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# The Influence of the Benefit–Cost Analysis on Policy Evaluation in the European Union

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## Abstract

The purpose of this paper is to answer the research question: How many methods of Benefit–Cost Analysis (BCA) influence policy decision-makers? The new research is a continuation of the previous research, and it is updated with new data and new examples. As it is well-known by BCA experts and practitioners, BCA is a relatively simple and widely used technique for deciding whether to make a change. BCA is very important in political and governmental decisions. Governments are policy creators, and Governments are usually formed of politicians. How much do experts inside Governments influence the policymakers? Do politicians allow enough experts to influence policymaking? The research regarding the work of the Croatian Government’s Office for Legislation and its Unit for the system and coordination of the Assessment of the Effects of Regulations (Unit) showed that the analysis of that Unit was not very good in some very important laws. These laws were changed very often because in practice was seen that the application of some laws was not good, and had caused some problems for the citizens, caused legal uncertainty for them, and in some cases had caused a lot of damage.

## 1. Introduction

As the Benefit–Cost Analysis (BCA) may influence political decisions, it is important to draw the attention of the political decision-makers to its importance. European Union and the rest of the world have faced a lot of difficulties during the last few years: the pandemic of COVID-19, and the war in Ukraine as the biggest disasters, and climate change, which problem already existed. COVID-19 slowed down everything including the law-making process too, which is usually not fast. Implementation of the regulation in the EU Member States legislation at the national level is not a fast process. The life of the citizens depends on the legal rules, they must follow the rules. So, in these very difficult times, it is important to make the best and the most useful policy decisions not just for this, actual generation, but for future, next generations. The decisions of this generation will, for sure, influence the lives of future generations.

At the beginning of this manuscript, it is important to emphasize that, Zerbe and Scott (2015) noted that “Benefit–cost analysis (BCA), and cost–benefit-analysis (CBA), are generally regarded as equivalent terms.” Both terms are in use, so that could raise a question:

Do these terms have the same meaning? The answer, according to Zerbe (2007), which said that BCA is a kind of a subcategory of mainstream CBA, whose foundation rests on legal rights and amends the failure of CBA to include moral sentiments, would be *NO*, but, on the other hand, could be *YES*. Why? Because the roots of both terms are the same, but CBA does not include moral sentiment. On the other hand, Zerbe (2007) noted that both terms BCA and CBA normally are used interchangeably.

## 2. How may BCA influence policymaking?

BCA may influence policymaking through the rules, of course; laws, acts, and other by-laws. In the process of policymaking inside the Government, this research found that for the Croatian Government is very important to give attention to the selection of the team of people inside the Government's Office for Legislation (OL). The selection of the people for this very important job should have been processed through public competition without any protection for the people who are not educated and capable enough for this job. Why does the author of this article mention that the way of selection process regarding the selection of people has to be processed without any protection? In highly developed countries the selection of the candidates who apply for jobs, any jobs, is based on capability, experience, the right education for the exact job for which competition has been announced, and so forth. However, in Croatia, an EU Member State since 2013, the criteria according to which a candidate will be selected as the best candidate for the exact job, is not based on the requirements that are cited in the competition. The personal experience of the author of this article in applying to the public Government competitions for open jobs influenced the results and conclusions of the research regarding the subject matter. Croatian Government in the process of lawmaking does not use methods of the BCA directly, but they are using BCA methods indirectly, as its Units' part of the name says: the Assessment of the Effects of Regulations. Through the results of that process, which means through the too often changes of the very significant laws, it is possible to conclude that the servants who have made the noted Assessments, have not done a good job. Legislation in any world country is the most important in the functioning of the State. To improve the quality of Laws means to make the Laws so good that their changes will not happen often. In Croatia, Law changes are happening often which means that the quality of Laws, or/and their application is not good. Why the quality of Laws is so important? Because the citizens must follow Laws and other rules in force, that regulate their rights and obligations at all, and they may be punished for the breach of the rules. A Law contains sanctions for its breach, so it is important to have a Law through which the Rule of Law will be secured.

Another very important thing is to secure adequate financial resources for the work of the OL (through the budget, mainly). If the OL does not have enough financial resources for its work, it cannot work well. Accordingly, how many servants the office may have for this very important job and the research too, depends on the budget. It is not a matter of the financial resources only in Croatia. Even in the United States of America, which is the State of the origin of BCA, where BCA was founded (firstly CBA then BCA), are faced with a lack of adequate resources to conduct BCA, on any level: state, county, and municipal, which means, a lack of trained analysts and funding for research, according to Zerbe and Scott (2015). So the lack of financial resources could be a reason for nonusing the BCA in the Croatian Governmental bodies: in this research: the Governments OL and its Unit.

Either, very important is to secure improving knowledge constantly on the BCA methods through training, seminars, and so forth, which methods can, for sure, improve the quality of Laws. It is difficult to start with the changes, and the Croatian government was offered help regarding this very important matter, around approximately 8 years ago. If they started then with training the employees on the BCA methods, it would give, for sure the results, until today. But they did not. So, the time runs and processes in the Croatian States' Administration bodies are going very slow, as usual. The people/party in power very often do not want to listen to one or more experts on BCA. That problem has been noted during research. The reason for the obstruction of the work of the experts is unknown. So, this is important to put this goal before securing financial resources. Securing the adequate people potential for this job is in the first place, then it is possible to have a complete picture of the sum of the money that will be needed for their work. And according to the Plan of their work, of course. Planning is important at the beginning of the process. Sometimes looks unnecessary to repeat the essential steps, but in practice was seen that some mistakes showed up because one or more steps were skipped in the necessary order in planning and execution. The author of this manuscript likes a very old Latin or even, according to some research, the Athenian (Greece) proverb "*Repetition is the mother of learning*" or "*Repetition is the mother of knowledge*" (*repetitio est mater studiorum*), which method she is using in her work. Repetition is not important only for learning, but for working. It would not be possible to do a good job if adequate educational steps had not been taken. A good example of repeating is writing an author's article, or dissertation which contains many citations of other authors which are relevant for the exact title/text. Another very significant example is case law which is based on the existing judgments that the judge in a new/actual case must follow and apply in his decision. It is mandatory. Why the noted text regarding repeating is important for this article on BCA? Sometimes, the author of this manuscript repeats too in her research on BCA. It would be good for the policymakers to follow this method of working. Probably in that case, the citizens would have fewer problems in the application of laws in everyday life. Regarding the lawmaking in the exact country, it is not a precedent to look at and learn from a good example of the law of another country that is implemented well in the everyday life of the citizens of that country. So, a kind of copying of laws into another legislation of another country is not forbidden and could be a very good choice for a country that is in the process of learning democracy. Croatia is a post-communist country which is still learning democracy. It is a new country that became independent from the totalitarian and authoritarian communist regime of the former Yugoslavia. The democracy is not possible to learn and achieve in one generation of people. So, for example, one German Law (Stasi Records Act; The Federal Archives, 1991) is good to use as a draft for one Croatian Law, which still has not been passed/adopted.

Some EU Member States are using BCA in decision-making, in particular policy decision-making, and in some is not used at all. What does that mean? That means that some Member States are using BCA indirectly, through the regulations and decisions of the European Commission, which is using CBA as it is mentioned in the previous text. However, it is already described that the indirect method of using BCA does not give good results in lawmaking in many examples of very important laws that have been changed several times in a short time (Croatian example). Consequences were, and still are bad for the citizens, and in one of Croatians' Laws is possible to say: catastrophic, which will be described later in this manuscript.

### 3. About the enactment of laws/by-laws

#### 3.1. *Enactment process in Croatia*

In the Croatian Enactment of Laws procedure, the Government is proposing laws to the Parliament. The Government is formed of the political parties which are in power. The law which the Government proposes will be accepted in the Parliament because of the majority of the parties in power in it. Does the Government propose laws that are in the best interest of the citizens of a country? This part of the manuscript is important for understanding the functioning of the enactment of the laws. Some people know the process, but some do not. Very often politicians bring a law into force that is in the interest of the parties in power, which sometimes, in fact, often, is not in the interest of the citizens.

Another very important question regarding the enactment of laws process is: What about the quality of the laws? Many changes in the laws affected its quality, which is worse, after the changes. The purpose of a law change is its improvement. Unfortunately, in many cases, a change did not achieve its purpose, as it is mentioned previously. That is a fact, that has been proved many times in some very important laws, such as Penal Procedure Law, Civil Procedure Law, Dstraint Law, and many other laws and by-laws. The most recent, and unfortunately really catastrophic example with catastrophic consequences for the citizens is The Law on the Reconstruction of Buildings Damaged by the Earthquake in the City of Zagreb, Krapina-Zagreb County, and Zagreb County, which has been changed three times in 3 years. Catastrophic because some of the citizens had to leave their homes or offices because of the damaged buildings, and reconstruction is going very slowly because of the bad application of the Law, which is not written well. Some stipulations led to bad consequences for the citizens and had to be changed. That means that the Unit of the OL did not make a good analysis before starting the law-making, which affected the quality of some stipulations of the Law.

#### 3.2. *Enactment process in the EU*

Enactment of the Regulations is not an easy process. It must pass procedures in the European Commission which proposes the regulations, and then must be enacted in the European Parliament. After enactment, the regulations must be implemented in the national legislation of all EU Member States. It is not a fast process because of its importance. A pandemic of COVID-19 slowed that process more, as slowed all other processes. However, health must be in the first place. So, we, people around the whole world, not just in the EU countries, had/have to accept the slowness. Without good and healthy conditions, it is not possible to work well and give the optimum. In some places of work, the conditions in which people worked during a pandemic were not good. For example, during a pandemic, one of the health protection measures was airing through the open windows. Unfortunately, in a lot of places of work aeration was not possible because it was not possible to open windows. Health protection measures are regulated either by the rules which had to be passed by the competent institution according to the prescribed procedures. So, the rules adopting procedures are very important. Usually, health should be in the first place, but COVID-19 taught people around the whole world that must take care of their health more than ever.

## 4. BCA influences the quality of the law

### 4.1. Importance of the experts on BCA

The Croatian Government's OL must have experts for BCA. Why? Because the experts for BCA, through BCA methods, can predict a possible problem in the application of the Law and, what is most important, can avoid it, by proposing adequate and more useful measures, that should be incorporated into the Law, through the stipulations. If the politicians do not listen to the advice of the BCA expert regarding this matter, the damage cannot be avoided.

Does the Croatian Government OL have the experts for BCA who are employed in the above-mentioned Unit, or are at least outer Government counselors for BCA methods application in proposing the stipulations of Laws? The answer is *NO*. Another question is: Why does the Croatian Government constantly avoid hiring experts for BCA for the mentioned positions, despite an expert for BCA from Croatia having offered the Government help? The answer is still unknown. Something went wrong in the governing the country.

Croatian leaders inside a government, which means inside the OL, usually make the same mistake for many years: after entering a Law into force, during its application, in some parts of it, a problem shows up. So, the Government is taking a kind of "firefighting measures" when the problem shows up. But the next problem is that the "fire extinguishing" is not going fast and the damage cannot be avoided. What is important to do in that case? To predict a possible problem through the methods of the BCA – in cases where that is possible, of course. To predict a possible problem during the drafting of the law, not after its application. Before entering into force, drafting the law has many phases, such as e-counseling with the public. Then after a law proposal comes to the Parliament for reading, it has the first reading and then the second reading when the representatives can propose amendments to the Law. So, in many steps before Law adoption and entering into force, it is possible to see and avoid the problem. Not after the Law enters into force when damage will be done to the citizens, who must act according to the law.

### 4.2. Securing the financial resources

As it is well-known, it is not possible to predict disasters like earthquakes, weather disasters like storms, hurricanes, and so forth, and their extent, which are connected to climate change. What is possible to do regarding that? It is possible to secure financial resources through the budget for these unpredictable situations and educate citizens constantly on what to do in any of these situations, following warnings of the Civil Protection Office, either. Namely, do all that is possible in human power. One thing is planning and the other is a realization. In this research a realization regarding the application of BCA methods, and anywhere else regarding other matters.

### 4.3. New data, updated previous research: Example – Croatia

The previous research regarding the subject matter is updated with new data and new examples. The most recent example of a bad application of the Law is mentioned earlier in this manuscript.

The City of Zagreb and its surroundings were affected by the earthquake on 22 March 2020. The Government had to act fast and adopt a law regarding the reconstruction of

damaged buildings. The earthquakes are written in plural because after the first two strong earthquakes which happened in the early morning on 22 March, a lot of smaller ones came later during the whole year and at the end of the year another strong earthquake affected two cities (around 40 km from Zagreb), and has damaged places such as homes or offices. Citizens were not, and still are not satisfied with the work of the mentioned States' and Local Governments bodies. The Law on the Reconstruction of Buildings Damaged by the Earthquake in the City of Zagreb, Krapina-Zagreb County, and Zagreb County, entered into force on 17 September 2020. It was an emergency for the enactment, and it was counted that the office (OL) with experience in the law-making process, which cooperated and still cooperates with the Ministry of Spatial Planning, Construction, and State Property which is competent for the implementation of the mentioned Law and, with the Council of Experts established by the Law, regarding the matters in connection with its formulation and implementation. So, all of them had to do a better job in this exceptionally important matter. Unfortunately, they did not. So, if they had listened to the mentioned expert on BCA who offered help earlier to the Government OL, this Law would, for sure, have fewer changes. In the further text of this manuscript, a proof of this statement will be shown.

#### **4.4. A proof of a poor job, too many law changes**

The Law has been changed three times in 3 years. The first change in February 2021 might have a strong reason for a change, because another two earthquakes happened on 28–29 December 2020 when two other towns and surroundings including Zagreb were affected by the earthquakes. But the next change was made on 29 November 2021, after the notification of the problems in the application of some stipulations that affected the lives of citizens whose buildings were damaged.

A proof of the previous statement is possible to notice through the example of damage for the citizens because of the Law change: a tenant representative in the building in Zagreb, Dalmatinska Street. A tenant representative bought a part of the apartment in the building where she lives despite that a court procedure is ongoing regarding ownership of the apartment and, despite that purchase was her high risk because of the unpredictable outcome of the Court process and, the unpredictable time of its duration. Before she bought the part of the apartment, she could not submit a claim for the reconstruction of her apartment (according to the mentioned Law which is in force) which is on the second floor of the building. On that apartment, the damage is the biggest. because all owners of the apartments had to give consent for the claim submission and some bills were not paid for the apartment on which the court procedure is ongoing. Later that stipulation has been changed and now is possible to submit a claim for the reconstruction of the apartment, individually, without the consent of all owners. But she already bought a part of the apartment and the bad consequences could arise for her, because of that investment. Because of the ongoing Court procedure. At this moment it is not possible to predict what the future will bring.

The Ministry in charge which must supervise the implementation of this Law has the obligation according to the Law (stipulated in the last Law change) to analyze the effects of the application of the Law during a period of 2 years after its entering into force. The question is the same which shows up again: Is the competent OL Unit doing the best job? The answer again is: *NO*, unfortunately. They do not have enough experts for that job and the information about the lack of experts has been received directly from Government officials

during an interview for a job. The Government just does not want to give a job to a person who can help them in this very significant matter. Why? The answer is still unknown.

Next, a very important question is: Is it the final version, the last change of this very important Law? The new Law has been enacted in February 2023?! Now the fourth minister is in charge and, leads the Ministry that is in charge of the application of this law. The previous three ministers had to resign because of the slow and bad application of the Law, which means the slow reconstruction of damaged property/buildings.

#### ***4.5. Previous research: A continuation of a research***

This manuscript is based on the presentation which has been presented at the Fourth European Conference of the Society for Benefit–Cost Analysis in Milan in 2023. The presentation and this manuscript are a continuation of the previous research which was made during the years 2017–2019. The results of that research were presented at the first European Conference of the Society for Benefit–Cost Analysis under the title: “Benefit–Cost Analysis and the Law on Assessment of the Effects of Regulations,” which took place in Toulouse in 2019, just before a pandemic of COVID-19 started. The purpose of the research that the author has made is to help citizens who have to act according to the Laws in force. So, helping is the main purpose of the research, not finding bad sides of someone’s work in the law-making process, Improving the quality of Laws is the other very important purpose of this research, of course. What to do to make it better? That is one of the subquestions of the research question, which arose.

Through the noted presentation, the author already concluded that the OL of the Croatian Government is making mistakes in the process of law-making in very important laws such as shown examples: Penal Procedure Law, Dstraint Law, and Civil Procedure Law. During the research was concluded that the problems that showed up in the application of these Laws affected all parties in the process. One of the examples from the previous research is The Dstraint Law which has been changed a few times in the last few years because of a lot of problems in the application. One of the main problems was that in some cases was possible to take all salary or pension from the bank account of the debtor, without official announcement to the debtor, or the debtor had not received the court decision on time.

Penal Law, Penal Procedure Law, and Civil Procedure Law have been changed a few times in the last few years which has caused a lot of problems in their practical application at the Court for all parties: District Attorneys who are representing the State, attorneys at law who represent the clients, and judges. All of them had to be prepared for the case according to the Law that was in force at the time of starting the court procedure. After changes, in a short time, all of them had to prepare again for the case according to the changes of the law which entered into force in the meantime. Unfortunately, the length of the Court procedures in Croatia is a very big problem. The Court procedures last too long. Administrative bodies’ procedures last too long, either (States and local bodies).

#### ***4.6. Some conclusions in this stage of writing***

However, it is important to emphasize that the process of lawmaking in Croatia has not changed much since 2019 because the same Government is in power, and the same Director of the noted OL is directing. That is the main problem according to the opinion of the author, because only the leaders can bring a change in this very important matter, and other matters

regarding the leading of the country. The change is important. Why? At the end of the research is concluded that the mistakes that have been made in the lawmaking of this Law have so bad consequences for the citizens, which are, in fact, catastrophic. It affected the citizens badly in the physical, mental, and financial way. It is not possible to describe in this article all the terrible situations in which many citizens of Zagreb and the surrounding have been exposed because of the too often law changes and bad application of the Law on the reconstruction of the buildings after the earthquake. It has affected their everyday lives for almost 4 years and still affects them. That absence of empathy for the citizens and a kind of disinterest of the Government for the problem that could be resolved, by the other counselors, than those who now are counseling the leaders, is terrifying. As a citizen of Zagreb and Croatia, the author is very interested in resolving this problem and may offer adequate advice.

## **5. What may the EU governing bodies do?**

The EU governing bodies may give an exact recommendation to some of the Governments of the EU Member States, where the problem regarding too often law changes showed up, to draw more attention to the methods of BCA in improving law-making – or even to consider that option. They may recommend using the methods of the BCA to improve laws, from the beginning of the process of the law-making. The question is: Why the EU Governing bodies do not give this kind of recommendation? Are they afraid of too much involvement in the interior of the EU Member States matters? The answer is still unknown. It is not forbidden for the EU Governing bodies to recommend the country in which a problem is recognized, to follow their recommendation because of the improvements.

One example will be emphasized now: in Croatia exists an expert on BCA who knows some people from the government better or just as a contact, but they have never contacted him/her regarding this matter. During an interview for a job in the Government OL, that expert mentioned that she/he is an expert on BCA and that the methods of BCA are possible to apply in lawmaking, which has been already mentioned in the previous text. She/he a candidate for the job, got information from the Selection Commission members, that they have some problems in the functioning of the OL, but they did not hire that expert on BCA for that position (Head of the OL), or other position (counselor/adviser in the Office) which were available (empty) and they needed servants for these places. Why? The answer to that question is unknown. Maybe even the members of the Selection Commission do not have the answer to that question. This situation is very strange and happened before the pandemic and before the applicant to this contest was politically active. So the political activation in the party that has not been in power does not have any connection with a decision of the Selection Commission, because the political activation has happened later. The applicant applied to the contest as an expert and professional, without any previous arrangements with the Government which is a usual behavior in Croatia for the contests for the higher positions, which should have been reserved for the experts in the specific field. Unfortunately, that is not the case in Croatia. Previous arrangements are usual, which means that the contest is, in fact, fake, which is illegal. So, the hands of the experts are tied, for any further action, which finally is bringing damage to the Croatian citizens. Because of that reason, which is one of the reasons why the author of this article, which is a person/applicant for the contest in the previous example, started the research in this matter. One more reason for starting the



research on this very significant matter, is the information received from the colleagues, (deputy district attorney, judges, and attorneys at law) according to which it was possible to see a potential problem and damage for the citizens of Croatia, because of too many changes in the very important laws and their application, as it is noted in the previous text.

## **6. Barriers to the use of Cost–Benefit Analysis in Europe**

The author of this manuscript who is a consultant too, already gave the opinion on the potential barriers in using BCA in decision-making. Some of the noted conclusions of the author are similar to the opinion expressed in the studies of the consultants of the thematic network ROSEBUD – Road Safety Environmental Benefit–Cost and Cost-Effectiveness Analysis for Use in Decision-making which dated from 2002 to 2004 (European Commission, 2022) and it is not an official statement of the European Commission, but the information on the mentioned opinion is still possible to find on the official website of the European Commission (2023a). In the mentioned example the opinion has been given on the road safety matter barriers, but the opinion can be applied to the barriers related to the organization of policymaking in general. So, regarding the Croatian Government which does not want to consider the consultants' opinion who is an expert on BCA, it could be recognized as a kind of negligence in work that affected the lives of the Croatian citizens to worse. Some of the barriers that are presented on the EC website can apply to the Croatian Government, analyzing the reasons for the nonapplying of CBA in policy-making, from the Institutional barriers – the barriers related to the organization of policymaking may apply as follows: lack of consensus on relevant policy objectives, Formulation of policy objectives inconsistent with CBA, Priority given to policy objectives unsuitable for CBA, Political opportunism. Then, Technical/methodological barriers – barriers related to inherent elements of the efficiency assessment tools may apply as follows: lack of knowledge of relevant impacts, and Inadequate treatment of uncertainties (European Commission, 2023a). Lack of knowledge cannot be an excuse for nonusing BCA in the working of the Croatian Government OL because a help regarding the explanation of the use of BCA in decision-making which included policymaking, was offered to them during above mentioned interview for the job. So, the Governing EU bodies know about the problem, and may through the meetings and consultations recommend the Croatian Government to consider the application of these methods of BCA in policymaking.

## **7. Next generation: Learning from the mistakes**

In this chapter, some questions have arisen, and according to them, the answers have to be done. What is important for the next generation? What will this generation leave to the next generation? The mistakes that have been made in these laws will influence the lives of the citizens in this generation, and for sure in the next generation. So, all who are allowed to participate in the process must be very careful in advising and later, enacting the proposed Acts, Laws, and other By-laws. It is a matter of responsibility, the personal responsibility of each of us, and a responsibility of the society. Each of us, meant on the persons who are directly involved in the process of lawmaking or others who are trying to help with the research on the subject matter, may have an influence. That is one of the reasons why the author started with a particular research which is the subject of this article. Because of a

necessity of change in the selection of the people who are serving in the positions that should be reserved for the experts in a specific field, and because of the too many changes of the laws in a short time.

Mistakes are happening. What is important to do after a noticed mistake? Try to avoid the same mistake next time. It is called learning from the mistakes. Not to make the same mistake again. Unfortunately, in this example of the often law changes in Croatia was seen that the Croatian Government OL did not learn anything from the previous mistakes, and every time is making the same mistake again. What is completely wrong. Another question is: Are the servants of the OL the only “culprits” for the mentioned mistakes in the lawmaking process? The answer is *NO*. The working groups that are formed for law-making are constituted of experts in the exact field of law, and their role in law-making is significant. This means that the working groups are involved in the law-making process deeply. In the discussion during one round table on the coming Civil Procedure Law changes one professor who was a member of the working group for a law change, said: “That change we will make in the next law change.” So, during a discussion on the necessity of a change of some stipulations of very important law, a Law professor at the Law School University of Zagreb, a member of the working group for the law changes postponed a changing of a stipulation for which noted is that in its application a problem exists. That means that for the next 2 years will exist a problem in the application of a stipulation, which a working group did not want to change in the previous law change?! Why? The answer is unknown. A possible answer is that every working group member is earning on every membership of a working group for every law change. So, they are paid for that job, and that is extra money. That is a possible answer because any other reasonable cannot be reached. That is only a presumption without evidence. In case that is the right answer, what is not possible to know for sure, that means that the working group does not work under the ethical norms of behavior in law. The role of a lawyer and his work is not connected with earning money only. Money cannot be the main purpose of working as a lawyer. The main role of a lawyer work is to give legal help to people who are not lawyers and who need lawyers’ services. Certainly, a lawyer must be paid for his/her work, but the payment must be reasonable and according to ethical and moral norms, and the lawyers’ official tariff which is different in a particular country. If a lawyer knows of an irregularity, a problem, or a potential problem, he/she would have to act promptly, to resolve a problem. She/he must think about the effects on the client’s life, on the citizens’ lives, and society’s lives, in case the noted problem will not be removed most possibly, and promptly. Not, for sure, after 2 years of its notification. Regarding the explanation of the problem and the way of thinking in using the CBA, the European Commission (EC) has a great attitude and explanation for the meaning of how to use CBA, which is possible to find on the EC official website: “Some people find the very idea of assigning a monetary value to lifesaving or to quality of life, which is an essential element of cost–benefit analysis, meaningless and ethically wrong. Human life, it is argued, is not a commodity that can be traded against other goods. It should therefore not carry a price tag” (European Commission, 2023b). So, as it is written previously ethical norms have to be applied in the law-making process. In general Ethical Codex usually exists in, for example, Governing bodies, companies, associations, and so forth. The problem shows in cases in which Ethical Codex exists on paper but it is not applied in reality, in the day-to-day lives of the employees, and in the processes of working, in particular in the process of the lawmaking. That is one of the main reasons why the author of this article joined the Society for Benefit–Cost Analysis, because of its strong ethical and moral principles which they are

using in their work, as the main principles. So, “The main reason for doing cost–benefit analyses of road safety measures is to help develop policies that make the most efficient use of resources, that is that produce the largest possible benefits for a given cost. Cost–benefit analysis seeks to identify the cheapest way of improving road safety” (European Commission, 2023b). It says the cheapest way to make the road safer, what is the purpose of the using CBA technique in this example, and many others.

Another question that has arisen from the mentioned example of this chapter is: “How does a professor of law from the working group for a law change already know that the next law change will come soon, in approximately two years”? So, a noted problem which is a subject of the research for the presentation on which this article is based, is telling the Croatian Government that must change most processes in lawmaking. The people who are deciding about the process of law-making must be changed and replaced with the people who will do a better job in this very important matter. So, this is another conclusion. A logical and experience-based conclusion. And it stands for the next generation of people.

## **8. About the responsibility in policymaking**

Regarding the responsibility of Society in the elections which is electing the parties in power, it is important to emphasize one example from the authors’ personal experience in policy: it seems that people do not decide by themselves during voting about the elected person. The voters are, in a way, directed to vote indirectly by the leaders of the political parties who are deciding about the places on the lists for each representative, and then forcing that person into media. So voters can see and hear that person which has been forced, not another one from the party which could be better for the nation. That is an experience from Croatia, so it is not possible to say anything for other countries. According to the information received in the conversation with colleagues from the other EU Member States countries, the same problem is noticed, for example in Slovenia and Italy. So, the personal responsibility of the leaders of the political parties for the lives of the citizens has to be on the highest level.

## **9. Facing a difficult time: Uncertainties**

A climate change already is one of the biggest dangers for people around the world – and still, it is. It seems that in Europe during the last few years climate change has gotten worse. COVID-19 spread so fast and became another danger (it was not possible to predict it). The next big danger is a war in Ukraine. According to trusted information, 20 % of the sky is closed for flights because of the war, and which percentage of closed sky for flights now is higher after the new war in the Middle East started. These wars directly influenced stability in Europe and are a continuous danger for Europe, and in fact, the whole world. So, responsibility, and carefulness in working on this job or any other which we are doing, in these times, have to be done with more patience; professionalism must be in the first place, much more than ever. Any other criteria other than competence and professional approach must be avoided. Because of all the mentioned problems, the EU needed a recovery plan for recovery of the EU.

## 10. Next generation EU recovery plan

A Next Generation EU Recovery Plan is more than a recovery plan (European Union, 2022). It is primarily brought because of the pandemic which brought a lot of damage for the EU citizens and businesses. Not just for the EU citizens and businesses, of course, then around the world. The subject of the research refers to the EU Member States, so that is the reason why the EU Recovery Plan is mentioned. The recovered EU economy will influence the recovery of its business partners States' economy around the world. It plans to make it: – Green, Digital, Healthy, Strong, and Equal (European Union, 2022). For the realization of the EU Recovery plan, very important is the EU Budget 2021–2027, which was revised in June 2023. Is that the last revision? Most probably *NO*. BCA is very important in planning the EU Budget. European Commission is using a BCA as a very important analysis of the benefits and costs in many fields, such as investment projects, in particular RDI investment projects which was the subject of one research and presentation which has been made previously by the author of this manuscript (Gogic, 2017). And many other fields that are possible to find through the European Commission website, for example, example mentioned in the citation on page 15 of this manuscript related to mobility and transport, in particular road safety, which is very important for the lives of the EU citizens related to their living, traveling and working in the EU. This example shows the importance of the BCA in the EU. Despite the importance of BCA many EU Member States still do not use the BCA in their countries. It is approximately half to half of users and nonusers, but, in Italy, France, and Sweden, it is used more, and these countries have at least adopted some frameworks. These countries organized the European conferences of the SBCA since 2019. Then since 2011, the University of Milan (Italy) is holding the Summer School on CBA in Milan. Unfortunately, Croatia (its Government) is one of the EU MS that does not use the BCA in decision-making, in policymaking, despite a lot of efforts of the author of this manuscript for many years, which wants to inform the Government on the importance of using the BCA. However, the important is that EC is using CBA. So, it is in use indirectly in all MS, in a way. Hopefully, all Member States will through the time accept changes and implement the use of BCA in their systems of decision-making. The importance is proved through the previous research of the author of this manuscript dating from the year 2009, which resulted in a presentation “Improving the use of Benefit–Cost Analysis in Decisionmaking” (Gogic, 2011) which has been presented in the Fourth Annual Conference and Meeting of the SBCA in Washington D.C. in 2011. After reading the mentioned PowerPoint presentation, would it be possible to conclude that the using of BCA would be a great option for the EU Next Generation recovery? The answer is *YES* because EC has very good experience-based results in using BCA and CBA, as it is mentioned previously in this manuscript.

Besides others, EC noted barriers to the use of CBA in CBA of measures (European Commission, 2023c) related to transport in which road safety plays a very important role. The road safety is the most important for travelers because accidents and injuries which are caused by accidents or worse, death outcomes. So, the research on road safety that could lead to the minimization of accidents, is on top of the measures. Somewhere BCA is not applicable. According to a recent road safety impact assessment for Norway which is not EU MS, but cooperates closely as a member of the European Economic Area (EEA) and Schengen Area Country, a survey was made of 139 road safety measures (European Commission, 2023d). Approximately 30 % of measures included BCA, which is a high percentage and can save travelers and their property (vehicles in travel) from the injuring in

accidents. It would certainly affect the EU and Europe at all, and the Next generation in the road safety matter.

## 11. Conclusions

Some conclusions are already given previously in this manuscript and they are still there, a part of this manuscript, which means that at the end of writing and exploring, the conclusions are good and correct, evidence-based, and will not be a subject to change. But some new conclusions have been done regarding the problems which have been noticed during research on the Governments' OL which did not accept an expert opinion. As the Government forms the working groups for a law making, it is possible that the Government did not accept the opinion of the expert on BCA because they gave trust to the experts which are working in the working groups for the exact law in the field of the law and sciences which are mandatory for the lawmaking of the exact law. On the other hand, it is a matter of confidence and responsibility between the Government and the members of the already-mentioned working groups. In this part of the law-making process, exists a possible problem that may cause mistakes in the stipulations of a law. The noted problem is that a Government appoints the members of the working groups for the draft law-making. So, there may exist a conflict of interest. For sure.

So, the answer to the research question is that the methods/techniques of BCA may influence policy decision-makers, but just in case the barriers to the use of the BCA methods/techniques are possible to avoid or overcome. The possible ways of overcoming and avoiding the problems in the subject matter are noted in the previous text of this manuscript. One of the most important barriers is a lack of interest or knowledge of the policy-makers for the application of the BCA methods/techniques and their willingness to learn more about them.

**Competing interest.** The author declares none.

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