EUROPE-ASIA TRANSPORT: INSTITUTIONAL AND INFRASTRUCTURAL ISSUES

by

Jack Short
Deputy Secretary General

EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT

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Introduction

It is a pleasure for ECMT to be associated with this important conference. Political, Economic and social contacts between the two continents are set to grow significantly over the next decades. This will both require and be facilitated by a transport infrastructure and system that functions efficiently. And it will require new transport policy and institutional questions to be answered. In this contribution I look at some of these institutional and policy issues and suggest some lessons from our recent experiences in Western and Central Europe.

It is evident that, in this rapidly changing environment, closer contacts between all countries across the continent will be important. ECMT wishes to contribute to this improved co-operation and understanding in whatever ways it can. It goes without saying that the body of ECMT work, policy analysis, data, studies, economic research as well as the political recommendations and resolutions are at the disposal of everyone. We have over 1000 documents on our Internet site. This material provides useful insights into policy, best practices in numerous areas, as well as agreed approaches to many of the issues that arise. If any of the countries or organisations here need contacts or access to this information they should feel completely free to talk to us.

Institutional Aspects

ECMT has responded to the opening of Europe by more than doubling its membership in a decade. Now the further opening of contacts and markets towards Central Asia and China is resulting in applications for membership from Central Asian Countries. ECMT is a small organisation and is examining the best ways to respond to this need for wider contacts and political discussions. We will shortly start a review on how the organisation can best respond to the changing transport needs in an increasingly interlinked world. ECMT has served transport policy makers for almost 50 years, adapting to new circumstances and providing a forum where Ministers can discuss issues as equals in a relatively informal way. We have complemented the regulatory approach of UN/ECE Geneva and have worked with the European Union to extend Union policies and practices where appropriate to new members in Central and Eastern Europe. Whatever institutional arrangements may be needed at Governmental level to deal with new and emerging contacts there is a solid basis in existing arrangements and institutions and the best approach would seem to be to build carefully on these. In the immediate future political contacts could perhaps best be developed at a regional level between the appropriate bodies and organisations.
Infrastructure Planning

I would like to make some comments on the question of infrastructure. Transport infrastructure planning in Central and Eastern Europe is following a somewhat more cooperative model than it did in Western Europe until the 1980s. Up to then Western Countries more or less independently planned, developed, financed and built the infrastructures they have. A more international view began to take shape with the development of the Trans European Networks in the early 1990s. Building on this, the international corridor concept began to be developed for the newly opening Countries of Central and Eastern Europe. Drafted initially by the Dutch Government, the corridors were developed and refined for the Pan European transport conferences in Crete and Helsinki. These corridors and the processes within which they were agreed and are being taken forward have certainly brought a number of positive features to international transport infrastructure planning. They have focussed thinking on where traffic flows are likely to go; they have required countries to think about the main national and international links in a joint and cooperative way; and they have been given real political importance by being linked to financing from the European Union.

But this approach, while it has benefits has given rise to some problems and questions that may serve as a lesson when it comes to thinking about Europe –Asia links. I mention four such issues.

First, the approach, though initiated by market economy countries, had many features akin to centralised planning. It was therefore, not surprisingly, embraced by countries in the region used to this kind of approach. The new democratic framework in which the corridors were drawn up meant that they were not defined on the basis of economic and transport demand factors but their definition became embroiled in political compromises and horse trading. Objectivity was distorted by the expectation by some countries that outside finance would be available and this became an incentive for them to maximise the numbers of corridors that passed through their territory. As a consequence the lines on maps became important politically instead of being flexible indicators of market needs and demands. Since their adoption they have become rather fixed and further discussion on changing them or developing them has become difficult.

The second problem concerns financing. The international funds in the form of grants, while large in absolute terms, inevitably did not go a long way to meeting the needs on these corridors. National resources were also very limited. There was disappointment in the Countries about the money to be made available. Their expectations were undoubtedly over-dimensioned but perhaps too these expectations were fed on untenable promises. There is a clear lesson, in sharp contrast to the former model, that plans and their implementation are not the same thing.

A third issue concerns the link between the planned corridors and the actual traffic flows. In theory one of the ideas of the corridors was to concentrate the main flows on the main axes and thereby (among other objectives) maximise the opportunities for rail and combined transport. In fact it did not turn out this way and most of the corridors ended up being both road and rail. Moreover there were no transport policy or other measures introduced to induce or direct traffic to these routes. The approach then, while it was set out as a sustainable approach, has not been directional in that sense. In summary, the corridors have not helped to shape what might be considered as a sustainable policy.

The fourth issue is that the extensive political and practical discussions on corridors may have been at the expense of making less progress in other areas. Thus transport policy reform, opening to market economy principles, institutional change, practical problems like border crossings and customs difficulties, corruption and crime all got less political attention than they merited.
Of course, not everyone will agree that the corridor process has taken too much effort, became too political, is too inflexible and not closely enough linked to real market needs or financial realities. But there probably could be a consensus around the idea that some improvements are possible in all of these areas. In this way the new process just beginning would take these lessons from the previous experience and build on them.

**Policy Approach**

It is of course clear that there will be large increases in trade and transport across Asia and from Asia to Europe. But for the present the main flows are not clear. From various studies including the Planco study for the EU there are many routes that shippers choose, depending on the goods and the constraints. For the present, there is virtually no land transport between China and Europe. One of the lessons from the last ten years is that there has been a growth, not so much in very long trips from one end of a corridor to the other, but in regional flows between near neighbours. There is therefore a need for what might be called top down planning (major cross continental routes) to be compatible with national and regional ones (what might be called bottom up). Neighbours need to work together directly on their cross border routes to eliminate bottlenecks, improve standards and agree on practical approaches.

There should also be more concrete attention to specific problem areas, whether infrastructural or organisational. The governments concerned would do well to include the trading interests, operators and shippers in their discussions. Broad political declarations of good intent, of which there are many, need to be turned into concrete actions where progress can be monitored.

The broad lessons would therefore include a need to be flexible, to not make political commitments that cannot be financed, to adopt pragmatic answers to particular problems and to make top down and bottom up planning come together. Finally, involve market actors and develop a measurable way of monitoring progress.

There are also some lessons for the Western Countries. One derives from the reality that most trade between Europe and the Far East goes and will continue to go by sea, with the Suez canal being by far the cheapest and also the quickest route to most European destinations. Developing and supporting this trade through efficient inland rail and water connections from the European ports seems to me to be one of the main challenges and opportunities, for example for Italian ports.

None of these ideas are necessarily correct but they can be taken into account in a continual reflection on the challenges that there are. ECMT is ready to contribute in any way it can to improving international co-operation and thereby ensuring that the future system is flexible and economically efficient.