

Policy Instruments

The tools available to change behaviour.

Political Science

Instrument and characteristics.

Instrument	Works by	Cost falls on
Regulation	Prohibiting or requiring	The regulated party
Taxation	Making it expensive	The taxed party
Subsidy	Making it cheap	The public purse
Information	Changing what people know	Low, effects modest
Direct provision	The state supplies it	The public purse
Nudge	Changing the default	Very low, effects vary

Educational reference. Instrument choice is often political rather than technical: who bears the visible cost decides feasibility.