

**EXTERNAL  
EFFECTS:  
GOOD OR BAD?**

Although not always visible,  
consumption and production result in  
external effects,  
i.e. consequences for so-called third  
parties in the market.

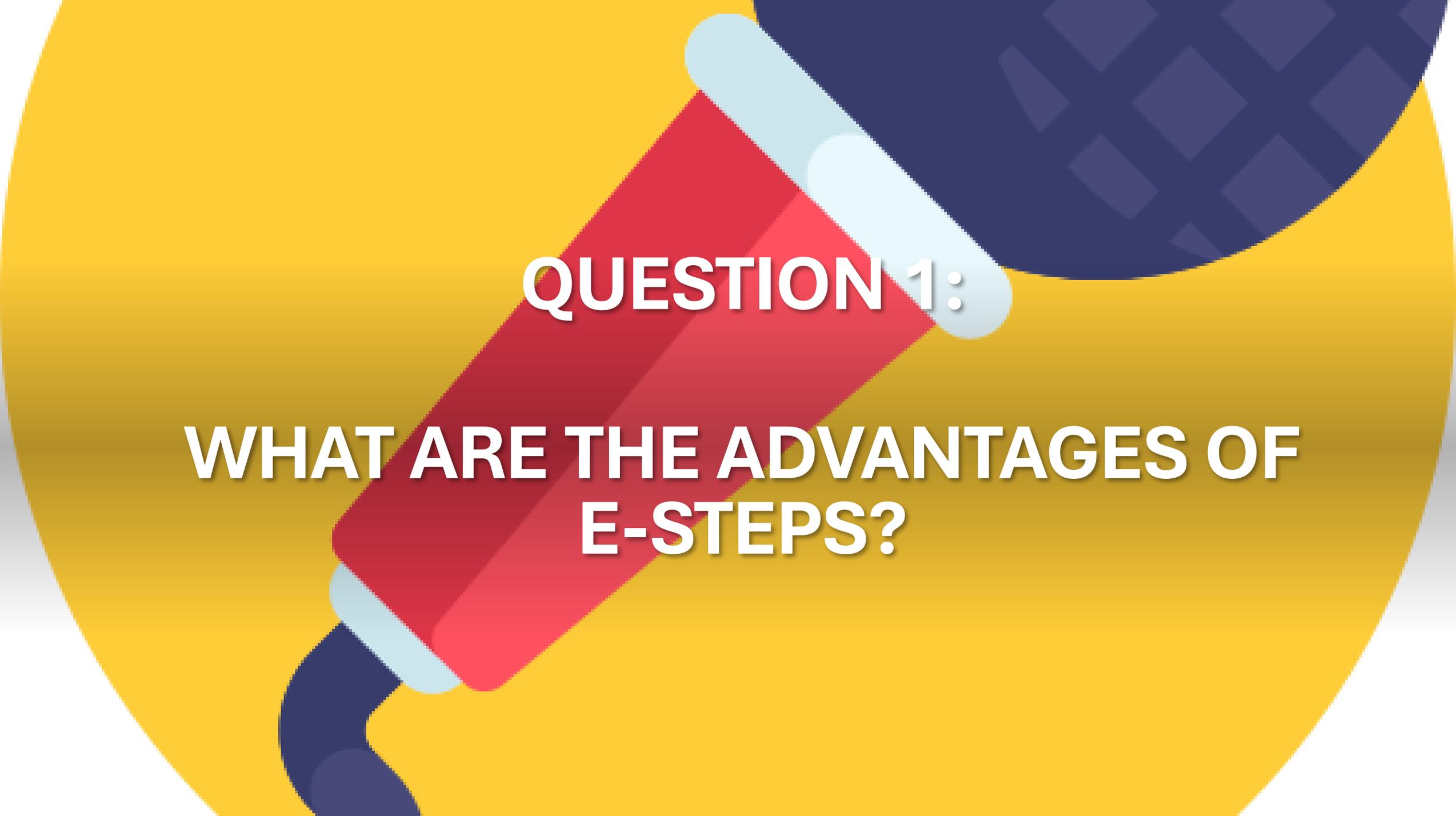
These effects can be both positive and  
negative.





Reporter  
Peter is on  
his way.

Today, he is  
talking  
about  
e-scooters.



**QUESTION 1:**

**WHAT ARE THE ADVANTAGES OF  
E-STEPS?**



“Hi, I'm Suki.

Speed is an advantage!  
As a student, I use an  
e-scooter every day to  
quickly get from the  
station to campus.”



“Good morning. My name is H el ene and I am from France.

I believe that e-scooters contribute to fewer cars driving around in the city centre.

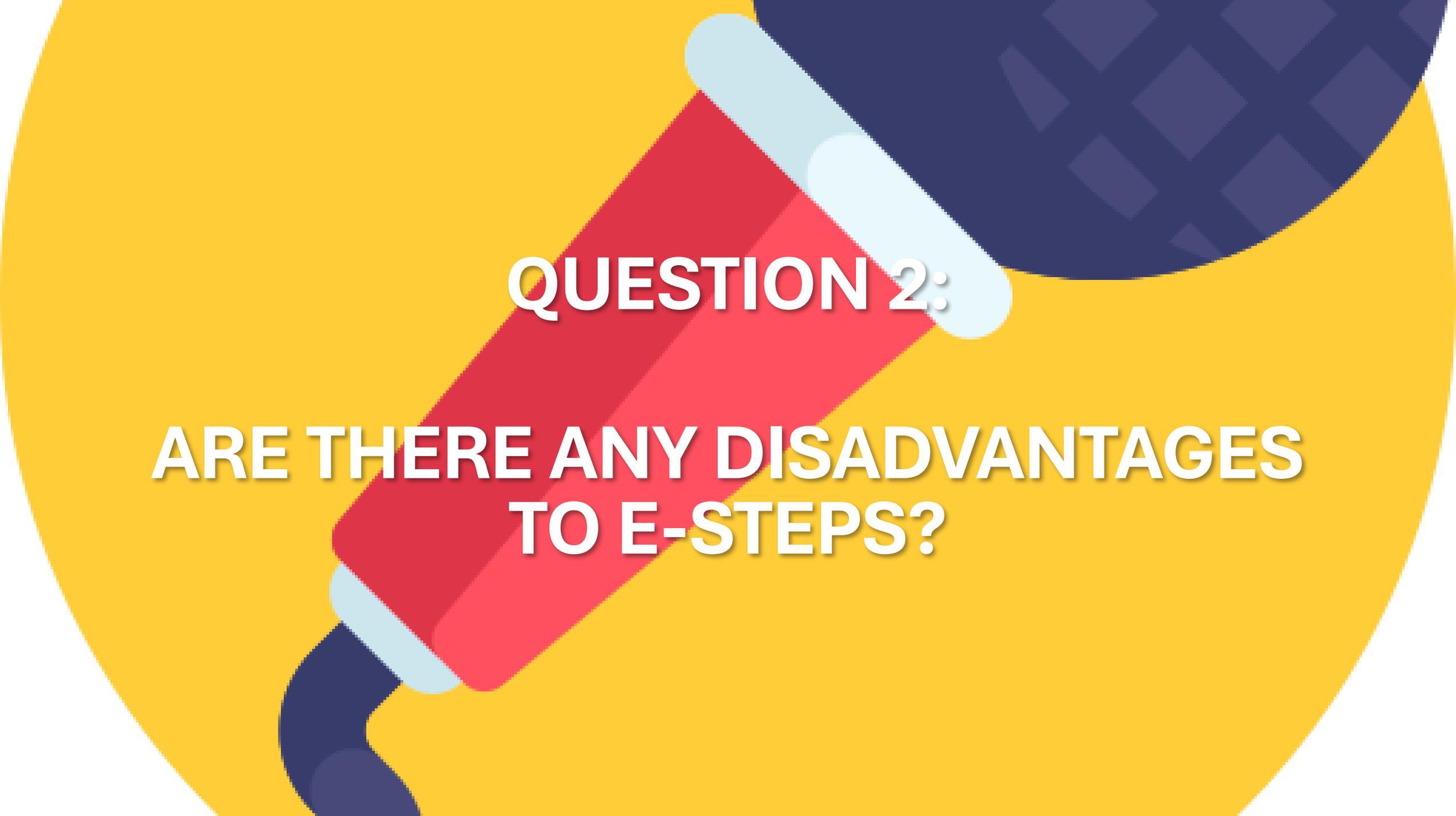
Consequently, it is less congested.”

“I'm Mike, and I think e-scooters are better for the air quality than all those smelly scooters!”





“Hi, I'm Phebe,  
and I'm a big supporter  
of the sharing economy.  
I use both e-scooters and  
Cambio's electric shared  
cars.”



**QUESTION 2:**

**ARE THERE ANY DISADVANTAGES  
TO E-STEPS?**



“I think it's quite untidy.  
All those e-scooters parked all over the city.”



“My younger brother sometimes rides an e-scooter with his classmate.

I think it's quite dangerous, two people on one e-scooter.”

“I occasionally hear stories about souped-up e-scooters that can reach high speeds. That seems dangerous to me.”





“Disadvantages?  
Are there any?  
I can't think of any  
off the top of my  
head...”

The respondents mentioned several advantages and disadvantages of using e-scooters.

This concerns the effects of using e-scooters.

If these effects directly relate to the user, we refer to them as **private effects**.

Example: fast travel





If these consequences relate to the “environment”, we refer to them as **external effects**.

Example: less traffic congestion, footpaths blocked by e-scooters parked here and there.

**External effects (externalities) are consequences of economic activities that affect others but are not reflected in the market price.**

**The person carrying out the activity therefore takes little or no account of the consequences for third parties.**

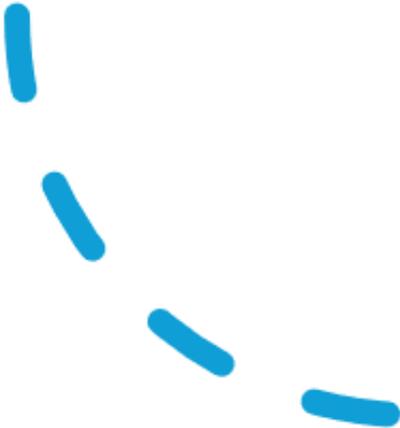




External effects can be both positive and negative.

**Positive external effects are benefits of production or consumption that others enjoy without paying for them. These benefits are not included in the market price.**

Example: better air quality

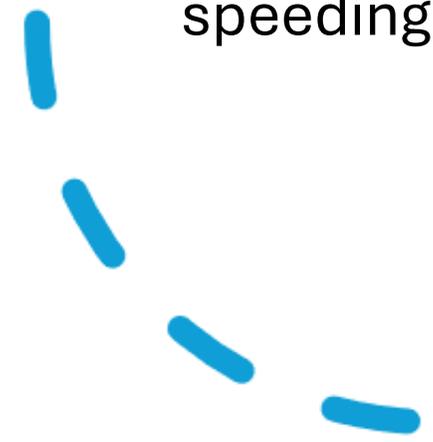


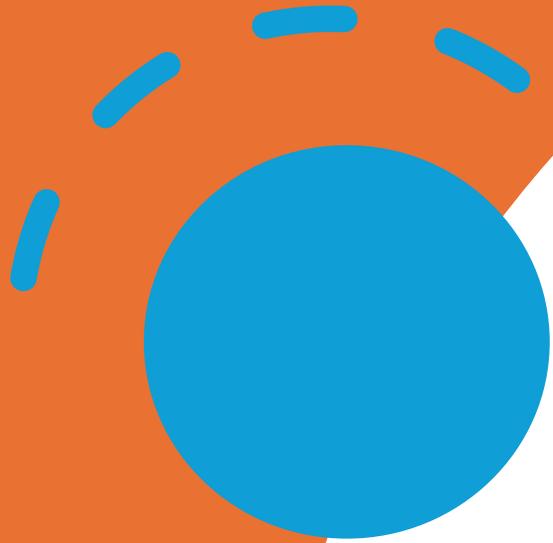


External effects can be both positive and negative.

**Negative external effects are disadvantages or costs of production or consumption that others experience, without those costs being reflected in the market price.**

Example: more injuries to pedestrians who are victims of collisions with speeding e-scooters.





**KEY QUESTION THAT  
REMAINS: HOW DO WE  
DEAL WITH THESE  
EXTERNAL EFFECTS?**