Workshop 4 Report: Governance, ownership and competition in deregulated public transport markets

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1. Introduction

The main discussion topic within this workshop’s theme was: how do deregulated markets work and how to improve their performance? A policy decision in favour of having a regime based upon ‘deregulated’ market initiative was taken as a starting point for all discussions in the workshop. From there, this workshop discussed ways to optimise the functioning of such markets without questioning that fundamental choice in itself. That means that alternatives to market-initiated regimes — be it a policy decision for public monopolies or for a regime based on comprehensive competitive tendering, by line or network, with or without service re-design freedom for the operator — were not covered by this workshop (see the other workshops of the conference for extensive discussions on the relative merits of negotiated contracts and competitive tendering).

Deregulated scheduled passenger transport regimes constitute one of the main objects of research of the Thredbo conference series. Following the deregulation of local public transport by bus in Great Britain outside London in 1986, and ever since the first conference in Thredbo in 1989, workshops of this conference series have debated the relative merits of ‘deregulated’ markets versus ‘competitive tendering’ (van de Velde & Veeneman, 2010; Walters, 2013). Deregulated markets are defined here as those public transport regulatory regimes based upon the principle of market initiative, i.e., not those based upon the principle of authority initiative (see van de Velde, 1999 for a discussion of these concepts). The main characteristics of market initiative regimes are that entrepreneurs in these markets are expected to decide autonomously about entry into the market and service supply in the market. Decisions are made on a commercial basis and are as a matter of principle not subjected to a prior ordering by a transport authority. This does not mean that transport authorities should be absent or have no role to play: quite the opposite. Authorities can have various roles in such markets, such as that of a licensing authority checking technical standards, or that of a regulatory authority guiding or restricting entry, or that of a subsidising authority stimulating and guiding supply, or even that of a social-entrepreneurial authority ordering additional non commercially viable services via competitive tendering.

While the British choice for a regime based upon deregulated markets (outside London) appeared for many years to be an...
exceptional and minority case within the regulation of land passenger transport, the last few conferences identified a policy-led growing relevance of deregulated regimes in particular within the European Union. This was visible not only within transport sectors that are traditionally more likely to be organised according to a ‘deregulated’ regime such as long-distance coaching, but also in the railway sector and to a growing extent in local passenger transport by bus.

The two conference workshops devoted to deregulated markets prior to this conference discussed this growing relevance while papers presented also showed a tendency to slightly re-regulate more mature deregulated markets (Ashmore & Mellor, 2009; Sergejew, 2007; van de Velde & Wallis, 2013; White, 2010).

The workshop held in 2009 (van de Velde & Beck, 2010) showed that deregulation in various guises was expected to play a growing role in local and regional transport in Europe, despite the growing role of competitive tendering as further stimulated by the European Commission’s endeavour to enact a Regulation that put forward competitive tendering of exclusive contracts as the preferred way to organise local public transport markets. This growing relevance of deregulated regimes was by then already visible in long-distance scheduled coach operations and, although in an embryonic stage, in some European railway markets from 2010 onwards. Sweden was discussing options for deregulating its local bus markets (Westin, 2009). While this tendency towards a further spreading of deregulation was observed, the workshop also discussed the simultaneous developments identified in both Britain (especially with the new legislation enacted in 2008) and New Zealand towards fine-tuning and slightly re-regulating the existing deregulated local bus markets.

This resulted in the workshop tentatively designing three conceptual avenues for regulatory improvements to such ‘deregulated’ regimes. This effectively resulted in hybrid regimes characterised by different combinations of free market initiative and contract awarding by competitive tendering. Several requirements seemed necessary for these regimes to be effective; the workshop agreed on the need to develop and enforce minimum standards as well as a proper functioning of the different relationships between actors, on equipping competent and powerful authorities with a sufficient ‘toolbox’ to be used with self-restraint, on the need for a definition of services of general interest and a general guidance on the authority’s ambitions via a general public transport plan, on the minimisation of entry barriers, and on accepting integration and cooperation between operators as desirable and crucial in delivering appropriate services to the passengers rather than looking at them as conclusive features that ought to be avoided.

The workshop held in the 2011 conference (van de Velde & Preston, 2013) continued this investigation of developing hybrid regimes, based loosely on experience in local bus markets in Great Britain, New Zealand and Sweden — the latter still being at the pre-implementation stage by the time of the workshop. Reviewing these and other international experience, the workshop argued that deregulated public transport markets are a global phenomenon but that regulatory measures need to focus on different items to reflect local requirements. To this effect, a hierarchy of regulatory needs was identified according to which, for example, the development and enforcement of the rule of law should be a primary concern (such as in market initiated urban transport in Sub-Saharan Africa, or in the then soon to be deregulated inter urban coach markets such as in Germany) while the issuing of further ‘rules of the game’ (such as guidance for network integration) and the devising of incentives for welfare maximisation would become an issue when basic regulatory needs have been enforced in more mature public transport markets (such as the local bus market in Great Britain, New Zealand or Sweden).

That workshop suggested priorities to policy-makers and regulators of mature markets, in line with the items identified in the pyramid of regulatory needs. An urgent recommendation was to pay more attention to the designing of smarter (i.e., less dogmatic) ‘rules of the game’, in particular concerning entry timing, entry selection and exclusivity levels. This touch of clever regulation was seen to be largely underdeveloped but of utmost importance to favour the realisation of network benefits and — through this — address related market failure issues, including those that are caused by all-too-dogmatic implementations of deregulated regimes. A second set of priorities that were formulated related to smarter regulation of market entry, with more attention being paid to licensing requirements (referring to professionalism and safety). A third set related to devising incentivised regulation with respect to fare compensations, passenger incentives and supply incentives, particularly to promote innovation. Finally, the workshop wished to remind policy-makers and regulators that new technologies (including 4G mobile phones and smart cards) would make new approaches easier throughout both the developed and developing world, potentially revolutionising the way we currently look at the need for ticketing integration and fares integration.

2. Evidence presented

The workshop held during this conference continued to examine regulatory options for deregulated markets, covering both local and long-distance markets (bus, coach and rail). The main discussion focus of the workshop subsequently was: “how to make deregulation work?” This discussion was fed by practical evidence from mature deregulated markets (such as buses in Great Britain outside London) and updates on countries such as Sweden, Japan and New Zealand, but also by emerging evidence on the liberalisation and deregulation of long-distance and international markets in Europe and elsewhere, both for coach and rail.

The workshop involved 26 participants with 16 papers presenting evidence from seven countries. The papers in the workshop evaluated the functioning of the current regulatory regimes in the local bus markets of Britain, New Zealand, Sweden, Germany, Japan and Zimbabwe, regulatory reforms in the long-distance coach sector in Germany and the US, and railway reforms towards more open-access in the Czech Republic and Sweden.

2.1. Deregulation in local public transport by bus

The workshop started by discussing the updated evidence presented on the functioning of mature deregulated local public transport markets. A welfare analysis (Preston and Almutairi, 2013b) was presented to update earlier findings on the long-term effects of deregulation on the British passenger transport market by bus outside London. While their earlier paper (Preston and Almutairi, 2013a) indicated that deregulation mainly had positive welfare effects, the updated findings found both positive and negative welfare impacts, all depending upon the assumptions made. A study on customer sovereignty shed additional light on the functioning of the deregulated bus markets, looking in particular at its imperfect functioning (Cowie, 2013). It found that some operators were clearly “bad” company focused profit seekers, while only a minority seemed to be “good” consumer led operators. It showed that several strategies to make profit can be taken, and that not all of them need to be against the customer’s interest. A paper analysing some of the recommendations of the Competition Commission report and subsequent outcomes, discussed some of the implications of the findings regarding possible ‘excessive’ profit levels in the industry (White, 2013). It found using case studies that high levels of profit could also be associated with higher customer...
satisfaction, suggesting that a more refined approach may be needed to distinguish between management behaviours. Unfortunately, qualitative case study papers about existing successes were missing, while developments over the past few years seem to indicate a shortage of adequate staffing and knowledge at the local level to interpret and make full use of the regulatory toolbox provided by the Local Transport Act 2008. We wish therefore to reiterate here a call for further research and publications on this topic, attempting to identify reasons for successes and failures by analysing relevant local factors, such as the local transport policy, level of expertise of the local transport authority, the attitude of the local operators and management style and policy at ‘group’ level.

The workshop was presented with an update on the New Zealand case, where transitioning from a malfunctioning deregulated bus market to a negotiated/tendered approach is underway (Alexander and Maguire, 2013). The deregulation and divestment of public transport services introduced in 1989 did not lead to the expected results, neither did further corrections to the regime. Interestingly – and unfortunately from an academic perspective – one of the world’s most well-thought of attempts to improve the functioning of a deregulated regime, i.e., the set of ‘controls’ on commercial services made possible by the 2008 Public Transport Management Act, was never fully implemented. The new public transport operating model (PTOM) now turns away from deregulation of urban and local services towards a competitive tendering and negotiated contract regime with a degree of benchmarking and a partnering approach including performance incentives for operators. Inter-regional services are exempted from this regime and remain deregulated. For New Zealand, a strong argument for a fully contracted model for urban and local markets were the relatively thin markets and the low level of commerciality, relative to the significant government subsidy being provided.

Two countries moved towards more liberalised regimes since the last conference and workshop. In Sweden, preliminary results of this move can be drawn as the Swedish law has been enacted in 2012 allowing operators to set up commercial services additionally to public transport services subsidised by the public transport authorities (Bösch, Clark & Smidfelt-Rosqvist, 2013; Jansson, 2013; Ljungberg, 2013; Petersen, 2013). Although the new legislation for local public transport has only been in force since January 2012, the workshop sensed a lot of scepticism about its current functioning amongst the Swedish participants as only a few new commercial initiatives had been made in the local and regional bus markets during the first year. The discussion focussed on what the key drivers could be for a successful increase in market initiative. The discussion revolved around themes such as reliability, geographic availability, integration and ease-of-use. The main priority was seen to be the need to find ways to open the ticketing system for new entrants if any further progress is to be made. This will require a fundamental change of mindset for many authorities.

In Germany, a long overdue amendment of the local public transport law was finally adopted to implement the requirements of European Regulation 1370/2007. While the new law offers an increased number of market access options, it appears that keeping the status quo was the main intention, heavily influenced by most actors of the German public transport sector. As far as we can judge, competitive tendering is likely to remain an absolute exception for the next couple of years, still being observed with great fear and suspicion by both operators and authorities. A further opening of the market, not even speaking of full deregulation, does not seem to be an option that is likely to be realised in the short term, even though the law amendments may have paved the way in that direction (Karl, 2013). This is in contrast to the deregulation of long-distance coach services introduced in Germany in 2013, which has developed towards a fast growing new coach transport network, and this with substantial levels of competition (Augustin, Gerike, Sanchez & Ayala, 2013).

Papers from Japan presented the overall effects of the deregulation of local bus services (Kurosaki and Oyauchi, 2013; Sakai, Shoji, & Takahashi, 2013). While the deregulation has been implemented in 2002, the results seem to have had only little impact on local public transport. Various obstacles and barriers to entry seem to be present, but it also appears that, after such a long time of extensive regulation, the local bus market may need more stimulation to detach itself from its traditional rigidity. A paper investigating the development of price elasticities in the Japanese public transport market confirmed the previous results (Utsunomiya, 2013).

A paper from Zimbabwe examined the extent of divergence or convergence of a wide spectrum of stakeholder views on the form that public transport should take in Harare (Mbara, Dumba, & Mukwashi, 2013). Issues of coordination between a formal and an explosion of informal services figured at the centre of this. It showed how difficult the situation is in Harare and how divergent views are amongst key stakeholders in urban transport operations (public sector, academia, transport operators and users) as to the path to take. The public sector and the academia seemed more inclined to stress the need for conventional buses as a sustainable mode for urban mobility, while inherent advantages were also associated with informal transport, which confirmed the need for detailed studies on how these can be integrated with conventional buses.

2.2. Deregulation in long-distance passenger transport (coach and rail)

Three papers discussed the first findings from the effect of deregulating the rail sector in the Czech Republic and Sweden. The Czech example showed the actions of three competitors on the same route, indicating an uncertain future as all operators are reportedly making losses (Tomes, Kvizda, Nigrin, & Seidenglanz, 2013). The more successful Italian case was discussed even though it was – unfortunately – not covered by a paper in the workshop. Presentations from Sweden showed that the deregulated rail market shows only little competition for the time being, but it was reported that major entry is scheduled for the coming years (Alexandersson, 2013). Clearly, open access in the railway sector is still at its very beginning in several countries. It will be of major importance for the future of the industry to understand the market developments and performance impact of current and future cases, in particular the current experiences in Italy and Sweden. The workshop expected that further papers on this topic will be delivered at the next conferences.

In contrast to rail, deregulation in the coach market seemed to lead to much faster reactions and even to buoyant developments. A comparative presentation was made of the still very young German long-distance coach market and latest findings of the matured but still vibrant US market, both reporting success (Augustin et al., 2013). The discussion in the workshop showed that other countries with deregulated coach markets also reported successes such as in Scandinavia, Japan and New Zealand. The next opening will be that of the Italian market in January 2014 when existing exclusive rights will expire.

3. Synthesis of the workshop discussions

3.1. Introduction

As the main focus of the workshop was “how to make market based initiatives work?”, the discussions were centred on finding
smarter ways to organise a ‘deregulated’ regime. This revolved essentially around three themes related to whether increased ‘guidance’ by the transport authority, as regulator of the market forces, was needed to reach this improvement. We distinguished three main means to organise such guidance, each of which will be discussed hereafter:

- The establishment of a public transport policy plan for the territory of the transport authority;
- Measures to stimulate entry and competition;
- Measures to restrict undesirable entry.

Those questions strongly relate to the bell shaped curve discussed at greater length in the previous workshop (van de Velde & Preston, 2013). The key question put forward by that curve is to what extent regulation should be applied. According to this view, the lowest outcomes in terms of supply or welfare effects are to be expected at both ends of the curve, i.e., when no rules at all or absolute comprehensive regulation is imposed. This approach assumes that the right balance of regulatory requirements and entrepreneurial freedom results in the best or ‘optimal’ outcome.

Four group discussion sessions were organised in order to stimulate the workshop participants to generate ideas and devise ways to improve the functioning of a particular regime. Each group took one country as a reference case and attempted to devise regulatory improvements to improve the functioning of the ‘deregulation’, i.e., devise rules of the game and other regulatory features that would not only generate more entrepreneurship and innovation on the basis of autonomous market initiative, but also produce greater welfare improvements, compared to the existing regulated or deregulated situation. In a plenary report to the whole workshop, groups presented and discussed their findings, attempting to identify common themes and agreements between the groups.

The countries chosen represented the width of situations presented in the workshop papers. Britain represented the most extensively deregulated market initiative regime. Japan represented an intermediate case, based upon market initiative although with much stability and tradition, and only limited new entry. Germany represented a hybrid case, legally based upon market initiative, but dominated by a history of public companies and functioning under a complex hybrid regime with extensive subsidisation and partly contracting. Germany was chosen here as the recent legal change has reinforced — though imperfectly — its ability to become a ‘deregulated’ market initiative regime. Sweden, finally, represented a case based on comprehensive competitive tendering moving towards a deregulated regime by being recently opened up to some level of deregulation by the abolition of all exclusivity rights that used to protect the contracted and subsidised services tendered by the transport authorities.

3.2. Transport policy plan

A transport policy plan as a policy document established by the transport authority is common in many parts of the world. It usually analyses the current transport situation and the expected needs for the coming decade or more. It presents the main policy goals of the authority related to transport, usually including planned major investments in transport infrastructure (if any) and the main characteristics of the public transport network. Such a document can form the basis for contracting and tendering a public transport network, if such a regime is chosen. However, it can also become an instrument of regulatory guidance in areas that choose for a market-initiated (i.e., ‘deregulated’) regime.

The main question then becomes: what should be included in such a transport plan? Should it only include a functional definition of the intended level of service, very much like a functional network definition prior to competitive tendering, or should it be more concrete, indicating precise routes and frequencies, perhaps even timetables? The main threat of such a plan is that the more detailed it becomes, the more it bears the risk of becoming a market entry barrier for commercial services, effectively preventing potentially desirable market innovations by imposing too many costly requirements to entrants. At the other extreme, the absence of guidance through a plan or a lack of quality in its content may also be suboptimal, as potential network benefits may then be jeopardised by an excessive free-for-all situation, preventing the realisation of welfare improvements compared to an unregulated situation. In other words, the more detailed the plan becomes, the more one moves forward the bell shaped curve, ultimately reducing the chances for well-functioning market initiatives. The less detailed, the more one stays in front of the curve, reducing the chances for realising network benefits.

The majority of the workshop participants agreed on the need to have a public transport plan, defined here as a policy document from the local or regional public transport authority, including minimum functional standards for at least major transportation corridors and some indication of service quality (in term of frequency and service period) on those axes. Most participants thought such a plan should also include a definition of accessibility standards for several groups in society. It was agreed that the transport plan should work as a non-restrictive guidance document in terms of service design, even though it should include compulsory integration requirements for all operators. It was felt that the plan should also contain the authority’s aims regarding service, ticketing and fare integration, indicating its vision on regulation or effectively guiding the regulator’s actions.

The difficulty of the issue of the amount of detail to be included in the plan was very much felt as the participants’ discussions did not result in a clear agreement on the optimal level of guidance to include in such a plan. Headway regulation, i.e., the imposition of regular interval timetables, leaving the determination of the actual frequency and departure times to the market, was one such item that was felt to be potentially beneficial to avoid some of the ‘bad’ practices of deregulated markets (a discussion of this range of practices can be found in Foster & Golay, 1986).

3.3. Measures to stimulate entry and competition

Actual entry or — following contestability theory — a credible threat of entry, is obviously a crucial feature of market initiative regimes. It requires the absence of barriers to entry. The provision by transport authorities of integrated passenger information has been a feature for intervention right from the start of the British bus deregulation but essentially under permissive powers, with a wide variation in extent and quality of such information at local level. Fares and ticketing agreements were seen as anti-competitive and have only become possible since the 2008 reform, while further amendments are pending in terms of making compulsory integrated ticketing possible. The position of fares and ticketing agreements being anti-competitive has now been completely dismissed, with the contrary view given both in the papers presented and in the discussions conducted during the workshop (inspired in particular by the report from the British Competition Commission, 2011) that access to ticketing and fares systems and to passenger information systems plays a major role in reducing barriers to entry in local passenger transport. In short: the opinion was that integration is good and should not be seen as anti-competitive, quite the contrary.

While further legislative amendments are on their way in Britain, the evidence presented from Sweden supported the view that
the lack of openness of the current ticketing arrangements is a likely source for the limited level of entry and competition observed hitherto. Several Swedish authorities have announced that the opening of the ticketing and fares system is their next challenge. Unfortunately, although Britain is more advanced in this field, no paper presented details on concrete actions taken in Britain, on the basis of the powers provided to local transport authorities under the Local Transport Act 2008. Although there was no formal paper, the presentation on the Oxford case by the county and operators provided as an additional component of the conference partly filled this role.

Although some believed there was already enough entry in some markets, such as in Japan, the discussions between the participants led to the conclusion that market entry should be stimulated by further appropriate action by the transport authority. It was agreed that “network effect facilities” (including at least information and ticketing systems, less fares systems) should in particular be accessible to all potential operators.

Many participants expressed the view that the main challenges to encourage market initiative also lie in both the provision of equal access conditions to operators and in the enforcement of a sharing of as much of that information as possible between authority and operators. Information availability was felt to be essential to increase entry by elucidating market potentials in order to enable operators to calculate their actual prospects and risks.

A second means to stimulate entry and/or market initiative is financial incentives. Financial incentives are meant to convert non-commercial services into services that could be provided by commercial initiatives. The opinions of the workshop were more divided on this issue, especially on the possibility or even desirability to replace direct competitive tendering with such schemes. Similarly, the workshop did not agree on whether subsidised (tendered) services should be seen as unduly crowding out market initiative, which is a question of major relevance for the current Swedish case that is still very much in search of a new equilibrium. The idea of passenger vouchers was also briefly discussed as a possible way to help operators finding autonomously prospective market niches.

3.4. Should entry be restricted, and if so, how?

Discussions on whether and how entry should be restricted were less fruitful than those on the need to stimulate entry. The idea was to discuss whether exclusivity should be a feature of a market-initiative regime and whether there are ways to regulate the level of exclusivity given to operational rights.

The major part of the discussions circled around the need to prevent undesirable cream skimming initiatives. The British deregulated bus case is still based, essentially, on non-exclusive rights and the evidence presented to the workshop has not reviewed the slight variations made possible by the Local Transport Act 2008. Restriction of entry by some form of cream-skimming review the slight variations made possible by the Local Transport Act 2008. Although there was no formal paper, the presentation on the Oxford case by the county and operators provided as an additional component of the conference partly filled this role.

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The major part of the discussions circled around the need to prevent undesirable cream skimming initiatives. The British deregulated bus case is still based, essentially, on non-exclusive rights and the evidence presented to the workshop has not reviewed the slight variations made possible by the Local Transport Act 2008. Restriction of entry by some form of cream-skimming test is seen in Britain in the railway sector but the basis is quite different here as the major part of the market is provided by tendered and contracted services, open access playing only a minor role. Yet, this was perceived to be a well-functioning case of entry restriction test. Its transferability to free markets was not obvious though. While Sweden chose full non-exclusivity in both bus and rail, Germany is now seen to be moving towards a still very uncertain and hybrid regime that accepts the principle of exclusivity (although this might be contrary to some interpretations of the European regulatory framework), yet no variation in degree of

1. Those are currently provided by transport authorities for the services they plan and tender out, often under gross-cost contracts.
implementations of its performance, it will be essential to avoid a repetition of the deregulation is actually sustained as a regime, and if it is to improve initiated deregulated regimes. Clearly, the lack of champions for deregulated regimes and for finding ways to improve their functioning seems to be a major issue for this type of regime.

It also appears that in many cases of success, deregulated regimes seem to be driven at least to some extent by external factors. For instance, new media and internet technologies have facilitated competition in the coach sector due to an increasing number of simpler information and sales channels. With this, small new operators need to spend less time and effort in gaining market visibility beside the incumbent. The importance of external influences can also be exemplified by the fact that most successful cases of bus deregulation in Britain seem to be highly dependent upon the local authority’s anti-car or pro public transport policy, although success is ultimately also dependent upon the management style adopted by the bus operator.

4.2. Policy recommendations

The workshop agreed that no unique solution for all modes and all places could be provided as both technical constraints (rail) and market potential are key drivers for well working deregulated markets. There were, however, a number of points of agreement on at least some of the regulatory needs, such as a need for general safety standards and — contrary to dogma — a general need for finding ways to allow for integration between services, especially when it comes to connecting points between modes.

A major problem for the future of deregulated regimes is that champions for a nuanced view on deregulated regimes seem to be absent. Being a champion for competitive tendering is apparently much easier a stance to adopt, with a simpler message to present; those at whom the lobby is directed more easily understand that message and they are probably also more inclined to be receptive to such a message as it leads to a regime which increases the direct control power of authorities on such a sensible political item as public transport compared to the less predictable results of market-initiated deregulated regimes.

A main recommendation of the workshop was that where deregulation is actually sustained as a regime, and if it is to improve its performance, it will be essential to avoid a repetition of the simplistic and dogmatic interpretations that have dominated earlier implementations of ‘deregulation’. A more balanced view will need to be developed and this should be based both on theoretical considerations and on a thorough review of experience, both in terms of performance itself and in terms of the mechanisms that lead to such performance. This includes an appraisal of the regulatory toolbox of the authority, and a better understanding of the stance and origins of the stance of both the authority and the operators. Only this will allow devising the improved ‘rules of the game’ that are currently still lacking. To function, this will clearly also require clever regulators at the local level. While this may be difficult to realise, we also have to realise that the alternative (good contracting and tendering) is probably just as difficult to realise. In other words, there is no simple solution, whichever the regulatory regime chosen.

In this context, it will also be important to pay more attention to the current development of new ‘intermediate’ transport modes, such as bike sharing or car sharing systems, not to speak of automatic cars and the like, which are mainly based upon market initiative. This constitutes one of the next challenges in public transport regulation, as the free-market dynamics of those developments currently stands at odds with the regulatory approach taken in the public transport sector that is to a growing extent dominated by contracted (tendered) regimes.

The research recommendations formulated hereafter provide, together with the elements presented above, further advice on elements that need to be elucidated for progress in the field of deregulated market initiative regimes.

4.3. Research recommendations

Future research should continue to focus on the regulatory ‘rules of the game’ of market-initiated public transport regimes, including changes taking place and the reasons for these changes, such as to draw conclusions on the processes that generate success or failure. More case studies of both good and bad practices are needed to enlighten this debate. This is true in particular for the British bus case but there is also a need for more research on the coach and railway sectors and on the extent to which coordination needs appear in those sectors, especially in view of the developments in the Czech Republic and in Italy. An issue for further thoughts here is to see how market consolidation develops once the gold rush atmosphere disappears.

It would also be helpful if further research could enrich our understanding of the relationships between the entrepreneurial stance of operators, features of the regulatory regime and the behaviour of the transport authorities.

The most difficult research task would be to move beyond the analysis of the current regimes and find the courage to develop new ideas for a clever ‘light-touch’ regulation of market-initiated regimes. This would include the development of new concepts for what should be included in the three guidance mechanisms discussed in the workshop (the transport plan, entry stimulation measures and entry restriction measures). Cream skimmin tests, levels of exclusivity, precedence between social and commercial services, and optimal arrangements for access to ‘network effects facilities’ (such as ticketing, information, etc.) are only some of the items that need to be studied here.

Research should also include the identification of the most appropriate balance between guidance through prohibition and guidance through financial and other incentives. In this respect, it will be necessary to look in more detail at hybrid regimes combining deregulation with competitive tendering. Several countries have or are implementing such regimes and this is expected to be a growing feature in many markets, especially in the railway sector. While such hybrid regimes appear at first glimpse to give new services a chance, a closer look may reveal that they inadvertently easily hinder possibilities for innovative services.

4.4. Workshop papers

British deregulation and New Zealand regulatory reform

Evaluating the long term impacts of transport policy: the case of bus deregulation revisited, John Preston and Talal Almutairi Transportation Research Group, University of Southampton, UK.

Performance, profit and consumer sovereignty in the English deregulated bus market, Jonathan Cowie Transport Research Institute, Edinburgh Napier University, UK.

An assessment of the Competition Commission report and subsequent outcomes, Peter White Department of Planning and Transport, University of Westminster, UK.
Transitioning to a new partnering approach — New Zealand regulator perspective, Julie Alexander New Zealand Transport Agency Viviane Maguire New Zealand Ministry of Transport.

Swedish bus deregulation and German regulatory reform

The Swedish experiment — results so far and implications for the future based on the need for subsidisation, Anders Ljungberg Trafikanalys, Sweden.


How will the deregulation affect ambitions for increase public transport use? Stephan Bösch, Anna Clark and Lena Smidfelt-Rosqvist Trivector Traffic AB, Sweden.

Legal and organisational developments in the German land passenger transport, Astrid Karl KCW GmbH, Germany.

Japanese bus deregulation

Estimating welfare change from local bus deregulation in Japan, Hiroki Sakai Faculty of Business Administration, Tottori University of Environmental Studies, Japan Kenichi Shoji Graduate School of Business Administration, Kobe University, Japan Yoshinori Takahashi Faculty of Business Administration, Kinki University, Japan.

Deregulation of local bus services in Japan, Fumio Kurosaki and Hajime Oyauchi Institute of Transportation Economics, Japan.

Local bus services in Japan: price elasticity and public transport policy, Kiyohito Utsunomiya Faculty of Economics, Kansai University, Japan.

Formal/informal sector

Convergence or divergence perspective: multi-stakeholder dialogue on formal and informal forms of public transport in Harare, Zimbabwe, Tatenda Mbara Department of Transport and Supply Chain Management, University of Johannesburg, South Africa Smart Dumba Department of Rural and Urban Planning, University of Zimbabwe Tapiwa Mukwashi Department of Rural and Urban Planning, University of Zimbabwe.

Railway competition

Competition in the railway passenger market in the Czech Republic, Zdenek Tomeš and Martin Kvizda, Department of Economics, Masaryk University Brno, Czech Republic, Tomáš Nigrin, Institute of International Studies, Charles University Prague, Czech Republic, Daniel Seidenglantz, Department of Geography, Masaryk University Brno, Czech Republic.

Subsidised and non-subsidised public transport side by side — a socio-economic analysis of the Arlanda case, Tom Petersen Trafikanalys, Sweden.


Coach competition

Analysis of the US intercity coach market/A first evaluation of the young long-distance coach market in Germany, Katrin Augustin KCW GmbH, Germany Regine Gerike, Josue Sanchez and Carolina Ayala Technische Universität München, mobil.TUM, Germany.

References


