ECONOMIC EVALUATION OF SAFETY LAWS AND THEIR ENFORCEMENT

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Background Guidelines for economic analysis of public programs ignore issues around legally restricting behavior.

Aims/Objectives/Purpose To inform evaluators and advocates about how to handle the issues.

Methods Application of economic principles; review of benefit-cost analyses to identify methods and examples.

Results/Outcome Laws shape or restrict personal choices. They put the common good above individual desires. Economic evaluation of public health laws can require valuing discomfort, inconvenience, reduced mobility, increased travel time, restricted freedom of choice, or lost access to accustomed pleasures. Wage gains due to impacts on education or life skills are monetary benefits distinct from the value of injury reduction. Gains foregone when enforcement prevents illegal acts, however, are not costs to wrongdoers from society’s viewpoint. Whether to count wage losses that a criminal experiences while incarcerated is unclear. Estimated costs of approving mandates are 2.9%-7.1% of the first-year direct costs imposed on the public. Implementation and administration cost another 4.2%-4.6%. Enforcement and publicity affect cost and effectiveness. Evaluating safety device mandates requires estimating misuse, including civil disobedience, legal loopholes, discomfort, and unintentional misuse. Laws can have unforeseen or unevaluated consequences (e.g., risky sex reduced by a youth driving curfew). Champions of laws need to understand which savings they can spend and which costs they must fund. Other than sin taxes that generate revenue, public health laws are unlikely to ease a budget crisis in the short run.

Significance/Contribution to the field Economic analysis can decisively influence passage and enforcement. This paper systematizes guidance for conducting those analyses.