

“EU Transport Policy Analysis: strengths and weaknesses”

INTRODUCTION

Any national or regional economic growth is strengthened by a competitive and progressive transportation system - system that is geared to the needs of customers and operated as a sustainable network offering high quality and affordable services. To achieve such a system, policies of all levels have to be coordinated and harmonised. This harmonisation supports not only the economic development and trade but also avoids extra costs to the transport system, and improves the capital and labour productivity within the Union.

To accomplish such an economic success, the policy-making plays an essential role. Certainly there are stimuli to policy development that provide the legal base upon which much policy activity occurs. EU “core” policies are the Common Agricultural Policy, the Common Commercial Policy and the Competition Policy that have their roots in the EC Treaty. Nonetheless, it is difficult to say that there is a “standard” EU policy-making process that guarantees the policy development will occur. The EU policy processes are variable to such a level that the nature of the roles and responsibilities may differ considerably according to circumstances¹.

Objectives and target stakeholders

Thus the objective of this study is to review the EU Transport Policy and its channels for policy-making. This includes a summary of progress on existing transport policy documents and policy objectives. We begin the analysis with the White Book’s achievements and finish with the Blue Book’s ones. By doing this, the study focuses on the consistency of policy objectives with all policy instruments, and how they contribute to the development of the EU transportation system. The report concludes with a case study and will be of interest to:

- Policy makers and analysts
- PR companies and media; campaign organisations
- Transport Administration on a national and EU level
- Transportation professional organisations such as research institutes, universities and other public bodies
- Think tanks

¹ Nugent Neill, “The Government and Politics of the European Union”, Sixth Edition 2006

The EU's responsibility for policy-making varies enormously across its range of policy interests. In some spheres arrangements are well established, and effective policy instruments – legal and financial – are usually available. In other spheres, EU involvement is marginal, policy processes may be confined to little more than occasional exchanges of ideas and information². (Table 1 provides an indication of the varying extent of EU involvement in different policy areas.)

The European Transport Policy, *itself*, is a mixture of legal regulation and inter-state cooperation. It has been based on the development of policy documents such as White Paper (2001), Mid-term review of the White Paper (2005), Green Paper (2006), Blue Book (2007), Action plans and programmes as well as Directives and Regulations. The Green Paper has suggested for the first time steps in building an integrated maritime policy. The Blue Book has developed this concept further.

Table 1: The extent of EU policy involvement

<i>Extensive involvement</i>	<i>Considerable involvement</i>	<i>Policy responsibility shared between the EU and the member states</i>	<i>Limited involvement</i>	<i>Virtually no involvement</i>
Trade	Market regulation	Regional	Health	Housing
Agriculture	Monetary	Competition	Education	Civil liberties
Fishing		Industrial	Defence	Domestic crime
		Foreign	Social welfare	
		Environmental		
		Equal opportunities		
		Working conditions		
		Consumer protection		
		Movement across external borders		
		Macroeconomic		
		Energy		
		Transport		
		Cross-border crime		

Source: Nugent Neill, "The Government and Politics of the European Union", Sixth Edition 2006

² John McCormick, "Understanding the European Union", Third Edition 2005

Glossary terms

Policy objective – a desirable change defined in a policy document

Policy actions (Action programmes) – desirable actions defined in a policy paper

Decisions – have a legal role and are applicable only to the addressed state

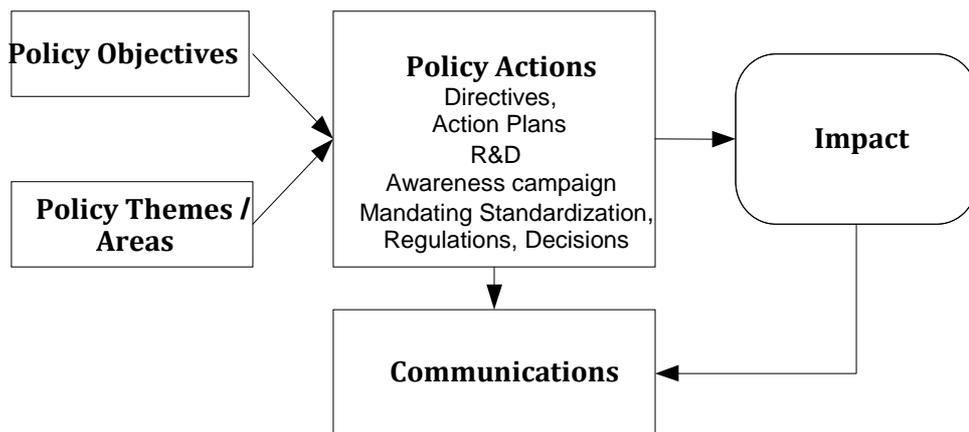
Regulations – have broader meaning and are applicable in all member states

Directives – have a specific regulatory role, applicable only to the member state to whom they are addressed

Approach

The study applies the established SKEMA Policy Index as a framework of the analysis. The diagram below illustrates this framework as the objectives and the themes are input to the policy actions. The policy actions, *per se*, consist of action plans and programmes, directives, R&D initiatives, consultations, regulations, and others. These actions are measurable and they have a significant impact upon the transport system.

Fig. 1: EU Transport Policy-Making Process



Then, by reviewing the policy documents and objectives, the analysis defines the strengths and weaknesses of the EU Transport Policy. The policy development is placed in the context of a long-standing aim to create the European integrated market. Finally, the study makes recommendations for further development and presents the case of Canada.

EU TRANSPORT POLICY AND ITS INSTRUMENTS

The main aim of all EU policies is to create an integrated market, not only to dismantle internal barriers and provide conditions for fair trade, but also to give it many of the characteristics of an economic and monetary union.

The EU's main policy responsibilities could be divided into five major groups: establishing the Single European Market; macroeconomic and financial policies; functional policies; sectoral policies and external policies. Functional policies have a well-defined functional purpose and more specific nature than the macroeconomic policies. The best known functional policies are the justice and home affairs, cohesion, and research and technological development. Other policies are directed towards specific economic sectors – covering coal and steel, atomic energy, agriculture and transport. These sectoral policies were explicitly provided for in the Founding Treaties.

The EU transport policy is a component of this integration process. It does have a regulatory emphasis in the areas of working conditions and the environmental protection because of market implications. It also develops a framework for an integrated transport market not just finding solutions to internal barriers. It produces legal basis for the policy development of this area and cooperates with all member-states to implement EU regulations.

The White Papers

The Commission produced its first White Paper in 1992 on the future development of the common transport policy. Its target was the opening-up of the transport market. This objective was achieved until 2001, except in the rail sector. The second major policy document was the White Paper on European Transport policy produced by the Commission in 2001. This Paper identified some 60 specific measures to be taken to enable the completion of an integrated market in the following areas:

- competition;
- linking up all modes of transport;
- eliminating barriers;
- attracting private investors;
- protecting users of transportation;
- and managing the globalisation of transport.

These objectives and themes are the main policy input to all actions until 2010. In 2005 the Mid-term review concluded that these measures were still topical but the only change was the development of globalisation that changed the context in which the transport policy had to be defined. In general, the White Paper established the

conditions in which transport market activities could be done as easily on a Community basis as they could on a national basis. The hope is that by removing obstacles and barriers, the fragmentation of the market could be resolved. The second White Paper concluded that despite the opening-up of the transport market, there was a lack of fiscal and social harmonisation which led to distortions of competition. Thus the focus is now on rebalancing all modes of transport and reducing environmental impact of transportation. Having a balanced growth path of development is essential for the future. In order to facilitate this policy development towards rebalancing, the SKEMA Policy Index (see Appendix III) classifies the policy objectives into:

- economic – competition, liberalisation, quality of services, etc.;
- social – mobility, employment, quality of life, and others;
- and environmental sustainability – pollution, noise, climate change, energy/waste management and risk management;

Each of these themes contributes to the development of an integrated market in a sustainable way. Therefore the White Paper needs to be placed in the context of a long-standing aim to create a common transport market which had a limited success before the first Paper appeared in 1992. The integration helps tackling the environmental impact of transportation. The White Paper suggests a series of measures including transport pricing and investment in the trans-European network in order to allow a shift from 2010 onwards.

Mid-term Review

In the spirit of further policy development, the Mid-term review (2005) presents three more objectives for the future of the transport policy:

- develop
- protect
- and innovate

The goal is to develop the European single Sky, the progressive opening-up of the rail transport and “balanced” competition. The Review argues for more protection of the users of transport services and professionals as well as high standards for safety and security. Also the EU have to sustain its leading position in new transport technologies. The Union is a prime exporter of transport technology, for instance, GALILEO (satellite navigation), the ERMTS (interoperable railways) and SESAR (harmonised air traffic). Thus the transport policy has to encourage and create stimuli for innovative activities such as low-energy-cars and bio-fuels.

The Review focuses again on the sustainability as a key objective of the transport policy. The suggested actions are road pricing; integrating inland waterway into the logistic chains; increasing investments in trans-European projects; reducing carbon dioxide emissions. To promote short-sea shipping, it is necessary to improve the investment and legislative process in the Union. Encouraging the environmentally

friendly alternatives to road is crucial for the sustainable development of EU transport market. However, a few new activities were proposed in the Review which were not taken into consideration in the White Paper such as security and urban transport. In result of the increasing globalisation, the Review suggests a move towards global governance in certain sectors.

To achieve its policy objectives, the Commission take specific actions in different areas over a planned medium-term period. Such actions are the ongoing Action Programmes (see the table 2 below) that contribute to the policy development. The first four action programmes have already taken place. Two more were presented in the second half of 2008 and the rest are expected to be announced. Action programmes vary in nature, from the broad and general to the highly specific. General programmes usually include measures to improve the monitoring of existing legislation, new ideas to develop, and pilot schemes to establish. Specific action programmes are more specialised in their areas of concern.

Other policy instruments are directives, regulations and decisions. The Directives have specific regulatory roles as the ones regarding safety of the maritime sector are linked to IMO regulations³. In general, directives apply only to the member state to whom they are addressed and leave it to each state to achieve the objective by the means it regards most suitable. In contrast, EU Regulations have broader meaning and are directly applicable in all member states. Similarly Decisions are binding in their entirety but applicable only to the state to whom they are addressed⁴.

Table 2: Action Programmes

“Programme for the Promotion of Short Sea Shipping” COM(2003) 155
Ports Policy Action Programme 18 October 2007 COM(2007)616
Inland Waterway Action Programme – NAIADES, COM (2006) 6
Freight Transport Logistics Action Plan COM (2007) 607
Common Maritime space without barriers 2008 (Blue Book)
Regulatory Obstacles 2008 (Blue Book)
Strategy for EU Marine and Maritime Research COM(2008) 534
Guidelines for Integrated Governance COM(2008) 395
EU Action Plan for Maritime Observation and Data Network 2009 (Blue Book)
Career Opportunities 2009 (Blue Book)
e-Maritime 2009 (Blue Book)

Through the policy actions, the Commission has achieved a real impact on the transportation system. The policy contribution is significant in the following areas:

1. the rail sector has been already opened-up, research projects have already established a system for internalising the external effects of transport services;

³ See Appendix I

⁴ Schulz H., T. König, “Institutional Reform and Decision-Making Efficiency in the European Union”, *American Journal of Political Science*, 2000

2. three safety agencies in air, maritime and rail have been set up, and many other initiatives have been started off.

There is huge progress towards an integrated market and global governance. The White Papers laid down the basic principles of the EU transport policy development – an advantage in the context of the whole single market advancement.

The Green Paper

The Green Paper (2006) continues developing the EU Transport policy. It has built upon existed EU policies and initiatives from the Lisbon Strategy. It also tries to find the right balance between the economic, social and environmental dimensions of sustainable development.

It aims to launch a debate about the future Maritime Policy for the EU as the idea is to create the EU integrated market. The EU's approach to integration is emphasised by the industrial policy's target to bring new, high quality products and services to the world market for which customers are prepared to pay a premium. Also the Lisbon Strategy is to stimulate economic growth and investments in knowledge as a way to maintain competitiveness. To pursue this vision, the Commission has a strategic objective to develop a sustainable maritime economy that will facilitate the trade traffic.

The Green Paper defines the pillars of the Maritime policy:

- 1) competitive industry;
- 2) sustainable use of marine resources;
- 3) remain at the cutting edge of knowledge and technology;
- 4) innovation under changing circumstances;
- 5) develop Europe's maritime skills and expand employment;
- 6) clustering;
- 7) the regulatory framework;
- 8) maximise quality of life in coastal regions;
- 9) provide the tools to manage the relations with the oceans;
- 10) spatial planning for a growing maritime economy;
- 11) financial support for coastal regions;
- 12) policy-making within the EU;
- 13) offshore activities of governments;
- 14) international rules for global activities;
- 15) take account of geographical realities.

Some of those set-up principles are to be implemented through existing institutions such as the Economic and Social Committee and the Committee of the Regions. Also Sectoral Advisory bodies set up by the Council or the Commission will be supplemented by appropriate cross-sector-bodies. Certainly the legislation affecting

the maritime sector and coastal regions will be reviewed and possible policy contradictions will be identified. The Commission is planning to announce the Regulatory Obstacles Action Programme late 2008 or early 2009 to support the above-mentioned-principles.

The trends seem likewise to be towards a “Common EU maritime space” with a focus on safety, security and environmental protection. Member States have been already cooperating with each other in meeting certain EU or cross-border objectives. Some Member States have designated common coordination centres or attributed responsibility to a single authority. In France, a single authority that operates under the Prime Minister’s authority has overall responsibility for all government functions in a defined area of coastal waters. The Dutch Coastguard is a different type of integration, where one authority manages expensive assets necessary for the management of coastal waters and provides services to other authorities. No matter the differences in the structure of offices responsible for implementing the EU principles on common space, all member states try to cooperate and contribute to its further development.

The Green Paper addressed a broad range of issues. Some of the activities and policy areas had been treated separately before the appearance of the paper. So it is a novel approach that deals with all areas in an integrated way and requires cross-sector-expertise. The Green Paper launched a broad public debate both on the EU principles that adopted an overall approach to maritime policy and on the many other ideas for action - this is its overall strength in the context of developing the integration process.

The Blue Book

In the same way “The Blue Book” on an integrated maritime policy for the European Union emphasises the need for all related policies to develop in a joined-up way⁵. While the Green Paper only laid down the principles of this joined-up thinking, the Blue Book develops programme instruments for achieving it. This document came as a result of a consultation process with all stakeholders in 2007. The opinion of all stakeholders was that an integrated approach would enhance Europe’s capacity to face challenges of competitiveness and globalisation. The Book has two main goals:

- I. Change the way of making policy and taking decisions
- II. Develop and deliver a programme of work

It defines the following projects as of high importance to the integration:

- Common space without barriers
- Strategy for marine research
- Integrated maritime policies developed by all Member States
- Network for maritime surveillance

⁵ COM(2007) 574 from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

- Roadmap towards maritime spatial planning
- Strategy to mitigate the effects of Climate Change
- Reduction of CO2 emissions and pollution
- Elimination of pirate fishing and destructive high seas bottom trawling
- European clusters
- Review of EU labour law exemptions for the shipping and fishing sectors

This Book lays the foundation for the governance framework and cross-sector tools necessary for an EU Integrated policy. It also identifies the upcoming Action Programmes (see Table 2) that will support achieving the objectives. Better regulation principles are necessary to guide the Commission's integrated approach. In this respect, the paper has a significant impact on the future policy development of the Maritime Policy since it identifies the major maritime-related initiatives.

The Book defines the main tools of integrated policy-making: A European network for maritime surveillance; Maritime Spatial planning and integrated coastal zone management; and Data&Information.

I. Maritime surveillance – these activities are carried out by Member States although most of them are transnational in nature, therefore, the Commission advocates the need for a higher degree of coordination among all appropriate agencies;

II. Maritime Spatial planning – the current planning system has a largely terrestrial focus and often do not address how the coastal development affects the sea. Thus the spatial planning is a fundamental tool for the sustainable development of marine areas and coastal regions, and for the restoration of Europe's seas to environmental health;

III. Data and Information – availability and access to a wide range of data is the basis for strategic decision-making, therefore, the establishment of an appropriate marine data and information infrastructure is of utmost importance.

It also defines the action areas: maximising the sustainable use of the oceans and seas; building a knowledge and innovation base for the maritime policy; delivering the highest quality of life in coastal regions and promoting Europe's leadership in international maritime affairs; and raising the visibility of the sector.

Summing up, the Book suggests an integrated and inter-sectoral approach to all sea-related policies. It defines the tools of the integrated policy-making and the specific actions in a range of key areas. It brings the Maritime policy to a new level – a major achievement for the last two decades. It has a real impact on the system where the new initiatives are interdisciplinary and ask for experts from different areas.

Moreover, the changes in the policy approach reflect in the Seven Framework Research programme as the calls for research require more and more cross-sector-expertise. The liberalisation of the EU transport market has brought new opportunities for improving all activities via the involvement of private companies. The Commission has progressively pursued different types of partnerships with the private sector. There has been huge development of the EU transport policy issues in recent years.

CONCLUSIONS

The EU transport policy has developed progressively towards an integrated policy-making mechanism. Since the first White Paper appeared in 1992, the general trend has been to facilitating the movements of goods and services within the single market. This process was based not only on dismantling internal barriers but also on integrating national markets. In due course this development led to separation of the maritime policy as an integrated policy with its own merits – an initiative encouraged by the Green paper and the Blue Book.

Nevertheless, the EU transport policy-making has its disadvantages. First, many changes in the legislation need to take place in order to enhance the recent shifts. Second, the structure of the agencies and authorities that implement this policy varies from country to country which leads to delays in its impact. Although the EU has shared responsibilities with the member-states in terms of transport policy instruments, the implementation mechanism seems to be vague.

Third, the White Paper formulates the need to attract private investments in the sector, however, neither of the policy documents or action programmes facilitates these expecting investment flows. There was some discussion on this issue and investment priorities in the Mid-term Review but without any recommendations for specific actions. Certainly some legislative changes will have to happen as well in order to stimulate the private investors.

In conclusion, the main recommendations tend to suggest a future development of the transport policy towards further integration, better implementation and an attractive investment mechanism.