

Costa Rican transport policies: a stakeholder analysis

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Costa Rica's transport sector contributes to the aggravation of problems such as air pollution, vehicular congestion and traffic accidents that mainly affect the country's urban areas. In this analysis, stakeholders associated with a key set of transport policies are identified and their roles in current and future policymaking are assessed.

Despite a demonstrated interest in addressing environmental goals, Costa Rican policymakers have failed to address prominent environmental problems that affect the country's urban areas. This is evidenced by the deterioration of environmental quality in the Greater Metropolitan Area (GMA). The deterioration is caused by a high concentration of productive activities, an increase in untreated waste, a rise in polluting and greenhouse gases, the absence of air quality monitoring and inadequate inter-institutional coordination (MIDEPLAN 2007). The transport sector contributes to some of these problems, as transport policies have not adapted quickly enough to the rapidly changing transportation needs of Costa Rica's growing economy and population. Air pollution, vehicular congestion and traffic accidents are especially problematic.

The following set of five policies that regulate private transportation in Costa Rica were analyzed:

1. the technical vehicular inspection
2. the car import taxes
3. a circulation fee
4. the fuel taxes
5. the driving restriction

All five policies have the potential to reduce common externalities associated with private transportation, particularly environmental issues. In some cases, environmental concerns were a part of the policy design process (particularly concerns for reducing air pollution); however, overall, fiscal concerns were given much greater weight¹. As a set, these policies reflect a myopic response from policymakers whose primary objectives are the temporary resolution of fiscal problems, and not the long-term resolution of problems associated with the transport sector.

Existing studies on the regulation of Costa Rica's private transport sector tend to focus on one or two specific policies, but they do not address the interaction among various policies. This study attempts to fill this gap by conducting a more wholesome analysis of this set of five policies.

Key Points

- These policies reflect a myopic response from policymakers whose primary objectives are the temporary resolution of fiscal problems.
- This analysis highlights the transitory nature of stakeholder roles and emphasizes the dynamic character of stakeholder interactions.
- This implies that change is possible.

¹ Fonseca, Umaña, Corrales, Merino personal *interviews*

A Stakeholder Analysis

A stakeholder analysis (SA) was conducted with the objective of identifying current and potential stakeholders associated with the relevant set of transport policies and analyzing their role in current and future policymaking. As defined by Grimble and Chan (1995), SA can be thought of as “an approach and procedure for gaining an understanding of a system by means of identifying the key actors or stakeholders ... and assessing their respective interests in that system.” This analysis addresses the following questions:

1. What stakeholders were involved in the implementation of this set of policies, and in what ways were they involved?
2. On what grounds have these policies been justified, and what has been the role of environmental and fiscal concerns in this justification?
3. What environmental interest groups have been involved in the implementation process of these policies? How successful have they been in highlighting the potential environmental benefits of these policies?

Data were obtained from a combination of personal interviews and the review of printed sources, including published and unpublished institutional documents and articles from *La Nación*—a reputable Costa Rican newspaper. Between February 2009 and November 2009, a total of 43 personal interviews were conducted.

Main results

The main results are divided into three groups, in response to questions 1, 2 and 3.

1. Approximately 50 relevant stakeholders were identified and grouped into three main societal groups—government/public sector, civil society/private sector and research institutions. As proposed by Mitchell et al. (1997), stakeholders are classified into 7 *salience categories* based on their possession of one to three attributes—power, legitimacy and urgency—where *salience* is defined as “the degree to which priority is given to competing stakeholder claims” (Mitchell et al. 1997). A total of five stakeholder salience matrices were generated—one for each policy in the set.
2. All five policies have been justified on fiscal grounds to some extent, at least initially. The fuel tax policy in particular stands to gain from the inclusion of environmental concerns in its justification. Furthermore, stakeholders in favor of the fuel tax policy could strengthen their argument by addressing the double dividend hypothesis.
3. Although Costa Rica has several environmental interest groups, very few of these have been actively involved in the implementation process of the relevant set of transport policies.

This SA makes it clear that the development and implementation of policies involves a complex interplay of conflicting interests. These conflicts arise for various reasons, including the following:

- individuals often belong to more than one stakeholder group
- a stakeholder group can be internally divided, with some members in favor of a specific policy reform and others against it
- institutions are not free of corruption, which can be manifested in multiple ways and have various effects.

Policy implications and recommendations

The following recommendations are intended to improve Costa Rica's set of transport policies by increasing the importance of achieving environmental objectives:

- A stronger science-policy interface is needed in order to better inform stakeholders on environmental problems associated with transportation. Definitive stakeholders (who possess all three attributes of legitimacy, power and urgency) generally have little interest in meeting environmental goals. The Ministry of Finance is one of the more prominent stakeholders in this group, and its objectives are not oriented toward the fulfillment of environmental goals. Its tactic in addressing the country's financial problems is short-sighted in that it ignores environmental problems that if left unaddressed may worsen and, ultimately, create more financial problems in the long term.
- The science-policy interface is also fundamental to the education of dominant stakeholders (who possess the attributes of legitimacy and power, but lack urgency) that currently possess environmental objectives, such as the Ministry of Energy, Environment and Telecommunications (MINAET).
- Relationships among discretionary stakeholders (who possess the sole attribute of legitimacy) should be cultivated. Local environmental interest groups are a potential source of change. In order to gain salience, these groups must acquire the attributes of urgency and power. Urgency can be acquired through greater access to information, which is primarily produced and distributed by research institutions, which are also mainly categorized as discretionary stakeholders. Power can also be acquired through relationships with international agencies (such as World Bank, IDB, GEF, Swisscontact and GTZ), which are interested in financing projects that contribute to sustainable development goals. These agencies are likely to remain discretionary, because they tend to be apolitical. However, this is no impediment for them to aid other discretionary stakeholders in gaining salience.
- Research institutions should better assume their responsibility to collect more data and generate more studies on air quality in the GMA. One of the main setbacks in modifying the current set of transport policies is the lack of indicators by which to measure the progress and deficiencies of these policies. Furthermore, these research centers should be encouraged to share their findings with the rest of the scientific community as well as with policymakers.
- The relationship between private and public transportation is undeniable, and an efficient public transport system is vital to the success of policies that regulate the private transport sector. Air pollution, vehicular congestion and traffic accidents could be further reduced if in addition to reforming private transport policies, policymakers addressed problems associated with the public transportation system.

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ABOUT THIS BRIEF

This brief is based on results from: Osakwe, Rebecca, 2010. "The Political Economy of Private Transport Regulation in Costa Rica." M.S. Thesis. Tropical Agricultural Research and Higher Education Center (CATIE): Turrialba, Costa Rica.

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