections. Yet, as public opinion in Stockholm became more positive toward congestion charges during the mass transit and vehicular trials, the Social Democrats attempted to take up the issue while opposition parties stopped talking about it. Originally, only the Stockholm municipality was planning a referendum with its leaders arguing that the cordon was located inside the city and that it was up to the city residents to decide about the charges. Several surrounding municipalities objected to this, contending that congestion taxes affected their residents as much as those who lived inside the city of Stockholm. In the end, 14 of the 25 municipalities of the county of Stockholm arranged their own referendums. The municipalities that held referendums were governed by the Alliance and the municipalities that did not were governed by the Social Democrats. In the city of Stockholm, a majority of 53% voted to keep congestion charges with 47% voting against. In the neighboring municipalities, a 60% majority voted against and a 40% minority supported congestion charges. The Alliance of the Moderate Party, the Liberal Party, the Center Party, and the Christian Democratic Party prevailed in both the national and the Stockholm elections. After taking time to figure out how to interpret the outcome of the referendums, the Alliance decided to permanently reintroduce the congestion tax, but to earmark the revenues for road improvements, so that the residents of municipalities around Stockholm could be appeased (Agius 2007, Eliasson *et al.* 2009). The Social Democrats had used the income from the congestion charge tax to fund mass transit. Congestion charging was reintroduced in the summer of 2007. Under the permanent system, the tax exemption for taxis has been abolished, the tax exemptions for eco-cars will be abolished in 2012, and congestion tax is deductible from the income tax (Eliasson *et al.* 2009).

In New York, committees of the state assembly held hearings on the issue in June 2007 with many assembly members questioning the regressive nature of the proposal. The Bloomberg Administration was unable to counter the charge that congestion pricing was regressive. According to data provided by the Bloomberg Administration as well as by other government agencies, congestion pricing in Manhattan would disproportionately affect middle-income drivers from the city's outer boroughs: Queens, the Bronx, Brooklyn, and Staten Island. If set at \$8, congestion pricing would cost these drivers about \$2000 annually (Brodsky 2007). Although low-income drivers would be penalized by congestion pricing even more, their numbers appeared to be not as substantial and the expectation was that they would stop driving into the congestion pricing zone. Manhattan real estate agents supported the idea and ran an advertising campaign, expecting congestion pricing to make Manhattan's high-rent districts even more exclusive and desirable (Barbanel 2007). In the hearings, Bloomberg admitted that New York's elites would benefit from congestion pricing and argued that this is the way things work in a capitalist society. In his words, 'Assemblyman Gantt talked about whether this is regressive, in the end, it is true if you charge something, those who are wealthier find it less onerous' (Brodsky 2007, p. 11). In the hearings, Bloomberg offered frequent glimpses of his view on the socioeconomic structure of society by saying: 'I think one of the answers is we live in a capitalistic society. We use economics to encourage lots of things and there's nothing necessarily wrong with that. Those that want it more will pay more. And it is true, some people have more so that is in

their benefit. But we've always done that' (Brodsky 2007, p. 11). With these statements, the mayor offered an unapologetic acceptance of the class inequality inherent to congestion pricing. Despite efforts to emphasize the environmental benefits of the proposal, the distributive impact of congestion pricing dominated the hearings. Bloomberg and administration officials were also adamant in exempting taxis from the fee. According to state assembly members, this added to the regressive nature of congestion pricing. The average annual income of a taxi rider was calculated to be \$127,510, a figure that placed it well above the middle class. More than this, taxis were considered to be one of the main causes of traffic gridlock in Manhattan (Brodsky 2007).

The state assembly also speculated that the city administration would substantially increase the congestion fee once the charging system was in place, making it even more difficult for middle-class drivers to enter the zone. This was because the mayor's report estimated that with its proposed fee scale, traffic within the congestion zone would decrease by 6.3% and that speeds would increase by 7.2% (PlaNYC 2007). This meant that less than one in ten automobiles driving in the Manhattan central business district would be eliminated under the plan and that speeds would increase by a mere 0.6 mph. These figures defeated the economic rationale of congestion pricing and made Bloomberg's proposal appear like a commuter tax without any environmental or traffic benefits. In the hearing by the State Assembly, John Folcocchio, Director of the Urban ITS Center at Polytechnic University and a supporter of congestion pricing, noted that in order to increase vehicular velocity in the congestion area by 30–40%, the fee would have to be set in the neighborhood of \$15–20 (Brodsky 2007).

In the end, the members of the state assembly decided to represent themselves as champions of the middle class and refused to even consider congestion pricing. This occurred after the state legislature agreed with the governor to create a 17-member commission to study Bloomberg's plan. The majority of the commission's members were appointed by the mayor and the governor; both of them had supported congestion pricing. In the beginning of 2008, the commission recommended the imposition of congestion pricing, but shortened the cordoned area. However, the state assembly, citing opposition among its members, refused to put the issue for a vote and effectively killed it (Confessore 2008).

### **The success or failure of the measure in the three cities**

There have been numerous studies that provide different reasons for the nonimplementation of congestion pricing. Gaunt *et al.* (2006) outline about a dozen reasons that explain the failure of congestion charging in Edinburgh, and some of these reasons include the problematic marketing of the plan, an inadequate political structure, and the difficulty to promote the concept of congestion pricing before the benefits of improved public transport are obvious. Rye *et al.* (2008) also argue that the lack of a political champion, unclear and badly explained objectives, and poor promotion in the mass media also contributed to the failure of congestion charging in Edinburgh. Cain and Jones (2003) claim that there is a need to adequately simplify the congestion charging plan because complicated designs have little likelihood of gaining public approval. Santos (2008) implies that the plan should be designed in a way that clarifies who gains from the scheme. These writings make it clear that congestion pricing is a complicated issue and that many factors can positively or negatively affect its fortunes. This article focuses on redistribution as an important factor for acceptability and argues that it is one of the most important factors for political support.

The experience of London, Stockholm, and New York City reveals that the redistribution of proceeds from congestion charging can persuade various political entities to support

Table 1. Factors that determined the success or failure of the congestion pricing proposal in the three cities.

	Clarity of objectives	Political entrepreneurship	Political structure	Mass transit improvements
London	Strong	Strong	Strong	Strong
Stockholm	Weak/strong	Weak/strong/medium	Weak/strong	Strong
New York City	Weak/medium/weak	Weak/medium/weak	Weak	Weak

the measure. In fact, there are four principal and interrelated factors that can contribute to the success (or failure) of a congestion pricing proposal and all of these factors have a strong connection to redistribution. The factors are: (1) clarity of objectives, (2) political structure, (3) political entrepreneurship, and (4) mass transit improvements. Table 1 shows how these factors fared in each city, with London representing the strongest case for implementation and New York City the weakest.

### *Clarity of objectives*

In New York City, the Bloomberg Administration was caught unprepared when the Partnership for New York City proposed a congestion pricing scheme in the end of 2005 and this confused the situation. Opponents of the scheme argued that congestion pricing was an exclusionary measure proposed by the corporate elites. They defined congestion pricing in terms of geography and class and claimed that it targeted middle-class drivers and small businesses from outside Manhattan. Mayor Bloomberg dismissed the proposal as unworkable. By the time that the city administration changed position and began to promote congestion pricing, much of the debate was already under way and many New York residents and legislators had already formed an opinion, which was negative. This resulted difficulty in explaining the objectives of the plan, as the debate always reverted to already formed assumptions. The city administration was also unable to advance a clear and workable vision concerning public transportation. In Stockholm, the local government also confused the situation by changing position during the election of 2004. However, once the national government took over the issue, the objectives of the measure became clear and consistent and were well marketed. The national government also sought to disarm the opposition by initially making congestion charging temporary and subject to a popular vote. The incorporation of mass transit improvements in the proposal also helped. In London, the objectives of the scheme were the clearest and most consistent. The city administration and the TfL publicized congestion charging and mass transit improvements with impressive rigor, and by the time that they were implemented, most Londoners understood their objectives.

### *Political structure*

In London, Livingstone was in charge of virtually all aspects of transportation and pursued his own policies. Congestion charging provided him with much needed capital to continue improvements in mass transit. In Stockholm, both the national and the local governments became sympathetic to congestion charging and they both focused on providing funding to mass transit. Once again, there was no governing entity that could compromise any of these efforts. In contrast, the political structure in New York City was dramatically different. The

state government was in charge of approving or rejecting congestion pricing and was also in charge of mass transit. The proceeds of any congestion pricing scheme would definitely involve the state government, which did not necessarily have the same priorities as the city government. This problematic political structure for the Bloomberg Administration would have to be overcome with adept political entrepreneurship.

### ***Political entrepreneurship***

Although both state legislative leaders and the governor of the state favored congestion pricing in New York City, the measure still required approval from a majority of state senators and state assembly members. These majorities were unclear in both chambers. The city administration could have tried to lobby state legislators and to forge alliances. However, this did not happen. If anything, the unfortunate statements about class that the mayor and his aides made in front of the state assembly further compromised the effort. These statements reassured New Yorkers who had already become skeptical of congestion pricing that the scheme was devised by the affluent in an effort to exclude the middle and lower classes. In London and Stockholm, skillful political entrepreneurship increased the acceptability of the measure.

### ***Mass transit improvements***

The Swedish political authorities and the City of London promoted and implemented mass transit improvements before congestion charging was in place. They also earmarked a large portion of the scheme's proceeds for the future improvement of public transportation. In New York City, this did not happen because the mayor did not control mass transit and he had no plans to convince the MTA to improve public transportation. However, given the popular and legislative objections over the regressive nature of congestion pricing, such mass was trying to impose congestion pricing without improving mass transit.

### **Conclusion**

This article has argued that congestion pricing is a spatial mobility scheme based on neoliberal economic theory. Under congestion pricing, drivers pay a fixed rate to enter (and sometimes exit) a cordoned urban area. Congestion pricing has the potential of reducing pollution and vehicular congestion in central business districts; however, the scheme is subject to popular skepticism because of geography and class. Middle- and lower-income people who live outside the central city feel that congestion pricing targets them and that it is unfair.

Various surveys have shown that the acceptability of congestion pricing increases when there is a clear redistributive mechanism channeling proceeds from the scheme to mass transit. This type of redistribution benefits low- and middle-income groups, which utilize mass transit in higher proportions than upper-income people. Political entities preparing to impose congestion pricing take the results of these surveys into serious consideration given that dissatisfaction with congestion pricing can potentially translate into electoral defeats in the polls.

The governments of London, Stockholm, and New York City proposed congestion pricing alongside promises to improve mass transit. In London and Stockholm, these political authorities improved mass transit before the beginning of congestion pricing and continued to do so after its successful implementation. In New York City, the congestion pricing

proposal was derailed because of popular opposition from the outer boroughs and because the state legislature questioned the regressive nature of the scheme and the credibility of redistribution when it came to mass transit. The city administration was unable to appease its critics and redirect the debate.

The irony is that a leftist mayor in London and a center-left government in Stockholm succeeded in their quest to impose a neoliberal urban policy, whereas a neoliberal mayor in New York failed. This occurred because the city administration of New York City was too inflexible ideologically and mishandled the publicity of the issue. The corporate interests and upper classes of New York appeared too eager to impose congestion pricing and the mayor viewed as a member of the upper class went along. However, he failed to make middle- and low-income people comfortable with the plan. Not only did Bloomberg not adequately explain the redistributive aspects of congestion pricing, but he also appeared not as genuinely interested in improving mass transit. Because of this, most ordinary people were indifferent to the plan and state assembly members opposed it. On the other hand, the political entities promoting congestion charging in Stockholm and London were not even neoliberal, at least not in any orthodox and consistent sense. Their emphasis on redistribution disarmed critics of neoliberal urbanization and appeased mass transit riders.

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