THE VALUE OF BUS AND TRAIN: PUBLIC VALUES IN PUBLIC TRANSPORT

Wijnand Veeneman¹ and Didier van de Velde
Faculty of Technology, Policy, and Management,
(Delft University of Technology)
Lars Lutje Schipholt
inno-V Adviseurs, (Amsterdam)

1 INTRODUCTION

When the railways were built in the nineteenth century, it was abundantly clear what the benefits of public transport were. It was faster than other forms of transport that were used up to that time. Towns were able to increase their sphere of influence, there was more space to build houses, and, as cities attracted more people, the threshold of ever more sophisticated services was reached. Many parties realised the benefits of the new railways and as a result, public transport services developed quickly despite high investment costs (Veenendaal, 2004).

A similar development took place in the 1920s with the growth in bus transport. The same benefits could be achieved but less investment was required. Again, it was clear to many parties that this offered great potential and again investments were made in new transport services (Faber, 1985).

With the growth of private car ownership from the 1960s, public transport was no longer the primary means of mobility. It was at this time that public resources were called upon to maintain public transport at a certain level. At the start of the 60s, it was easy to argue that public transport fulfilled an important function in granting mobility to people who could not afford their own car. But car ownership became more widespread, and as it did so it gave people greater mobility.

Since the 1960s several governments, including the Dutch, have devoted substantial resources to public transport (see Figure 1). However, the motives for providing the funds have altered down the years. There has been a huge variety of reasons - maintaining employment in the industry (Van Marle, 1952), protection of the environment (SVV II), tackling congestion (SVV II), mobility for the less well-off (NVVP), keeping cities accessible (NOMO) – all have played a role in justifying the hundreds of millions of Euros spent on public transport subsidies each year.

¹ Authors can be reached at W.W.Veeneman@tudelft.nl

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It appears that our reasons for finding public transport important are subject to change. Collectively, we seek various values from public transport, for various and changeable reasons. These values – which we in this paper will refer to as public values - legitimise the resources the government spends on public transport. This paper deals with public values in public transport (section 2), the complexity involved in safeguarding those values (section 3), how public values recur in various government policy documents down the years (section 4), a typology of public values in public transport (section 5), and the implications of this complexity on the day-to-day reality of Dutch public transport, the practice of making policy and the contracting out of public transport (section 6). It rounds off with a number of conclusions.

2 PUBLIC VALUES

What do we mean when we refer to values? Let us use the example of safety to explain. It is a relatively abstract term that represents what we would like to see in a given system: it has to be safe. It is not yet a goal. Goals are much more specific than values. They are more operationalised ("the number of deaths per year") as well as often associated with a threshold value ("must be reduced by 10 per cent over the next five years"). Goals are measurable, values not necessarily.

However, the operationalised goal often appears not reflect what we actually value in a system. A measure might reduce the number of deaths but sharply increase the number of injured: the goal is met, but the value not secured. This invokes more goals and complex sets of goals, to operationalise the value, which in itself is clear: transport should be safer.

In addition, goals often shift. As governments discover that the death toll on rural roads is relatively high. Rural road safety becomes a spearhead with specific goals and actions related to those goals. However, when governments discover that their actions do not reach the preset goals on road
safety ("25 percent less deaths in 10 years"), they reduce their ambitions. So goals are regularly shifting, while the underlying values are far more stable. A value is therefore the formulation of what we as a society value in a system (in our case, often the transport system) without reference to operationalisation or quantification (see also Jorgensen and Bozeman, 2003).

A public value is a value that is safeguarded by the government. The values to which this refers vary according to how the role of government is viewed. Many economists (Teulings, 2003) believe that the government should restrict its dealings to those situations where the mechanism of the market fails. Values may be harmed where markets fail and the government is then expected to safeguard the values. Public administrators (see also De Bruijn and Dicke, 2003) lay much more emphasis on the process of the promoting interests. If society as a whole asks for a particular value to be safeguarded then the government in a democracy has little choice but to assume responsibility for that value. Both mechanisms play a role, of course: government defines its role including the issues it wishes to address ("we want to focus on reducing market failure"), and government is made constantly aware by society of its responsibilities ("the government has become acutely aware of the need for stricter control to reduce the death toll on our roads").

So, in our perspective what defines a public value a priori might be a topic for discussion between economists and policy scientists, what is a public value is far clearer: a public value is a value government decide to try to safeguard following a public demand and within the self definition of the governments role.

3 SAFEGUARDING PUBLIC VALUES

When we looked at public values in transport it became clear that they are relatively stable ("transport must be safe") over time. However, their operationalisation and quantification into goals are much more volatile, however. Road and transport safety are not always translated into the same kind of goals. We see operationalisations that emphasise fewer road deaths, lower healthcare costs in treating traffic accident victims, fewer incidents on the roads, or a general reduction in the risk of accidents, for example by strict controls on drink-driving. And indeed, these operationalisations often exist side by side. There is much less agreement and much less certainty about which operationalisation best represents safety. This means that it is unclear how the different instruments for realising goals contribute to the safeguarding of the public values.

In addition, there is another problem related to safeguards. The priorities for certain public values shift through time. In times of greater economic hardship, economic growth becomes more important, and when things are going well there is more attention to the quality of life. If a train derails at Waterloo Station, the government faces questions about safety. Once the derailed train is out of the headlines, the importance of quality of the service is again felt much more keenly. Safeguards all have to compete for limited

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public resources, and it is almost impossible to have safeguards keep up with the shifts in public values.

Safeguarding public values is made even more difficult as a result of the conflicting nature of the instruments used for safeguards. The railway network manager Prorail imposes strict requirements regarding the running of trains on the tracks. These requirements restrict the capacity of those tracks. Conversely, measures that would increase capacity and therefore improve the level of service could have a negative effect on safety.

As a consequence, national governments often have a wide variety of relatively policy programs on transport that are fragmented, lagging behind current views and conflicting. One policy program improving safety reduces capacity. A program for clever use of tracks harms the free market because it privileges participating operators. A program to improve accessibility of public transport for partially handicapped increases operational costs and lowers operating speed. Governments are confronted regularly with this type of conflicts between various goals and values.

The above highlights three important dilemmas facing the government when safeguarding public values:

1. Targeted safeguarding of a public value requires clear objectives (“improvement of quality of life by reducing Nox by 10%”). However, clear objectives never do justice to the shifting interpretation of public values (“but improvement of quality of life needs a reduction in fine particles”).
2. Successfully safeguarding public values (“there are hardly ever any derailments”) will lead to fewer resources for these values (“can we make savings on maintenance?”)
3. The more strongly one value is safeguarded (“safety before everything else”), the more likely there may be negative consequences for the other values (“capacity problems”).

4 INTERMEZZO 1: PUBLIC VALUES IN DUTCH WHITEPAPERS FROM 1975 - 2005

The stability of values can be easily illustrated by looking at the policy memorandums of the past 30 years. Although the differences in operationalisation and approach are great, the basic items, starting from the first SVV (Stucture Scheme Traffic and Transport 1975) till the NOMO (Mobility Whitepaper 2005), are remarkably similar. For example, the 1976 SVV gives the following objectives for the overall transport and traffic policy:

- Support for a desirable spatial structure
- Improvement in transport safety
- Reduction of noise
- Support for socio-cultural and economic developments
- Limit to the use of collective resources.

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Almost thirty years later, the first chapter of the NOMO contained the following important items:

- Linkage with spatial developments
- Permanent improvement in transport safety
- Improvement in the quality of local residential areas
- Strengthening economic developments
- Realistic ambitions given the limited resources

The values that we hold dear in the transport and traffic system of the Netherlands do not appear to shift that much, even though in terms of approach and effect the first SVV and the NOMO are significantly different.

The recognition given by government of the volatility of the effect of public values can be seen in the differences in approach. With SVV I we saw that the government itself operationalised public values, the result being little support for its policy. The objectives were tightly formulated and government operated on a relatively solitary basis. A broadly shared opinion was that mobility and quality of life were under pressure. However, the approach to these matters became bogged down in resistance and shifting priorities. In the case of the NVVP (National Transport and Traffic Plan), the emphasis was oriented much more towards open objectives and the joint application of policy. That was much more compatible with the dynamic nature of how we define safety, mobility and quality of life at any given moment in time. The NVVP was criticised for again not making clear which way the government wanted to go. However, it is an indication of how awkward it is to safeguard particular values over a longer period of time, if during that period the interpretation of those values shifts and the importance of various values is volatile as well.

5 PUBLIC VALUES IN PUBLIC TRANSPORT

Let us narrow the analysis down to public transport. The public value of public transport – the totality of reasons why government devotes resources to it – is relatively stable. Looking at public transport policy memorandums at all levels of government, then we can see four main types of public values (see also Advisory Council for Transport, Public Works and Water Management, 2004 and Veeneman, 2004).

Guaranteeing mobility for vulnerable groups is what we call type A values. Ten years ago, there was much discussion about the social function of public transport. More recently, there has been talk of basic mobility, availability, accessibility, and affordability. Public transport is a safety net for groups who are otherwise unable to get from one place to another. The government has many instruments related to public transport with which it can safeguard these values. It makes requirements regarding the accessibility of carriages. Senior citizens can use cheaper tickets. Collective demand-dependent transport is intended to provide regional mobility. Schedules of requirements fix the times of the first and last buses. Prorail decides how it lays down paving tiles for the blind on platforms.
The mobility of citizens can be affected by personal factors such as a handicap, or poverty. It may also be limited because of the high costs of providing public transport in the area where they live, or at the time they have to use it. Means of providing safeguards are primarily aimed at product specifications, such as the time of the first and last bus, the height of the step at the point of boarding, or the price of a ticket. Alternative safeguarding methods are targeted more specifically at a certain group: discount passes for the over-65s, help with boarding the train, or subsidised target group transport.

We also see public values in public transport play a role in relation to externalities, both positive and negative. With externalities, the effects (positive and negative) of a strengthening of public transport are felt outside the realm of public transport. In addition, they have a collective character and the effects are not aimed a priori at specific individuals, as is the case with the first type. Positive externalities are, for example, the support that public transport provides for urban development, its relative safety, its environmentally-friendliness, and its role in fighting congestion. We refer to these as type B values. Instruments for providing safeguards for positive externalities are often aimed relatively simply at increasing public transport, and its use.

What public transport achieves is not only positive – it can also have negative effects on values outside public transport. Public transport too has negative externalities, which should be limited as much as possible. Examples of negative externalities are noise nuisance, exhaust emissions and spoiling the landscape. We refer to the values associated with the surrounding area that may be affected by the externalities as type C values. Instruments for safeguarding these values are often of a strongly technical character: sound-reduction screens, soot filters, tunnels, or low-emission engines. Instruments for type B values, which are aimed at increasing public transport, can actually harm type C values. More public transport often leads to more negative externalities. The economic development of urban areas can be strengthened through good public transport, but only if that public transport leaves enough room for such development without affecting the quality of those areas, for example as a result of excessive tunnelling. More people on buses is good for the environment if it means fewer cars being used. However, the emission levels of fine particles can worsen due to buses running on diesel without soot filters. Safeguard instruments for type B on the one hand and type C on the other have the tendency to conflict.

Type D values concern the functioning of the sector. Governments often play a role in achieving a breakthrough whenever there is a stalemate or power imbalance in the sector. An example is where governments decide to end a stalemate between carriers by imposing an obligation to provide connections between routes, or to use the chip card method of payment. Governments also often play a role in protecting the market from parties that are too strong,

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2 Does not apply to trams.
3 Does not apply to empty public transport, services that are operated, but not used.

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or employees from the possibility of being disposed of by management. This includes rules regarding mergers and takeovers. The government plays a role in protecting staff from the possibility of being disposed of by management. An example is that the transfer of a concession must include the employees. Governments often play a role in the transaction between customer and carrier, such as in the way complaints are dealt with, or by guaranteeing a minimum level of quality. The values are quality, the certainty that the service will be delivered, employment security, etc. The safeguard instruments have a diverse character.

**Type E** values cover the functioning of the government. The government is also faced with a number of recurrent values, as far as its own functioning is concerned. Important values are transparency, democratic legitimacy, reliability of administration and an efficient use of public resources. These safeguard instruments are often procedural rules. Type E values can also conflict, for example when transparency and democratic legitimacy require an agreed budget for a concession, while an invitation for a tender will benefit from keeping that budget secret, so that potential carriers will offer what is genuinely their lowest price.

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| Type A         | **Vulnerable groups**          | • Accessibility (for partially handicapped)  
• Affordability (for the less well-off)  
• Availability (for those living in more remote areas) |
| Type B         | **Positive externalities**     | • Economic development of urban areas  
• Mobility (general)  
• Quality of life (general) |
| Type C         | **Negative externalities**     | • Quality of life (impact of public transport)  
• Safety (other traffic)  
• Health (people living in the vicinity) |
| Type D         | **Functioning of the sector**  | • Quality (service provision)  
• Security (employee, customer)  
• Reliability (employer, carrier) |
| Type E         | **Functioning of government**  | • Democratic legitimacy  
• Reliability (government)  
• Efficiency (use of public resources) |

**Table 1** Public values in public transport

In summary, public values in public transport can be identified as follows. Type A values are aimed at supporting the target groups. Type B values are aimed at supporting the desired effects of public transport. Type C values are aimed at limiting undesirable effects. Type D values reflect rules of conduct within the sector, and type E values reflect the rules of conduct of the government itself.

Safeguarding public values in public transport means safeguarding a great many values. As already mentioned, public values are in competition against one another. On the one hand because the instruments used for providing safeguards are chasing the same resources, and on the other because their impact on the ground can impede each other, such as in the case of safety and quality on the railways, and democratic legitimacy and efficient use of public resources.
When we survey the current Whitepapers on transport and public transport in Europe we see indeed the same public values, however in a variety of priorities. For example, the Swedish Whitepaper starts of with “an accessible transport system” (Ministry of Industry Employment and Communications, 2006).

The overall transport policy objective is broken down into six sub-goals:

1. An accessible transport system;
2. High transport quality standards;
3. Safe transport;
4. A good environment;
5. Favourable regional development;
6. A transport system that is managed by and serves the interests of women and men equally.

The list shows a lot of emphasis on Type A values; aiming public transport to support vulnerable groups. The Swedish put less stress on economic development, it only listed fifth.

The latest Dutch Whitepaper Ministry of Transport, Water Management and Public Works, 2006) clearly puts regional development (Type B), more specific the economic development of the Randstad, as a priority. As is often the case with a focus on Type B values: growth per se is the basis for a rather restrictive financing scheme. Regional authorities, responsible for tendering public transport, only can receive additional funding when they don’t reach a 2.1 percent increase of travel per annum. Even the support for vulnerable groups is formulated from a perspective of economic benefit. It also picks out specific service characteristics (Type D), speed and reliability, as policy goals.

The national government urges the regions to support four goals:

(1) Public transport to be a viable, attractive, available and reliable transport service for the growing mobility to and from large metropolitan areas. (2) deliver tailored services in area with low and spread-out demand to support inclusiveness and accessibility of social facilities (3) sound transfer possibilities and (4) let public transport contribute as best as possible to improving an better environment.

The latest Whitepaper in the United Kingdom the national government also incorporates inclusiveness in its own goals: support for vulnerable groups not only helps the economy but also support wider inclusiveness. The Whitepaper (Department for Transport, 2006) states:

The ability to travel offers all of us very real benefits and extending mobility is important in building an inclusive society. The transport system helps to underpin the international competitiveness of the economy. But mobility comes at a cost, whether financial, social or environmental. We need to ensure that we can benefit from mobility and
access while **minimising the impact on other people and the environment, now and in the future** (authors emphasis).

Accessibility of locations and of the transport system is also an important issue in Belgium. The most recent Whitepaper (Vlaams Gewest, 2005) formulates the following challenge:

- Securing accessibility of locations
- Securing accessibility of transport system
- Securing transport safety
- Reducing the nuisance to people caused by transport
- Reducing the damage to the environment caused by transport

Inclusiveness has become a generally supported public value in public transport in recent years. This link between a service for vulnerable groups (Type A) and their contribution to society (Type B) is relatively new. Earlier, Type A values were more formulated as a right to mobility per se, rather than a possibility to participate in society.

Another change seems to be the downplaying of the role of public transport as an alternative for the private car. In earlier policy papers public transport was often presented as a panacea for every value the private car was harming. After 20 years of trying people to leave their cars, the general view that more public transport is simply better seems to have lost ground. The value of public transport seems now to be more focused on specific areas and groups.

One exception here is the German national government (Bundesministerium für Verkehr, Bau- und Wohnungswesen, 2003). They still see public transport as the alternative, though they also downplay the need for “umsteigen” from the car to public transport and underline the fact that public transport is securing mobility, also for car users.

*The federal government sees public transport as a cornerstone for securing sustainable mobility. Busses and railway do not only alleviate the pressure of private transport concentrated of urban areas on concentrated urban areas and secure equivalent living conditions in the regions, they also relieve pressures on the environment and reduce emissions with an effect on our climate.*

What is the most striking of this (brief) round through European (public) transport policy is that the list of values (generally presented as objectives or goals) is that most values are indeed very much the same. Type A values play a central role in every whitepaper as do Type B values. Public transport is there to provide mobility to less well off, be it financially or physically. And public transport should help support the economic development. Type C values seem to be out of fashion at a national level. On a (supra-) national level we see little technological demands to limit public transports own negative externalities, other than EU engine exhaust regulation Euro 5.
We suspect two reasons. First, on a national level many of the issues like noise pollution have been addressed and regulated. Second, many of these values are addressed at a regional level. Here we see a lot of support for low emission vehicles.

We also see a lack of Type E values in the policy papers. The introduction of competition, a major issue in many of these countries, is typically a policy measure to support a Type E value. Although it is such an important theme, it is not a goal for public transport per se, and as such only plays a secondary role in most of the policy papers mentioned here.

7 CONCLUSIONS

Federal, national and regional governments expect a lot from public transport. They want it to support vulnerable groups, who cannot pay or drive a car. They want people to use it to help alleviate congestion, and better the environment. They want it to further improve its environmental records and reduce its noise pollution. They want it to influence the quality of service and the working conditions. They want to support but only when that support is used efficiently and when decision-making on that support is following a democratic process.

All these values are operationalised into goals, always directing, sometimes quantifying change needed. And to these goals are instrumentalised: the government is using a specific instrument to realise that specific goal. They set up a law, a regulation, a directive, a contract, a department, a regulator, a task force, a campaign, a television advertisement, a fund, a grant, an investment, etc. And all these interventions together push all these various values in public transport.

As a result a wide variety of values is pushed into the sector using a wide variety of instruments. A public values perspective offers two distinct insights that underline the need for a better coordination between these various interventions in the sector.

First, the list of public values seems to be relatively stable, both in the Netherlands, throughout recent history, as throughout Europe. The two intermezzo’s in this paper show that relative stability. They also show that, although all usual suspects are appearing on the various lists, their order and priorities are not the same.

Second, there is a tendency to uncoordinated securing of various values. For as long as the instruments used to secure various values do not conflict, that seems to be no problem. But when conflicts appear different government interventions can become counterproductive. For example, a government might give incentives to a company, expecting better customer orientation of the drivers. At the same time drivers’ jobs and wages are strictly regulated, leaving little manoeuvring room for the operator to bring the incentive to the work floor. Or when the government on the one hand is supporting easy-entrance for wheelchairs and at the same time want operators to be more efficient and attractive by speedier operation. Or a government is

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democratically and openly deciding on the budget for new public transportation infrastructure and still want bidders to come up with low bids. Conflicting rules for the railway industry with regard to capacity and safety are frustrating and increase costs. It is a matter of necessity to consider the way in which various safeguard instruments can conflict, and to use a more integrated approach in safeguarding values. Different actions of government in the sector can bite. It is a challenge to coordinate the various interventions to reduce counterproductive conflicts. Juxtaposing the various public values and the instruments used for safeguarding them can also make clear how the government sometimes hinders itself in its efforts, as a result of conflicting interventions, with all the high costs that that entails.

Third, different layers of government tend to focus on different values. For as long as the interventions to secure specific values do not hamper one another, that is no problem. National and regional governments can be very complementary, which helps the overall quality of public transport. But when national government is so focussed on improving efficiency through competition, that its intervention hampers the possibility for regional authorities to secure their values, public transport will have stellar quality of some values, but fail on others.

Specific public values require certain types of instruments for providing safeguards. Type A values can be safeguarded with financial support for the specific vulnerable group, while type B values require much more in the way of the general benefits of public transport, etc. There is no single panacea for public transport that is good in a wide variety of values. Privatising, tendering, and nationalising are often presented as such a panacea. The challenge is far more to make a set of interventions work together, finetuning the interventions for the various Types of values to work together in a better way.

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