An Evaluation of the Finnish Public Transport System:

The Role of the Ministry of Transport and Communications
Foreword

The objective of this evaluation was to provide a summary overview of the current situation of the Finnish public transport, including comparisons with other European public transport systems. The work continued with the evaluation of the Ministry of Transport and Communications’ public transport strategy Public Transport – an Attractive Alternative (December 2001). Special attention was paid to the role of the Ministry in developing and improving public transport.

The evaluation shows that the Finnish public transport scene bears comparison with other European systems. However, it also states that effective measures may be needed in order to maintain the present situation, because the downward trend of the public transport market share seems to continue. The good situation also results in decision-makers’ low motivation to increase investment in public transport.

The evaluation provides valuable suggestions on how to put the, as such, extensive and generally accepted public transport strategy into practice. The Ministry will examine the possibilities and schedule of these recommendations. Although the Ministry is formulating a strategy for itself, it is very important to discuss the cooperation, roles and commitment to suggested measures with other actors in the field.

The evaluation was made by consultants Lucy Gordon, Yves Mathieu, Kirsten Epskamp and Robert Jones from OGM; Arthur Gleijm and Pieter Hilferink from NEA; Andrew Wyatt from CMPS; and peer reviewers Francis Cheung from the Dutch Ministry of Transport, Public Works and Water Management; and Erwin Wieland from the Swiss Federal Office of Transport. The Finnish contact consultant was Virpi Pastinen from LT Consultants Ltd. Sami Yli-Karjamaa, M.A, translated the report from English into Finnish.

Several Finnish public transport experts took part in the work. Their contribution was of particular help in interviews and theme meetings.

Helsinki, 27 February 2003

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EXECUTIVE SUMMARY

The publication of the MTC’s public transport strategy, *Public Transport – an Attractive Alternative* (December 2001), raised a series of important questions both for the MTC and other stakeholders in the Finnish transport sector. Some of the key questions raised were: What are the critical factors for the MTC to take into account in order to achieve the strategy’s objectives? Are the measures chosen the right ones? Are the instruments proposed to implement the measures adequate? Is there sufficient public funding for public transport? Can the MTC have a more effective role in supporting the public transport sector?

In order to address these questions, the MTC commissioned an external evaluation of its public transport strategy. The objectives of the evaluation were to:

- Provide a summary overview of the current situation of Finnish public transport and its future trends, including relevant comparisons with other European public transport systems in order to set the Finnish situation in a European context.
- Examine the coherence, consistency and comprehensiveness of the strategy, and to assess the adequacy of the measures proposed by the MTC to achieve the strategy’s objectives.
- Review the role of the MTC in developing and improving public transport in order to make recommendations on the future actions of the MTC.

The evaluation methodology used is based on a combination of desk research and analysis, interviews and meetings with stakeholders in the Finnish public transport sector, and peer review.

At present, the public transport scene in Finland is in an enviable position, and public transport achievements are respectable by any European standard. Congestion in urban areas is relatively mild. Many of the accomplishments such as a high level of passenger satisfaction and the reliability record of the railway system are cited as European benchmarks and examples of good practice. Liberalisation of the public transport market has progressed steadily and led to reduced costs. Long-distance bus and coach services are provided without state subsidy. Nevertheless, rising car ownership, growing polarisation between urban and rural areas, an ageing population and shifting economic activities from smaller cities to larger urban agglomerations are placing increasing pressure on the Finnish transport system and will continue to do so over the coming years. Public transport’s market share is expected to fall by approximately two percentage points by 2010 (a decrease that is greater than average when measured against other comparable European countries). During recent decades there has been constant pressure on the funding of operating subsidies, both for heavy rail and for urban and regional transport. The MTC’s strategy is an important step in acknowledging and addressing the need for action to ensure that the Finnish public transport system is
equipped to meet the challenges posed by economic, social, environmental, cultural and demographic changes.

The main objectives of the MTC’s strategy are to maintain and increase the market share of environmentally sustainable modes of transport, and to ensure the provision of basic transport services. The strategy is concerned primarily with the provision of bus, coach and rail services, and with the promotion of non-motorised transport modes. Consultation with stakeholders revealed a high level of support for the objectives and measures described in the strategy, but also doubts about the extent to which the strategy could be implemented in practice. These doubts were linked primarily to a concern about whether adequate funding would be available to implement the measures, and to an uncertainty about the roles of the different actors in the public transport sector.

The evaluators identified nine key areas in which the MTC should take action to improve its effectiveness in the implementation of its public transport strategy:

**Clarification of Context and Objectives:** It is important for the MTC to state more explicitly the economic, environmental, social and cultural results being aimed at in the strategy, as well as the key challenges facing public transport in the next five to ten years. The MTC also needs to clarify the links between the strategy and national policies on other modes of transport, as well as wider (national and international) political objectives.

**Definition and Development of the Role of the MTC:** The MTC should strengthen its leadership of the public transport sector, by developing its role as the overall supervisor of the sector at a strategic level, focusing on a few key functions: regulation, coordination, funding, and research. It should also clearly define its precise role in the implementation of the measures in the strategy.

**Clarification and Prioritisation of Measures:** As there is increasing pressure on the financial resources available to the MTC for public transport, setting priorities is essential. The MTC should specify the past achievements, present state of progress, and future implementation (including potential barriers) of each priority measure. It should also identify the actors responsible for implementation of the measures and allocate defined tasks to each actor.

**Monitoring and Evaluation:** The MTC should establish a permanent monitoring system, based on a limited number of indicators, to assess regularly the implementation of the strategy. The system should define concrete and measurable output for each measure in order to assess whether the strategy is achieving the desired effects.
**Research and Development:** The MTC should maintain its commitment to more methodical and results-oriented public transport research. In particular, the MTC should prioritise research to develop effective and comprehensive cost-benefit analysis tools, and to gain a better understanding of all the relevant factors affecting public transport patronage.

**Cooperation and Coordination:** The MTC needs to develop instruments to ensure multilateral cooperation between the many different stakeholders in the public transport sector.

**Frameworks and Guidelines:** The MTC should develop its capacity to establish national frameworks and guidelines to support the implementation of its strategy at different levels (national to local).

**Information, Communication and Marketing:** In order to improve cooperation between stakeholders and to raise awareness of the importance of public transport, both among the general public and at a political level, the MTC should develop more effective communication and marketing tools.

**Centres of Excellence:** As part of its role to promote public transport, the MTC should consider creating ‘Centres of Excellence’ to reward excellence in the sector.
1 INTRODUCTION AND CONTEXT

This introductory chapter is divided into three parts. The first part provides a brief description of the main objectives and measures set out in the public transport strategy of the Ministry of Transport and Communications (MTC). The second part describes the principles on which the strategy is based and the new approaches to policy-making adopted by the MTC. The third part summarises the reasons for the external evaluation, its objectives and the methodology used.

1.1 A New Strategy for Public Transport

1.1.1 Objectives

In the document *Public Transport – an Attractive Alternative* (December 2001), the Ministry of Transport and Communications sets out its public transport strategy in which it highlights the importance of ensuring an efficient, high-quality and sustainable public transport system in Finland. The strategy is based on two main objectives: firstly, to maintain and increase the market share of environmentally sustainable modes of transport, and secondly, to ensure the provision of basic transport services. The strategy distinguishes between, on the one hand, the need to make public transport an attractive alternative to the private car for long-distance transport between major urban areas and for travel within cities and urban areas, and on the other hand, the importance of ensuring basic public transport services in rural areas for those who do not own a car.

The strategy takes into account both national and European Union transport policy objectives. It recognises the European-wide\(^1\) challenge to develop a modern transport system that is sustainable from economic, social and environmental perspectives. The strategy aims at better coordination between transport and land use planning to reduce transportation needs, and at improvement of the overall quality of public transport to increase its appeal and its competitiveness with the private car.

Finland’s specific characteristics - particularly its geographic situation and its large areas with very sparse population – mean that it is less affected by bottlenecks and traffic congestion than many countries in the European Union. Nevertheless, rising car ownership, growing polarisation between urban and rural areas, an ageing population and shifting economic activities from smaller cities to larger urban agglomerations are placing increasing pressure on the Finnish transport system and will continue to do so over the coming years. The MTC’s strategy is an important step in acknowledging and addressing the need for action to ensure that the Finnish public transport system is

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equipped to meet the challenges posed by economic, social, environmental, cultural and demographic changes.

1.1.2 Measures

Achievement of the strategy’s objectives is based on five central principles - cooperation, land use decisions, quality, funding and monitoring (described in more detail below in 1.2) – and seven groups of specific measures. These groups of measures are: (i) Infrastructure, (ii) Information, (iii) Travel chain functionality, (iv) Ticket prices and the provision and securing of services, (v) Public transport quality, accessibility and user-friendliness, (vi) Traffic education and public transport campaigns, (vii) Mode of organisation for research and development.

(i) Infrastructure: Measures to improve the operating environment of public transport through investment in infrastructure focus on:
- Financial contributions from the State to projects that promote public transport in urban areas;
- The use of letters of intent and urban area transport systems plans that prioritise the creation of public transport quality corridors and improve urban planning;
- The construction of 22 public transport interchanges;
- The development of the rail network;
- The definition of principles for the maintenance of local roads;
- Improved maintenance and outfitting of bus stops and train stations.

(ii) Information: The strategy recognises the importance for passengers to have access to complete and integrated public transport information (times, fares, connections, door-to-door trips, accessibility etc.). Measures to improve travel information include:
- The creation of a national information system based on the compilation of compatible sub-information systems. This will involve designing a common architecture for information systems and defining common standards;
- The development of passenger information systems;
- The development of real-time information systems at stops and stations in large and medium-sized cities.

(iii) Travel chain functionality: The integration of different modes of transport, the development of door-to-door services and the implementation of information and payment systems are key factors in improving travel chain functionality. The strategy focuses on measures to:
- Develop feeder connections to long-distance rail and coach transport as a means to improve regional public transport;
- Improve the functionality of stops and stations, taking into account access for pedestrians and bicycles, the smooth flow of park-and-ride facilities and the location of taxi stands.
(iv) **Ticket prices and the provision and securing of services:** The long-term objective is to keep the rise in public transport fares below that of the consumer price index. The planning and provision of services will be the responsibility of transport operators with the exception of large cities where authorities may take the lead in transport service provision. Competitive tendering will be developed. Specific measures include:

- Investigating ways to ease the taxation of public transport, taking into account external costs;
- Funding commuter ticket subsidies and setting fares to optimise ticket revenue;
- Ensuring unprofitable railway traffic that is considered a basic necessary service at national and regional levels;
- Establishing uniform service level indicators;
- Ensuring basic bus services in rural areas and developing regional ticketing;
- Developing service line transport;
- Developing demand-responsive public transport;
- Supporting cities by subsidising commuter tickets and allocating funding for service development and pilot projects.

(v) **Public transport quality, accessibility and user-friendliness:** Improving the quality, accessibility and user-friendliness of public transport is a key factor in the development of public transport. The measures outlined in the strategy include:

- The preparation of a strategy and action plan to improve the accessibility and user-friendliness of the transport system\(^2\);
- The continued development of compatible ticket systems;
- The improvement of bus driver training;
- The introduction of quality management systems by public transport operators to determine the quality of service provided and to monitor developments in quality;
- The introduction of customer feedback systems by public transport operators.

(vi) **Traffic education and public transport campaigns:** The strategy highlights the importance of traffic education and public transport campaigns in communicating the benefits of public transport. The MTC’s strategy proposes to:

- Include public transport issues in school education;
- Improve the dissemination of public transport information through campaigns;
- Promote the inclusion of mode of transport choices in companies’ environmental programmes.

\(^2\) *The Accessibility Strategy and Action Plan will soon be published.*
(vii) **Mode of organisation for research and development:** The strategy recognises the need for more methodical, results-oriented and long-term research and development. Measures in this area focus on:
- Drawing up an action plan for public transport research;
- Promoting public transport excellence by allowing universities to participate in public transport research projects;
- Making practical use of Finnish and foreign studies and reports, and promoting the use of benchmarking.

### 1.2 New Approaches to the Challenges of Policy-Making

Policy-makers\(^3\) across Europe at all levels of government – European, national, local - are facing new challenges\(^4\). The political environment in which policy decisions are made is becoming more complex. There is a growing need to balance international, national and local concerns; as a result, the number of actors and interests involved in the political arena are increasing and more difficult to manage.

The social environment is also changing. People are living longer and having fewer children; life-styles are changing (for example, advances in information technology, more women in work, and increases in work- and leisure-related travel are all affecting the way people organise their lives); enlargement of the European Union, globalisation, and political and economic instability in some regions of the world are resulting in a more mixed social and cultural society in Europe.

The role of public (state) funding versus private sector investment is one of the issues dominating economic policy. Pressure on public spending is increasing while the electorate is demanding - and policy-makers are promising - better quality public services. The most efficient and effective use of public funding in combination with private money to fund traditionally public services (health, pensions, education, transport etc.) is being debated across Europe.

These challenges have generated, over the past five years, new approaches to policy-making\(^5\) at European, national and local levels. One of the most important developments has been the recognition by policy-makers that it is necessary to change

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\(^3\)The term 'policy-makers' is being used to refer to both elected politicians (heads of state, secretaries of state, ministers, local councillors etc) and civil servants (working for the EU institutions, national governments, regional public authorities etc) who are responsible for developing and implementing the policies of elected representatives.

\(^4\)For a more detailed description of these issues, please refer to the European Commission’s White Paper on European Governance (July 2001) and 'Better Policy Making' published by the Centre for Management and Policy Studies (November 2001).

\(^5\)The term 'policy-making' is being used to refer to the process of developing, implementing and evaluating policy.
not only some of the political choices that they make (what they do), but also the process of policy-making (how they do it). This process-focused approach has resulted in an emphasis on a number of key elements on which policy-making should be based. These key elements can be summarised as communication, cooperation, cost-effectiveness and evaluation.

The relevance of these issues to the particular situation of the MTC is clearly illustrated in its public transport strategy. The strategy’s objectives are based on five central principles: cooperation, land use decisions, quality, funding and monitoring. The identification of these principles as key factors in the achievement of its strategy demonstrates the MTC’s response to the need for change in policy-making and the development of new approaches to achieving policy objectives.

Cooperation: Cooperation is essential to the Finnish public transport sector due to the large number of stakeholders involved. The MTC has a particular challenge in identifying the most appropriate role for itself in the complex organisational structure of governmental bodies involved in public transport, which include several different Ministries as well as State Provincial Offices, Administrations, Regional Councils and Municipalities. In addition to internal cooperation between policy-makers at different levels in different sectors, the MTC must ensure cooperation with public transport operators and a range of other groups (associations, non-governmental organisations, trade unions, research institutes etc.), as well as between the different modes of transport (rail, bus, taxi, bicycles etc.). The MTC is also responsible for cooperation with the European Union on public transport policy. A cooperative and multilateral approach to policy-making is therefore essential in order to achieve the objectives of the public transport strategy.

Land use decisions: The emphasis given to this issue in the strategy reflects the importance of an integrated approach to policy-making in the context of public transport in Finland. Transport cannot be seen as an isolated policy area, but one which affects and is affected by land use, environmental, economic and social policies. The MTC is aiming to encourage a more coordinated approach to public transport policy, particularly through better coordination between transport and land use planning.

Quality: Improving the overall quality of public transport is one of the targets set out in the strategy to achieve an increase in the market share of public transport in Finland. The importance of quality in public transport illustrates an underlying acceptance of the concept of public transport as a service and the passenger as a customer. Public transport must attract more users by offering a high quality product that meets the needs of its customers. The strategy therefore illustrates the development towards a more customer-oriented approach in the policy-making process.
Funding: Achieving cost-effective public transport is a priority for the MTC. The strategy highlights the importance of ensuring sufficient public funding for public transport due to its important role in providing environmental, economic and social benefits to society. State subsidies are particularly important in order to maintain public transport services in rural and sparsely populated areas of Finland. However, the MTC’s budget for public transport is insufficient to maintain the current level of services. The combination of increased pressure on public spending and growing demands for better public transport services is reflected in the MTC’s desire to adopt a ‘best value’ approach to funding public transport, and to identify the most effective and efficient use of public funding through prioritising and coordinating spending on public transport projects. The development of the role of the private sector and competition in public transport is another important issue for the MTC. The MTC supports competition as a means to encourage operators to improve the quality of their services to attract more users and therefore more income from revenues.

Monitoring: Regular monitoring of the implementation of its policy measures is a key element of the strategy. Monitoring and evaluation that provide clear, facts-based and practical information enable policy-makers both to improve their policies and identify potential problems, and also to increase the transparency of their policy decisions. The use of benchmarking and research, supported in the strategy, will enable the MTC to improve the quality of its monitoring and evaluation activities. Although the strategy lacks details of the form of monitoring that will be used, it clearly demonstrates the MTC’s commitment to evaluation as an integral part of a successful policy-making process.

1.3 An External Evaluation of the MTC’s Public Transport Strategy

1.3.1 Reasons for an External Evaluation

The publication of the MTC’s public transport strategy raised a series of important questions both for the MTC and other stakeholders in the Finnish transport sector. Some of the key questions raised were: What are the critical factors for the MTC to take into account in order to achieve the strategy’s objectives? Are the measures chosen the right ones? Are the instruments proposed to implement the measures adequate? Is there sufficient public funding for public transport? Can the MTC have a more effective role in supporting the public transport sector?

In order to address these questions – an essential task for the MTC to enable it to make the difficult step from stated political objectives and intended action to practical

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6 The term ‘best value’ was used in a policy context by the UK government as part of their Best Value initiative (1999) to improve the quality and efficiency of public services. The term is being used here to refer to the general concept of making the most effective and efficient use of public money to provide good quality public services.
implementation and achievement - the MTC commissioned an external evaluation of its public transport strategy. The evaluation was undertaken over a period of four months (October 2002 to January 2003) by a team of eight evaluators representing organisations from four countries (Belgium, the Netherlands, Switzerland and the United Kingdom). In order to ensure a constructive and interactive evaluation process, the MTC chose to work with an international team of evaluators with a range of complementary expertise.

The external evaluation provides added value in several key areas:
- By providing expert and objective assessment of particular issues, the evaluation helps to raise awareness of the importance of public transport and to increase its political status in Finland;
- By bringing new ideas and fresh approaches based on experiences gained in other countries, the evaluation helps to reinvigorate the MTC’s working processes and its approaches to the challenges faced in Finland;
- The fact that there are no direct interests at stake increases the credibility and acceptability of an external evaluation’s recommendations.

1.3.2 Objectives of the Evaluation

The objectives of the evaluation were to:

(i) Provide a summary overview of the current situation of Finnish public transport and its future trends, including relevant comparisons with other European public transport systems in order to set the Finnish situation in a European context.

(ii) Examine the coherence, consistency and comprehensiveness of the strategy, and to assess the adequacy of the measures proposed by the MTC to achieve the strategy’s objectives.

(iii) Review the role of the MTC in developing and improving public transport in order to make recommendations on the future actions of the MTC.

The focus of the evaluation has been on the second and third objectives which are priorities for the MTC in the implementation of its strategy. The public transport overview provides the contextual background for the assessment of the strategy and the review of the MTC’s role. It has not been possible for the evaluation to include an assessment of the sufficiency of public funding allocated to the implementation of the measures proposed in the strategy. This has been due to a lack of available data about the budget allocated to the specific measures and the foreseen costs and benefits. The assessment of the strategy (Chapter 3) emphasises not only the need for the MTC to develop improved cost-benefit analysis tools to support its strategy, but also draws attention to the difficulties – which are widely recognised by public transport policymakers - in creating effective cost-benefit analysis tools that can take into account the

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7 The external evaluators were supported by a Finnish consultant for guidance on information sources and local contacts.
manifold benefits of public transport – not only the economic benefits but also the social, environmental and health-related benefits (to name but a few).

1.3.3 Methodology

The evaluation methodology was based on five main parts:

(i) An overview of Finnish public transport
An overview of Finnish public transport was carried out, based on existing material\(^8\) and involving both desk research and interviews\(^9\) with transport operators, city and municipal authorities and transport associations.

(ii) Assessment of the coherence and consistency of the strategy
A preliminary assessment of the strategy was made using a policy evaluation model designed to illustrate logical links between intended outcomes, outputs and inputs\(^10\). The initial assessment was supplemented by information collected in interviews with key actors in the public transport sector in Finland.

(iii) Thematic meetings
In addition to the interviews, a series of four thematic meetings was organised to involve a wide range of stakeholders in the evaluation process. The themes of the meetings\(^11\) covered the seven groups of measures described in the public transport strategy. Each meeting brought together between eight and twelve stakeholders working closely on the specific issues addressed in the meeting. A horizontal and vertical approach was taken to ensure both relevant levels (national, regional, local) and relevant sectors (transport, environment, education etc.) were involved. The discussions focused on the strengths and weaknesses of the strategy and the roles of the MTC and different stakeholders in the public transport sector. The meetings were an important part of the evaluation process as they not only helped the evaluators to validate and supplement the information gathered through research and interviews, but they also created, for the first time, a multilateral dialogue between the different stakeholders and the MTC about its public transport strategy.

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\(^8\) Material from a variety of sources was used, including Finnish and European research. See References.
\(^9\) See Annex I for a complete list of all those interviewed.
\(^10\) See Chapter 3.1 for more details about this model.
\(^11\) See Chapter 3.2 for more details about the meetings.
(iv) **Peer review**

Two peer reviewers - from the Dutch Ministry of Transport, Public Works and Water Management, and the Swiss Federal Office of Transport - participated in the evaluation process. Their participation provided an objective assessment by transport policy-makers who had first-hand experience of the kinds of challenges faced by the MTC, as well as the ability to offer different ideas and ways of approaching these issues. The peer reviewers participated in the four thematic meetings, providing feedback and comments on the discussions. In addition to contributing general input to the various sections of this report, they have written a specific section (Chapter 3.3) which sets out their key conclusions on the MTC’s public transport policy and strategy.

(v) **Recommendations**

The findings of all parts of the evaluation – the public transport review, strategy assessment, interviews, thematic meetings and peer review – have been used as input to the formulation of recommendations to the MTC on its future role and actions in implementing its public transport strategy. The recommendations (Chapter 4) are intended to be as practical as possible in order to provide the MTC with a useful action plan to support the next steps of its work.

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12The method of peer review used was inspired by the peer reviews conducted by the European Conference of Ministers of Transport (ECMT) for the Dutch Ministry of Transport, Public Works and Water Management and the Hungarian Ministry of Transport in order to assess the implementation of sustainable urban transport policies in these countries. The reports on the peer reviews undertaken in these countries can be ordered from the ECMT website: [www.oecd.org/ecmt](http://www.oecd.org/ecmt).
2 PUBLIC TRANSPORT IN FINLAND: AN OVERVIEW

This chapter provides an overview of public transport in Finland. Heavy rail, and urban and regional transport are presented separately. For each mode the legal, organisational, and institutional structures are described, against a background of selected European countries that are comparable in terms of size, organisational structure, level of competition and type of services.

2.1 Introduction

2.1.1 The Mobility Market

The total mobility market in Finland is growing. The share of public transport is average in comparison with the group of countries referred to in the figure below. However, the foreseen development shows a large decline in the share of public transport in Finland in the future.

For the group of countries compared, it can be seen that the relative, overall decline in railways in the seventies and eighties has stopped, and a positive increase for the period 2000-2010 is expected in all seven countries. Nevertheless, the share of railways is currently, and is forecast to remain, under 10% in all seven countries. The share of bus and coach transport ranges from a comparable level to that of railways, to a substantially higher level (Ireland, Finland, Belgium). The trend in terms of modal split varies from less positive to negative. Whilst urban rail transport in major cities plays an important role, the statistics show that at a national level the share does not exceed 1.5%. Austria is an exception as the share of tram and metro in nationwide transport increases to 3% in 2010.
The figure above presents the modal split for railways, tram/metro and bus/coach in percentage of passenger kilometres for Finland, Sweden, Norway, the Netherlands, Belgium, Ireland and Austria for the years 1995 and 2000, with a forecast for the year 2010. The total number of passenger kilometres, including passenger car use, is also given for each country. Finland has the highest number of kilometres travelled per inhabitant. This can be partly explained by the low density of population; however there is also low population density in Norway and Sweden. The following characteristics of Finland in comparison to the other six countries can also be noted:

- The number of schoolchildren per 1000 inhabitants is below average; this is a negative influence on public transport’s share of the total market;
- Labour participation is above average; this is a positive influence on public transport’s share of the total market; the share of public transport is generally high for journeys between home and work when more than one member of a family has a job;
- The number of cars per 1000 inhabitants is below average; this is a positive influence on public transport’s market share;
- Income/inhabitant is average; therefore in comparison to other countries this has a neutral influence on public transport’s market share;
- Inhabitants/km² is below average; this is a negative influence on public transport share because in general the use of public transport is higher in densely populated areas.
The macro-level indicators of public transport’s share of total passenger kilometres (including bus and coach transport) can be regarded as better than expected, when seen in the light of the background indicators mentioned above. The forecast decline in public transport’s share of total passenger kilometres seems not unrealistic, given the better than expected macro-level indicators previously mentioned. Public transport’s share is expected to fall by approximately two percentage points by 2010; at the same time the total transport market in Finland is forecast to grow by about 10%. The development forecast by Prognos is based on a scenario that does not include specific measures to influence modal split; nevertheless, the decrease in public transport’s market share in Finland is above average. It could be a challenge for Finnish transport policy to reverse the expected trend.

2.1.2 Funding Public Transport

The MTC promotes national well-being and good social functioning by guaranteeing citizens and the business community access to safe, reasonably priced and high-quality transport and communications. The MTC also promotes the competitive potential of the transport sector which should be driven by business economics, as well as consideration of socio-economic efficiency, regional equality, safety and environmental protection.

The Passenger Transport Unit of the MTC’s Transport Policy Department is responsible for coordinating national passenger transport policy, in particular: the development, design and economics of passenger transport; issuing operating licences for public transport; the purchase of contracts for services; fares policy; means of payment and information technology; drafting of legislation as far as operating by bus or taxi is concerned; and cooperation with other units of the MTC when rail transport is concerned.

The State has a limited degree of participation in the running costs of public transport. In addition, it bears most of the investment costs of rail transport infrastructure and participates in the development of information and fare systems for public transport. The involvement of many sponsors of public transport at a lower government level means that it is difficult to obtain a complete picture of all subsidies put into the transport system.

During recent decades there has been constant pressure on the funding of operating subsidies, both for heavy rail and for urban and regional transport. The introduction of competition has led to an improvement of the cost coverage ratios. In most cases the money saved by this improvement has not been used for improving the system, but has been used to improve the financial balance of the authorities. Additionally, the way in which money is transferred from authorities to operators has changed. The following trends can be identified:

- Change from subsidy of losses towards buying of services;
- Change towards subsidising users rather than subsidising operators;
- Decentralisation of decisions about subsidies;
- Price increase for all modes.

In tendering procedures a progression from first generation tendering towards second generation tendering can be identified. This development consists of a shift from cheapest bidder towards best value for money, and a shift to incentives for operators in revenues development.

### 2.1.3 Public Transport Performance

The following conclusions may be drawn with regard to the performance of heavy rail:
- There is a very low number of train kilometres and passenger kilometres per inhabitant, caused by a relatively small network and dispersed population;
- The number of passenger kilometres per inhabitant is average, a positive result given the dispersed population;
- There is below average annual growth in the use of heavy rail, partly as a result of migration to cities;
- There is below average turnover per passenger kilometre, average revenue per passenger kilometre and below average level of subsidies, resulting in a high cost coverage ratio;
- High user satisfaction and punctuality.

The figure below shows the subsidies for heavy rail per passenger kilometre in relation to the annual production of passenger kilometres per inhabitant. In comparison with the other countries, production is rather high given the low subsidy rate.
With regard to urban and regional transport, the following conclusions may be drawn.

In the Helsinki Metropolitan Area, there is:

- A high supply of vehicle kilometres, especially given the modest size of the population;
- Average use of public transport in terms of passengers/inhabitant and passenger kilometres/inhabitant, a good performance for a relatively small city;
- A low number of passengers per vehicle, as a result of high supply and average consumption;
- Above average annual growth in the use of public transport, as the population is growing;
- Below average turnover per passenger and passenger kilometres, which is positive in combination with the average use;
- Average revenue from ticket sales and very low subsidies per passenger kilometre;
- High cost coverage ratio.

The figure below shows the subsidies per passenger for transportation in metropolitan areas in relation to the annual number of passengers per inhabitant.
In comparison with the other cities included in the figure, Helsinki’s performance is rather high given the low rate of subsidies. With regard to urban and regional transport outside the Helsinki Metropolitan Area, it is useful to note the high level of use of public transport, the high level of citizen satisfaction and loyalty to public transport, and the value for money offered by public transport.

The following figure shows the subsidies per passenger for some selected regional transport networks (rural areas including small municipalities) outside the Helsinki Metropolitan Area in relation to the annual number of passengers per inhabitant.

Source: Figure developed by NEA Transport research and training
In comparison with the other selected regional transport networks in the countries referred to in the figure, subsidies in Finland are average but usage is low, mainly due to the demographic situation in Finland.

The Helsinki Metropolitan Area Council (YTV) organises tendering within the Helsinki Metropolitan Area. Due to this, network integration has been ensured within this urban area which is expected to grow. Outside the Helsinki area, there is no similar authority, either at regional or local level, which has responsibility for the whole public transport system. This situation also means that bus transport companies take full responsibility at the operational and tactical level (timetables, etc).

The YTV supports extension of the Helsinki Metropolitan Area. It is expected that this will lead to more service integration and harmonised tariffs. The extension may cover about ten municipalities and result in lower tariffs for commuters. Within the Helsinki Metropolitan Area there are currently four organisations involved in implementing the tendering system - the YTV, Helsinki City Transport and the Espoo and Vantaa regions. There is debate about the efficiency of such a system in terms of costs, planning and network integration, tendering and contracting, fares policy, etc.

As both private and public companies operate services, it is especially important that tendering and contracting should be carried out in as uniform and transparent a fashion
as possible. In the Helsinki Metropolitan Area, the market shares of the two public bus transport companies are currently increasing from 37% to 50%, while the market shares of private companies such as Connex are decreasing from 22% to 16%, and the share of small companies has decreased from 4% to 2%. A negative effect of market liberalisation was a deterioration in the image of the public transport sector, with the result that it has become very difficult to attract well-qualified and professional bus drivers.

2.2 Heavy Rail

2.2.1 Overview of Heavy Rail

VR, the state-owned railway company, is currently the only operator in passenger rail transport and this situation is not forecast to change in the near future. Since 1995 transport operations (VR Ltd) and track maintenance (VR-Track Ltd) have been separate entities.

The Finnish Rail Administration (RHK) - acting as an independent body under the MTC in Finland since 1995 following the reform of the railway sector - is responsible for railway infrastructure management. RHK is in charge of maintaining and developing the rail network, is responsible for the safety standards of rail traffic, and provides a competitive transport network for use by railway companies. RHK externally purchases railway construction and maintenance, real estate, and traffic control services. Subject to the very recent provisions of the Railway Act and the Act on Finnish Rail Administration, RHK is supposed to grant the right of use of the rail network, distribute rail capacity and confirm the schedules in national traffic and traffic to other countries in the European Union. Railway companies reserve rail capacity from RHK.

Contracting services, in addition to the services that are operated by VR on a commercial basis, are organised by the MTC. This is the case for several regional services, local train services around the Helsinki Metropolitan Area, and for several long-distance services. For services within the Helsinki Metropolitan Area, the YTV is the contracting party.

Commuter train traffic plays an important role in the public transport system of the Helsinki Metropolitan Area, and approximately 11% of journeys by public transport in the region are made by train. In the future, priority will be given to rail traffic and its related feeder transportation services. To provide such commuter services, VR Ltd finalises public transport operations agreements. Although a tendering procedure is applied in general for contracting of public transport services, this has not yet been applied for suburban rail services.
YTV has signed a contract with VR Ltd for the period 2000-2005 regarding the handling of transportation and related passenger services. The operational agreement between YTV and VR Ltd specifies the requirements for rolling stock, and the quantity and quality of services, as well as a quality sanction and bonus system that specifies the requirements for service reliability and the level of passenger service. With respect to the quantity of services, the agreement secures transport services at a level no lower than the current level. In addition, the contract takes into account the increase of services. The changes in supply have to be negotiated between VR Ltd and YTV.

In the framework of its policy of regional equality and socio-environmentally friendly transport, the State purchases from VR Ltd unprofitable regional and long-distance rail transport services that are considered to be necessary. For this purpose a contract that specifies the types of trains is agreed. The quality of service that the operator is capable of providing with the specified types of trains is commonly known. The MTC has examined the quality of the service and has found it to be of an appropriate level. Permanent changes in transport services purchased by the MTC, including changes in rolling stock, are subject to approval by the MTC. In addition to the train types, the contract determines the quantity of services. Changes in the supply of transport services are subject to approval by the MTC.

With regard to ticket prices, VR Ltd sets all fares, including monthly tickets and specific tickets for special groups (e.g. children and elderly people). The fare revenues are estimated on the basis of passenger counts done by VR Ltd. Costs are calculated using as a basis the bookkeeping of VR Ltd. The amount of compensation is then agreed upon through bilateral negotiations with the operator. In 1995-2000 the amount of compensation has decreased from € 42 million to € 37 million. At the same time, the supply of all rail transport services outside the Helsinki Metropolitan Area has remained unchanged. The compensation is determined on a non-profit basis. The contract price is decreased annually by 2%, which is based on a target-oriented improvement of production efficiency (2%). If the production costs of the transport services increase, the contract price will be revised. If VR can increase production efficiency, it can keep the benefit. For the period up to 2004 the level of compensation is planned to remain more or less stable; however every year this has to be confirmed by approval of the yearly budget plan of the MTC. For the year 2001 the compensation was € 37,4 million while for the year 2002 it will be around € 38,7 million.

2.2.2 Heavy Rail in a European Perspective

The major organisational changes that have been observed in European railways over the last decade partially result from several European Union directives. Perhaps the most important is EU Directive 91/440, which lays the foundation for the accounting separation of the operator of the infrastructure and the railroad undertakings. This Directive sets out requirements for user fees and sets minimum requirements for
transparency in financial flows between government and railways, and within the rail sector.

In Finland, VR Ltd is the only rail operator in the country that is active in passenger transportation. The current legislation does not allow competition in providing passenger transport services on rail. Due to the specific geographical location of the thinly populated, vast country (and possibly the uncommon broad-gauge track), other operators have so far shown little interest in the rail market. The main, and virtually only competitor for VR’s passenger transportation business is the modal pressure from road transport, both by passenger car and by long-distance bus, and from domestic air transport. On some routes between Helsinki and provincial centres air transport has a considerable market share. Travellers have the choice between fast but expensive air transport and rail services at moderate prices.

In several other countries (Sweden, France, Germany, and the Netherlands) a process of decentralisation has taken place. The decisions on regional services are now mostly taken by regional authorities, in recognition of the importance of these services to society on a regional level. This decentralisation generally works quite well and can be regarded as an example of good practice.

In Belgium the institutional separation has not yet started; there is no form of competition in the domestic passenger rail market. In Ireland the situation is comparable to Finland. In theory, access to the network is possible because the market is open, but in practice it does not happen. In Norway the position of the NSB (Norwegian Railways) on the main lines is not yet affected, however another company operates the new airport line (in Oslo). In Austria also the main network is operated by ÖBB (Austrian Railways), and some branch lines are operated by publicly owned regional companies without any form of competition. In Sweden the main and profitable network is not open for tendering, and is still run by the SJ (Swedish Railways). The regional lines are open for tendering and both the SJ and other companies run these. In the Netherlands tendering started on the (regional) branch lines and the High Speed line to Paris that is now under construction. As a result, in the northern and eastern parts of the Netherlands two other operators organise the passenger transport (Noordned and Syntus). The NS (Dutch Railways) won the tender on the High Speed line. The main network is not yet open for tendering, but will probably be opened in ten years.

The developments in heavy rail transport in Finland are somewhat comparable to Norway and Ireland. In Finland, legal reforms for passenger transport are not yet underway and there is no competition in practice. Belgium and Austria can be seen as behind in the process of regulatory reform, while the Netherlands and Sweden both have a system of tendering on the regional network and a temporary monopoly position for the national carrier on the main network.
Five national railways have been chosen as cases for comparison: Norway, the Netherlands, Belgium, Ireland and Austria. These countries are all middle-sized, and in all countries, except for the Netherlands, the capital forms the heart of the network and is by far the most important destination. In Norway and the Netherlands the process of competition has started, while in the other countries not much development has taken place. The figures for Norway are only related to the national carrier and exclude the airport line.

**Heavy Rail, annually**

<table>
<thead>
<tr>
<th>Characteristics ----&gt;</th>
<th>Finland</th>
<th>Norway</th>
<th>Netherlands</th>
<th>Belgium</th>
<th>Ireland</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 Number of Inhabitants (x 1 million)</td>
<td>5,19</td>
<td>4,48</td>
<td>16,15</td>
<td>10,26</td>
<td>3,79</td>
<td>8,10</td>
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<tr>
<td>C2 Surface (km²)</td>
<td>304,473</td>
<td>323,759</td>
<td>41,526</td>
<td>32,545</td>
<td>70,282</td>
<td>83,859</td>
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<tr>
<td>C3 Inhabitants / km²</td>
<td>15</td>
<td>13,84</td>
<td>388,91</td>
<td>315,26</td>
<td>53,93</td>
<td>96,59</td>
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<tr>
<td>C4 Number of passengers (x 1 million)</td>
<td>55</td>
<td>54,90</td>
<td>310</td>
<td>153,30</td>
<td>31,70</td>
<td>182,70</td>
</tr>
<tr>
<td>C5 Passenger km (x1 million)</td>
<td>3,282</td>
<td>2,811</td>
<td>14,666</td>
<td>7,754</td>
<td>1,430</td>
<td>8,203</td>
</tr>
<tr>
<td>C6 Passenger km / passenger</td>
<td>59,67</td>
<td>51,20</td>
<td>47,31</td>
<td>50,58</td>
<td>45,11</td>
<td>44,90</td>
</tr>
<tr>
<td>C7 Total subsidies (x (€) 1 million)</td>
<td>51</td>
<td>134</td>
<td>90</td>
<td>347,76</td>
<td>123,90</td>
<td>650</td>
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<tr>
<td>C8 Train km (x 1 million)</td>
<td>28,65</td>
<td>116,70</td>
<td>77,47</td>
<td>11,40</td>
<td>89,70</td>
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</table>

<table>
<thead>
<tr>
<th>Ratios ----&gt;</th>
<th>Finland</th>
<th>Norway</th>
<th>Netherlands</th>
<th>Belgium</th>
<th>Ireland</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1 Turnover (€)/ passenger km.</td>
<td>0,08</td>
<td>0,14</td>
<td>0,09</td>
<td>0,09</td>
<td>0,16</td>
<td>0,13</td>
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<tr>
<td>R2 Turnover (€)/ passengers</td>
<td>4,82</td>
<td>7,05</td>
<td>4,16</td>
<td>4,48</td>
<td>7,24</td>
<td>5,88</td>
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<tr>
<td>R3 Revenues (€) / passenger km.</td>
<td>0,06</td>
<td>0,09</td>
<td>0,08</td>
<td>0,04</td>
<td>0,07</td>
<td>0,06</td>
</tr>
<tr>
<td>R4 Revenues (€) / passengers</td>
<td>3,70</td>
<td>4,61</td>
<td>3,87</td>
<td>2,21</td>
<td>3,35</td>
<td>2,76</td>
</tr>
<tr>
<td>R5 Subsidies (€)/ passenger km.</td>
<td>0,01</td>
<td>0,05</td>
<td>0,01</td>
<td>0,04</td>
<td>0,09</td>
<td>0,08</td>
</tr>
<tr>
<td>R6 Subsidies (€)/ passengers</td>
<td>0,93</td>
<td>2,44</td>
<td>0,29</td>
<td>2,27</td>
<td>3,91</td>
<td>3,56</td>
</tr>
<tr>
<td>R7 Passenger km. / inhabitants</td>
<td>632,37</td>
<td>627,46</td>
<td>908,11</td>
<td>755,75</td>
<td>377,31</td>
<td>1,012,72</td>
</tr>
<tr>
<td>R8 Passengers / inhabitants</td>
<td>10,60</td>
<td>12,25</td>
<td>19,20</td>
<td>14,94</td>
<td>8,36</td>
<td>22,56</td>
</tr>
<tr>
<td>R9 Turnover (€)/ train km.</td>
<td>9,25</td>
<td>11,05</td>
<td>8,87</td>
<td>20,12</td>
<td>11,97</td>
<td></td>
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<td>R10 Ticket sales revenues (% of total turnover)</td>
<td>76,70</td>
<td>65,40</td>
<td>93</td>
<td>49,40</td>
<td>46</td>
<td>47</td>
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<tr>
<td>R11 Annual growth transport (%)</td>
<td>1</td>
<td>4</td>
<td>1,90</td>
<td>5</td>
<td>3,30</td>
<td>0,50</td>
</tr>
<tr>
<td>R12 Train km/inhabitant</td>
<td>5,52</td>
<td>7,23</td>
<td>7,55</td>
<td>3,01</td>
<td>11,07</td>
<td></td>
</tr>
<tr>
<td>R13 Average loading/train (number of passengers)</td>
<td>114,55</td>
<td>125,67</td>
<td>100,09</td>
<td>125,44</td>
<td>91,45</td>
<td></td>
</tr>
</tbody>
</table>

Survey NEA Transport research and training, most recent year available (2000 or 2001)

The number of train kilometres per inhabitant in Finland is very low and only the figure in Ireland is lower. The low figure is mainly caused by the modest network and the widely spread population in Finland. The passenger kilometres per inhabitant indicator is comparatively low, which is related to the low supply. Among the transport systems selected for comparison, Austria has the highest level of use in terms of passenger...
kilometres per inhabitant. This is related to a large supply and a pro-rail policy based on the objective to protect the vulnerable natural environment in Austria. In Finland, the number of passenger kilometres in relation to the number of train kilometres can be considered average (115). However, given the widely spread population, this value can be considered as remarkably good. In the Netherlands and Ireland the ratio is higher, in Belgium and Austria the ratio is 100 or less. Annual growth in the use of heavy rail is below average in Finland; only Austria has a lower annual growth rate. One of the reasons for the low growth in Finland is the migration of people from the outer regions towards urban areas. Turnover per passenger kilometres (total revenues from passengers, contracts and subsidies together) in Finland is below average; the revenue per passenger kilometre is average, the subsidies are below average and as a result the cost coverage ratio is high. Only in the Netherlands is the cost coverage ratio higher. It can be concluded that the Finnish system is very efficient.

Compared to the other systems, Finland has the lowest absolute subsidy level. Large amounts of subsidy are provided in Austria and Belgium. Both countries have a relatively large network, yielding a combination of high ridership per inhabitant, high supply and low cost coverage. In Finland, subsidies per passenger and per passenger kilometre are also low. The only other country that combines a low subsidy level and high ridership is the Netherlands. The Netherlands has a relatively small rail network (rail line km per inhabitant). This network is used in a very intensive way: almost every route is used to capacity. The nature of subsidies in Finland has shifted from loss compensation towards specific contracts for loss-making services. This gives a more transparent view of the financial flows between authority and operator. Moreover, it is more in line with the European Union approach of subsidising with a focus on public service requirements set by the principal who contracts out the services rather than on public service obligations. This process has not yet started in Belgium and Austria.

In a recent European Union sponsored benchmarking project on passenger rail transport\(^\text{13}\), it was concluded that Finland could be regarded as the benchmark in improving punctuality. The European Commission’s Eurobarometer survey showed that the level of satisfaction of users of intercity rail services in Finland was the fourth highest among the 15 EU Member States.

\(^\text{13}\)The project 'Benchmarking Of Benchmarking' was carried out under the EU Fifth Framework Programme for Research and Development. For more information: www.bestransport.org.
2.3 Urban and Regional Transport and Long-Distance Services

2.3.1 Overview

Urban public transport in Finland consists of two main types of organisational forms. In the big cities - the Helsinki Metropolitan Area and in the cities of Turku and Tampere - responsibility for public transport services is entirely in the hands of the public transport authority. In other urban areas - in middle-sized cities - public transport is based on market initiative and authorisation. If this type of transport cannot be operated on a revenue basis, services are tendered.

Responsibility for regional transport is mainly in the hands of the provinces while responsibility for local transport is mainly in the hands of the municipalities. In addition to responsibility for public transport, municipalities are responsible for the transport of school children and the disabled. The Social Security Institution is responsible for health care-related transport. Municipalities’ obligations to ensure the transport of school children and the disabled are determined by minimum legal standards. In addition to buses, demand responsive transport and taxis play an important role here.

In the Helsinki Metropolitan Area and Turku, there are both municipal actors and private operators, which operate public transport services under a contract with the public transport authority. In Tampere public transport is operated under public management. In the middle-sized cities, except in the City of Pori, all the operators are privately owned. Rail systems are operated only in the Helsinki Metropolitan Area; trains offer contracted services for the region while trams and the metro are operated in the City of Helsinki as public management.

The possibility to tender public transport services in Finland was introduced in 1991 when a new law concerning public transport was enacted. The Helsinki Metropolitan Area Council (YTV) arranged the first tendering in 1994. The results of the tendering were a great success; the price level went down by 33%, the bus fleet was new and the level of service was very satisfactory\(^{14}\). Some problems concerning employment arose in cases when unsuccessful operators were forced to adjust to the new situation by reducing costs, e.g. by laying off employees. By the year 2002, all regional and local services had been tendered in the Helsinki Metropolitan Area. In Turku most local services are tendered. The price level stabilised between 1995 and 2000 at about 20-25% below the previous contracted price level. The most recent tenders have shown, for the first time since the opening of the market, an increase in price of 5-10%. The quality

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\(^{14}\) In a benchmarking project initiated by Storstockholms Lokaltrafik (Stockholm Public Transport Authority) a comparison was made (in 2001) between nine cities: Barcelona, Copenhagen, Geneva, Helsinki, London, Manchester, Oslo, Stockholm and Vienna. Helsinki’s score was very positive, coming first for citizen satisfaction, value for money and loyalty, second for reliability and third for traffic supply and social image. For more information: best2005.net
results of the tendered services have proved to be very high. At the moment the tendering of bus services continues. There is currently debate about the tendering of regional trains, but according to the MTC proposal, the railways will not be opened to competition for the time being except for international freight services.

In Tampere the organisational structure has remained unchanged. In the middle-sized cities the organisational structure is also still based on market initiative and authorisation. The responsibility of the municipalities increased when they began to subsidise fares.

Outside the Helsinki Metropolitan Area public services are mainly rendered on the basis of companies’ initiatives. If an operator wishes to stop operating a line or if contracts expire, the authorities request other operators to apply for an authorisation to operate the line. Every operator is free to submit an application for an authorisation. By doing so, authorities try to have the services operated without subsidies. For both urban and regional transport, excluding long-distance transport, public transport companies take the financial responsibility through net-cost contracts. Companies are also responsible for planning routes and timetables. For urban services ticket prices are subsidised by the state and the municipalities. Outside the urban areas, when necessary services cannot be run on the basis of revenues from passengers, often because of the low density of the population in a rural area, transport services are purchased through a tendering system. There are areas where up to 50% of the regional transport services are being purchased by the authorities.

Outside the Helsinki Metropolitan Area, more than 400 bus transport companies are working closely together within the Bus and Coach Association. The market share of the association totals 70% of the bus market outside the metropolitan area. In theory, after five or ten years, new companies may enter this market by challenging the existing enterprises as their licences expire. However, there have to date been no reports of this occurring.

The long-distance transport market is a commercial market without subsidies and the involvement of the authorities is restricted to licensing. This is carried out by the provincial authorities in cases where services do not cross provincial borders; in other cases the MTC is the licensing authority. Rejection of licences is rare, but may take place if the new route disturbs existing services. The quality of services must be good even if passenger volumes are low. If more than one application has been made for a route, the authorisation will be granted to the one who offers the best service from the passenger’s point of view (e.g. provision of integrated services) and, in the second place, the highest economic efficiency. If the applications are equal, authorities tend to award the licence to new companies on a certain route. The transport of parcels is an important additional source of revenue for long-distance transport operators.
Throughout Finland, a comprehensive system of bus terminals offers services for both passenger and freight (mainly parcels) transport. This system, Matkahuolto, is owned by the Finnish Bus and Coach Association. At the stations information on timetables is available and tickets can be purchased. The system is business based and there is no operational support from the government.

2.3.2 Urban, Regional and Long-Distance Transport in a European Perspective

Urban and suburban transport in the Helsinki Metropolitan Area is organised by a regional transport authority. This model is very common in Europe. In the metropolitan area all bus transport is tendered, while rail transport will not be tendered in the coming years. As a general remark it can be stated that the development of competition is slow in capitals compared to other cities. Reasons given are the complexity of the network and the difficulties in tendering urban rail services, but political factors also play a part. Generally the introduction of competition in metropolitan areas starts in the bus sector in suburban areas or through subcontracting.

In Oslo and in Brussels the situation is still the classical one as the municipal transport company is not in competition with private operators, but has to fulfil ‘efficiency agreements’ or management contracts. In both cities no changes are foreseen in the near future. In Vienna the Wiener Linien, the municipal passenger transport company, has recently changed into a joint stock company, but is still owned by the municipality. This change makes future competition possible. The private sector is represented through subcontracting in the bus sector. In Amsterdam, the ROA, the regional authority, organises local and regional transport, apart from the lines of the national railway system. The municipal passenger transport company is the main operator of public transport; suburban services are carried out by another (publicly owned) operator. Due to new Dutch passenger transport law, tendering has to be introduced in all modes; the preparation of transforming the municipal company into a shareholding company has been slowed down after a referendum in which Amsterdam voters rejected the plan. In Stockholm, AB Storstockholms Lokaltrafik (SL) is responsible for all local public transport in the region, including bus, commuter train, metro and local train services. Basic principles of procurement in the SL model are the procurement of functions, not of details in planning and production, and the procurement of districts, not of single routes. Here SL sold ownership of its bus-operating and train-operating subsidiaries. Today three companies operate bus services and two companies operate railway services in Stockholm. In Copenhagen the process of tendering in the bus sector has been completed. The model of gross cost contracts has been copied in many cities and has the same nature as tendering in the Helsinki Metropolitan Area. In Dublin private bus operators were given licences alongside the two publicly owned bus companies. (Dublin Bus and Irish Bus). These private operators will significantly increase the presence of private bus operators in Dublin.
In conclusion, it can be stated that the Helsinki Metropolitan Area is within the main stream of developments from the classical organisation to the new organisation of public transport management. A positive element is the level of integration of VR in the YTV’s system; in several agglomerations this integration is only partial. Enlarging the Helsinki Metropolitan Area would give potential for further improvements. The process of privatisation of the municipal carrier takes a long time in many capital cities. Only in a limited number of cases has competition in urban rail systems been introduced.

Stockholm, Oslo, Amsterdam, Brussels and Vienna have been chosen as cases for comparison with the Helsinki Metropolitan Area. These cities are medium-sized capital cities in medium-sized countries, and they all carry passengers by bus, tram and metro. The systems cover more than one municipality, and data could be made available. With regard to Vienna it must be stated that the figures are related to the city only. The city takes part in a large transport authority with an area over 1000 km². All figures are related to the modes bus, tram and metro. Suburban rail services are excluded in all cases.
Supply in terms of vehicle kilometres per inhabitant (R12) is the highest in **Stockholm**, followed by Helsinki. In the other systems the supply is considerably lower. Given the fact that supply is related to the size of cities (the largest cities in Europe have the highest supply per inhabitant) and that the Helsinki Metropolitan Area is the agglomeration with the second lowest population in the comparison, supply in the area is high. The use of public transport in terms of passengers per inhabitant or passenger kilometres per inhabitant is rather average. Being the second smallest city this is also a relatively good position. Loadings in terms of average number of passengers per vehicle are the lowest in Finland; this is the logical result of high supply in combination with average consumption.

Annual growth in Helsinki is above average; all systems do show some growth. The segment of metropolitan areas is one of the few markets in public transport in Europe
that is growing. The specific higher growth in Helsinki is related to the fact that in the Helsinki Metropolitan Area the population is growing; this is not the case in most other agglomerations in the comparison.

Turnover per passenger and per passenger kilometre are below average. Combined with the low loading factor this implies that public transport in Helsinki is relatively efficient. This is shown by indicator R9 Turnover per km, where Helsinki has a good (low) score. Another efficient system is Stockholm; here competition has been introduced in all modes. The other four systems are less efficient and have not introduced competition on a large scale. One factor of importance for efficiency of production is the average speed (vehicle km/vehicle hours). This ratio is relatively good (high) in Helsinki given the structure of the area and the availability of bus and tramlines at several places in the city.

Revenues from ticket sales are average (only in Oslo is public transport far more expensive); with Stockholm, Helsinki has the lowest subsidies per passenger kilometre in the comparison. In Oslo, the total subsidy level is the lowest of all the cities, and the cost coverage ratio by ticket sales is the highest of all; the high fare level in Oslo is the main cause. Moreover, with regard to the absolute amount of subsidies it should be noted that Oslo has fewer inhabitants compared to Helsinki. In the various cities the nature of the subsidies is different. All cities involved in the comparison have ended the practice of subsidising losses at the end of the year. Most cities use approved budgets with, in some cases, incentives for operators for increasing revenues. In Amsterdam operators are fully responsible both for costs and revenues. In the other cities without competition the traditional system through yearly budget approval takes place, making the operator responsible in practice for both costs and revenues. Since the municipality is the owner of the main operator this responsibility flows back to the public sector. In Helsinki the operators work on the basis of gross costs; the authority is partly financed by revenues supplied by the participating municipalities.

In Finland urban and regional transport outside the metropolitan area is mostly organised by private operators under authorisation. In most countries private carriers are active in regional markets, and a system of licensing is common. In many countries regional authorities have a coordinating role; in Finland these types of authorities do not exist (outside the Helsinki Metropolitan Area); the role of authorities is mainly restricted to licensing. In urban transport the process towards competition has begun but is still in process.

The minor role of regional authorities in Finland can be shown in two areas. Firstly, regional transport is not organised by regional authorities, except in the case of the Helsinki Metropolitan Area. This has led to the absence of a coordinated network, and a sub-optimal level (efficiency of operations) of use of public transport. This also applies
to suburban transport between Helsinki and the municipalities just outside the Helsinki Metropolitan Area. The solution in this case could be a (voluntary) regional transport authority organised by the participating municipalities. In the greater Helsinki case solutions could be the enlargement of YTV or a cooperation agreement between YTV and other municipalities. Secondly, at regional and local levels, several types of transport are organised: public transport, transport of school children, transport in relation to health centres and transport facilities for social reasons. Due to the limited scale of these flows, the organisation in many cases takes place by people on a part-time basis with a professional background not within transport. Coordination by a regional centre staffed with professional transport planners would create savings and raise quality.

In order to facilitate adequate provision of public transport, in Sweden a transport authority in each county is responsible for all local and regional scheduled public transport services. Almost all services are now tendered. The private sector dominates, with 65% of the market share. In 2005 the Netherlands will be in the same situation as Sweden today, with the exception that no public company will be allowed to tender. At the present time, tendering has only just started in some regions of the Netherlands. At first it will take place in regional transport and later in smaller urban systems. In the larger cities with urban rail systems, competition will start in the bus sector. In France tendering in urban systems is common. In practice most of these tenders are management contracting procedures, as the staff, garages and rolling stock belong to the authorities. In Norway the national government has a limited role in the area of local public transport. Within this context, different counties have developed different organisational forms and contractual types, ranging from tendering regimes to innovative performance-based incentive contracts. In Ireland, Irish Bus provides all bus services outside Dublin. This is a publicly owned company. In contrast to Dublin bus, which operates in competition with private companies, Irish Bus operates within a monopoly. In Belgium regional urban transport is organised by the two ‘gewesten’ (regions) - Flanders and Walloon - and is subdivided into autonomous operating companies in each province. Both these companies are public companies working with performance contracts. Both companies work with subcontracts to private companies: 40% of the services in Flanders and 26% in Walloon are subcontracted.

The Finnish urban and regional market shows a mixed picture of private and public initiatives. Due to the absence of regional transport authorities this picture may appear somewhat diffuse, although Provincial State Offices do play a role here.

The following cases for comparison have been selected:
- Urban and regional bus transport in Norway;
- The Netherlands outside the metropolitan areas;
- The Flanders region in Belgium;
- The Shires (thinly populated areas) in England; and
- The bus market in Sweden outside Stockholm.

All these systems have a mix of urban transport (in medium-sized and smaller towns) and regional transport. The Finnish market segments – urban on the one hand and regional on the other – are positioned at both ends of the range of the other systems in this comparison.

**Urban systems and Regional Transport, annually**

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</tr>
</thead>
<tbody>
<tr>
<td>E1 Number of Inhabitants (x 1 million)</td>
<td>1.34</td>
<td>3.86</td>
<td>4.48</td>
<td>10.30</td>
<td>5.94</td>
<td>23.10</td>
<td>7.27</td>
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<tr>
<td>E2 Surface (km²)</td>
<td>1.509</td>
<td>302.964</td>
<td>323.759</td>
<td>27.145</td>
<td>13.500</td>
<td>109.210</td>
<td>394.700</td>
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<tr>
<td>E3 Inhabitants / km²</td>
<td>888.01</td>
<td>12.74</td>
<td>13.84</td>
<td>378.44</td>
<td>440</td>
<td>211.52</td>
<td>18.42</td>
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<tr>
<td>E4 Number of passengers (x 1 million)</td>
<td>342.30</td>
<td>114.50</td>
<td>307.50</td>
<td>207.90</td>
<td>240.41</td>
<td>1.236</td>
<td>440</td>
</tr>
<tr>
<td>E5 Passenger km (x1 million)</td>
<td>1.938</td>
<td>1.650</td>
<td>4.248</td>
<td>2.112</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E6 Passenger km / passenger</td>
<td>5.66</td>
<td>14.41</td>
<td>13.81</td>
<td>10.16</td>
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<td></td>
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<tr>
<td>E7 Total subsidies (x € 1 million)</td>
<td>84</td>
<td>133</td>
<td>203</td>
<td>373.20</td>
<td>319.43</td>
<td>392</td>
<td>400</td>
</tr>
<tr>
<td>E8 Vehicle km (x 1 million)</td>
<td>117.80</td>
<td>189.40</td>
<td>384.40</td>
<td>242</td>
<td>130.55</td>
<td>1.112</td>
<td>450</td>
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</tbody>
</table>

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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>R1 Turnover (€) / passenger km.</td>
<td>0.14</td>
<td>0.22</td>
<td>0.14</td>
<td>0.26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R2 Turnover (€) / passengers</td>
<td>0.77</td>
<td>3.14</td>
<td>1.87</td>
<td>2.59</td>
<td>1.74</td>
<td>1.52</td>
<td>2.18</td>
</tr>
<tr>
<td>R3 Revenues (€) / passenger km.</td>
<td>0.09</td>
<td>0.14</td>
<td>0.09</td>
<td>0.10</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>R4 Revenues (€) / passengers</td>
<td>0.52</td>
<td>1.99</td>
<td>1.22</td>
<td>0.97</td>
<td>0.53</td>
<td>1.20</td>
<td>1.27</td>
</tr>
<tr>
<td>R5 Subsidies (€) / passenger km.</td>
<td>0.04</td>
<td>0.08</td>
<td>0.05</td>
<td>0.18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R6 Subsidies (€) / passengers</td>
<td>0.25</td>
<td>1.16</td>
<td>0.66</td>
<td>1.80</td>
<td>1.33</td>
<td>0.32</td>
<td>0.91</td>
</tr>
<tr>
<td>R7 Passenger km. / inhabitants</td>
<td>1.446.27</td>
<td>427.46</td>
<td>948.23</td>
<td>205.05</td>
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<td></td>
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</tr>
<tr>
<td>R8 Passengers / inhabitants</td>
<td>255.45</td>
<td>29.06</td>
<td>68.64</td>
<td>20.18</td>
<td>40.47</td>
<td>53.51</td>
<td>60.52</td>
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<tr>
<td>R9 Turnover (€) / vehicle km.</td>
<td>2.23</td>
<td>1.99</td>
<td>1.50</td>
<td>2.23</td>
<td>3.23</td>
<td>1.69</td>
<td>2.13</td>
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<tr>
<td>R10 Ticket sales revenues (% of total turnover)</td>
<td>68.38</td>
<td>63.26</td>
<td>63</td>
<td>37.50</td>
<td>30.50</td>
<td>79</td>
<td>58</td>
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<tr>
<td>R11 Annual growth transport (%)</td>
<td>3.50</td>
<td>0.50</td>
<td>-2</td>
<td>2.90</td>
<td>-0.50</td>
<td>4</td>
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<tr>
<td>R12 Vehicle km / inhabitant</td>
<td>87.91</td>
<td>49.07</td>
<td>85.80</td>
<td>23.50</td>
<td>21.98</td>
<td>48.14</td>
<td>61.90</td>
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<tr>
<td>R13 Average loading/vehicle (number of passengers)</td>
<td>16.45</td>
<td>8.71</td>
<td>11.09</td>
<td>8.73</td>
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</tbody>
</table>

*Survey NEA Transport research and training, most recent year available (2000 or 2001)*

Note: In Finland the urban services are those of Helsinki, Turku and Tampere combined. Regional transport does not include the long-distance bus services.
Supply in terms of vehicle kilometre per inhabitant is higher in urban markets compared to regional markets. In the Netherlands and Flanders the supply is relatively low. In Finland, use of urban transport is high; however this includes Helsinki, which is a relatively large city within this comparison. In several regional markets turnover per vehicle kilometre is low; it is much lower here compared to metropolitan areas. Private firms with a cost-efficient structure are typical operators of this transport in many countries. The system in Flanders is public, but uses subcontracting to a large extent. Costs coverage is higher on average compared to metropolitan areas, except in the Netherlands and Belgium. In the Netherlands competition in regional transport is starting. In Flanders it is policy to keep tariffs low; this implies the need for subsidies.

As mentioned earlier, the long-distance transport market is a commercial market without subsidies and the involvement of the authorities is restricted to licensing. Long-distance buses are an unusual phenomenon in Europe. In various countries the position of the train is protected from bus competition, so long-distance bus networks are most common in European countries with a sparse railway network. Besides Finland, this is the case in Norway, Ireland, Spain, Portugal, Greece and – in strong competition with rail – Great Britain.

The importance of long-distance buses for remote regions without rail connections is obvious; of the total transport market in Finland, the share of the long distance bus market is approximately 20% of the passenger kilometres of the railways. However, in terms of the number of journeys the importance of the long-distance bus market is limited. Every inhabitant of Finland makes on average 1.5 journeys by long-distance bus per year. In most other countries long-distance buses are run commercially. In Greece, where a monopoly of a public company exists, no subsidies for long-distance transport are given. In most other countries with long-distance bus transport, various companies participate in the market.

Long-distance bus services do not exist in many European countries. Where they do exist, they are mostly unsubsidised (apart from revenue compensations for specific target groups). Due to this, in most cases commercial information is regarded as confidential and it is difficult to obtain cases for comparison. It was possible to gather some information from Spain, Norway, and Ireland.
### Long-Distance Coach, annually

<table>
<thead>
<tr>
<th>Characteristics ----&gt;</th>
<th>Finland</th>
<th>Spain</th>
<th>Norway</th>
<th>Ireland</th>
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<tbody>
<tr>
<td>Long-Distance Coach</td>
<td></td>
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</tr>
<tr>
<td>C1 Number of Inhabitants (x 1 million)</td>
<td>5,19</td>
<td>39,44</td>
<td>4,48</td>
<td>2,32</td>
</tr>
<tr>
<td>C2 Surface km2</td>
<td>304,473</td>
<td>505,000</td>
<td>323,759</td>
<td>63,295</td>
</tr>
<tr>
<td>C3 Inhabitants /km2</td>
<td>15</td>
<td>78,10</td>
<td>13,84</td>
<td>36,65</td>
</tr>
<tr>
<td>C4 Number of passengers (x 1 million)</td>
<td>7,41</td>
<td>1,429</td>
<td>3,40</td>
<td>84,30</td>
</tr>
<tr>
<td>C5 Passenger km (x1 million)</td>
<td>675,80</td>
<td>44,746</td>
<td>440</td>
<td></td>
</tr>
<tr>
<td>C6 Passenger km / passenger</td>
<td>91,20</td>
<td>31,31</td>
<td>129,41</td>
<td></td>
</tr>
<tr>
<td>C7 Total subsidies (x1 million)</td>
<td>58,17</td>
<td>31,31</td>
<td>129,41</td>
<td>27,60</td>
</tr>
<tr>
<td>C8 Vehicle km (x 1 million)</td>
<td>63,80</td>
<td>1,877</td>
<td>26</td>
<td>73,60</td>
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</table>

<table>
<thead>
<tr>
<th>Ratios ----&gt;</th>
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<th>Spain</th>
<th>Norway</th>
<th>Ireland</th>
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<tr>
<td>Long-Distance Coach</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>R1 Turnover (€)/ passenger km.</td>
<td>0,11</td>
<td>0,05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R2 Turnover (€)/ passengers</td>
<td>10</td>
<td>1,60</td>
<td>2,08</td>
<td></td>
</tr>
<tr>
<td>R3 Revenues (€) / passenger km.</td>
<td>0,11</td>
<td>0,05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R4 Revenues (€) / passengers</td>
<td>10</td>
<td>1,55</td>
<td>1,89</td>
<td></td>
</tr>
<tr>
<td>R5 Subsidies (€) / passenger km.</td>
<td>0</td>
<td></td>
<td>0,01</td>
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</tr>
<tr>
<td>R6 Subsidies (€) / passengers</td>
<td>0</td>
<td>0,04</td>
<td>1,18</td>
<td>0,33</td>
</tr>
<tr>
<td>R7 Passenger km. / inhabitants</td>
<td>130,21</td>
<td>1,134,53</td>
<td>98,21</td>
<td></td>
</tr>
<tr>
<td>R8 Passengers / inhabitants</td>
<td>1,43</td>
<td>36,23</td>
<td>0,76</td>
<td>36,34</td>
</tr>
<tr>
<td>R9 Ticket sales revenues (%)</td>
<td>11,16</td>
<td>1,21</td>
<td>2,38</td>
<td></td>
</tr>
<tr>
<td>R10 Annual growth transport (%)</td>
<td>1</td>
<td>8,20</td>
<td>2,20</td>
<td></td>
</tr>
<tr>
<td>R11 Vehicle km / inhabitant</td>
<td>12,29</td>
<td>47,59</td>
<td>5,80</td>
<td>31,72</td>
</tr>
<tr>
<td>R12 Average loading/vehicle</td>
<td>10,59</td>
<td>23,84</td>
<td>16,92</td>
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</tbody>
</table>

Survey NEA Transport research and training, most recent year available (2000 or 2001)

In all four countries population density is low and the railway network is rather thin. This provides scope for a long-distance bus network, alongside the role of the railways. The average distance per passenger is highest in **Norway** and **Finland**. The markets for long-distance transport in these countries are better separated compared to the markets in **Spain** and **Ireland**. The economic strength of the sector in Finland can be illustrated by the fact that the sector manages to survive without subsidies on a basis of less than an average of 11 passengers in a bus.
3 ASSESSING THE ROLE OF THE MINISTRY OF TRANSPORT AND COMMUNICATIONS

This chapter provides an overall assessment of the MTC’s public transport strategy, as set out in its document *Public Transport – An Attractive Alternative* (December 2001). The first part of the chapter gives an analysis of the strategy’s policy objectives and measures. The second part summarises the feedback from the Finnish stakeholders who were consulted as part of the evaluation process. The final part has been written by the peer reviewers from the Ministries of Transport in the Netherlands and Switzerland, and it sets out their assessment of the MTC’s transport policy objectives and the MTC’s role in the implementation of its public transport strategy.

3.1 Overview of the Public Transport Strategy

3.1.1 Introduction

This assessment of the MTC's public transport strategy has been focused on the coherence, consistency and comprehensiveness of the strategy, and on the adequacy of the measures proposed to deliver the intended outcomes. As a framework for this analysis, a policy evaluation model has been used which is designed to elucidate the logical links between intended outcomes, outputs and inputs, as shown in outline below:

In this model, public policies are seen as underpinned by explicit or implicit assumptions of causality. The measures or instruments adopted by government are intended to generate tangible outputs, which are in turn expected to impact on the behaviour of individuals or organisations and result in a certain outcome. The outcome
should be seen as a desired change (or sometimes arresting of undesirable change) in the social, economic or natural environment. A complex sequence of activities may be envisaged, involving several intermediate stages, and more than one strand of activity may be required to deliver the outcome. In order to test the coherence of a policy or strategy, it is generally helpful to begin with its ultimate objective or aim, seen in terms of outcome, and to work back from that point.

3.1.2 The Aim of the Policy

The aim or ultimate objective of the Finnish Government’s transport policy is stated in the 2001 public transport strategy document to be “smart, sustainable transport that takes into account economic, ecological, social and cultural perspectives.” This is consistent with the aim articulated in the more comprehensive strategy document Towards Intelligent and Sustainable Transport 2025 (November 2000), with which the public transport strategy is linked. As a broad aim, or expression of a policy vision, it provides adequate direction for the development of more detailed statements of policy, which should show how this outcome is to be delivered. “Sustainable” is defined in the public transport document as meaning “in accordance with the principles of sustainable development”. “Smart” or “intelligent” is defined in the general transport strategy as relating to the use of intelligent technology, and in more detail in the Ministry’s Research and Development Strategy 2002, which refers to the wide use of information technology (increasingly using real-time data) in personal mobility solutions and in transport services and administration systems.

The strategy would be strengthened if it were possible to state more explicitly what economic, ecological, social and cultural results are being aimed at, or what the conditions of success in relation to these issues would be. Whilst it is commendable that transport policy is expressed in a way that acknowledges the wider public policy context, from an evaluation point of view the present formulation is not sufficiently specific for it to be possible to establish whether the aim has ever been achieved.

The aim rightly draws attention to the fact that transport policy cannot be seen as standing alone, but has necessary links to a large number of other “families” of policies. It indicates that the strategy for delivering this goal will have implications for a large number of other central government bodies, especially those with responsibility for education, health, environmental protection, regional development, tourism, land use and local government. Indeed, many of the specific measures that are proposed to deliver the consequent policy objectives envisage the MTC as playing a coordinating role in relation to a range of other actors at central, provincial, regional and local level. Whilst, however, the need for the support and collaboration of these actors is acknowledged in the strategy, little is said about the instruments by which this has been (or will be) secured and will be maintained. The evidence gained in interviews during this study suggests that contacts tend at present to take the form of bilateral discussions
between Ministries, rather than of any kind of multilateral forum which would enable differing policy needs to be exposed and solutions negotiated and agreed. It also appears that public transport issues do not currently have sufficient political salience for leadership of such discussions at Ministerial level to be a high priority. Nevertheless, transport policy poses some intense challenges in achieving integrated (“joined-up” or “whole-of-government”) policy-making and implementation, and the mechanisms for tackling these need to be made explicit.

A particular instance concerns land use planning. Complex cross-cutting problems are presented by the need, particularly in the Helsinki region but also in the other large cities, to promote economic growth while avoiding urban sprawl. These problems are clearly recognised by officials in the Ministry of the Environment, and feature prominently in the OECD's *Territorial Review on Helsinki, Finland* (November 2002). Some of the inter-linking factors involved are:

- The high degree of autonomy enjoyed by municipal authorities, and strong commitment to subsidiarity in Finnish constitutional structures;
- The tendency of municipalities to compete for new development opportunities, in order to expand their local tax base;
- The limited machinery for ensuring cooperation between municipalities in planning development and investment in infrastructure (though some good recent examples of voluntary collaboration, for instance between Kerava and Vantaa, have been cited);
- The fact that municipalities do not take serious account of land use issues in the comprehensive transport plans that they have been obliged to produce since 1992;
- Established social attitudes (some interviewees have remarked on the preference of Finnish people to live if they can in forest and lakeside settings whilst enjoying access to urban amenities and services);
- Tax deductions which offset the cost of commuting whether by private car or by public transport, and public subsidies for commuter fares (which whilst they may encourage commuting by public transport nonetheless encourage people to live further from their place of work);
- The obligation on municipalities to provide transportation for education, health and social services purposes, which effectively enables individuals to externalise some of the cost consequences of their personal location decisions, and will become increasingly burdensome to the public purse as the population ages.

All of these contribute to the creation of increasingly sprawling and open community structures, which have undesirable impacts both on the environment and on the quality of life. In themselves these structures generate trips, compared with more integrated forms of urban development, and because they are inimical to efficient and effective public transport services they tend to tilt the modal split in favour of private cars.
Already in the Helsinki region public transport is said to account for only 20% of circumferential travel – that is to say, between the growing communities on the periphery of the urban agglomeration – compared with 50% on radial routes. On present trends this situation could be expected to worsen if corrective policy action is not taken. The public transport strategy does not, however, indicate by what means the interactions between various strands of government policy can be examined, and coordinated solutions arrived at. At least five Ministries – MTC, Finance, Social Affairs and Health, Environment and the Interior – have an interest in this issue. The interaction between patterns of development, the total number of journeys generated and the modal split between them is relevant in particular to the State's ability to deliver reductions in the emission of greenhouse gases. The public transport strategy has, as the document itself acknowledges, the potential to provide a focus for efforts to find an integrated approach to a complex problem, but this is not at present fully realised. More attention needs to be given to the practical means by which the debate within government can be taken forward.

3.1.3 The Strategic Environment

Strategic planning methodologies commonly require the high-level statement of aim to be placed in the context of a review of the current operating environment. Making explicit at the outset what is known or thought about present and predicted future trends, policy constraints or pre-conditions and the current state of the industry, and about what is expected to assist or hinder achievement of the aim, provides an essential context for planning. In *Public Transport – An Attractive Alternative* some of the policy pre-conditions are well articulated: in particular, the expectation that public transport provision will continue to be founded on market-driven, operator-initiated services, with public support and/or direction only where necessary. Other constraints and contextual assumptions emerge at various points in the strategy document, explicitly or implicitly. For example, much of the logic of the strategy depends on the assumption that modal split can be influenced by improving the attractiveness of public transport without taking further measures to discourage the use of private cars, but because of the evident sensitivity of the issue this is not openly discussed. The overall approach would be strengthened if such assumed pre-conditions were made overt and examined more fully.

Similarly, neither the current state of the public transport industry nor the view taken of likely future trends (for example in car use) is clearly described within the strategy. Aspects of the present modal split, and of trends in volume and expenditure, are set out. There is, though, no clear statement of the balance between self-supporting and purchased services, of the interactions between the various means of public support for the industry (for example through the purchase of services and through discounted ticketing systems), and of the totality of public expenditure involved (including both that carried on the Ministry’s own budget and that by municipalities). Moreover, various factors are referred to at various points in the strategy in ways that suggest they
have been identified as significant weaknesses in the present system, but this identification is not made explicit, explained or quantified. Examples include references to the fragmented transport funding system, to the need for new and more economical rail rolling stock, to the low esteem of jobs in the transport sector and to the need for bus driver training in customer service. Frameworks for analysis such as PESTEL\(^{15}\) and SWOT\(^{16}\), which provide useful support in carrying out a comprehensive review of the context in which a strategy is being formulated, can also assist in the presentation of the problems which need to be tackled. The use of scenario planning techniques would enable possible future environments to be examined under various conditions (for example, taking account of possible significant changes in energy costs).

### 3.1.4 Policy Objectives

The strategy envisages that the policy aim will largely be delivered by achievement of two prior objectives, both of which can be seen as representing planned outcomes. They are:

(i) Maintaining and increasing the market share of environmentally sustainable modes of transport (non-motorised and public).

(ii) Securing basic transport services, particularly for the benefit of those in rural areas who do not own a car, in order to ensure both social equity and equity between regions with regard to development.

It is implied that other strands of activity will contribute to achievement of the ultimate aim. In practice, however, *Public Transport – An Attractive Alternative* is concerned primarily with the provision of bus, coach and rail services, and with the promotion of non-motorised transport modes. It makes only a passing reference to aviation, does not deal with ferries, and does not contain any proposals directed at discouraging private car use\(^{17}\). Little is in fact said about intermodal issues, such as the possible beneficial impact of measures to promote the carriage of bicycles on trains. Nor is the strategy clear about the place to be played by taxi services in public transport policy. There is some reference to the use of taxis in rural areas, but little is said about the integration of taxi services with other transport modes, or about how they are seen to fit into the fabric of urban transport provision.

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\(^{15}\) *Political, Economic, Social, Technological, Environmental and Legal*

\(^{16}\) *Strengths, Weaknesses, Opportunities, Threats*

\(^{17}\) *Aviation is not included in the MTC Passenger Transport Unit's responsibilities. Ferries are not considered by the MTC to be an important part of the passenger transport system, but it would be helpful if this assumption could be made explicit.*
It is perfectly acceptable for a strategy to deal with only a sub-set of the activities that are expected to contribute to achievement of the final aim. Nevertheless, it would aid clarity if its boundaries were to be made explicit and their rationale explained.

3.1.5 Achieving the Market Share Objective

The next step is to examine more closely the strands of policy action that are proposed in relation to each of the two intermediate outcome objectives. These should reflect policy-makers' view of what obstacles need to be surmounted or what conditions changed in order to deliver the government’s stated aim, and be designed to generate outputs that will bring about the desired change. It is useful to test the robustness of the proposed approach in these general terms before examining the specific constituent measures of the strategy.

The underlying logic of the plan for delivering an increased market share for public transport is that improvements in the accessibility, efficiency, quality and safety of public transport services and in the functionality of travel chains will increase the attractiveness of these services to potential passengers. This will result both in the desired modal shift away from private cars, and in increases in profitability that will permit increased investment in service quality, thus creating a virtuous circle leading to still higher passenger volumes. Similarly, improvements in the safety of and environment for non-motorised transport (i.e. cycling and walking), including improved travel chain functionality, are expected to result in increased use of these modes in preference to driving.

It is not envisaged that the predicted increases in profitability will reduce or eliminate the need for public expenditure in support of long-distance and urban public transport by either road or rail. The financial objective is rather to protect the public transport budget, and to provide greater outputs and improved outcomes whilst containing the cost to the public purse at broadly constant levels in real terms.

This logic is coherent in itself, but is not supported in the strategy document by any objective evidence concerning the reasons why people choose to travel by private car rather than by public or non-motorised transport in various circumstances. The assumed reasons for the relative unattractiveness of sustainable modes are plausible \textit{a priori}, but without more evidence it is impossible to demonstrate the relative importance of the different factors, and thus that the proposed measures are targeting effort and resources in the most effective way. Nor in fact can it be shown that the proposed inputs will be sufficient, especially without significant public investment at the outset, to overcome the barriers to use and thus to kick-start the intended virtuous circle. This is particularly the case as the strategy has opted to address the problems of making public transport more attractive to potential users without also examining complementary measures to discourage private car use. Although the political and presentational sensitivities
surrounding this issue are understood, it might result in a more cost-effective set of measures if a combination of incentives and disincentives were to be developed. These might include positive inducements to change the pattern of car use, such as fiscal measures to encourage car pooling or car sharing, as well as more negative measures such as restrictions on road access for single-occupant vehicles in congested areas. It is argued by some that there are already significant disincentives to car use, for example through fuel prices and parking policy, but these comprise part of the pattern of factors that have resulted in the current modal split; to influence this further more will need to be done.

More needs to be known and made explicit in the argument about how much travellers value the use of their private car and what would be required to persuade them to abandon it for different kinds of journey – in other words, to “buy out” that preference. Techniques of economic appraisal, of which hedonic pricing is a subset, can be used to determine people’s revealed or stated preferences. The work needed to attribute monetary values to essentially subjective factors can itself be expensive, and does not necessarily deliver a high degree of certainty. Nevertheless, it would be possible to go considerably further in this direction than the strategy currently does, and to quantify both the intrinsic value placed by travellers on private car use and the value they would attach to various aspects of public transport improvement.

Without the evidence to support some detailed modelling of behavioural change and its costs and benefits, it is not possible to show that the virtuous circle on which this part of the strategy is founded is anything more than wishful thinking. In fact, none of the stakeholders consulted in the course of this study thought that it would be feasible to do more than to maintain the present modal share for public transport in urban areas, and several were of the opinion that even this would be a challenging target. Others felt that investments in metro and rail systems in the Helsinki area and in inter-city rail connections could result in increases in market share on those routes, but expected to see a decrease in the public transport share overall. The OECD’s Helsinki territorial review also speaks in terms of maintaining rather than increasing the present modal split. In circumstances of economic growth and increasing mobility, the growth of travel by public transport in absolute terms may be sufficient to support increased profitability and investment even if relative market share does not increase. The strategy does not, however, bring forward any figures to support such an argument.

Against this background of informed opinion, the strategy is unlikely to prove effective as a vehicle for securing inter-agency support across government unless it can be argued convincingly that the proposed measures will exert significant influence on modal choice decisions. The problem facing MTC is partly one of success. Because the standard of public transport provision is already seen to be high, there are no cheap or easy ways to make it more attractive to a larger number of potential travellers, unless
driving is simultaneously made less attractive. Nor, in conditions of success, is it easy to mobilise political and public support for pre-emptive measures to prevent the decline of services. The development of a better research base would help inform the debate, and is proposed as part of the strategy. However, relevant projects on transport economics, forecasting and modelling described in MTC’s research and development strategy were not commenced in 2002. Nor does it appear that comparable research is currently being carried out by any other institution in Finland. The Helsinki Metropolitan Area Council has its own model for examining passenger modal choice decisions, but the MTC does not consider that this embraces a sufficient number of variables fully to meet the needs of the public transport strategy.

Moreover, a great deal of what is proposed by the MTC depends on shifting the attitudes of the travelling public towards public transport, and towards the relative merits of public transport and private car use. The means by which this attitudinal change can be brought about should therefore be seen as central to the strategy. It will of course be necessary to publicise the improvements in service quality which are intended to induce changes in modal choice decisions. The strategy recognises, however, that a more broadly-based campaign will also be needed to improve the image and raise awareness of public transport. A sustained marketing campaign – emphasising not only the financial and other personal advantages of public transport, but also public benefits such as reduced environmental impacts – may well be effective in winning the hearts and minds of potential travellers. As the fundamental issue at stake here is individual choice, which is affected by a range of subjective and not necessarily wholly rational factors, it needs to be tackled at least in part on these terms, and not solely through tangible improvements in infrastructure, informatics and so on. It would be appropriate for the MTC to consider devoting a portion of its research and development budget to examining these marketing and publicity issues with a professional agency and to carrying out some pilot schemes. These measures should also be given greater prominence in the strategy. Both paid and editorial channels of publicity will need to be developed for maximum effect, and should be directed at decision-makers in local government as well as at the general public.

3.1.6 Achieving the Basic Service Level or Transport Equity Objective

This objective relates to the protection and development of rural transport services, and is driven primarily by policy concerns about social equity and regional development rather than by those of environmental impact and ecological sustainability. This aspect of the strategy is on the whole less fully developed than that relating to modal shift in urban and inter-city transport. Because the strategy does not include a comprehensive review of the context or operating environment within which it has been formulated, the nature of the problem which is being addressed is not clearly set out. The strategy refers to the need to secure the provision of basic services, and to address concerns about the rationality, economic soundness and quality of services in order to improve the
operating environment for public transport in rural areas. What can perhaps be inferred, but is by no means made explicit, is that in the view of many stakeholders the rural transport network faces an imminent crisis. A number of factors are involved:

- The depopulation of rural areas reduces both the tax base of municipalities and the viability of local commercial services (including self-supporting public transport);
- Recent fiscal changes have tended to shift resources away from rural municipalities, and have made it more difficult for them to support subsidised public transport services;
- Consequent closures of subsidised feeder services are expected to have a knock-on effect on the viability of services that are currently self-supporting, and lead to progressive erosion of the network;
- The constant level of expenditure proposed in the MTC budget for the support of regional ticketing systems will place further constraints on the totality of support for public transport from the public purse;
- The increasing average age of the remaining population means that a growing proportion of rural dwellers is likely to be reliant on public transport for shopping trips and similar journeys;
- This demographic change also places growing demands on municipalities, who are obliged to provide transportation to meet health and social services needs.

Because factors such as these are not explicitly discussed and appraised, there is only limited scope to draw conclusions about the adequacy or robustness of the actions proposed in the strategy to tackle the problems they present. Nor is it possible to discern from the strategy document the extent to which some of the actions referred to (for example, the outsourcing of basic services that are not commercially sustainable) are intended to represent a new initiative or simply the continuation of existing operations.

To some extent it would appear that the logic of the strategy depends, as it does for urban areas and inter-city services, on a process by which service quality improvements are expected to lead to increased usage and economic sustainability. The same reservations as were noted above about this argument apply here. If anything, the assumption needs to be regarded with even greater scepticism, given the general view that increases in market share can only realistically be expected in the Helsinki area.

More important, however, seems to be the scope for improving the integration of the transport that municipalities are legally obliged to provide for health, education and personal social services purposes. The strategy indicates that where possible these requirements should be met by means of scheduled transport services, thus increasing their usage, making them more economically viable, and ensuring that they remain in being for other purposes such as shopping trips. This is an attractive approach. It suggests that by playing an enhanced coordination role the MTC could both facilitate
savings in the overall use of public resources in rural areas, and promote service level improvements for customers, whilst respecting the functional responsibilities of other Ministries and the principle of subsidiarity with regard to the municipalities. The potential benefits to the economy go well beyond the boundaries of the MTC’s own budget allocation, and ought therefore to be attractive to the Ministry of Finance and other stakeholders. Nevertheless, there are a number of potential obstacles to the success of this policy which are not fully addressed in the strategy.

First, the means by which coordination might be improved are not fully articulated, and the complexity of the task is not examined in any depth. From the discussions with stakeholders, it is possible to identify at least three dimensions of coordination which need to be addressed:

(i) The Ministry needs to have means of ensuring that cooperation between municipalities and operators is optimised, so that the maximum use is made of scheduled services wherever possible, particularly for school transportation which is seen as the backbone of rural transport provision. Economic and commercial considerations should be sufficient to guarantee this, but it cannot be taken for granted;

(ii) Within municipalities, means need to be found for ensuring that different service sectors coordinate their transport requirements. There is a good deal of anecdotal evidence about taxis being booked separately for individual passengers for health, education or social services purposes, when better consolidation of demand could have met the need much more economically;

(iii) Cooperation between municipalities needs to be encouraged wherever it will enable services to be commissioned more cost-effectively, especially in areas of very low population density. Some co-operative schemes of this kind are already operating, and the MTC needs to ensure that lessons from these are captured and disseminated.

Especially with regard to the second and third of these points there seems to be a potentially very significant role for central government, working particularly perhaps through the State Provincial Offices, in helping build capacity in the smaller municipalities. The provision of advice, encouragement, technical expertise and possibly modern call-handling and service-routing technology offers opportunities both to improve the cost-effectiveness of transport services and to develop innovative approaches to the support of ageing, isolated populations. The use of new information and communications technologies to enable the development of truly flexible, multi-purpose, demand-responsive transport services offers an excellent opportunity to bring together the MTC's two main areas of policy concern. More generally, improving co-ordination and integration of rural transport holds out the prospect of significant operational, policy and financial benefits for other actors in government, both central and local. However, neither the means by which these benefits might be realised in
practice, nor the mechanisms for securing the buy-in of other interested parties to MTC's role in this respect, are as yet fully realised.

Secondly, there is a significant lack of objective evidence on which the strategy can draw. It appears that there is no existing research into the economic benefits to be derived from better coordination of rural transport, though there are some schemes at present under way in some local areas from which useful data might be collected. At a more fundamental level, the strategy does not present sufficient information about the present costs of public support for rural transport services, and the possible scope for efficiency gains from the measures identified, for its feasibility properly to be appraised. It is clearly not a simple task to arrive at a total expenditure figure, embracing all aspects of municipal and central government expenditure on transportation. However, without such an aggregate figure as a starting point it is difficult to assess whether sufficient savings can be generated from efficiency gains within the system to support the required investment in improving service quality and coordination.

It should also be noted that decision-making processes in both the MTC and the Ministry of Finance seem at present to be very heavily weighted towards the immediate cash costs and benefits of specific projects. The mechanisms for taking account of costs and benefits to the whole national economy in the longer term seem to be relatively undeveloped, despite the commitment in *Towards Intelligent and Sustainable Transport 2025* to improving the economic basis for transport decisions. In these circumstances it may be difficult to make a persuasive case for measures that are designed to have very diffuse benefits across several budget sectors, unless it is underpinned by demonstrably robust empirical evidence and economic analysis. This is not to underestimate the technical difficulty of undertaking a more comprehensive and wide-ranging analysis of costs and benefits, whether in relation to urban or rural transport services. A rigorous approach requires techniques to be developed both for placing monetary values on as many kinds of impact (positive and negative) as possible, and for integrating monetary and non-monetary values in the same appraisal. Although progress has been made in these areas in recent years there is not as yet, for example, a consensus on the valuation of environmental impacts. Nevertheless, the MTC might find it useful to examine some of the work that has been done on these questions in other European countries.\(^{18}\) This may help to ensure that major policy decisions are taken in a way that reflects the true costs and benefits – economic, environmental, social etc. - of public transport initiatives to the State and the Finnish nation as a whole, rather than simply the impact on particular budget lines.

Finally, the treatment of taxi services in those parts of the strategy dealing with rural transport problems might be considered further. It is evident that taxis are a key means

\(^{18}\) *Examples of some relevant methodological frameworks are given in Annex 3.*
of ensuring mobility and access to essential services for many people in rural areas, just as they are for travellers with special needs (such as people with disabilities) in urban areas. The outsourcing of trunk line services to taxis as well as buses is referred to in the strategy. It also seems likely that good integration between taxi services and scheduled public transport can provide cost-effective feeder services in areas of sparse demand, which will help to maintain the economic viability of public transport. In addition, it appears to be the case that a significant proportion of long-distance car journeys are accounted for by travel to and from summer cottages. These journeys clearly often appear impractical to undertake by public transport, largely because of the widely dispersed destinations as well as the amount of luggage people carry, but it has been argued that better cooperation between bus and taxi operators might help overcome the perceived difficulty. This would enable inroads to be made on the 70% of long-distance trips currently made by car. The strategy would be strengthened if it took a more proactive approach to developing the interrelationship between taxis and other transport modes.

3.1.7 The Specific Measures

The third part of the strategy details the 29 specific measures by which it is proposed to achieve the two principal outcome objectives described above. Many of these can be linked to one objective which they principally serve; some, relating to broad topics such as marketing and research, are relevant to both aspects of the strategy. Others – such as those relating to driver training or to quality management systems – also serve secondary objectives such as improving road safety which, though important, can be seen as beneficial side effects of the main thrust of the strategy.

In general the measures identified amount to a logical and coherent set of actions in relation to the results which they are intended to bring about. Analysis shows, however, a few instances where measures apparently overlap with each other or where the distinction between them is not immediately apparent. Nor does the strategy clearly discriminate between primary measures which should themselves deliver impacts, and ancillary measures – such as those concerned with research or with the making of plans or determination of objectives – which need to be carried out as a preliminary to action on the primary measures. This is an important distinction if the strategy is to be transformed into an effective action plan. However, the weaknesses most frequently revealed by a detailed analysis of this part of the strategy derive from a lack of clarity regarding both the practical means by which the cooperation of multiple stakeholders is to be achieved and maintained, and the financial consequences of the measures proposed. The strategy lacks definite costings, without which assurances of State funding in support of the measures proposed cannot be wholly convincing. Nor is there any basis for prioritisation between the various measures in the event that there is not sufficient budgetary cover for them all. Looking at examples of the costs and benefits of specific public transport projects in other countries which have implemented similar
measures to those proposed in the MTC’s strategy (for example, the implementation of a nationwide public transport information system) would not necessarily provide useful data about the costs and benefits of implementing such measures in Finland due to complex (economic, political, social etc.) contextual differences between Finland and the comparator countries. However, (as noted above) international comparisons would be useful in terms of providing guidance on the methodologies available to the MTC to assess the costs and benefits of their planned public transport projects. It may therefore be helpful for MTC officials to organise visits to Ministries of Transport in other countries to learn about the cost-benefit methodologies used by them.

3.2 Implementing the Strategy: Feedback from Stakeholders

3.2.1 Introduction

As part of the evaluation, interviews and thematic meetings were conducted in order to find out about the views of key stakeholders with regard to the MTC’s public transport strategy. The interviews and meetings provided the evaluators with valuable information to enable them to gain a better understanding of the important issues relating to Finnish public transport and different stakeholders’ opinions on the MTC’s strategy. The meetings also stimulated stakeholder involvement in the strategy by encouraging dialogue and cooperation between the MTC and other actors directly involved in public transport issues.

The four thematic meetings addressed the content and implementation of the strategy. The themes of the meetings covered the seven groups of measures described in the strategy: (i) Infrastructure; (ii) Information, Travel Chain, Quality, Accessibility and User-friendliness; (iii) Ticket Pricing and the Provision and Securing of Services; and (iv) Education, Campaigns and Organisation of Research and Development.

This section of the report presents a consolidation of the input provided by the stakeholders either during discussions at the meetings or as written answers to the questions19 sent to participants before the meetings.

3.2.2 Key Issues

Some of the important issues identified by stakeholders were common to all the themes covered by the meetings. These key, common issues are summarised below.

**Strong Stakeholder Support**

The most positive, overall feedback from stakeholders was the strong level of support for the strategy. The strategy was well understood and it was generally agreed that the

19 The purpose of the questions was to stimulate stakeholders’ thoughts about the public transport strategy and was not a formal or obligatory exercise.
objectives and measures set out in the strategy were correct and comprehensive. The strategy’s emphasis on cooperation was welcomed. When participants were asked to rate their level of support for the strategy and their level of confidence that the measures would be implemented, the results showed a high level of support for the objectives and measures described in the strategy, but some doubts about the extent to which the strategy could be implemented in practice.

**Roles and Responsibilities**

It was felt that the roles and responsibilities of the MTC and its relationship to the other stakeholders were unclear. During some of the meetings, participants were asked to position themselves in relation to the strategy and to other stakeholders. Complex and uncertain inter-relations were identified. This confirms (as suggested earlier in this chapter in 3.1) that although there is agreement on the need for cooperation, the details of how this can be achieved need to be clarified. At present, cooperation seems to be based on the goodwill of the different parties involved, but they do not see clearly how their actions fit together in a formal framework aimed at implementing the strategy. Alongside this issue of cooperation, it was felt that a more multilateral approach in formulating the strategy would have been beneficial. Participants at the meetings would appreciate a more comprehensive and integrated approach to stakeholder involvement in the next steps of the implementation of the strategy.

**Lack of Resources**

One of the most commonly raised concerns was the lack of resources, both human and financial, available to the MTC to implement the strategy. It also became clear that the strategy covers a number of areas that fall under the realm or jurisdiction of other authorities. Therefore funding sometimes rests with other Ministries or with lower tiers of government. Better coordination of different sources of funding for public transport was identified as an important task of the MTC.

**Links between Objectives and Measures**

Although there was recognition of the high quality of the strategy’s objectives and measures, it was felt that the link between the objectives and measures, and the means to implement these measures, were unclear. It would be useful for the MTC to spell out more clearly the conditions that are needed to ensure the success of the measures, the priority areas if there are insufficient resources, and the options that should be examined as possible follow-up actions.

**Need for a Commonly Agreed, Long-Term Vision**

It was mentioned that the MTC should define a more long-term vision for public transport and, together with stakeholders, set out what public transport should look like in Finland in the next ten years. The strategy should not concentrate too much on (operational) targets, for examples if the market share of public should increase by 2%
or 4%. It is necessary to take a systematic and integrated approach, based on agreed scenarios of future developments and a clear view on what can be achieved.

### 3.2.3 Specific Issues

In addition to the key, common issues described above, stakeholders raised issues specific to the themes of the meetings. These specific issues are summarised below.

**Infrastructure**

A number of strengths were identified in the thematic area of infrastructure. Stakeholders generally considered that the proposed measures and objectives were correct, that the strategy covered all the important topics and that there were already some good coordination measures in place. Additional positive elements of the strategy’s measures on infrastructure included:

- Integrated transport system plans and quality corridors;
- Development of the rail network;
- Construction of user-friendly public transport interchanges;
- The strategy’s current emphasis on infrastructure projects in urban areas (some stakeholders felt that this should be increased).

It was noted that the MTC had paid commendable attention to infrastructure over recent years, but it must ensure that this continues. A concern raised was that the MTC needs to have a better overall view of infrastructure planning and the ability to set clear priorities. The MTC should define regionally and nationally significant infrastructure for public transport and use this as a foundation for defining clear responsibilities. Another concern was that a lack of funding could restrict the implementation of measures in the area of infrastructure.

In terms of future development a number of priorities were suggested. Firstly, the inter-relationship between land use and transport needs to be more explicit. Within this, Regional Councils must be involved in land use planning, transport network planning and transport system planning. Secondly, an integrated approach is needed – both within infrastructure in its own right, and in terms of the coordination of infrastructure with other areas of policy. Thirdly, the role of the MTC should be as a facilitator/coordinator and not a project manager.

**Information, Travel Chain, Quality, Accessibility and User-friendliness**

A number of strengths were identified in this thematic area. Firstly, it was felt that the strategy had the right focus and a comprehensive approach had been taken. Other strengths identified were:

- The emphasis on the provision of door-to-door transport;
- The ongoing development of stations and interchanges;
- The concepts of a nationwide travel information service and integrated ticketing;
Concerns in the area of information were mainly related to the large number of parties involved. Compatibility and interoperability of systems will be difficult to achieve given the large number of actors involved. Another problem identified was the range of circumstances that had to be taken into account due to the geographical differences existing across the country. With specific reference to information provision, it was felt that the level of funding available was insufficient.

With regard to the travel chain, it was felt that insufficient attention is currently paid to intermodality, meaning that certain people may be excluded from the public transport system. Examples of this include the difficulty of transporting bicycles on public transport, and the lack of provision for the transport of pushchairs/prams, especially in rural bus services. It was also noted that the strategy does not fully exploit the potential of the contribution of taxis, particularly in dealing with rural transport problems. A further point made was that an important factor in promoting cooperation is the alignment of the aims of different parties, thereby helping to ensure that travel chains can be built successfully. The importance of new channels of information dissemination for ensuring accessibility for people with special needs was also mentioned.

Another important issue for participants was the strategy’s insufficient emphasis on the customer. It was suggested that more attention should be given to developing a customer-oriented approach and building on existing good practices, for example customer satisfaction surveys developed by bus and coach operators.

**Ticket Prices and the Provision and Securing of Services**

The positive elements identified in this area included: the commitment to ensuring a basic service level of public transport; provisions for integrated ticketing; and the MTC’s support for public transport through subsidies and research and development.

However, some specific concerns were raised about this thematic area, for example the fact that reductions in ticket prices were not among the measures, and that the question of the cost-effectiveness of the measures, in both micro- and macro-economic terms, had not been addressed by the strategy. A further issue raised was the fragmented nature of funding for public transport and the lack of measures to coordinate funding.

Questions were also raised about the reasons for subsidising commuter traffic and whether there is sufficient subsidy of transport costs for old people and within large cities. The effectiveness of measures outside the Helsinki Metropolitan Area needs to be considered in the light of the 90% market share of buses in this area. The MTC’s policy based on no direct funding of public transport in the Helsinki Metropolitan Area (except
for nationally or regionally important projects) was also disputed, as Helsinki offers the greatest potential for achieving an increase in the public transport market.

The MTC’s long-term objective to keep the rise in public transport fares below that of the consumer price index was also considered questionable. The reason for this is not self-evident and the MTC should review this objective. Further remarks emphasised that the MTC should:
- Take an overall approach focusing on price and quality;
- Consider the importance of local differences;
- Increase emphasis on customer needs’ evaluation;
- Provide more knowledge and information about open market tendering;
- Clarify its role in relation to the Ministry of Education in respect of bus drivers’ training.

**Education, Campaigns and Organisation of Research and Development**

There was strong support for the measures described in the strategy. The importance of including measures on education, campaigns and research and development was universally recognised. However, the general view was that while the strategy set out good intentions, there was at present hardly any detail about how the MTC was going to achieve its aims. Lack of human and financial resources was cited as a main barrier to implementation of these measures. Other views expressed included:
- The need for details about the sharing of costs between the MTC and public transport operators with regard to campaigning and marketing;
- The importance of working with parents and teachers in educating school children about public transport;
- The need to ensure that research must be results-oriented and lead to concrete action.

The identification of good practices both in Finland and other European countries was agreed to be a useful way to generate ideas to develop the details of this part of the strategy. Following a brief brainstorming session, participants identified a number of good practices in the areas of education, company travel plans, campaigning and marketing, and research and development.

### 3.2.4 Conclusion

The thematic meetings demonstrated that there is broad support for the strategy and overall consensus on both its strengths and weaknesses. This provides a good basis for cooperative action in the future and will help the MTC to focus its efforts on certain issues in the implementation of its strategy. The active and open contributions of stakeholders also showed a strong sense of commitment and willingness to work.

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20 See Annex 2 for the list of good practices identified.
together. It is important for the MTC to build on the dynamics created in the meetings by continuing multilateral consultation exercises of this kind.

3.3 Peer Review

The peer reviewers were invited to give an independent assessment of the MTC’s public transport policy and strategy. This section provides the jointly prepared views of the two reviewers working respectively for the Ministries of Transport in the Netherlands and Switzerland. The challenge is to find ways and means to assist the MTC to determine its priorities and to support its policy development as a strategic authority.

The views expressed are based on a good understanding of the Finnish situation, obtained by taking an active part in the thematic meetings, coupled with analyses and reflections using the peer reviewers’ individual expertise and country experience. The intention is to provide an objective and critical assessment in order to stimulate discussions amongst the decision-makers in Finland and to facilitate a constructive dialogue between the stakeholders in the transport sector.

3.3.1 Transport and Traffic Policy in Finland

The stated aim of the MTC is to develop a comprehensive and consistent set of policies to ensure the achievement of an intelligent and sustainable transport system for the whole country in 2025. The overall policy goals are as described in Chapter 3.1 above. The strategic transport objective is to formulate appropriate investment and operating strategies such that the national economic well-being will be maintained, the environment adequately protected and social equity assured. These are most praiseworthy goals and are highly regarded in the eyes of the reviewers.

3.3.2 Public Transport Policy and Strategy

Within this overall transport planning framework, the public transport component is given an important role and is expected to play a vital part in meeting travel demands now and in the future. The record of achievements (as shown by performance statistics) and the thoroughness of the MTC’s policy documents amply illustrate that the Finnish initiatives are remarkable by any European standard. The public transport strategy that has been formulated could - and should - provide a significant contribution to realise the visions and to meet the targets in due course. This ambition can be achieved if pragmatic actions are taken to ensure effective implementation. Further success can be ascertained when actions are taken to bridge the gap between aspiration and reality. It is important to recognise the strengths of the strategy, to find solutions to remove the likely barriers and to reduce the handicaps imposed by any potential weakness.
3.3.3 The Current Situation

At present, the public transport scene in Finland is in an enviable position. Congestion in urban areas is relatively mild. Many of the accomplishments such as a high level of passenger satisfaction and the reliability record of the railway system are often cited as benchmarks and examples of good practice. Liberalisation of the public transport market has progressed steadily and led to reduced costs. The fare-box cost recovery ratios and the level of services provided by all urban operators and rail transport compare favourably with similar systems in other European countries. In long-distance inter-regional transport, services are provided without state subsidy. In conclusion, it is fair to say that the provision of services, the utilisation of manpower resources, the financial performance and the investment programme are exemplary indicating previous efforts have been rewarded.

3.3.4 Preparing for the Future

This good record should be maintained and renewed efforts should be made to enable the system to work even better. Policy planners have to be prepared to face the challenge of tomorrow. There are signs that factors are at work which will render the planning task more difficult and the operating conditions less favourable. For example:

- Ageing population and inward migration from the countryside to the cities will increase the cost of transport for essential services in rural areas;
- The quest for better quality of life intensifies the need to find cost-effective means to mitigate problems associated with rising car and freight traffic (e.g. congestion, pollution, noise) in urban areas;
- The shift of economic activities from the regions to the metropolitan areas will reduce the economic base (and lose the critical mass) to finance services in many areas;
- A dispersed pattern of land use development will intensify the call for providing accessibility to economic centres and major transport nodes;
- Rising economic welfare means rising car ownership and growing travel demands (especially for leisure and recreation trips);
- Increasing wealth will raise public expectations for higher quality services which often require substantial capital investments.

Empirical studies and experience in many European countries suggest that continuous efforts are needed to avoid degradation of the transport system. A good reputation with a high standard of performance can take years to build; but negligence and failure to keep up the momentum can run down the system and undermine the fabric of the foundation. Moreover, to redress past mistakes, it takes a long time and substantial expenditure for the desired effects to take shape. The planning and the realisation of many projects, particularly infrastructure investment, have a lengthy gestation period.
3.3.5 A Word of Caution

On the basis of the interviews and feedback from the stakeholders in the thematic meetings, it is commonly recognised that the MTC’s public transport strategy is well-written, the policy initiatives are much appreciated and that the cooperative process (with a series of consultation) has worked well. The overall public transport strategy is judged to be sound and functional, providing a healthy basis for detailed development of specific projects and measures. However, some doubts have been expressed about the availability of adequate resources, the absence of clarity on the legal position and the lack of transparency regarding administrative responsibilities. There are also some concerns regarding the competency of the intended actors, with the sphere of influence and the span of control singled out as particular examples. The intentions are well meaning but the MTC runs a risk of trying to do too many things at once. The paradox of “everyone is responsible for everything, but no one for anything” should be avoided at all costs.

3.3.6 Conceivable Approaches and Alternative Models

A few pointers have been identified which might provide general guidance for the MTC to consider and to act on:

(i) Public Transport in the Context of an Overall Transport Policy

In Finland, public transport is an inherent part of the national transport system and the MTC’s public transport strategy is part and parcel of the total transport strategy. The different components of the policy package should be consistent with each other to form an integrated approach to tackle the problems that emerge and to profit from the opportunities that offer themselves.

Recommendation: To provide a better understanding of the inter-relationships between the public transport strategy and other policy areas (e.g. individual transport, the private car, freight, air transport, etc.), a section should be incorporated into the strategy document to describe the linkages. In addition, the public transport policy and programme should be linked up with the government’s other policies e.g. on land use, social welfare, health care, education and environment.

In order to achieve the objectives of the strategy, appropriate resources have to be found. In putting forward a case for additional financing, the following arguments may be considered:

- Public transport measures often provide the necessary conditions but, on their own, are not sufficient to ensure the achievement of all the stated transport goals and this calls for a combination of ‘push’ and ‘pull’ measures in a coherent package;
- The public transport strategy in conjunction with other policy instruments and private initiatives will create a synergy effect because the sum of all is larger than the summation of the individual parts;
- Public transport projects in many situations can serve as a catalyst with a facilitating function which empowers other policy instruments - e.g. the promotion of public and private partnerships - to work better.

(ii) Setting Realistic Objectives and Determining the Priorities

The public transport strategy has identified a large number of policy measures. Because the measures are sometimes disparate by nature and have been worked out to different levels of detail, they might give an impression of being incoherent and lacking unity. Moreover, the implementation and enforcement of measures might rest with other Ministries or lower tiers of government or the operator(s). Therefore, it is hard to identify achievements and attribute the credit (or share the blame) in any evaluation exercise. The strategy has not identified the legal bases on which, or the instruments with which the MTC wishes to achieve its objectives. The MTC should formulate an implementation strategy, determine the priorities and state what the deliverables will be at different time horizons.

Recommendation: For each of the measures in the strategy, financial and human resources have to be clearly allocated. The first step is to define and clarify objectives based on the “SMART” criteria - Specific, Measurable, Agreed, Realistic, Time-bound. Secondly, it is necessary to identify the measures and explain their relevance to the overall strategy. Thirdly, the MTC must provide a clear description of the expected role, duties and responsibilities of each stakeholder. Fourthly, it should try to set up a platform for coordination and consultation. Fifthly, it would be helpful to introduce common accounting rules to indicate where resources are coming from and how they have been (or will be) deployed to produce the results.

(iii) New Perspectives and Possible Scenarios

The approach outlined in (2) assumes the ground for manoeuvre is limited and improvement of the status quo situation can be achieved by marginal and incremental advancement. The prevalent situation is taken as the starting point. Nonetheless, for the purpose of discussion, two alternative models based on different philosophical foundations and levels of ambition can also be considered.

Option A is constructed in recognition of the fact that public transport policy is part of a very complex system with many actors and dependants. It also takes into account that the MTC has limited human and financial resources. Therefore the MTC has to have some form of prioritisation and concentrate on essential tasks. In such a scenario with devolution of responsibilities, the duties of the MTC may be reorganised to develop expert skills in some of the following activities:
- To define the targets expected and to coordinate the joint ventures with other actors and sectors;
- To define the roles of the lower tiers of government and to coordinate planning activities with other Ministries;
- To deregulate the public transport market and to assign the operators to take on wider responsibilities;
- To lead the partners by setting the standards of performance, defining technical requirements (interchanges, security, etc.) and supporting development of processes (e.g. in planning, tendering, etc.);
- To monitor and to supervise market competition at the national level;
- To evaluate proposals to ensure value for money on publicly-funded projects.

The essence of this approach is to provide leadership, cautious liberalisation and continuous evaluation of performance to ensure efficiency and cost-effectiveness. The MTC should consider more extensive use of directives, guidelines and incentive/penalty schemes. The central role is that of a referee ensuring an equal playing field for all existing (and potential) players. Such a system approach will facilitate the pulling of resources and efforts together in a common direction. It is based on the twin concept of decentralisation of decision-making and the delegation of responsibility: each authority doing what it is most proficient at and has the necessary competency for.

Option B is a model with more centralised planning. The aim is to gain wider recognition of the strategic role of public transport. It is then necessary to argue in favour of a more prominent role for the MTC and for additional resources for the public transport sector. The tenor of this approach is that public transport provides basic essential services that contribute to the stability of the national economy and safeguard social equity. This may be based on reasoning such as the failure of the transport market to reflect the real costs of travel by private car, the need to have public transport services to maintain social equity between geographical regions or/and to ensure affordable accessibility to and from centres of socio-economic activities. The central government would have to assume a more direct and active role than in the other model (Option A). The applications for special treatment or for additional funding have to be carefully scrutinised to ensure efficient use of the scarce resources. The essence is to ensure optimisation in view of competitive demands for socio-economic reasons.

(iv) A System of Monitoring and Evaluation
The alternative models cited above are designed to provoke wider discussions on the possible roles of public transport, what can be expected from each model and what are the conditions necessary to make each of the models successful. However, irrespective of which model is chosen or what mixtures are chosen from each of the models to guide policy development and structural reorganisation within the MTC, it is clear that a
system of continuous monitoring and periodic evaluation of the policies, programmes and projects are essential. They are basic requirements for rational decision-making.

(v) A Programme of Research and Development
Another basic ingredient for rational decision-making is the need for a robust and vigorous programme of Research and Development. Knowledge and information form the basic building blocks for decision-makers at different levels to have informed discussions and to reach intelligent decisions. Subjects to cover may include the dynamic inter-relations between physical land use planning and transport development, valuation of the social function and economic contribution of public transport, the potentials of introducing advanced transport technology or the contribution of new planning concepts.

It is fully recognised that items (4) and (5) have limited coverage and have not been fully expounded here. The considered view of the peer reviewers is that these topics are so important and vital to the success of future policy formulation and project development that they deserve separate studies to do the subjects justice. Moreover, the kind of monitoring system, the type of evaluation methods and the sort of research and development studies to introduce will very much depend on the position that the MTC wishes to pursue: to progress as planned, to reverse the trends or to move in new directions. Without a clear indication of the preferred end goals and the designated path to follow, it would be presumptuous to formulate specific advice.

In conclusion, the pursuit of sustainable mobility requires
- Having a broad perspective and a far-sighted, but clear, view of the end goals;
- Making available the financial and human resources needed; and
- Obtaining firm commitment from all stakeholders.

If these conditions were met, there would be a relatively stable internal environment, security of resources and common consensus amongst the actors to work in unison. In another words, all parties concerned are then involved in coordinated efforts towards the achievement of a set of common objectives. The model of corporate governance would provide a better working environment than a haphazard form of incident management to take actions only when problems arise.
4 RECOMMENDATIONS

This chapter presents the recommendations that have been formulated by the external evaluators on the basis of their evaluation - the public transport review, the strategy assessment and the interviews and meetings with stakeholders – and proposes a framework for the implementation and continuous assessment of the strategy.

4.1 Future Role and Actions of the MTC

The thirty-three recommendations listed below have been grouped into nine key areas for which the evaluators propose practical actions to enable the MTC to improve its effectiveness in the implementation of its public transport strategy.

4.1.1 Clarification of Context and Objectives

The current lack of clarity concerning the context and objectives of the strategy is a serious barrier to effective implementation. A first task of the MTC should be to clarify certain, important aspects of the strategy. It is recommended that the MTC:

1. State more explicitly the economic, environmental, social and cultural results being aimed at in the strategy and what the conditions of success in relation to these issues would be.
2. Establish clear links between the objectives and measures of the strategy to wider (national and international) political objectives\(^{21}\) in order to clarify and confirm the political importance of the strategy and public transport.
3. Explain how the strategy links to the MTC’s policies on other modes of transport, particularly aviation, ferries and the private car.
4. Describe simply and clearly the key challenges for public transport in Finland in the next five to ten years and link this vision with the objectives of its strategy whose timeframe should also be made clear (When will the strategy be reviewed and renewed?).
5. Distinguish between objectives for urban and rural areas. For example, rather than stating that the overall objective is to achieve a national increase in public transport, it would be useful to clarify that an increase in public transport in some urban areas is possible, whereas maintenance or decrease of current levels is expected in rural areas.
6. Describe a ‘do nothing’ or ‘do minimum’ scenario, for both urban and rural areas, in which the actions set out in the strategy are not implemented or only a very few are implemented. This will reveal the serious problems facing public transport.

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\(^{21}\)For example, the MTC should clarify how the strategy contributes to the achievement of the Kyoto Protocol targets, to European transport policy targets, and to national economic, social and environmental targets.
transport in the immediate future and would help to justify and gain political and financial support for the strategy. In particular, there should be explicit recognition of the potential crisis awaiting rural transport in the near future (from 2004) if no action is taken now.

7. Use scenario planning to understand the impact of different policy measures in possible future environments. Infrastructure planning and the financing of the public transport system will hinge on the position which policy-makers wish to take: to accept, temper or reverse the current trends.

4.1.2 Definition and Development of the Role of the MTC

The MTC should strengthen its role as the overall supervisor, at a strategic level, of the whole public transport system, based on a few key functions: regulation, coordination, funding, and research. All the recommendations listed in this report are aimed at maximising the effectiveness of the MTC. As an integral part of the other actions proposed, it is recommended that the MTC:

8. Clearly define its leadership role in the public transport sector, and communicate and discuss this role with other relevant Ministries and organisations. This could be done via inter-ministerial meetings, public transport forums and workshops (see recommendations below under Cooperation).

9. Clearly define its precise role in the implementation of the measures in the strategy.

10. Continue its review of the organisational structure of the public administration of the transport sector to identify ways in which the various departments of the MTC and its administrations can work together in a more integrated and effective way.

4.1.3 Clarification and Prioritisation of the Strategy’s Measures

In addition to clarifying the general context and assumptions on which the strategy is based, more attention is needed to working out the details of the specific measures and to prioritising their implementation. It is therefore recommended that the MTC:

11. Prioritise the measures in the strategy on the basis of a thorough analysis (particularly cost-benefit analysis – see recommendation 18), so that the choice of priorities is clearly justified and visible to stakeholders. As there is increasing pressure on the financial resources available to the MTC for public transport, setting priorities is an urgent task.22

12. Provide information about the past achievements, present state of progress, and future implementation of each (priority) measure (including a more precise

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22 The MTC should consider, in particular, the importance of public transport in achieving the objective of social equity, and the urgency of addressing the problem of depopulation of rural areas and migration to cities and urban sprawl. The measures in the strategy aimed at tackling these issues should be prioritised.
timeframe than is currently provided in the strategy). At present it is not possible to tell if a measure is new or the continuation of previous actions. Setting the measures in context will make it easier to assess their effectiveness.

13. Describe successes and good practices relating to each (priority) measure. This will provide support for the choice of measures, raise awareness of good practices and encourage future successes.

14. Specify the roles of the actors directly responsible for the implementation of each (priority) measure (see also recommendation 9). The strategy identifies the actors involved, but does not describe the contribution that each will make (coordination, funding etc.). Without this detail, effective action will be difficult.

15. Identify the barriers to the implementation of each (priority) measure in order to make any necessary changes and to identify solutions to potential problems.

4.1.4 Monitoring and Evaluation

Monitoring is an important element, as identified in the strategy, in the achievement of the MTC’s public transport objectives. It is therefore recommended that the MTC:

16. Establish a permanent monitoring system, based on a limited number of indicators, to assess regularly the implementation of the strategy. The clarification and prioritisation of the measures will serve as a sound basis for establishing a monitoring system. The system should define concrete and measurable output for each measure, in order to assess whether the strategy is achieving the desired effects. It is of utmost importance that this measurable output is developed in cooperation with those responsible for implementing the strategy. The system should be implemented at all levels of government (national to local) in order to ensure a coordinated and integrated approach to carrying out the measures in the strategy. It will enable the MTC to assess whether other actors (provinces, municipalities, operators etc.) have adequate instruments to implement the strategy, and allow the MTC to make changes in policies or planned actions if results are not or only partly delivered, and to anticipate where future action is needed. The monitoring system should be simple to manage and user-friendly in order to allow transparency in the decision-making process and easy access to information by the MTC and other stakeholders.

4.1.5 Research and Development

The MTC has an extensive transport research and development programme including specific projects on public transport. The MTC should maintain its commitment, as stated in its strategy, to more methodical and results-oriented public transport research. In particular, it is recommended that the MTC:

23 The evaluators propose the use of the Balanced Scorecard. See next section (Chapter 4.2).
17. Prioritise research to develop effective cost-benefit analysis tools to support decision-making in Finland. The MTC should work closely with economists, either within the MTC or outside, to develop more rigorous modelling of the likely impacts of the measures proposed in the strategy and to calculate their costs and benefits. Research work should examine tools that are based on both quantitative and qualitative approaches in order to take into account the social, environmental, health, and quality of life benefits of public transport – which cannot always be calculated in monetary terms - as well as its benefits to the economy. It would be very useful for the MTC to look at cost-benefit methodologies used by Ministries of Transport in other countries, and organise study visits to countries where particularly relevant examples are identified. Any cost-benefit tools should be developed in consultation with relevant stakeholders, for example the Ministry of Finance.

18. Undertake research to gain a better understanding of all the relevant factors affecting public transport patronage. In particular, the research should investigate the reasons why people choose to use the private car instead of public transport. The research should examine if reasons for not using public transport vary between different cities and regions. The results of this research will enable the MTC to identify where its current strategy of making public transport more attractive to increase modal share is adequate and where additional measures based on disincentives to using the private car are needed. At present, the strategy contains no disincentives to using the private car. Future policy in this area may be more successful if it takes into account specific local and regional characteristics and problems concerning increased road traffic. An approach based on local needs would help to increase the acceptability – both by politicians and the public - of policies to make the use of the private car less attractive and to invest more in public transport.

19. Consider the establishment of a National Transport Research Centre with expertise on public transport matters and recognising the inter-relations with land use and socio-economic development.

4.1.6 Cooperation and Coordination

Cooperation is identified by the MTC as a key element in achieving the objectives of its strategy. The MTC now needs to develop its leadership role and define the instruments by which the necessary cooperation and coordination will be achieved. It is therefore recommended that the MTC:

20. Develop a multilateral approach to cooperation, bringing together different stakeholders. This will help the MTC to build consensus among stakeholders and result in a more effective partnership between all actors in the implementation of the strategy.
21. Identify examples of good practice in order to build on existing, successful structures of cooperation and coordination. The MTC should establish an inventory of the existing working groups and cooperation forums related to public transport at all levels (national to local), including those which it currently coordinates and others in which it does not participate, but which could address public transport issues.

22. Organise annual meetings to bring together a wide range of stakeholders (provincial and municipal authorities, mayors, operators, associations, research institutes etc.) in order to present the main achievements in the public transport sector and the state of progress in implementing the public transport strategy. Stakeholders could be asked to speak about achievements in their towns and regions. This kind of annual public transport forum would enable the MTC to facilitate the exchange of good practice, raise awareness and the status of public transport, and increase stakeholder involvement in the implementation of the strategy.

23. Establish an inter-ministerial committee which meets regularly (every three months) to discuss public transport. Representatives (Heads of Unit level) from a range of Ministries should participate, including, Environment, Finance, Health and Social Affairs, Education, Trade and Industry, and Interior. This would help to establish formal cross-sector dialogue and ensure better cooperation between the Ministries responsible for issues relating to public transport. The chair of the committee could rotate between Ministries. At the end of each meeting, a clear set of actions would be agreed and reported on at the next meeting. The members of the committee would be responsible for reporting on progress to their respective Ministers.

24. Identify effective ways to encourage inter-municipal coordination. The MTC can play a useful role in organising networks of municipalities at a regional level in order to facilitate the exchange of good practice and expertise in working together to manage the provision of public transport. The MTC, in close cooperation with the State Provincial Offices and the Association of Finnish Local and Regional Authorities, should organise workshops on specific themes (demand-responsive transport, tendering and contracting, information

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24 For example, the MTC established the Working Group on the Accessibility and User-friendliness of Public Transport which brings together a wide range of actors including representatives of different ministries, administrations, associations, provincial and municipal authorities, operators, user-groups and researchers. Another useful example is the Ministry of Environment’s active promotion of cooperative and participative approaches to land use planning. The new Land Use and Building Act (2000) calls for a special participation and assessment scheme to be drawn up when land use planning work begins (at local level). Participation is organised separately plan-by-plan in consultation with all interested parties (authorities and organisations whose area of operations is touched by the plan). The Ministry of the Environment has published guidebooks on participation and interaction in planning for the general public as well as for experts. The MTC should consider working with the Ministry of Environment to integrate transport and land use issues by making use of these existing frameworks for cooperation and assessment.
technology etc.) aimed at disseminating information and providing practical advice to municipal authorities. For example, the extensive experience of the Helsinki Metropolitan Area Council in the area of tendering and contracting should be disseminated to other levels of government. The MTC should also continue to publish and distribute fact-sheets on good practices. Better inter-municipal coordination by the MTC will also improve vertical cooperation between the MTC, State Provincial Offices and municipalities.

4.1.7 Frameworks and Guidelines

In its role as overall supervisor of the public transport system in Finland, the MTC should develop its capacity to establish national frameworks and guidelines to support the implementation of its strategy at different levels. Such frameworks and guidelines should aim to support the various actors by providing a useful national reference point while allowing for sufficient flexibility to take into account local needs. It is therefore recommended that the MTC:

25. Establish guidelines for municipalities in developing integrated transport and traffic system plans. These guidelines should include a section on the integration of land use and transport planning, an element currently excluded from integrated transport and traffic system plans, but critical to the effective implementation of the strategy.

26. Introduce public service requirements for public transport services. As a basis for the public service requirements, the MTC could refer to the European Standard on Public Passenger Transport. The introduction of public service requirements will contribute to the overall attractiveness of the public transport system and help to ensure optimal network integration. It will also help to improve the image of public transport by providing passengers with a guarantee of a uniform basic level of quality for all public transport, and therefore prevent potential negative effects of liberalisation such as a deterioration of the quality of public transport. Requirements could be organised through self-regulation of the sector or they could be contract based, especially when there are mutual rights and obligations, and exclusive rights are granted and/or subsidies are paid by the authorities. The introduction of public service requirements would also enable the MTC to establish a system to benchmark the value for money offered by different operators.

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25 European Standard – Public passenger transport – Service quality definition, targeting and measurement (CEN EN 13816-2002E (April 2002)). This European Standard specifies the requirements to define, target and measure quality of service in public passenger transport. It is based on eight criteria: availability, accessibility, information, time, customer care, comfort, security, and environmental impact.
4.1.8 Information, Communication and Marketing

Information, communication and marketing are very important instruments both to improve cooperation between stakeholders and to raise awareness of the importance of public transport, among the general public and at a political level. It is especially important for the MTC to ensure that stakeholders are regularly informed of progress and achievements in public transport. It is recommended that the MTC:

27. Publish a quarterly newsletter to present the latest developments in public transport and to help to promote the use of public transport.
28. Continue to collect public transport statistics and regularly disseminate this information to stakeholders (for example, via the newsletter, workshops, annual public transport event).
29. Produce one-page summaries of successful public transport projects which include a description of the project, the cost, the actors and the results, including the larger-scale public benefits of public transport such as reduced environmental impacts and better social inclusion. These summaries will help the MTC to communicate its successes and will be especially useful to convince not only the general public, but also decision-makers in all sectors (particularly the Ministry of Finance) of the importance of public transport.
30. Develop its strategy for public transport marketing and campaigning by referring to examples of good practice both in Finland (for example, passenger surveys carried out by bus and coach operators) and other countries. The MTC should encourage Finnish cities to participate in benchmarking and good practice projects that are currently being undertaken in Europe26.
31. Review the possibility of re-launching its campaigning activities which were discontinued in 1999 due to a lack of resources. The good practices - one member of staff in the MTC dedicated to these issues, a working group of public transport and marketing professionals, and marketing material (creation of a logo etc.) - previously undertaken by the MTC would provide a useful starting point for renewed actions in this area.
32. Ensure a professional approach to public transport marketing. The MTC should consider using research to examine marketing possibilities with a professional agency and carry out pilot schemes.

4.1.9 Centres of Excellence

As part of its role to promote public transport, the MTC should actively identify and reward excellence in the sector. It is therefore recommended that the MTC:

33. Create ‘Centres of Excellence’ in the fields of research and development, public transport marketing and campaigns, mobility management, and operating

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26For example, the project on Benchmarking in European Service of public Transport (best2005.net) and the EU Civitas initiative (www.civitas-initiative.org).
performance in the public transport industry. Any organisation (universities, associations, operators, authorities etc.) that has made a significant contribution to the improvement of public transport would be eligible to be awarded the title ‘Centre of Excellence’ and receive national recognition for its work. The awards could be presented by the MTC at the annual public transport meeting (see recommendation 22), and workshops should be organised at the Centres of Excellence to enable others to learn how the Centres achieved their good results. Information about the Centres of Excellence could also be included in the public transport newsletter (see recommendation 27).

4.2 A Framework for Continuous Improvement

The recommendations above highlight the need for the MTC to clarify its objectives, prioritise its proposed measures, define and allocate responsibilities, and establish a monitoring system to ensure the effective implementation of its public transport strategy. The immediate next step of the MTC is, therefore, to translate their strategy into action. The way in which they do this needs to make the best use of available resources (both financial and human – there are only eleven people working in the MTC’s Passenger Transport Unit) and also needs to stimulate stakeholder involvement in the implementation process.

The external evaluators propose an approach based on the Balanced Scorecard (BSC), a strategic planning and management tool that can provide a practical framework for the MTC to manage the implementation of its strategy. The use of the BSC would require the MTC to carry out the following steps:

1. The public transport strategy is summarised in a vision, expressing how the MTC sees its role and its action in the public transport sector; the vision should be directly related to the overall transport strategy of the MTC (as expressed in the strategy document *Towards Intelligent and Sustainable Transport 2025*).

2. The MTC expresses its objectives, in a set of 20 to 30 objectives (maximum), which must cover four areas: (i) Political Authorities (What are the tasks that the MTC has to carry out to meet the demands of the relevant political authorities?); (ii) Internal Processes (What are the internal processes necessary to achieve the vision?); (iii) Staff and Resources (How is the MTC going to allocate staff and resources to the right priorities, with adequate capacity for action and within an appropriate timescale?); (iv) Stakeholders and Citizens (How is the MTC going to ensure the satisfaction of citizens and stakeholders?).

3. Each objective is then linked to between one and three indicators that will allow the MTC to monitor the implementation of the strategy.

4. For each objective, specific initiatives/actions are identified and listed. The implementation of these initiatives contributes directly to the implementation of the strategy.
5. In the MTC (Passenger Transport Unit), one person is nominated “the champion” of the BSC. Her/his role is to monitor the application of the BSC and to make sure that agreed decisions and actions are implemented by stakeholders.

6. Each objective and each initiative are the responsibility of one person in the MTC (responsibilities are allocated on the basis of consensus). This person is accountable for the effective achievement of the specific initiative under his/her responsibility.

7. Every three months, the BSC is monitored by the members of staff responsible for particular objectives and initiatives, and every six months its content is reviewed and, if necessary, updated.

The process described above requires four to six meetings at which members of the MTC’s Passenger Transport Unit would make the necessary decisions on the basis of discussion and consensus. The result (an agreed monitoring system based on objectives, indicators and initiatives) would then need to be approved formally by senior management (the Minister of Transport and Communications and the Permanent Secretary of the MTC), and communicated to stakeholders in the form of an action programme. The MTC may also consider publishing an annual progress report.

Experience has demonstrated the efficiency of the BSC approach in public sector organisations. For example, the Walloon Region’s Ministry of Transport (Belgium) - responsible for passenger transport in a region of four million inhabitants - recently used the BSC in the framework of an exercise to improve the effectiveness of the region’s whole public administration. The Walloon Ministry of Transport first agreed on 21 strategic objectives (six in relation to Political Authorities, six for Internal Processes, four for Staff and Resources, and five for Stakeholders and Citizens). The Ministry then selected 13 objectives on which to focus, taking into account available resources. The Ministry has programmed 35 initiatives for the first year of application of the BSC, with clear allocation of responsibility for each of them. A set of criteria enables the Ministry staff to have an overview of the expected results of the strategy.

One of the major advantages of this tool is that it provides a coherent framework for implementation that can be used by stakeholders at different levels of authority/management (national to local). For example, a manager of one of the MTC’s planned 22 national public transport interchanges would be able to implement the specific strategy of his/her interchange, using the same approach as the MTC and linking his/her local objectives and actions to the national objectives and actions for interchanges. Here is a very general outline of what might be developed within the framework of the BSC:

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27 The UK government’s Public Sector Benchmarking Service has identified a number of examples of the application of the BSC in the public sector. For more information: www.benchmarking.gov.uk
### At national level (the MTC’s strategy):

**Strategic objectives:**
- To promote public transport in urban areas;
- To improve integration of modes of transport.

**Indicators:**
- Number of interchanges at planning/construction/operation phase;
- Number of people using the interchanges.

**Initiative:**
Implementation of 22 interchanges offering equal services to passengers utilising different modes of transport (with definition of the planning of each interchange and a list of the stakeholders involved).

### At the level of an interchange:

**Strategic objectives:**
- To improve the quality of service;
- To increase the attractiveness of the city centre.

**Indicators:**
- Number of passengers using the interchange;
- Level of activity of businesses located at the interchange;
- Quality of interchange perceived by passengers and shopkeepers in the city centre.

**Initiatives:**
- To carry out an annual survey of passengers and shopkeepers;
- To establish a quality management programme.

In this way, the BSC tool increases the quality of communication between stakeholders as well as their understanding of their inter-relations and their individual contribution to national public transport objectives. The BSC approach is also very pragmatic: it provides a way of managing existing material, without the need to create new information or structures. Through the selection of priorities and the allocation of responsibilities to specific individuals, the BSC offers a process through which decisions can be implemented mainly with existing resources and to an agreed timescale. Finally – and crucially - its use of a consensus-based decision-making process ensures that there is agreement and cooperation among those in charge of the implementation of the strategy.
REFERENCES

In addition to the documents listed below, the evaluators referred to a range of literature which was provided by the participants in the interviews and thematic meetings. This material included brochures, presentations, leaflets and documents about the organisations and work of the various stakeholders in the public transport sector.

Literature

Annual Report 2001 (Finnish Rail Administration) 2002

BEST – Benchmarking in European Service of public Transport; Results of the 2002 survey


European Study on Assessment of Mobility: Finland (Socialdata) 5/1998

Finnish bus transport withstands comparison (Finnish Bus and Coach Association) 4/2000

Forward without Obstacles: Proposals Made by the Working Group on the Accessibility and User-friendliness of Public Transport (Ministry of Transport and Communications Finland Publications) Reports and Memoranda B37/2001

Impact evaluation frame of Travel Centre projects (Ministry of Transport and Communications Finland Publications) A 17/2002

MARETOPE – Legal, organisational and financial framework of local public transport in Europe, Country report Finland (LT-Consultants Ltd) 10/2001

OECD Territorial Reviews: Helsinki, Finland (Organisation for Economic Cooperation and Development, Territorial Development Policy Committee) – pre-print version 2002

Operating Strategy and Financial Plan 2003-2006 (Ministry of Transport and Communications Finland Publications)
Law of state owned rail network, rail maintenance and right to use the rail network, 5 January 1995/21


Towards Intelligent and Sustainable Transport 2025 (Ministry of Transport and Communications Finland Publications) Programmes and Strategies 1/2000

Transport Infrastructure 2030: Meeting the challenges of concentrating population and industrial changes (Ministry of Transport and Communications Finland Publications) Programmes and Strategies 3/2002


**Internet sources**

Ministry of Environment: http://www.ymparisto.fi/eng/landuse/
ANNEXES

Annex 1 Interviews and Thematic Meetings

The stakeholders invited by the MTC to participate in the interviews and thematic meetings represented a range of sectors and levels in order to ensure an integrated and comprehensive approach. The interviews, which were conducted by the evaluators with individuals or in small groups, took the form of informal discussions in order to allow the interviewees to express their views openly and comment freely on the Finnish public transport system and any aspects of the MTC’s public transport strategy. The meetings were chaired by Director of the MTC’s Passenger Transport Unit and facilitated by two external evaluators and two peer reviewers. Each meeting was attended by seven to ten stakeholders, directly involved in the issues relating to the theme of the meeting. Before the meetings, participants were sent a list of questions to stimulate reflection about the strengths and weaknesses of the strategy in general and the individual measures, and the role of the MTC and its interaction with other stakeholders. During the meetings, participants were asked to indicate their level of support for the strategy and their confidence in the measures being implemented. A scale of 1 to 10 was used, where 1 indicated ‘no confidence’ and 10 indicated ‘total confidence’.

Participants in the Interviews
Tero Anttila, Director, Public Transport Association
Samuli Haapasalo, Director-General, Ownership Policy and Privatisation, MTC
Markku Haavisto, CEO, Connex Finland
Tuula Ikonen, Senior Adviser, Passenger Transport Unit, MTC
Petri Jalasto, Director of Passenger Transport Unit, MTC
Niilo Järviluoma, Helsinki Metropolitan Area Council
Juhani Korpela, Permanent Secretary of the MTC
Henry Kuitunen, CEO, VR-Limited (Finnish Railways)
Matti Lähderanta, Director of Bus Division, Helsinki City Transport
Esa Mannisenmäki, Project Manager, Bus and Coach Association
Marcus Merin, Senior Officer, Passenger Transport Unit, MTC
Hannele Mikkanen, Head of Unit of Education and Culture, Municipality of Liperi
Mikko Ojajärvi, Head of Infrastructure Unit, MTC
Rolf Paqvalin, Mayor of the City of Kerava
Erkki Pulliainen, Member of Parliament, Green League, Chairman of Transport Policy Committee
Matti Pursula, Professor of Traffic Engineering, Technical University of Helsinki
Kimmo Sasi, Minister of Transport and Communications
Eino Siuruainen, Governor of the Province of Oulu
Osmo Soininvaara, Member of Parliament, Green League and Member of Helsinki City Council
Esko Tainio, Budget Counsellor, Budget Department, Ministry of Finance
Anneli Tanttu, Senior Engineer, Infrastructure Unit, MTC

**Participants in the Thematic Meetings**
Tero Anttila, Public Transport Association
Ari Heinilä, Bus and Coach Association
Anne Herneoja, Passenger Services, Rail Administration
Pekka Hongisto, Bus and Coach Association
Matti Järvinen, Central Organisation for Traffic Safety in Finland
Katariina Kivistö, Information Unit, MTC
Tiina Korte, Research Unit, MTC
Timo Koskinen, Finnish Taxi Association
Risto Laaksonen, City of Tampere
Annette Lindahl, MOTIVA
Kirs Lindroos, Ministry of Education
Aarno Lybeck, Nurmijärven Linja Oy, Bus Operator in Southern Finland
Jorma Mäntynen, Technical University of Tampere
Seppo Nikkanen, Provincial State Office of Southern Finland
Nina Nizovsky, Finnish Taxi Association
Mikko Ojajärvi, Infrastructure Unit, MTC
Ulla Priha, Road Administration
Kari Ruohonen, Investments, Rail Administration
Saara Remes, Bussialan Kehittämispalvelut Oy, Bus and Coach Association
Juhani Salmela, Transport Workers’ Union
Hannu Siitonen, Uusimaa Regional Council
Leena Silfverberg, Ministry of the Environment
Silja Siltala, Association of Finnish Local and Regional Authorities
Pekka Söderling, VR Passenger Services, VR Ltd.
Reijo Teerioja, Helsinki Metropolitan Area Council
Seppo Vepsäläinen, Helsinki City Transport
Irla Vesalan-Nikitin, Passenger Transport Unit - Accessibility, MTC
Jaakko Ylinampa, City of Oulu
Annex 2  Examples of Good Practices

In the fourth thematic meeting on education, campaigns, and organisation of research and development, participants identified a number of good practices both in Finland and abroad, which are listed below.

Education:
- *Sustrans*, a non-governmental organisation in the UK, undertakes campaigns aimed at educating children about sustainable transport. It has initiated a range of good projects, including ‘Walking Buses’ which organises groups of children to walk to school together, supervised by a few parents who take it in turns to accompany the groups.
- *My City* programme presented by bus drivers and ticket controllers in schools in Paris to raise awareness of public transport among children;
- *Design a bus logo* initiative in the Netherlands. Children were encouraged to think about public transport by drawing pictures of their favourite mode of transport and designing bus logos.
- Educational material about sustainable transport has been produced for teachers by the Helsinki Metropolitan Area Council.

Company travel plans:
- *Municipal Mobility Contracts*, developed in Belgium, and *Urban Mobility Plans*, developed in France include measures to support companies and organisations in the development of travel plans.
- *Mobility Management Centres* in the Netherlands (for example, at Schiphol Airport) have developed a range of good practices to enable employees to use more sustainable modes of transport. The City of Tampere has also been active in developing mobility management schemes.
- *Green Commuter Plans* have been developed by Manchester Airport and have resulted in more employees at the airport using public transport rather than the car.

Campaigning and marketing:
- *Express bus and coach operators* in Finland have developed several good initiatives in this area, for example customer satisfaction surveys.
- *Helsinki City Transport* carries out face-to-face marketing.
- *Carte Imagine R*, developed by the Paris public transport operator (RATP), aimed at young people between 16-25 years, offers incentives (cinema tickets, discounts at restaurants and shops etc.) to encourage young people to use public transport.
- *BOB you or BOB me* campaign has been successful in the Netherlands in discouraging people from drinking and driving. The ‘BOB’ in a group of friends is the person nominated as driver for the evening and is therefore obliged not to drink.

- *Tapestry*, a EU project on marketing public transport, has identified several good practices.

- *Public transport marketing* has been successfully developed by the public transport authority in Oslo.

Research and development:
- *Current research* being undertaken by the MTC on passenger information systems and telematics has involved setting up a number of successful projects.

- *Centres of Excellence* have been established in the UK to reward and recognise significant contributions to the public transport sector by industry, academics and authorities.

- *Professors and academics specialising in public transport* provide significant support to policy-makers in the UK and the Netherlands.

- *PREDIT*, the French national transport research programme, is a good example of a structured and comprehensive approach to transport research at a national level.
Annex 3  Methodologies for Cost-Benefit Analysis

The evaluation of the MTC’s public transport strategy identified the urgent need for the MTC to develop cost-benefit analysis (CBA) tools in order to optimise the effectiveness and efficiency of its actions and to secure political and financial support for its strategy.

Transport policy-makers throughout Europe (and beyond) are faced with the same challenge as the MTC to develop CBA tools that can calculate not only the economic benefits, but also the social, environmental, health and quality of life benefits produced by public transport. It is also recognised that in the context of public transport, CBA needs to integrate a qualitative approach to demonstrate the benefits of public transport that cannot be calculated in monetary terms alone\(^{28}\).

The purpose of this Annex is to provide some useful sources of information for the MTC in its research on CBA methodologies. The list below is intended to give a brief introduction to relevant CBA work being undertaken in the United Kingdom, the Netherlands and France. It could be very useful for the MTC to follow-up its work in this area by organising study visits to these countries to learn more about their approaches\(^ {29}\).

**Example 1: The United Kingdom – Guidance on the Methodology for Multi-Modal Studies**

The Department for Transport (DfT) in the UK has published (May 2000) a *Guidance on the Methodology for Multi-Modal Studies*, a two-volume guide which is intended to be applicable to the appraisal of multi-modal studies. It includes appraisal against environmental, safety, economic, accessibility and integration criteria. The Guidance concentrates on general principles in aspects such as general approach, modelling and data collection, and level of detail of analysis. In other respects, such as cost-benefit

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\(^{28}\) The need for more comprehensive cost-benefit analysis is identified in a study carried out by the MTC to evaluate the impact of its public transport interchange projects. The study states that ‘it must be remembered that cost-benefit calculation is only one part of socio-economic analysis. The Travel Centre project is a typical example of a project having many remarkable impacts which cannot be economically evaluated…’ (MTC Publication 17/2002).

\(^{29}\) The MTC should also work with their colleagues in the Ministry of the Environment to learn from their assessment methods. In the Land Use and Building Act (2000), assessment of the environmental impact of land use is made an integral part of the whole planning process. The necessity for and extent of analysis is decided by different interest groups in cooperation and impacts are assessed at all stages of land use planning work. Preparing and comparing alternatives is an essential part of assessment. Systematic assessment of environmental impacts has significantly altered the land use planning process and shifted the viewpoint from one centred on the expert towards the actual user of the environment.
analysis and environmental appraisal, the Guidance refers specifically to the well-established and well-codified procedures used by the DfT.

This new approach to appraisal is used to investigate strategic transport problems on or with all modes of transport and to seek solutions to those problems. Solutions should take into consideration all modes of transport (cycling, walking, air transport, public transport etc.) and may also relate to non-transport policies, for example land-use, health and education.

At the heart of the appraisal process is the Appraisal Summary Table (AST). The table records the degree to which the Government’s objectives for transport would be achieved and provides a comprehensive summary of impacts of an option. It is intended that decision-makers should use the information provided in the AST to make a judgement about the overall value-for-money of the option. The purpose of the AST is to present all the main impacts – that is costs and benefits – which should be included in a broad cost/benefit analysis. The AST includes both qualitative and quantitative information. Where monetary values can be derived, as in the case of accidents or transport economic efficiency, the summary assessment uses those values. Where impacts can be quantified but not monetised, the summary assessment is quantitative. Impacts that cannot be quantified are assessed on a (usually) seven point scale.

The above information has been taken from the Guidance which can be downloaded in full from: www.dft.gov.uk/itwp/mms/index.htm

Example 2: The Netherlands – Assessing the Impact of the Budget of the Dutch Ministry of Transport

The Ministry of Transport, Public Works and Water Management in the Netherlands uses a range of methodologies to calculate the costs and benefits of public transport, for example: Social Cost-benefit Analysis, Multi-Criteria Analysis, Goals Achievement Matrix, and land use/transportation models. National travel surveys, longitudinal panel surveys, and ad hoc questionnaire surveys are used to monitor general developments as well as to determine the impacts of particular policy measures.

The Ministry of Transport also supports research studies to develop assessment tools. In 1998, the budgets of the Dutch Ministry of Transport and the Infrastructure Fund together amounted to approximately 6.8 billion Euros. This was one of the largest budgets of the central government. To determine who benefits and to estimate the size of the effects for different groups of beneficiaries, a study was undertaken to analyse the impacts of the financial budgets. The aims were twofold: firstly, to establish the profile of people and regions that profit from the budgets; and secondly, to estimate to what extent these expenditures affect various groups as differentiated by type of household,
socio-economic class, geographical area and industrial sector. The analyses covered both passenger and freight transport. The study was coordinated by the Transport Research Centre (AVV) which is responsible for the research and development programme for various departments within the Transport Ministry.

The research consisted of two parts. The first part was a literature study to review whether any similar study had been undertaken on this issue, to survey the state-of-the-art regarding methods, to identify techniques to analyse budget effects on beneficiaries and to appraise the quality of available data sources. The main tasks were to identify the financial streams, to specify the groups that had benefited and to describe the basic assumptions needed for the assignment of expenditures to the different groups. The second part of the study provided an empirical interpretation of the analyses and assigned the expenditures to the different groups that benefited. Separate analyses were undertaken in the form of three case studies to gain extra insights into possible impacts on three groups of the community and to test the efficacy of the methodology when used in in-depth study. The specific cases chosen for particular attentions were: single parent families with children, car riders in the peak period and train users in the peak period.

The study made good use of existing knowledge and what data and information the research team could find to make the necessary professional judgements on methods used and assumptions to be deployed in the calculations and apportionment of benefits.

The description of the study has been taken from a paper ‘Who Benefits from the Budget of the Dutch Ministry of Transport?’ by Francis Cheung, Transport Research Centre, Dutch Ministry of Transport, Public Works and Water Management. The paper was presented by Francis Cheung at the Annual Meeting of the Transportation Research Board (US National Research Council) in January 2002.

Example 3: France – Socio-Economic Evaluation

In France, an inter-ministerial group regularly discusses the key principals of socio-economic evaluation. The group brings together different ministries (Transport, Environment and Finance), big transport operating companies (rail, road etc.) and universities. In 2001, the group published a report on the economic evaluation of the negative impacts of transport (noise and air pollution, accidents, greenhouse gases, congestion etc.). On the basis of this report, the Ministry of Transport will soon publish revised practical guidelines for the evaluation of large infrastructure projects. In 2002, the Transport Ministry’s Centre for Studies on Networks, Transport, Urban Planning and Public Construction (CERTU) published a guide to provide decision-makers with a uniform approach to the socio-economic evaluation of urban public transport. This will
enable the comparison of the costs and benefits of projects in different urban agglomerations.

Within the framework of the Government’s transport research programme (PREDIT), an analysis was made of the most recent studies on the impact of transport-related air pollution. The analysis, published in April 2002, identified 21 case studies carried out in the 1990s. These studies address the issues of valuing the health impacts from air pollution in Europe, the medical and legal costs of air pollution in cities, and valuing the health benefits of improving air quality.

To access the report on the economic evaluation of the negative impacts of transport: http://www.ladocumentationfrancaise.fr/BRP/014000434/0000.pdf
To order the guide on the socio-economic evaluation of urban public transport, contact bventes@certu.fr
To find out more about the studies on the impact of transport-related air pollution, contact the Coordinator, Jean-Pierre Nicolas: Nicolas@ntpe.fr

Example 4: Miscellaneous

Relevant studies on cost-benefit analysis and evaluation techniques have been undertaken by the European Commission, the International Association of Public Transport, PTRC (Planning and Transport Research and Computation, UK), and the US Department of Transportation. The MTC may wish to review the range of studies and methodologies developed by those organisations.