CITIZENS' NETWORK : ABOUT UTOPIA AND MYOPIA

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1. Introduction

In 1996, Neil Kinnock, member of the European Commission, published a green paper on « The citizens' network - fulfilling the potential of public passengers transport in Europe »[2].

The strategic baseline proposed by the European Commission to the public transport sector answers to one of its traditional management weakness : the marketing myopia. This management sight problem was identified in 1960 by Theodor Levitt (Harvard Business School).

« The citizens' network » also proposes to public transport networks to share a common project : to build on the basis of the multiple networks existing throughout the 15 European Union members, one European passengers transport network. With other words, to build a network which would share objectives and standards in terms of service. Could we describe this long term view as being an utopia ?

2. What is the Citizens' network ?

The proposed users experience could help us to describe what could be the citizens' network. Passengers would benefit from fully reliable, user-friendly and rewarding transport services.

This approach calls for a more detailed explanation. Furthermore, we can define :

- reliability as bringing a full correspondence between the planned service and the actual one, and in the case of service disruption, an alternative solution would be organised at satisfying conditions for the users,

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[2] European Commission, The citizens' network - fulfilling the potential of public passengers transport in Europe - European Commission green paper - Brussels-Luxembourg, 1996

- user friendly means that the service must be understandable and easy to use,
- and rewarding means that it provides an economy of time in terms of transport under stimulating financial conditions. Furthermore, passenger care takes part of the proposed service.

Day to day users experiences show that passengers transport are still far away from the « citizens' network » objective. This can be observed within each mode and between them.

We are far away from a situation where it would be possible to use any public transport network in Europe

- with the same monthly or yearly pass,
- getting information in terms of time about routes and time through standardised individual media (like pager, GSM, or home computer),
- organising connections with the same logic in order to find the « collective path » from one point to a final destination.

We are still far away from a situation where information on public transport service would be given on board of any aeroplanes connecting European cities, or at airports, train stations or other « gates » to public transport (like hotels, schools, ...).

Some facts :

- from Glasgow to Dresden, the logic in terms of information to the users is different. Indeed you should learn a passenger network in order to be able to use it ;
- from Sweden to Italy, the rules applying to the access to public transport are different (fares, sales systems, interconnection principles, how to get the vehicles doors open),
- reliability and performance of passengers transport present a wide diversity, as well as standard of service (easiness of buying tickets, real time information, availability of transport, ...) ;
- for the travelling passengers, there is nearly no mean of information in terms of public transport in another countries.

To imagine what could be the « Citizens' network », we can refer to the European road network.

From south of Portugal to north of Finland, the same rules apply ; one driving licence is necessary. The same logic is proposed to the user ; information is standardised ; most credit cards are accepted for petrol refilling or road access. Anyone can have access anywhere in Europe to information concerning any road, any city road network ; car radios scan programs in order to provide informations on road traffic conditions in the area where you drive ; it is even possible to buy the guide published by « Reader digest » giving all information you need on European road (citizens) network, including information on biotops you will drive through. Why is there not such publication from « Reader digest » on European public transport citizen's network ?

3. From utopia to reality : the need for a management revolution

Three dimensions for change.

To achieve the « citizens' network », the public transport sector will have to change fundamentally its management principles. Indeed, we can observe that present management principles did not achieve the requested objectives. We can identify three dimensions of change :

1. strengthening the joint responsibility between public authorities and operators,

2. tendering and contracting in order to improve the answer to the users needs,

3. sharing global service standards in order to support a regionally/locally based organisation.

3.1. Authorities and operators involvement

Considering car mobility, there is no doubt that traffic performance management is in the hands of the authorities. Why would it be different for public transport ?

However, it is generally accepted that public transport management would be more efficient and effective if it was mainly in the operators hands. One survey undertaken in ISOTOPE[3] research aimed at the identification of the authorities and operators expectations towards coming change in the urban public transport sector. It appeared that both operators and authorities expect more quality, interconnection improvement and new financing schemes. Further analysis showed that it is expected that the impact of these changes will be more on the operators shoulders than on the authorities' ones. As if the search for the achievement of the citizens' network was of the operators responsibility.

The same survey draw the portrait of the ideal scheme in terms of responsibility split. It appears that both authorities and operators have to play an active role in order to improve UPT performance. Future development calls for public transport management systems where authorities responsibilities are as well described, monitored and rewarded as the operators' responsibilities. It appeared from the same survey that the planning authorities which are the most active in market monitoring and permanent assessment of the service provided are the authorities in charge of public transport in deregulated environment.

Another result of that survey calls for more management responsibilities on the level of authorities : while nearly 62% of the answering operators do benchmark their activities, only 37% of the surveyed authorities do the same.

3.2. Tendering/contracting and service improvement

A preliminary survey conducted on behalf of Quattro research project describes the present European tendering practices as follow : 6 countries practice tendering, 4 are adapting their regulatory framework in order to introduce tendering procedures, and 5 countries do

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[3] ISOTOPE research project will be finalised end of August 1997. A final conference will be organised in November 1997. These elements result from the ISOTOPE political research (The first elements have been presented during an intermediate seminar on *« Facts and opinions on urban public transport in the European Union »*, Lisbon, 3-4 October 1996).

not intend to tender urban public transport. Tendering procedures can be applied to networks, subnetworks or routes ; competitive pressure can be introduce in non tendered systems, for instance by introducing benchmarking or specific contracting[4].

If it is recognised that competitive pressure in UPT sector provides some assurance on the cost efficiency of operations. Furthermore, they should act as stimulus for the improvement and contribute to the construction of the citizens' network. This implies that tendering/contracting authorities define precisely :

◊ the expected result, during the contract, and at the end of the contract, not only in financial terms, but also in terms of market results (market share, users experience, non users experience, ...),

◊ the decisions/actions that will be taken in order to improve the operations' performances, including the management system (monitoring results) and the financial scheme (incentives for the authority and the operator).

3.3. *Local operation based on global standards*

This new approach is not only a tool to build the citizens' network service standard.

Standardisation is needed to reduce innovation costs. Recent practices in the automotive industry, where car manufacturers share technology should be a signal for the public transport industry. Strong reduction in cost for real time passengers information and contactless tickets for instance should result from sharing technology development. European Commission stimulates this through its RTD program.

For what service provided concerns, the passenger transport sector can expect an European quality norm at year 2000 horizon. That norm is under development inside the European Committee for Normalisation. It should lead to two main developments :

◊ a standard definition of quality of transport services to passengers, specifying the service with the users criteria, and proposing ways to connects these criteria with classical technical criteria (for instance, there is no demand for low floor vehicles, but demand for easy access to stations/vehicles ; having defined what is requested by the user, it will be necessary in the service provision process to translate it in technical specifications) ;

◊ a quality management system, specifying responsibilities for quality, and management system, aiming at continuous improvement of the quality provided by authorities and operators involvement in service definition, service provision, monitoring results (actual and perceived) and improving the service when necessary;

Tendering/contracting public transport should refer in the future to that norm. Authorities and operators will share a framework inside which it will be possible to define specific targets depending on local conditions.

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[4] These results were presented in a working paper « tendering UPT in Europe », in the frame of Quattro project (Quality Approach in Tendering/contracting urban public Transport Operations).

4. Myopia and long term sight

By positioning its green paper on citizens, the European Commission proposed to the passengers' transport industry to focus on its users and the service provided to them and to the community. The traditionally dominant topics are sent to the backstage. Techniques and technologies must support service. If that sight is shared by the industry, there are some chances to see it alive and vigorous for 2010 horizon.

In 1960, Theodore Levitt wrote an article in Harvard Business Review about « marketing myopia ». Using the archetype of the railroads, he showed how they declined inevitably because they defined themselves too narrowly.

« The railroads did not stop growing because the need for passenger and freight transportation declined. That grew. The railroads are in trouble today not because the need was filled by other, but because it was not filled by the railroads themselves . They let other take customers away from them because they assumed themselves to be in the railroad business rather than in the transportation business. The reason they defined their industry wrong was because they were railroad-orientated instead of transportation-oriented ; they were product-oriented instead of customer-oriented ».

We can draw a parallel with public transport sector in Europe : the client, the user, the quality of service provided started to be on the agenda of international public transport congresses nearly 30 years after Ted Levitt's signal.

The signal given by the European Commission to public sector through the green pages of « Citizens' Network » goes a step further. Neil Kinnock urged the European public industry to be citizen-oriented, preferably than being customer oriented. This has a strong management impact on the system.

5. The value of public transport for the user

What does the user want ? Passengers services exist because the potential user wants to go from one point to another one. He/she demands connections. A passenger transport system is valuable for the user if it :

- exists (mental perception, time/space availability), and is accessible (physical, financial dimension),
- connects and interconnects places and modes,
- provides reliable real time information,
- cares for users, in normal conditions and when service is disrupted.

These criteria does not only apply to public transport. Indeed other modes are also concerned. If we consider the co-existence of different mobility networks (by mode : public transport, cars, bicycle ; by speed : express, slow, or by area connected : local, regional, national), one should ask itself if the tool for tendering should be used transversally or not (if yes, it should be done through multi networks) ?

What would be the service to the citizen if the real time information on mobility in a specific area was given by the same operator, and this for the multiple existing networks ?

Instead of tendering/contracting public transport operation, shouldn't the authority propose new developments of service, through tendering/contracting ?

This could be applied to the following fields :

- all services related to pricing of the use of the network,
- interconnection management,
- information on mobility behaviour, (as it is done for the recycling of waste and the selective collect of waste) ; a brief development of this aspect : it appeared from a research (see Social data - Munchen) that one of the reasons for explaining non use of public transport is the non awareness of the availability of the system. Raising citizen awareness on mobility behaviour could be a function of the multi-networks for which operation would be tendered/contracted.

6. The value of public transport for the citizen

To be seen as citizens' oriented, passengers transport should not be seen as a service like all others, but as a service with a strong connection with the quality of life in a specific area.

It is not only the impact on environment that is considered here, but also its impact on the socio-economical life of an area. Public transport passengers are citizens. They do expect the best use of their money. Furthermore, they do expect to be considered as « citizen-users ».

Two examples of the impact on the management of public transport :

- RATP, the Parisian operator undertook a market research This led to the identification of a specific market of public transport which can be considered as resulting from the choices of the users in terms of living standards. They make a link with their expectation toward their environment and their mobility behaviour. This market is growing. Specific services, information, communication and even pricing is expected from this growing segment.
- It is possible to ask to the user/citizen to take part in the control of the service provided, and to the continuous improvement of the program.

The public transport of Oslo is probably today one of the most advanced network in its relation with the citizen. Indeed, it issued in 1994 a charter, including a guarantee of service. Any user that would arrive 20 minutes late at his/her destination due to public transport problems (without any qualification of problem), is entitled to be reimbursed for his taxi costs, and this up to 200 Crown (± 30 Euro). Furthermore, the guarantee of 11 standards of service are also being developed. This guarantee enables the user to tell the company when the service does not correspond to the standards. About 40.000 comments a year relating to quality are received now by the company, and are used internally in order to stimulate the staff to improve its service. Such procedures result in management improvements. The user-citizen of public transport acts on a voluntary basis as a partner. The Oslo public transport company considers its guarantee of service as an essential tool for the year 2026 . Indeed, it plans to absorb through public transport all increase of motorised mobility that is expected by them (this represents an increase of 50 % of the users).

Such procedures could be proposed through tendering/contracting public transport, and would aim at the citizens' involvement and partnership.

7. Conclusions

The European's Commission « Citizens' network » proposed a perspective on a long term basis that can be considered as an utopia. In a human management system, it is known that utopia can empower the existing resources and provide new paradigms for new development.

By positioning the future of passengers transport on citizens, it stimulates the sector to solve its main myopia, and concentrates on the citizen needs and demands.

The impact on the management of the citizens' network in terms of public transport goes far beyond the question of the regulatory framework. The question is not if public transport must be regulated, tendered, contracted, and up to which level. The question is how to manage public transport in order to achieve sustainable mobility in Europe. A first answer is to recognise public transport as it is. Indeed, it shows bad competitive performance due to a lack of consideration of the passengers and of the service provided. It appears that under-involvement of authorities in the system can reinforce that situation.

A way to improve the financial performance on a short term basis would be to aim at tendering public transport's operation without raising the question of the scope of tendering, and the responsibility of the tendering authority. This tendering would be focused on the specification process, together with the monitoring of the service provided. It should however be mentioned that that type of tendering would , on a long term basis reinforce the bad performances.