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# **EUROPEAN TRANSPORT POLICY – A HISTORICAL AND FORWARD LOOKING PERSPECTIVE**

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## **Abstract**

*This article discusses the development of European transport policy in historical perspective and the challenges this faces at present. European transport policy took some time to emerge and progress has been slow and with hold-ups due to the long process of approximation of national transport policies and the resulting institutional reforms. The development of European transport policy shows clear phases. Following a rather protracted phase of intense exchange of views with little policy output, during the eighties the common market began to be implemented in transport as well and liberalisation became the overarching goal. The liberal market approach remains today the core idea of European transport policy and it is on this basis that solutions are sought to the pressing problems of congestion and environmental pollution. However the first doubts regarding this approach are also beginning to be voiced, not least by the Commission itself. While it is unlikely that the liberal market approach to transport ceases to be crucial, this contribution ventures the proposition that successfully coping with the problems of congestion and pollution will bring about a paradigm shift towards the re-definition and, in part, re-assertion of the role of the state in transport policy.*

## **Introduction**

Is there a European transport policy? In the nineties – not so long ago – this question was legitimate for two reasons: first, transport mostly concerned infrastructure (investment) – thus wanting to relate transport to policy could understandably have been considered a peculiarity or, worse, an abnormality; second, transport was still

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primarily a national agenda item, at best the subject of bilateral state agreements.

Today the question no longer leads to raised eyebrows and those questioning the existence of a European transport policy are in the minority. As a new directive on road pricing is under preparation and will consider, among other things, the earmarking of revenues from pricing for the financing of future rail infrastructure investments, it would appear that we are entering a new era in transport policy, namely that of intermodality and strategic planning. In this era a strong emphasis is placed on the coordination between modes and the use of policy instruments other than infrastructure investment, besides harmonisation within the European space.

How correct is this depiction of the development of European transport policy? Does it correspond to reality or is it merely a smart public relations trick of the Brussels technocracy? The answer is that it is neither the former nor the latter. Just as it was wrong back in the early nineties to claim that there was no such thing as a European transport policy, it is wrong today to think that European transport policy is sweeping and going strong. As is true of most European policies, the truth is to be found somewhere in the middle. It is perhaps also for this reason that in the recent years transport policy has gained in interest for the social sciences: the process of European integration or Europeanisation has brought about or made explicit all those potential or actual conflicts that rid transport policy and which render it worthwhile to consider from a social scientific point of view.

This paper has three main objectives: first, to review in historical perspective the development of European transport policy, thus helping to dispense with wrong speculations with regard to the existence and/or significance of European transport policy (section 1); second, to characterise the ideational orientation of contemporary European transport policy and its impact on national transport policies (section 2); third, and against this background, to consider the contemporary challenges to European transport policy and its future direction (section 3). The challenges faced by European transport policy today have less to do with learning a new mode of planning and governance as necessitated by the harmonisation of policies due to Europeanisation, but rather with the contents and orientation of transport policy. This is especially with regard to the role of the state and the market, and the importance attached to (environmental) sustainability.

## **European Transport Policy in Historical Perspective**

We may speak of four phases in the development of the Common Transport Policy: the period between 1957 and 1985; the period between 1985 and 1991; the period between 1992 and 2000; and the period since 2001 (Schmidt and Giorgi, 2001).

### **A slow start: paying lip service to a European goal**

The focus of the 1957 Treaty of Rome was the economic development of the original signatory states, hence the establishment of a Single Market to promote the free movement of goods, services, capital and labour. The creation of a Single Market for intra-Community transport was judged as one of the necessary conditions for achieving these 'four freedoms'. Article 75 of the Treaty of Rome forms the legal basis of the European transport policy, at the time still referred to as the Common Transport Policy (CTP), by stating that

“[the Council shall] lay down: common rules applicable to international transport to or from the territory of a Member State or passing across the territory of one or more Member States; the conditions under which non-resident carriers may operate transport services within a Member State; measures to improve transport safety; any other appropriate provisions.” (Official Journal C340, p. 67)

Despite the above explicit commitment to removing barriers to competition and supporting free market access, the European transport policy did not amount to much between 1957 and 1985. The 1961 Schaus Memorandum presented first guidelines for a Community-wide action programme in transport but Member States showed little real interest in following this up consequently. Transport policy during this time continued to be primarily national. The Council of Ministers of Transport, supported by the European Conference of Ministers of Transport (ECMT), was used primarily as a forum for the exchange of ideas.

### **A vision and a mission – marketisation and negative integration**

The turning point in the development of the Common Transport Policy came with the publication in 1985 of the White Paper on the

Completion of the Internal Market, which identified restrictions on the provision of transport services as a serious barrier to open trade. This corroborated an opinion of the Commission published already in 1975. In the same year the European Court of Justice pronounced these restrictions as not in accordance with the Treaty of Rome. This provided additional support to those arguing in favour of more coordination and the harmonisation of regulations (Freudensprung and Giorgi, 1997a).

Thus began an intense process of elaboration of directives at European level concerning economic activity and market access, infrastructure investment and the harmonisation of social and technical standards. In the period between 1985 and 1991 the Commission initiated more than a dozen directives and regulations, amongst them such important ones as CD 440/91 on the development of the Community's railways, CR 3820/85 on the harmonisation of social legislation relating to road transport, as well as the three liberalisation packages on air transport of 1987, 1990 and 1992.

Starting from 1992 a shift in the nature of legislative initiatives towards directly influencing the national transport markets can be observed. Legislative examples include CR 3118/93 laying down the conditions under which non-resident carriers may operate national road haulage services within a Member State, CD 881/92 on market access for road transport, CR 3577/92 applying the principle of freedom to provide services to maritime transport within Member States and CR 2408/92 on access for Community air carriers to intra-Community air routes. In the meantime, the European Union has succeeded in almost completely opening the national markets of road and maritime transport and in partly opening those of air and inland waterways. Today European transport policy continues to place an emphasis on liberalisation. The priorities are now the railway sector and the Community's ports (EC, 1998a).

The term 'negative' integration (Hix, 1999) refers to policies aiming to remove barriers to market access. The reason for the success of European transport policy in this area can be traced to the consensus among Member States that liberalisation is a good thing. In this connection the 1985 ruling of the European Court of Justice regarding the inaptness of restrictions on the provision of transport services acted as a catalyst. The one sub-area where there is less agreement concerns rail transport and this is also where success is least, indeed in sharp contrast with advances made in road, air and waterborne transport.

The first attempt to liberalise the European railways was made in

1991 by passing a directive on the development of the Community's railways. In 1995 two pieces of legislation with presumably far-reaching consequences were adopted: first, a directive on the licensing of railway companies and second, a directive on the allocation of and charging for infrastructure. A year later, in 1996, a White Paper on the revitalisation of the European railway companies was published. Despite this intense legislative activity, the results have been slow in coming and very fragmented. The mixed success of the attempts to liberalise European railways led to an extended stalemate between the European Commission, the Council and the European Parliament on how to proceed with this matter. Finally, at the end of the year 2000 a second rail liberalisation package was agreed upon. The new legislation entered into force in March 2001 but it is yet too early to draw any conclusions regarding its implementation. The main problem with the railways is segmentation according to national boundaries, which prevents the emergence of seamless rail transport with full logistic support (EC, 1996). This is especially true for freight transport.

### **In search of a positive mission – the TEN-T and cohesion**

The 1992 White Paper on the Future Development of the Common Transport Policy, followed and elaborated by the CTP Action Programmes 1995-2000 (EC, 1995a) and 1998-2004 (EC, 1998a), represents the next milestone in the history of the European Transport Policy. What is significant about this White Paper is that it enlarged the set of objectives to be achieved by the Common Transport Policy to include sustainability and social cohesion. While still insisting on the continued reinforcement and proper functioning of the internal market, it called for the adoption of 'balanced policies' towards the development of integrated transport systems and the development of transport infrastructure for the purpose of strengthening economic and social cohesion so as to reduce disparities between the regions. Moreover, it explicitly placed on the agenda the limitation of CO<sub>2</sub> emissions as caused by transport.

The broadening of the Common Transport Policy agenda since 1992 to include social cohesion and environmental sustainability led to several important initiatives and the intensification, more generally, of policy-making at European level.

The identification of transport as an important means of achieving social cohesion, i.e. the reduction of economic disparities between regions, led to the birth of the trans-European Networks (TEN-T). In the Maastricht Treaty the idea of the TEN was formulated as follows:

“To help achieve the objectives referred to in Articles 14 [Internal Market] and 158 [Cohesion] and to enable citizens of the Union, economic operators and regional and local communities to derive full benefit from the setting up of an area without internal frontiers, the Community shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.” (Article 154, Official Journal C340, p.110).

In 1994 the so-called Christopherson expert group, set up by the Commission, identified 14 priority projects for which European funding would be made available. These covered ‘missing links’ or ‘bottlenecks’ in the European transport infrastructure network. These priority projects were approved the same year by the Council of Ministers at their meeting in Essen. Since 1996 and in the context of the Eastern enlargement of the Union, attention has shifted towards the expansion of the TEN towards the East through the so-called corridor plans and the TINA network (TINA, 1999; Giorgi et al., 2000).

The integration of environmental concerns in the Common Transport Policy led to the joining of the term sustainable mobility and the adoption of standards for atmospheric emissions, noise levels from aircraft, and minimum excise duties on fuel. In recognition of the limitations of ‘demand and control’ measures for environmental protection and the need to accompany these with economic measures (more specifically economic deterrents or disincentives) the 1995 Green Paper on Fair and Efficient Pricing (EC, 1995b), followed by the 1998 White Paper on Fair Payment of Infrastructure Use (EC, 1998b) advocated a harmonised system across the EU for the pricing of transport infrastructure, taking into account the externalities produced by the transport sector. At another level, the Common Transport Policy has been trying to promote a shift towards more environmentally-friendly modes, specifically rail and waterways, through the support of better transport system management that includes combined transport and an emphasis on intermodality. The Communication on Intermodality and Intermodal Freight Transport of 1997 documents the intention of the Commission to “take the necessary initiatives where regulatory or legal issues are concerned” to establish intermodal freight networks (EC, 1997, p.II).

The introduction of sustainability and social cohesion on the agenda of the European transport policy has led to a series of corollary activities to better integrate environmental and societal concerns in sectoral policies. The urban transport sector and more generally that of regional and local passenger transport has emerged as a target of such activities. Key documents in this respect have been the 1995 Green Paper The Citizens' Network on the problems of efficiency and transparency in urban and regional transport (EC, 1995c) and the 1998 Communication on Developing the Citizens' Network (EC 1998c). The main by-product of this system of actions has been the realisation that 'sustainable mobility' can only be achieved in a framework of multi-level governance which, in turn, requires dealing with the problem of co-ordination between different levels of decision-making as well as the issue of public acceptability. The Commission has sought to take up this co-coordinating role via the financing of research and the diffusion of best-practice experience to relevant actors. It has also been keen to build alliances with local and regional actors, also partly in order to undermine the dominance of national governments in transport policy agenda-setting.

### **A time to decide - the new White Paper on European Transport Policy**

Only very recently, in September 2001, a new White Paper on transport policy was published, entitled European Transport Policy for 2010: Time to decide (EC, 2001). As the title suggests, this new policy document is meant to act as a lever forcing Member States to take decisions on outstanding issues. In that there are few 'new' priorities. The majority of the issues addressed have either already been raised in the previous White Paper of 1992 and related Action Plans or they have been under discussion since.

The new White Paper is nonetheless much more comprehensive than the previous one. The problems faced by the European transport system and their interrelations are clearly outlined and analysed. The solutions proposed are likewise clearly explicated. This is not just a matter of style, even though style also changed – especially that of the twenty-pages long policy paper. The focus of the new White Paper is road pricing – in particular for freight and, especially, heavy goods vehicles. Road pricing is considered the way forward for restoring the balance between modes, and, in particular, road and rail. In turn, a significant modal shift from road to rail is expected to contribute to resolving both the congestion and the environmental problems facing transport. Furthermore, in proposing a link between

pricing and financing – through the earmarking of revenues from road pricing for investment in transport infrastructure which is more environmentally friendly – the new White Paper expects also to solve the financing problems of major infrastructure projects.

New elements in the 2001 White Paper are:

- The identification of the chain sea – inland waterways – rail as the biggest 'missing link' with regard to the promotion of intermodality. The proposal is to develop so-called 'motorways of the sea' to shift road transport through the Alpine crossings to the sea.
- The revision of the TEN-T guidelines to include new projects or revisions to the existing priority proposals which have yet to be realised. In this connection it is also proposed to set up a new procedure for the declaration of European interest in specific infrastructure projects. This is expected to assist their implementation through mediation between the European, national, regional and local levels. Perhaps more importantly, the Commission announces an increase of the direct Community support for TEN-T projects from 10 to 20 per cent of total costs.
- The launching of a process of re-thinking with regard to air transport, in particular air capacity, use and charging, the interconnectivity between air and rail, the better integration of air networks, and the harmonisation of air traffic control systems.
- The launching of a discussion about the definition of environmentally sensitive areas and how to deal with these with regard to transport.

The various policy proposals of the new White Paper are likely to be met with apprehension. There will be those who complain that the new White Paper does not go far enough; and those for whom some of the proposals are too far-going and as such unacceptable.

The most controversial proposal is likely to be road pricing. This is at the heart of the new White Paper, figuring in practically all of the three possible policy options or scenarios that the Commission considers. It is thought of as a solution that will help deal with the problems of congestion, the environment, as well as financing. Besides promising to come up with general guidelines with regard to infrastructure charging across modes by the end of 2002, the Commission intends to propose the harmonisation of road pricing principles for heavy good vehicles and their diffused application across European motorways. Furthermore, and as already noted, it foresees a connection between pricing and financing, such that the revenues from pricing (on road) can be used to finance (new)

infrastructure (for rail or other modes).

Those concerned about the state of environment in Europe as a whole but especially in ecologically sensitive areas, like the Alpine crossings, are very likely to criticise the above proposal for not being comprehensive enough. They will argue that it is not enough to impose pricing on heavy good vehicles alone; instead one should consider road pricing also for private cars where this does not exist (or an increase of charges where it does exist). Moreover for ecologically sensitive areas, it might be impossible (or now too late) to reduce emissions (and also immissions) without imposing absolute restrictions, for instance, with regard to the number of vehicles crossing sensitive areas. Any new environmentally-friendly infrastructure needed today (but unlikely to be operating for another decade given the lengthy construction times for transport infrastructure and the problems that persist with regard to financing) should already have been there yesterday. The failure to effect change in the past decades means that there can today be no intermediate solutions.

The arguments of those representing economic interests, in particular from the road sector, however, will be different. They are most likely to object to the Commission proposals with regard to the use of revenues for cross-subsidising especially from road to rail. They will lament the inefficient management of railways and the latter's failure to co-operate. They will also claim that road users are already paying enough, including for covering external costs, and that the money raised from tolls is also needed by the road sector for the purpose of upgrading and maintenance, as well as for new infrastructure. They will also accuse the Commission for breaking promises and for becoming (again) an omnipresent regulator (rather than respecting the rules of the free market).

The Commission insists that its proposals are not ideological, but instead evidence-based and pragmatic, driven by the needs of the market (in order to avoid distortions to competition) in the framework of sustainable development. In that they are also explicitly not identified as overly ambitious. The White Paper, for instance, admits that the goals set till 2010 are far from achieving strong sustainability targets – the Kyoto targets are not mentioned and the base year against which progress will be measured is 1998 and not 1988 as in the Kyoto agreement. Redressing the balance (between modes but also with regard to the economy and the environment) is a long-term goal that is expected to last as long as thirty years. In other words, the measures proposed in the White

Paper are just the first “essential” step and in which the minimum can (or should) be achieved.

It is perhaps this mode of argumentation that is most innovative about the new White Paper on European transport policy. Assuming that the Commission strategists have thought through their line of argumentation, then two possible scenarios emerge. If the Commission – with the support of the European Parliament – is successful in pushing its agenda through the Council (and the various lobbies surrounding this), then it would have achieved a higher commitment of funds for transport (at European or national level), which it promises to spend more wisely than before (i.e. for promoting rail, sea motorways, a freight network, intermodality, interoperability, the extensions of TEN-T to the East etc.). If it is not successful, then in ten years time it will have a strong argument to call again (as in 1985) for the intervention of the Court of Justice to rule against the Council’s (thus Members States’) failure to act.

Unforeseen events can of course change the predicted course. The terrible terrorist attack on New York and Washington on September 11th, is not unlikely to have changed the background conditions that underlie the White Paper. Not so much in making the projected average three per cent growth of GDP per year and the resulting growth in transport demand seems even more unrealistic than before. Rather what we can expect to see is greater willingness to proceed with some of the proposals of the White Paper regarding air transport.<sup>1</sup> Many of the proposals regarding air transport in the White Paper were clearly made half-heartedly – the White Paper promised to launch various initiatives but clearly did not foresee it would be successful with regard to effecting real change (at least not in the space of ten years). Now this might have changed.

Safety and, in connection with this, the acknowledgement that transport is a public service, also figure in the new White Paper. This belated recognition is contributing to the gradual adoption of a more critical view of the market principles and their application to transport. Significant in this respect is that the White Paper mentions privatisation only once and then critically, and even though it is still very much entrenched in the discourse of competition (and the latter’s benefits), it now insists on the importance of regulation,

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<sup>1</sup> As with regard to the harmonisation of air traffic control systems, the increase of human resources committed to the latter as well as to safety, the re-thinking of airport capacity and use, including of the trend towards privatisation, and the need for the consolidation of airlines and the role of State aid.

not only for ensuring harmonization but also as a management tool. It should therefore not come as a surprise that the majority of the 'sixty-odd' measures proposed (in fact there are forty-five) concern regulations regarding the setting of 'positive' standards rather than regulations for setting 'negative' standards (i.e. removing barriers).

## **Transport Policy or Transport Policies?**

Let us reiterate in summary the most important milestones of the development of European transport policy. Beginning in 1985 the vision of the Common Market began to be implemented in transport as well. Several directives were enacted in order to liberalise transport services across modes and across national borders among EU Member States. These efforts were to a large extent successful, especially with regard to the road sector. The beginning of the nineties saw the revival of the older view of transport as key to overcoming regional structural inequalities, thus promoting social cohesion. As a result, the Union began to gain a policy profile also with regard to infrastructure investment, the TEN-T programme representing a new vision of equal force to that of market liberalisation. The third overarching area of European transport policy – realising an environmentally sustainable transport system – has been the least successful. Despite the successful upgrading of technical standards, the contribution of transport to environmental pollution did not decrease because at the same time there has been a significant increase in transport demand and flows – especially on the less environmentally friendly modes, i.e. road and air.

How consistent are the above three objectives of European transport policy? Their potentially contradictory nature is something, which is recognised by the European Commission when it talks about the barriers to the implementation of European transport policy (EC, 1992). However, the various goals are only contradictory because they are interpreted or valued differently by different actors. One of the main weaknesses of the European transport policy, in fact, is that it fails to take a clear stance regarding the interpretation or prioritisation of these goals. This is not surprising: in a multinational polity governed by subsidiarity with as yet unclear rules as to how the latter is to be interpreted, being vague is often the only way to ensure a minimum level of consensus, thus providing a basis for incremental learning-by-doing innovation and change.

Following Ney (2001), we may distinguish three 'ideal type' transport policy frameworks:

- The traditional transport planning approach assumes that transport is primarily there to serve structural inequalities, especially with regard to the regional level. Under this policy framework transport planning is guided by the goals of regional cohesion and development and the emphasis is placed on infrastructure investment as the main instrument for achieving these goals. Under this policy framework, the state plays a major role in providing either the funds and/or the planning framework for infrastructure investment. Environmental sustainability is important, but must be balanced against social sustainability and regional cohesion. Insofar as road infrastructure has traditionally been considered the best (and faster) means to improve accessibility, environmental protection has tended to assume a subsidiary role under this policy framework.<sup>2</sup>
- The liberal market approach to transport development considers it important to regulate the transport sector through primarily economic instruments. Pricing instruments and taxation are under this scheme of particular relevance. So is liberalisation and privatisation when associated with greater accountability and transparency in operations. Ultimately, however, the role of transport is to support economic development through the faster and more efficient mobility of goods. Environmental impacts are recognised as negative externalities and as such also a question of fair pricing in conjunction with technological upgrading.
- The ecological approach to transport, considers transport development a necessary evil at best. Transport is considered one main source of pollution, therefore infrastructure investment is considered 'bad' – instead what are called for are strict environmental regulations and measures for making it less necessary to travel. Economic development and growth must be sacrificed, if necessary, for the sake of environmental protection. Furthermore clean air is considered a 'good' that is not substitutable, thus monetary valuation (as in pricing which includes the internalisation of external costs) is of limited application.<sup>3</sup>

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<sup>2</sup> As a result the southern enlargement of the Union was associated with major investments in road infrastructure in countries like Portugal, Spain and Greece, largely with development aid released under the Structural and Cohesion Funds. The accession process with regard to eastern enlargement has been associated with similar demands by the new candidates (Giorgi and Tandon, 2001).

<sup>3</sup> On the question of valuation of the environment from the perspectives of justice

No one transport policy can be mapped clearly against the above three-fold typology. This is why we talk of 'ideal' type policy frameworks or policy frames and not of real policy environments (Rein and Schön, 1994). Nevertheless the above policy frames could be said to describe the main rupture points or cleavages within transport policy. It is the above underlying ideas and the conflicts surrounding these – conceptually as well as on the ground with reference to actors' strategies and alliances – that explain why transport policy is made and where or why it fails. There is still significant disagreement as to the role of the market; the role of the state; the role of the user; and, of no lesser importance, the value of mobility in relative terms.

It now becomes clear that European transport policy follows primarily the liberal market approach with elements from the traditional planning approach. European transport policy is convinced about the central role of the market in transport policy, hence the emphasis on the importance of liberalisation. The market should also provide the mechanisms (e.g. pricing) for overcoming problems like congestion and environmental pollution and for removing distortions to competition created by the skewed modal split between road and rail. Not least, the private sector should also be strongly represented in the financing of new infrastructures – public-private partnerships continue to be the favoured financing modality advocated by the European Commission, even long after experience has shown that realistically partnerships between public authorities are more promising than between public and private bodies, at least at the initial phase of launching (as opposed to operating) an infrastructure.

European transport policy has least in common with the ecological approach to transport. However the explicit recognition in the most recent White Paper that there might exist areas which are particularly environmentally sensitive and which, consequently, require 'special treatment' goes some way to meeting the demands of the proponents of the ecological approach. To this it should be added that two important monitoring mechanisms from which the European Commission has been drawing information – the Transport and Environment Reporting Mechanism (TERM) and the OECD Environmentally Sustainable Transport (EST) project<sup>4</sup> – have both been underlining that the achievement of sustainable mobility will

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and sustainability, see Dobson, A. (ed.) (1999).

<sup>4</sup> See OECD 1996, 1999, 2000; EEA, 2001

not be possible without attitudinal and behavioural changes to accompany policy responses and technological development.

That the above ideas are not always easy to square is also shown by the way they have been received in national environments in the process of approximation of national transport policies to the European guidelines. The impact of European Union policies on the national transport policy environments has been the subject of two recently published books: the first an edited volume of one of the authors of this article (Giorgi and Pohoryles, 2001) bearing the title *European Transport Policy and Research – What Future?;* the second a likewise a multi-authored volume led by Adrienne Heritier (2001) with the title *The Impact of European Union Policies.*

The first book draws its empirical material from a series of case studies concerning the implementation of major TEN-T projects across Europe; the second book is a comparative study of the successes and failures of the implementation of the rail liberalisation directive in the UK, France, the Netherlands and Italy.

Both books reach similar conclusions concerning the actual significance of European transport policy in national environments. Two points are particularly worth mentioning in the context of the current article:

First, there is the issue of variation of institutional arrangements. The process of European integration has brought to light how these differ across Europe and how they impact on the organisational capabilities of individual Member States to implement change and reform. Administrative responsibilities are differently allocated at national level. Furthermore, the degree of involvement of regional authorities in transport planning – hence the scope of decentralisation – also differs significantly. The organisation of competencies at national and regional levels influences the degree of transport planning across modes, including the degree of successful coordination with the European level of policy-making. The existence of masterplans in transport cutting across modes and going beyond infrastructure investment is with few exceptions an innovation of the last few years.

The second issue concerns the importance of ideas for transport policy and reform. Why reforms initiated at European level – be it with regard to liberalisation or infrastructure investment – are often difficult to implement or take a very long time to be realised is not alone the result of existing differences in the regulatory framework and institutional arrangements. Rather the latter differences reflect norms and values well embedded in the national transport policy

environments which prescribe not only how policy should be done but also why. The logic of intervention in national transport policy, especially with regard to the role of state as regulator and the role of the market as the motor of reform, need not coincide with that currently found at European level. This said, European initiated reforms are often especially compelling because of the power or perceived innovativeness of the ideas they carry forward. Thus, for instance, Heritier et al. (2001) note that the reason liberalisation proved so influential in national transport policy environments regarding the rail sector is not unrelated to the boost this idea provided to a sector which was clearly and consensually in need of management reform.

The differences in the intervention logics of national transport policies are also reflected in the prioritisation of specific policy goals. For instance: the increase of cross-border or international traffic is a highly valued policy goal in most countries by reason of the close association between international traffic flows, trade and economic growth. In most countries, however, it is also important to reduce local road traffic especially in residential areas. How important this second goal is has implications on infrastructure investment and on the solutions found to deal with congestion problems: thus, in Austria, the attachment of this goal to environmental concerns has led to a practical 'construction stop' for new international road projects (till recently); in Germany, on the other hand, such problems are more often than not resolved through the construction of bypasses. This is not to say that the reduction of local road traffic is not granted any importance in Germany; rather that it is not as important, or at least not as explicitly associated with environmental pollution.

## **Where to with European transport policy?**

Contemporary European transport policy faces two distinct challenges. The first is institutional and relates to how the European Union develops as a political system. The second is ideological and concerns how it manages to balance the distinct and partly contradictory goals of economic development and environmental sustainability under the liberal market approach it has been following till now.

How the European Union develops as a polity will influence its policies in an indirect way in determining the practice of subsidiarity, decision-making processes as well as financing

modalities. De facto the Union already operates as a loose federation, however variably across policy sectors and with a still largely unclear or unsystematic sharing of responsibilities among European institutions and, primarily, between European and Member State institutions. The implementation deficit in some policy sectors – notably the environmental sector, including with regard to transport – is not unrelated to this lack of clarity (Homeyer, 2002). The difficulties with realising several TEN-T projects can also be attributed to this diffused form of responsibility.

Policy interventions from the European level are justified if there can be expected an added value from such interventions. Accordingly, the degree or type of intervention, the question of responsibility and accountability for a decision, the monitoring of its implementation, and, not least, the financial implications, i.e. who pays and how much, can be determined. The evaluation of TEN-T projects is typically carried out at national level, often using strictly national parameters that might not be adequate for measuring the degree of strategic impacts on a wider scale or what is called network effects. Or if they do, the implications of the analysis with regard to the fair distribution of costs (according to benefits) are not considered (Roy, 1995).

At the more technical level of information, being able to evaluate the European-added value also means being able to rely on at least a minimum set of harmonised data inputs, and, in part, modelling outputs (including projections or forecasts). Data availability and comparable information remains a problem at European level. Insofar as tools are concerned, even though the tools of cost-benefit and multi-criteria assessment are generally accepted as those most amenable to transport planning, a review of their use in different countries shows significant differences both with regard to the impact types included in the assessment and, more importantly, the values and weights given to important variables like environmental pollution (Grant-Muller et al., 2001).

This brings us to the second main challenge of European transport policy. Agreeing on a suitable institutional framework on how to reach policy decisions might facilitate policy design as well as implementation, monitoring and assessment but it will not resolve the intrinsic contradiction of European transport policy revolving around how to best integrate economic and environmental perspectives in transport.

European transport policy is today aware – perhaps for the first time – that this is its core problem. Furthermore first doubts are

beginning to be voiced with regard to the success potential of the liberal market approach. The recent White Paper on European transport policy, as we saw, is more keen on regulation than on deregulation, emphasizing positive rather than negative integration. Seeking to regulate the market implies at the same time a re-assertion of the state and its role in this respect. A paradigm shift could be in the making. However insofar as in contemporary Europe the role of the state is in parallel being re-formulated from the perspective of supra-national political organisation, the two main challenges to European transport policy – the institutional one, on the one hand, and the ideological one, on the other – are far more connected than what appears at first sight.

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