

# **Governance Failures in Integrated Transport Policy – On the Mismatch of ‘Co-opetition’ in Multi-Level Systems**

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## **Abstract**

The article focuses on the puzzle of rather weak effects of Integrated Transport Policy (ITP) despite vigorous efforts to promote this program for sustainable transportation. It is argued that the deflating output performances and impacts of ITP are due to difficulties in combining governance modes adequately. The concept of co-opetition in ITP, i.e. the complementary linkage of competition and cooperation, could not have been realized. Two ITP programs investigated here reveal the threefold problem of regulated interaction. Evidence from the research program on “Mobility in Agglomerations” and from the program on integrated freight villages shows failures of local public private cooperation in itself, failures in relation with other governance modes on the same jurisdictional level, and failures within the interplay in the multi-level system of European transport policy.

## **Zusammenfassung**

Der Artikel beschäftigt sich mit der Frage, warum es zu ernüchternden Resultaten einer Integrierten Verkehrspolitik kommt, die ernsthafte Anstrengungen unternimmt, die Verteilung des Verkehrsaufkommens zugunsten der umweltverträglicheren Transportart zu verändern. Es wird argumentiert, dass dieses Politikversagen wesentlich auf die Schwierigkeiten zurückgeht, unterschiedliche Governance-Modes angemessen zu kombinieren. Die Idee der ‚Co-Opetition‘, d.h. der komplementären Verbindung von Kooperation und Wettbewerb, konnte nicht realisiert werden. Die Untersuchung zweier Programme einer Integrierten Verkehrspolitik offenbart ein dreifaches Governance-Problem. Die Erfahrungen aus dem Projekt „Mobilität in Ballungsräumen“ und aus dem Programm für Güterverkehrszentren zeigen die Schwierigkeiten öffentlich-privater Kooperation für sich selbst und dann die Probleme, die im Verhältnis zu anderen Governance-Modes auf der gleichen gebietskörperschaftlichen Ebene auftreten. Schließlich kommt es beim Zusammenwirken unterschiedlicher Governance-Modes im Mehrebenensystem der europäischen Verkehrspolitik zu erheblichen Dysfunktionalitäten.

## 1 Introduction

The puzzle to be dealt with in transport policy is a perennial issue well-known since the post-materialist environmental turn. It is the discrepancy between the repeated call for an integrated transport policy (ITP) and the actual persistence of an automobile oriented transport policy (Jouve 2002: 24; Schöller 2007: 17). The program of substantial traffic reduction advocated for since the 1970ies did not achieve being a dominant “logic of appropriateness” (March/Olsen 1989). This was due to both a strong wide-ranging automobile advocacy coalition and the discursive power of mobility as the outstanding characteristic of post-modern times (Urry 2007). However, local, national, supra-national, and international developments have put the negative effects of traffic, let it be land-use, noise, security, or greenhouse gas emissions, on the political agenda. Henceforth, transport policy cannot be pursued without assessing and reducing the environmental impacts of traffic. In the face of the contradictory call for rising mobility and less negative externalities the idea of sustainable transport which brings together economic, ecological, and societal needs has become the ‘discursive broker’. ITP substantiates sustainability by pushing forward projects combining truck, car, ship, train, bus and bicycle use in passenger transportation as well as in freight traffic. ITP is aimed at linking the specific engine performances of transport modes deliberately and reducing their respective detriments therewith. Schöller traced back the discourse on ITP to the 1920ies, illustrated the renaissances of this idea, and pointed to the explicit formulation of ITP in the “Bundesverkehrswegeplan” (Federal Transport Network Plan) 1992 (2006: 16-27). Official documents and public budgets show the importance of ITP. It has become a forceful idea within transport policy over the decades. Taking ITP as an important issue of transport policy that is earnestly, but not exclusively pursued is the vantage point of the following argument.

Against this background, the puzzle is to be specified. Why did expensive and vigorous initiatives for ITP fail to impact substantively on the modal split by strengthening more environment-friendly transport? Which explanation can be given for the ob-

vious gap between a policy striven for and its poor success and outcome performance? It is argued in this article that the pitfall of ITP is governance failure (Jessop 2002: 45-48). ITP programs lacked a sophisticated mix of governance modes although “co-competition” (Beckmann/Baum 2002) as a combination of cooperation and competition had been promoted for ITP. Program implementation was allocated to public-private networks on the regional level in which a significant number of actors with very different rationalities were involved. Thus, ITP realization faced time consuming and costly coordination. This resource allocation for cooperation restricted activities for a distinguished contest on the best solutions between experimental ITP projects. Apart from regulated interaction on one jurisdictional level of policy, ITP is allocated within the multi-level governance framework of the European and German transport policy. This is characterized by the vertical interplay of different governance modes. While local cooperation is costly and time consuming the European liberalization in road freight traffic and national privatization in railroad, i.e. more competition, required not only immediate adjustment of the single firm but of the rather inertial local networks as well. Different governance modes generally show different temporalities. In addition, the market shaping policy in the European transport policy has had some specific detrimental side effects on the regional coordination since it repeatedly altered contextual parameters. Therefore, cooperation in ITP programs had to cope with both their own (overambitious?) procedures of arguing and bargaining on the one hand as well as with external turbulences on the other. The latter triggered a need for internal coordination anew. In a nutshell, having assigned the challenge of traffic modes’ combination to local public private partnerships made it a laggard to competitive individual automobile transport.

The paper starts with a political science perspective on transport in which comparative public policy research is combined with a governance approach. The empirical part of the paper which presents the evidence for the argument deals with two salient initiatives of German ITP. The first is a research fund for “Mobility in Agglomerations” which was launched in 1998. The second is the national program for the building of integrated

freight villages (FV) which started in the late 1980ies. These two initiatives were chosen since both show similarities in the vigorous political support from above as well as in their shortcomings due to the internal complexity of coordination. The conclusion reflects implications for the further research on transport policy as well as for the future design ITP.

## **2 Comparative public policy research and the governance approach**

In preparing the next white book on transport by the European Commission, a focus group has identified seven drivers of transport activity, i.e. ageing, migration, urbanization, globalization, regional integration, climate change and technology (Focus Groups report 2009: 19). Each „driver“ is stretchy in itself but the list shows the complexity of the policy field. Technical, economic, geographic, societal, and ecologic issues are interwoven. Therefore, fluid and complex policy intersections with labor market, economic, environmental, etc. policies are rather the rule than the exception. In a socially selective way, transport problems do affect both the individual mobility and the society as a whole (Heinelt 2007; see Sager/Kaufmann 2002; Stevens 2004; Schöller 2007).

Furthermore, transport policy is shaped by a certain materiality, i.e. a infrastructure (water, road, and railroad networks) and its links, for instance cargo terminals, which requires the respective planning and funding. Regarding the modal split, the policy arena typically shows a landscape of actors which is not only corrugated by interests and norms of market, state, and civil society but also by advocates for car, train, ship, and plane. In addition, transport policy became increasingly a multi-level policy which takes place on the international, European, national and federal state, regional, as well as on the local level (Plehwe 1997; Giorgi/Schmidt 2002; Lehmkuhl 2002/2008; Sack 2007). In this context, Europeanization with its change from market-shaping, negative integration to the coordination of market regulating policies including social and environmental concerns is the most promi-

ment change within the field of transport policy (Stevens 2004; Lehmkuhl 2008). It is indicated by a substantive rise of hard and soft law in European transport policy (Plehwe 2009). All in all, the field shows a rather high number of competing interests, of policy core believes, and of regulating as well as coordinating levels.

One might deem that a certain lack of public policy research on transport is due to its broad, fluid, and corrugated character. Positively taken, the field offers a broad scope of application of scientific concepts, especially in comparative perspective. In their seminal research project Héritier et al. have explored the impacts of European regulation on national transport policy in Germany, Italy, Britain, The Netherlands, and France by adapting a rather integrative comparative research concept (2001). Explanatory factors have been the status quo before European regulation came into being, the ideology/belief systems of advocacy coalitions, their programs and the spread of knowledge, the factual leadership, interests, and politics as well as the number of veto-points (Héritier et al 2001).

With regard to the governance debate in social science (Stoker 1998; Pierre 2000; Kooiman 2003), one dimension is missing. This is the dimension of regulating the relations of interdependent actors, not their policies. Conceptually, governance is not on content but on regulated interaction. Against the background of the particular corrugated landscape of actors, interests, and believes, a “capability to act” (Pierre/Peters 2000) of ‘the state’ is needed which exceeds immediate hierarchical steering. Instead, at arm’s-length coordination, arbitration, furthering self-regulation and spontaneous order, to name just a few, will be found within the policy field. There are different governance modes to which problem-solving capacities are assigned. Having put ‘the state’ in quotation marks also hints to the phenomenon of vertical rescaling of regulating, i.e. transport policy within the German context is subject to regulations, distribution, planning, and implementation on the European, national, federal, regional, and local level. The governance approach with all its limits (Rhodes 2000) highlights vertical differentialization and horizontal deconcentration of interactions within a policy field. It offers

both a terminology for the vertical and for the horizontal dimension.

To start with the latter, different proposals were made to characterize different modes of governance (Kooiman 2003; Benz et al. 2007). In a rather parsimonious taxonomy it is suggested to distinguish between hierarchy as top-down interaction, competition as evolutionary selection, cooperation as horizontal interaction based on arguing as well as bargaining and community as exclusive solidarity (Sack 2009: 46). These governance modes show not only different characteristics but also different temporalities and failures respectively (Jessop 2002: 45-48).

The vertical differentialization is categorized into two types: The multi-level governance type I consists of a layered order of few mutually exclusive, permanent, and multi-task jurisdictions in which voice is the mechanism to articulate your policy. The multi-level type II entails a rather flexible and fluid set of task-specific jurisdictions in which ad hoc cooperation and the exit-option pave the way to policies (Hooghe/Marks 2003; Marks/Hooghe 2004). What is not elaborated within this typification is the possibility that the relation and coupling of horizontally regulated modes of interaction in a multi-level framework might produce original problems. The combination of different modes of governance on different vertical levels could be complementary in the sense of reducing the shortcomings of each mode, for instance cooperation within the shadow of hierarchy (Scharpf 1993). However, it is not guaranteed that it will always work for the better. The misfit of governance modes and the lack of their complementary character could lead to new problems.<sup>1</sup>

When it comes to the evaluation of policy successes, Sager's cogent analytical framework on transport policy also entails regulated interaction and different governance modes. As phenomena to be explained the framework distinguishes output as

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<sup>1</sup> Additionally, the appraisal of governance interactions is part of an incremental learning process. Empirical studies show that the judgment of governance processes is detached from the policy output. The experience with regulated interaction stands for itself (Sack 2009: 166-172; see Vickers 2005). Therefore, learning processes (Hall 1993; Bandelow 2009) entail the re-adjustment of governance modes and their combination.

products of policy, outcomes as changes of the behavior of the target group, and impacts as the totality of effects (2007: 274). Independent variables are ordered along the dimensions polity, politics, and policy. Within the latter, examples of governance modes are located. For instance, conditional or goal-oriented steering, incentive giving, changes of procedures, or participation of affected parties (ibid: 279-280). However, the vertical mix of governance modes is not subject of the framework.

To sum up, comparative public policy research includes the important historic, institutional, politics and content dimension to be analyzed. Additionally, doing research in corrugated policy fields shed light on the vertical and horizontal formal and informal rules of regulated interdependencies of the actors involved. Their complementarities and mismatches should be assumed as integral part of comparative research. The combination of governance modes contributes considerably to the explanation of the policy outputs, outcomes, and impacts to be explored.

### **3 Co-opetition as governance of mobility and the failure of ITP**

Besides the Europeanization of transport policy which goes along with a vertical scaling of the arena, three modes of governance should be sketched out in particular. First, there is an ongoing debate on a 'Fair and Efficient Pricing' of transport within the European Union and its member states (Jensen 2006; Focus Group 2009), i.e. models of financing which are based on both the actual use of the infrastructure and the monetary inclusion of negative externalities. This is a combination of hierarchy (stipulating prices with redistributive effects based on the assessment of negative externalities from above) and competition (shaping market behavior by prices). Second, European transport policy has been dominated by a policy of liberalization and privatization since the late 1980ies (Héritier et al. 2001; Plehwe/Veskovic 2003). For instance, the step-by-step abolishment of protective rules in freight traffic was meant to 'open' the market. In other words, it was a policy to promote competition on the then subs-

tantly enlarged European Market which in turn has led to both an increasing split between huge and small logistic companies on the one hand and reduced prices at the cost of detrimental working conditions on the other. Another example is the spread of tendering procedures in public transport which stipulates the bidders to compete. Third, transport policy has been based on cooperation. Public-private partnership (PPP) became a key word in transport policy. Against the background of implementation deficits, the Trans European Network (TEN) projects were increasingly supposed to be set up in PPP (Erdmenger 1995: 177-179; COM (2001) 370: 57-61). Contractual partnerships became a model to develop, build, operate and maintain freeways (Shaoul 2005). Rather broad public-private networks became a prominent governance mode in urban transport policy as well as in launching innovative clusters of mobility (Hesse 1997; Lompe et al 1996).

Turning to ITP in particular, the overall aim of this policy is to minimize the negative impacts of traffic. Striving for the reduction of greenhouse gases is the integral and substantial goal of ITP which has been a mantra in official documents on transport policy for ages. To quote just one, the current guideline on general planning for freight traffic and logistics says: "Within an integrated traffic system each traffic carrier should be patched and coupled in order to deploy their specific strengths." (Bundesregierung 2008: 21; see Bundesministerium für Verkehr, Bau- und Wohnungswesen 2000: 15) The same, all in all positive stance on ITP was held by the former Christian Democratic-liberal government incumbent 1982-1998 (Bundesverkehrswegeplan 1992). For instance, it launched an ambitious scheme on integrated freight villages (FV). The combination of traffic carriers in specific projects (output) was meant to be the course of action that lead to a substantial strengthening of carriers with rather low emissions (outcome). Therewith, a notable shift of the modal split (impact), i.e. the shares of carriers on transport, towards water, railroad, and bicycle is being pursued. Thus, the modal split is to be taken as a 'hard' measure of the success of ITP.



Again, it is the mixture of governance modes in the policy field which seems to be of importance. A sophisticated management of regulated interaction became the white hope of ITP. In one seminal study on ITP which was commissioned by the German Ministry for Transport the authors promoted a specific mix of governance modes: “The vision [for ITP] could be a policy for ‘co-opetition’ (an integration of cooperation and competition) with competitive and cooperative elements which might show a high societal acceptance.” (Beckmann/Baum 2002: 314). From a problem-solving perspective, policy makers were addressed not only as promoters of financial schemes but also as designers of the ‘right’ combination of governance modes. They are meant to bring together competition and cooperation in a smart way. Hence, ITP is not only on the linkages between different transport carriers but also on the mix of governance modes. Co-opetition has been brought to the fore as the appropriate governance of mobility. It has become part of the story of hope for ITP.

However, there is another story to be told. This is the story of failure of ITP. In a more balanced view, it is the story of medium output performance on the one hand, as just a limited number of ITP projects has been established, and of failed impact performance on the other, as the modal split has not been changed substantively. Regarding the notable increase of mobility, some might consider the latter as a partial success at least. Quantitative data on modal shift gives evidence on the success or failure of ITP. The empirical evidence on the impact then reveals a failure rather than a success of ITP: The annual report on freight traffic shows a rather stable modal split in its longitudinal comparison. The shares of road traffic (73% in 2003; 72% in 2008), of railroad (16% in 2003; 18% in 2008) and of water carriers (11% in 2003; 10% in 2008) remained the same (Bundesamt für Güterverkehr 2009: 10). The traffic forecast by the German Ministry for Transport estimates a similar development for the future. While freight traffic on roads will increase from 70% in 2004 to 74% in 2025, the share of railroad traffic will hardly change (18% in 2004 to 17% in 2025, ITB/BVU 2007: 11). There simply is no substantial change of modal split. This indicates the failed impact of a policy which pursued a growing share of environment-friendly transport modes for ages. Schöller has put it aptly: ITP is meant to be a “historical genealogy of failure” (Schöller 2006: 16). One might wonder if the specific mix of governance

modes has contributed to the failure. And what did the actors learn from the failure? Thus, beyond a more encompassing and critical debate on the prerequisites of the proposal for co-competition in ITP, the two following case studies should shed light on possible effects of the combination of different governance modes.

#### **4 The story of ‘Mobility in Agglomerations’ – Co-opetition on one level**

According to the status report on combined freight traffic, urban logistics is a pivotal element of the German Transport Policy (Bundesministerium für Verkehr, Bau und Stadtentwicklung 2009: 14). Urban logistics also was one of the working fields within the research program “Mobility in Agglomerations” which can be traced back to 1996 and which had been established by the SPD-Green government incumbent since 1998 (Knie 2007: 48). The overall aim of the program was the cooperative and experimental search for new transport solutions. The program dealt with intermodal personal and freight traffic. Co-opetition became the signifying idea of governance. On the one hand the program was about networking: “The task of the projects is to bring together all necessary actors involved in urban individual and freight traffic. The solutions of occurring problems and necessary means should be demonstrated exemplarily. The positive impact of the means should be verified in broad application.” ([www.tuvpt.de/abgeschlossene-projekte/mobilitaet-in-ballungsraeumen](http://www.tuvpt.de/abgeschlossene-projekte/mobilitaet-in-ballungsraeumen), retrieved 22.2.2009). On the other, the project description within the procurement document highlights the importance of competition: “The chosen projects compete against on the best ideas and solutions for coping with problems of mobility in agglomerations.” (Bundesministerium für Bildung und Forschung 1999: 2). Thus, local cooperation should be combined in this program with inter-local contest for the best solutions.

The projects then focused not only on freight and individual traffic. They were deemed to deal with technological multimedia information on traffic and routing, with car-sharing, innovative baggage storage, logistics, distribution, inter-modal coupling of

traffic modes, substitution of traffic, urban and regional planning, firm relation traffic means, and institutional aspects (Bundesministerium für Bildung und Forschung 1999: 2). In short and colloquial, the task resembles a pick and mix shop of ‘innovative’ transport solutions. In other words, the projects were meant to cope with a rather broad and complex set of tasks.

**Table 1:** Projects within the research program „Mobility in Agglomerations“

Project	Financial Volume in €	Number of Actors involved
CallABike	75.000	2
Cash Car	2.600.000	3 (4)
Intermobil	17.100.000	13
Mobilist	24.800.000	43
Mobinet	40.200.000	26
StadtInfoKöln	8.100.000	16
WayFlow	30.800.000	12
<b>Gesamt</b>	<b>123.675.000</b>	

Source: <http://www.tuvpt.de/abgeschlossene-projekte/mobilitaet-in-ballungsraeumen>, 22.2.2009

The high number of actors involved could be considered as necessary with respect to the rather unclear arrangement of individual and organized actors in urban transport, with actors coming from state, economy, and civil society, as well as actors operating different traffic modes. What has been said about transport policy in general was mirrored in spatial projects. Due to this corrugated landscape, integrative cooperation was considered to be necessary (Kesselring et al. 2003). However, coordinating a high number of actors with quite different, partly opposing interests and policy beliefs is assumed to be costly and time-consuming.

Unfortunately, a thorough in-depth research on the projects and their governance has not been carried out. However, looking tentatively at available evaluation, two news are to be broken. It comes as no surprise that the assessment by managers of the projects seems to be biased towards a positive view. Their description argued that the high number of actors involved was necessary because of the spatial, i.e. inter-communal, and inter-

modal character of the projects. The cooperation was considered as fruitful with respect to the diffusion of project results. Over a period of four years the actors involved developed a certain sense of network identity which had been of help (Mobilist 2003: 7). All tasks of the project were accomplished (Mobilist 2003: 9-14). Another project pointed to the reduction of 0,13 % of the kilometers traveled by individual motorized traffic per year, the reduction 0,3% of CO<sub>2</sub> emission, and 17.000 persons daily using the public instead of individual transport. The benefit was monetarized as 30 million Euros per year – against 40,2 million Euros of public subsidies (Mobinet 2003: 71). However, actors involved noted both the general difficulty to quantify effects of new technical means in transport (Keller 2006: 52) and a number of governance problems. Among the latter discontinuities in projects due to personal change and the lack of acceptance for new concepts by public and private actors were of notable importance (Keller 2006: 55).<sup>2</sup>

The more skeptical appraisal of the projects came from the then commissioned external evaluation which has not been accessible for research even five years after the official termination of the program. Schöller noted that the results of the whole program are, compared to the formerly ambitious goals, “deflating” (Schöller 2006: 87). Only a small number of projects survived after the end of external funding and the change in modal split in favor of public transport once pursued has not been accomplished (ibid: 87). Thus, a weak output performance goes along with a failure in impact. Among the reasons given for this failure is the chosen governance mode: “In addition, the big cooperative projects faced immense problems coordinating the cohesion of diverse partners” (ibid: 88). It was the task of well experienced manager from the automobile industry paving the way for cooperation (ibid).

Still, a sophisticated study on the governance modes within the projects of the research program “Mobility in Agglomerations” is missing. However, the program indicates that costly and

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<sup>2</sup> However, in his outlook Keller calls for more rather than less cooperative platforms in urban transport (Keller 2006: 55)

time-consuming coordination of a high number of participants with different rationalities bound all energies of the actors involved. Therefore, the former idea of co-opetition, i.e. setting up a contest on best solutions between the projects has not been accomplished. Cross-project working groups were launched for an exchange of information. However, there is no evidence for any kind of meritocratic competition. Since local cooperation in itself had been complex, establishing other governance modes never became a substantive issue.

## **5 The story of integrated freight villages – Co-opetition within the multi-level framework**

Going back to the above mentioned current guideline on general planning for freight traffic and logistics this document entails a number of proposals to further ITP. The list includes the assessment of the regulations for inter-modal freight traffic, the increase of funding for combined transport, the development of techniques for the handling of cargo and for inter-modal organization. Finally, the aim to include negative externalities in pricing is enumerated (Bundesregierung 2008: 47-51). The status report on implementation presented ten month later by the transport ministry lists the amendment of the guideline for combined transport among its work (see below) and highlights “integrated freight villages as pivotal element of optimizing logistic processes in agglomerations” (Bundesministerium für Verkehr, Bau und Stadtentwicklung 2009: 14).

As the idea of ITP has experienced renaissances (Schöller 2006: 16-31), the set of means and programs to promote combined transport in freight traffic became also well-known over the decades (Sack 2002: 71-90). Supporting the inter-modal handling of cargo is one of the back issues. Starting from the late 1970ies the then promoted idea to support combined transport was that of building integrated freight villages (FV). Due to the European directive on particular matter in conurbations, the promotion of integrated freight villages is now again considered as an adequate mean of ITP (Nestler/Nobel 2009: 333). The particu-

lar program which entailed top-down funding and regional cooperation is subject of the second case study (Sack 2002).

The aim of the program to establish integrated freight villages<sup>3</sup> has been the strengthening of inter-modal handling of cargo, the shift of long distance transport from road to water and railroad, the development of synergies between regional logistics companies, and the connection to city logistics (Sonntag et al. 1999: 66). The program was put on the agenda during the mid 1980ies by the logistic industry and the German Railroad (Deutsche Bahn). In the view of the then incumbent conservative-liberal government, the support for integrated freight villages proved to have a threefold benefit. The rise of transport after the opening of the East European states was supposed to overcharge the road infrastructure. Therefore, the shift of long-distance transport on railroad promised to be of alleviation. Second, the integration of logistic companies into the freight villages came as a promotion for small and medium enterprises which is an important goal of the economic policy of the Christian Democratic/Social Union. Third, FV were deemed to contribute to the mitigation of negative externalities of urban and European transport.

The program has been established with amendments to the transport funding acts in 1992/1993, with authoritative planning documents by the Transport Ministry and the German Railroad between 1992 and 1995. The program was subsidized until early 2000 with about 1 billion Euros.<sup>4</sup> Within German federalism, law making and budget allocation took place on the national as well as on the federal level. German federal states were responsible for planning and financing while the implementation of the

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<sup>3</sup> Integrated freight villages are inter-modal hubs for the handling of cargo between different modes of carriers and the linkage between city logistic schemes with long-distance transports. Since they offer terminals, areas and infrastructure (like gas station, stocks for dangerous good), they attracted logistic companies to settle. These companies benefitted from infrastructure and the economy of scale within the freight villages while regional planners aimed to concentrate transport in one area of the jurisdiction due to the emissions.

<sup>4</sup> For the difficulties to survey the notable decentralized financing of integrated freight villages see Sack 2002: 103-105.

project itself was assigned to local jurisdictions. The coordination of integrated freight village was mostly their task. This separation of regulation and coordination within the multi-level framework of German federalism is a common practice per se (Mayntz 1980).

Within the regions public authorities realized or tried to realize integrated freight villages by intensively cooperating with private companies or associations of logistic enterprises. This was due to requirements of the funding guidelines, but also coincided with a dominant understanding of urban and regional planning. Public private networks were launched. A survey of 29 projects from 1999 (Sack 2002: 152-155) reveals the characteristics of the actors involved, the organizational structure, and the prevailing governance modes of local implementation networks. 19 integrated freight villages were supposed to be implemented by a rather symmetric network of a middle range (about 10 actors involved) of public and private actors; the prevailing governance mode on the local level was arguing and bargaining. The costs of cooperation rose in those public private partnerships which dealt with negotiation between neighboring jurisdictions. Four of these 19 cases worked without direct integration of local public actors. Six integrated freight villages were set up hierarchically by public authorities. Prevailing top down interactions were typical for focal private public networks in which the locally dominant company took the initiative for integrated freight villages without much need to be supported by other local actors (table 2).

The quantitative assessment of the program, based on a survey of transport ministries of the German federal states carried out in 1998 (Sack 2002: 223-226, 246-250), shows that in the early 1990ies 59 initiatives for integrated freight villages were set up. Most of them started in 1992/1993. The average implementation period was about five years (ISL 2000: 5-7). The national Ministry for Transport reported in 2000, that only seven integrated freight villages operated and 22 were still in the planning process (BMVBW 2000: 36). At the same time, a survey by the "Institut für Seefahrt und Logistik (ISL)" drew a more optimistic picture: It identified 19 operating projects. According to the survey, in 2000 19 integrated freight villages worked, 14 were ac-

tively promoted (ISL 2000: 6). 26 planning activities were deemed to fail. Ten years later the number of operating freight villages is 33, in sum that is a quota of project implementation of 56% and a medium output performance ([www-gvz-org.de](http://www-gvz-org.de), 1.10.2009).

Which news are to be broken? During the last 15 years 44% of the project initiatives failed and the duration of other 24% exceeded notably the period assumed for implementation. Even proponents speak of a “bit longer period to start” of the still existing program (Nestler/Nobel 2009: 332). How can medium output performance and deficits in implementation be explained?

In turning first to the technical and economic aspects, one might wonder if the program of integrated freight villages as part of ITP is suboptimal in its technical design. Clearly, the inter-modal handling of cargo for which a terminal is needed represents a specific technical problem. The problem of interface between different traffic carriers has to be considered as pivotal weak spot of combined transport (Eckstein 1993; Schöller 2006: 100). However, the above mentioned state funding for the establishment of inter-modal hubs and terminals aimed at compensating the additional costs of inter-modal handling of cargo. And cost-benefit analysis of integrated freight villages showed their financial viability (Jeiter 1996; Thies 1998).

Second, one could assume that overall changes in transport have led to the unsuitability of local planning. In fact, the changing size and value of cargo as well as new production structures in logistics effectuated decreasing freight volumes in some localities. About one third of local planning faced effects of these changes (Sack 2002: 149-150).

All in all, taking only ‘structural’ factors into account does not explain delays and failures within this program nor did a fundamental policy change take place. ITP in general and the program for integrated freight villages in particular had not been abandoned. Turning to effects of governance modes and their combination helps to explain the shortcomings.

To begin with, implementation studies show the ‘classical’ behavior in hierarchies, the bandwagon effect, i.e. subsidies from above induce local needs (Mayntz 1980). Eight initiatives for in-



egrated freight villages were launched during the 1990ies without adequate freight volume at any time of the planning. However, 17 planning activities with stable and adequate freight volumes over the 1990ies were not or with considerable delay realized. Table 2 shows for 29 FV initiatives<sup>5</sup>:

- the arrangement of the actors involved,
- the naming in the general guideline of the German Railway in 1995 (DB-Masterplan) as a proxy for stable freight volume and acceptance of local planning by national authorities,
- the (partly) operation in 2000, and
- the operation in 2010

In comparing these cases, it is obvious that retardation is assigned to rather symmetric public-private partnerships with an average number of actors involved ( $< 10$ ). First, this is due to the costs and temporal length of cooperation between actors with different and joint interests in itself. Networking in itself is a rather time-consuming and complex process between arguing and bargaining (Scharpf 1993; Kouwenhoven 1993; Kickert et al 1997). Comparison reveals that inter-communal planning in particular led to delays because of extensive negotiations, for instance on costs, planning competencies. In-depth case studies show that idiosyncrasy and party differences contributed to the cost of inter-communal cooperation (Sack 2002: 187-202)<sup>6</sup>. Thus, the governance mode itself led to delays.

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<sup>5</sup> Methodologically, it has to be mentioned that the sample of 29 cases is a positively biased choice compared to the 59 cases of the universe. This is mainly due to difficulties in investigation of failed projects and a “built-in bias in reporting“: „Successes are feted and failures concealed or just not talked about. Politicians and public servants do not generally go to conferences to tell the story of how their reform failed.“ (Pollitt/Bouckaert 2003: 20).

<sup>6</sup> Additionally, local experts hinted repeatedly on an attitude to ,overload’ the planning. For instance, FV initiatives elaborated broad concepts with ring-railroad systems and city logistics instead of going for small and modular technical solutions. This tendency has been put in the saying that terminals were designed as „gothic cathedrals“ (Kossak 1995).

However, as empirical evidence (Oppen/Sack 2008) and conceptual reasoning (Kickert et al 1997) on public-private partnership demonstrated, cooperation works better within stable external conditions to which networking can be incrementally adjusted to. For the program at hand, the situation was somehow different. European transport policy produced external turbulences which came along with liberalization on freight traffic and privatization in railroad transport (Héritier et al 2001, Lehmkuhl 2002).

**Table 2**

	A	B	C	D	E	Sum
Number of initiatives	8	7	4	6	4	29
Named in DB-Masterplan 1995	7	7	4	5	1	24
FV (partly) operating in 2000	5	2	2	5	3	17
FV operating in 2010	6	5	4	5	4	24

**Legend:**

FV: Integrated Freight Village

A: Public-private partnership without inter-communal cooperation

B: Public-private partnership with inter-communal cooperation

C: Private network without public actors

D: Public actors only

E: Focal private-public partnership with one dominant actor

First, the liberalization of road freight traffic led to split of logistic corporations. Combined with increasing competition from East-European transport companies and the change of logistic production systems in big industry, in particular the automobile and chemistry industry, liberalization decomposed the ‘traditional’ structure of logistics enterprises. Instead, a bifurcate landscape of small and precarious transport enterprises on the hand and big trans-nationally operating logistic companies on the other was established (Bundesamt für Güterverkehr 2000). Since it had been the associations and individuals of the small and medium

enterprises who were involved in local initiatives for integrated freight villages, liberalization directly affected local cooperation. Intensified competition on the market bound resources of private actors for negotiation within the ITP policy.

Second, the formal privatization of the German Railroad (Engartner 2008) which was due to European transport policy led to both a process of internal organizational reform and a new production system. The continuous re-organization of the “Deutsche Bahn AG” in order to rationalize and re-adjust its logistic activities affected the local cooperation by a repeated change of contact persons to be involved. Each change of internal organization within the ‘German Railroad’ simply required learning the rope by the new persons who became responsible for terminals, trails, and schedules for the local freight village. In addition, the German Railroad – preparing for its material privatization on the stock market – changed its corporate strategy and the logistic production system towards a direct traffic system between dense agglomerations and industrial districts. This change included new national schedules and – this is decisive – it put the risk of capacity utilization on the local operators. Unlike the agreements on which the first plans were based, the German Railroad required local operators to guarantee the return on investment. During the 1990ies, local actors involved faced both the permanent change of important contact persons and new logistic and economic parameters to be adjusted to.

Thus, the governance modes of European transport policy interfered directly with the local modes of regulated interaction. This happened in a constitutive period of the program for integrated freight villages. The relative success of the more hierarchical organized initiatives (D and E in table 2) confirms that there is a mismatch of governance modes on different levels in a policy field which could be decisive for the success or failure of a program.

All in all, a quota of 50% established and operating integrated freight villages could be assumed a fair result of the program and a medium output performance. Their implementation took a bit longer but in the end they work. To look at the changes from the 1990ies to the 2000s, the first insight is that the turbulent times

were over. Since liberalization of road traffic and privatization of railways took place in the 1990ies, local initiatives had room to maneuver incrementally and adjust their planning and operation to rather stable market conditions during the 2000s. Thus, actors involved in program implementation undertook three interwoven learning processes.

First, the German transport ministry changed the guideline for funding combined transport repeatedly. Since 1998 it has been amended in 2002 and 2005 and shows a number of notable modifications now: First, the percentage of financial funding was exceeded from 80% to 85% of the investment volume over the last decade. Subjects of application became all companies under private law – this includes formally privatized public units. The obligations for the applicants to run the terminal were strengthened – and thus reduced a bandwagon tendency. Finally, the planning of an integrated freight village became detached from the schemes of the German Railway – which unties the former dependency between local initiatives and the monopolist (*Förderrichtlinie für den Kombinierten Verkehr* 2009).

Second, the amendment to the guideline in 2005 led to direct negotiations (without the federal state level) between the applicants and the Railroad Authority which is responsible for the approval of projects and funding. The “expert monitoring by the Railroad Authority“ has been considered to be a notable step forward to promote combined transport and integrated freight villages (*Studiengesellschaft für den Kombinierten Verkehr* 2007: 28-29).<sup>7</sup>

Third, on the local level an organizational change could be identified. This could be tagged as a turn from rather complex organizational PPP to contractual PPP with more specified services to be delivered. This organizational turn went along with the reduction of the number of actors involved. Thus, beyond achieving technical and economic expertise over the years, a

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<sup>7</sup> Interestingly, the toll on trucks introduced in 2005 had had a rather low impact on combined transport. The rise of gas prices seems more important for the willingness of transport companies to opt for combined transport for long distances (*Studiengesellschaft für den Kombinierten Verkehr* 2007: 9).

second order learning process (Hall 1993) has been locally set up.

In sum, there are incremental learning processes over the years to be identified. But again, a ‘success quota’ of 50% realized projects also gives room to ponder on shortcomings of the ITP program. From this angle, the implementation of the ITP suffered notably from unexpected detriments of combining cooperation and competition within the European multi-level framework of transport policy. Instead of a beneficial ‘co-opetition’, it has been the mismatch that mattered in turbulent times.

## 6 Conclusion

„Contemporary urban public action involves negotiation, partnership, integration of different decision-making levels, pragmatism and openness to ‘civil society’. At the same time, it is astonishingly paradoxical to note the stability that prevails in terms of policy content. In most cases, the opposition between private auto use and public transport remains a continuing theme.” (Jouve 2002: 24)

The puzzle analyzed in this article is the discrepancy between a vigorous policy, i.e. ITP, carried out over a long period and its deflating impact. Again, the latter is measured by a simple relation between traffic carriers, i.e. modal split, which did not shift – and according to official forecast is not expected to change – despite expensive ITP programs. This discrepancy cannot be explained by fiscal regulations and planning schemes framing transport policy because ITP programs include compensatory funding. Instead, the medium output performance and impact failure are to be interpreted with regard to the lacking complement of regulated interactions. The mismatch of governance modes took place on one jurisdictional level of the polity. In addition, the interplay of governance modes within the multi-level framework of Europeanized proved to be detrimental as well. It is the focus on the complementary or interfering combination of governance modes by which the study contributes to the research in transport policy and implementation studies in general.

ITP aims at combining different transport carriers in order to strengthen the environment-friendly ones. Thus, a multitude of

actors with different interests, policy beliefs, resources, knowledge etc is to be integrated. Due to complexity of the arena, simple based top down hierarchy has its obvious shortcomings. Therefore, ITP programs pursued a specific mix of different governance modes to nudge and urge actors involved towards the policy outcome to be achieved. This mix has been labelled as 'co-opetition'. Evidence from the "Mobility in Agglomeration" program then show that cooperation between a lot of actors with different rationalities was so costly and time-consuming that a sophisticated contest between the projects has not been accomplished. When it comes to the interplay of governance modes in the multi-level framework of Europeanized transport policy, the case study on integrated freight villages gives evidence for another mismatch. 'Expensive' and slow regional public private coordination met top-down market shaping policies. Hierarchy and competition are in itself 'quicker'. Thus, the mismatch of governance modes derives from divergent temporalities which are detrimental to cooperation by repeatedly inducing laborious readjustments. Against the background of the study, it has to be acknowledged that the mismatch of governance modes tends towards privileging the actors well-equipped with resources, e.g. big logistic companies.

Research on success in transport policy benefits much from the analytical frameworks presented by Sager 2007. However, the case studies at hand suggest some conceptual extension in order to grasp the effects of multi-level polity adequately. The relation of governance modes, i.e. their complementary character or their mismatches, should be taken into account systematically by locating policy and governance modes at each jurisdictional level. This would weaken the parsimonious character of the framework along the polity, politics, and policy dimension. However, in Europeanized times an extended version of the research concept might come to grips with explanatory factors of policy success more precisely.

Referring to Jouve's quote, which proposals to strengthen ITP derive from the research presented in this article? Lessons learned from the systematic review on transport policy are the notable role of consensus for the output and the change of proce-

dures for the impact (Sager 2007: 282). Thus, despite the shortcomings of cooperation there is no point in abolishing it. On the contrary, simple hierarchical steering seems to be counterproductive because of the complexity of the policy field. Public-private collaboration on transport issues rather needs to be carefully embedded. Three measures are to be announced. First, transactions costs of public-private cooperation are to be compensated by distribution from above. In particular, this holds in turbulent times in which implementation faces changes of the parameters to be adjusted to. Second, distribution is to be linked to performance indicators measuring impact not output. A goal-oriented steering is a common measurement in administrative policies. For ITP the crucial effect to be rewarded is the respective share of traffic modes, not the individual project of combined transport. Finally, the framework of fiscal regulations and spatial planning for transport is of particular importance. This is about stipulations internalizing negative effects of transports. At present however, it remains open if the initiative on fair and efficient pricing by the European Commission will change the embeddedness of ITP programs for the better. Bargaining processes on prices will be decisive for future of ITP. However, this is a new story of politics then to be told.

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