

European Urban Public Transport: Towards a single European employment model?

CONTRIBUTION FOR THE
SPECIAL ISSUE OF
WORK ORGANISATION, LABOUR AND GLOBALISATION
(Vol 4 No 1)

17 September, 2009
Final revision 26 March 2010

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Introduction

Public transport in European cities has traditionally been provided by publicly owned enterprises. Public transport was an example of ‘good bad jobs’: unskilled, but with job security and high informal autonomy, and above all, unionised. Recent changes in the governance of urban public transport have ensured that public transport enterprises are being privatised and/or exposed to competition. This paper uses a comparative study of urban public transport in six European countries (Austria, Germany, Hungary, Ireland and Italy) from the DYNAMO project¹ to address two inter-related questions. Firstly, are these changes resulting in a single European employment model in the sector, or do national employment models continue? Secondly, are changes in employment related to changes in service quality: is there a trade-off between service quality and employment quality?²

1. A New European Public Transport Model?

Public transport and the European Social Model

European cities are a distinctive feature of European societies (Häusermann, 2005). Compared especially to American cities, European cities are more compact; European city centres are centres of administration, business, entertainment and shopping, rather than simply ‘Central Business Districts’. This has been possible because car-based mobility has been restrained: especially in large cities Europeans are more likely to travel to work by public transport; Europeans are more likely to make short journeys on foot or by bicycle (Newman and Kenworthy, 1999; van de Cooevering and Schwanen, 2006). One reason was that in many cities in the second half of the 20th century public transport was maintained and even expanded.

¹ EU-FP6 project ‘DYNAMO – Dynamics of National Employment Models’ Contract no. CIT2-CT-2004- 508521 (Co-ordinator Professor Gerhard Bosch).

² This paper is based on our report ‘European public transport – not public any more?’ produced for the DYNAMO project. Material for that report included a paper on EU policy (Christian Schweiger) and national reports on public transport in Austria (Christian Hermann), Germany (Erich Latniak), Hungary (András Tóth and Dávid Jancsics), Ireland (James Wickham), Italy (Ornella Tarola and Maria Lamas) and Sweden (Jonas Månsson).

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Above all perhaps, European cities have public spaces. Public transport therefore contributes to the physical expansion of the public sphere which has also been claimed as an important feature of European society (Hutton, 2002). Furthermore, public transport is itself a public space, for the bus or train passengers must share a physical space (the bus, the railway carriage) to which other passengers have access. Using public transport is a collective social practice requiring different social norms of social interaction (consideration for fellow passengers) rather different to that of the ‘carcooned’ user of the private car. In this sense too, public transport contributes to urban citizenship (Wickham, 2006a).

If public transport contributed to the physical structure of European cities, it also contributed to their economic and social structure. Since the early 20th century public transport in European cities was provided by publicly owned enterprises. Public transport in the city was understood as a public service that should not be left to private enterprise. Although the rationale for this varied across time and place, the decision itself was part of a political consensus shared by socialists and conservatives (Häussermann & Haila, 2005).

Least noticed, but crucial for this paper, employment in urban public transport contributed to the distinctive social structure of European cities. The importance of routine long-term jobs in the public sector contributed to European cities’ social stability. Because such jobs were secure and had real if limited long-term benefits, there were fewer incentives for geographical mobility: such jobs strengthened citizens’ *Platzgebundenheit* - their physical and emotional attachment to their city (Kazepov, 2005). The public sector provided a significant section of the population with low formal qualifications with regular employment with good conditions:

[Public services] have often made a distinctive contribution to the structure of employment available in the advanced societies: work that required relatively modest skills, paid rather low wages, but offered security of employment and (because of the commitment of most public employers to concepts of the “good employer”) freedom from the brutalization often associated with low-skilled and low-paid work (Crouch et al, 2001: 239).

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In the general expansion of public sector employment in Europe in the 1970s public transport was unusual in that employment was overwhelmingly for men in manual jobs. By contrast, most of the actual employment expansion was in lower white collar (administration) and lower professional employment such as social workers and teachers, a lldisproportionately female. Like the rest of public sector employees, public transport workers were also unionised. Although they made no contribution to public transport policy, trade unions became the beneficiaries of public sector expansion, and as we shall see below, its potential guardians.

The New European Public Transport Model (NEPTM)

European public transport now operates within the framework of EU competition policy. In this domain there are now frequent references to European public services, but in practice the only issue is the extent to which the public provision of such services hinders competition. Tellingly, while ‘opening up’ the urban public transport ‘market’ to competition is defined as a *European* issue, the standard and level of service is left entirely to national governments. In other words, the European Union insists that public transport should be provided ‘competitively’, but actually does nothing to ensure that it is provided at all.

Within the new framework, a transport service can still be organised by public authorities, but it must be provided by a separate enterprise on the basis of a competitive tender. Formally there is no objection to this enterprise being publicly owned, but it must be financially independent and not receive any general subsidy, since this falls within the ambit of anti-competitive state aid and is therefore illegal. In practice of course this means that since the ‘public’ enterprise will therefore operate exactly as a private company, there is no reason for it remaining in public ownership. Furthermore, where the public transport system has its own specific infrastructure, as the case of national railways, then the ownership of the infrastructure must be separated from whatever company or companies actually operate the trains.

If public transport is to be provided by private (or quasi-private) companies, then there has to be some form of regulatory authority. Very broadly, there are two possible approaches here. On the one hand, there can be competition *in the market*.

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Firms compete directly with each other for the individual consumer, even though the authority may allow public subsidy for individual routes. The clearest example of this model is urban public transport in the UK outside of London. On the other hand, there can be competition *for the market*. Here the authority decides on the overall level of service provision, it may itself make strategic investment decisions, and crucially, it awards a contract for particular services such as the whole network or a bundle of routes. While companies compete for contracts, once a contract is awarded, then the company has a monopoly for the duration. For example, in French cities the municipal authorities have for some time sought tenders to operate the local bus system for a specific time period (Lorrain, 2005).

Of the six case study countries, Sweden was a precursor of privatisation. Since 1989 urban public transport has been the responsibility of the Traffic Authority which invites tenders for transport within local areas. In most municipalities the operators are now privately owned, though some publicly owned transport companies do still exist. Thus in Stockholm the Stockholm Traffic Authority is responsible for public transport in the city, but actual operation, including of the metro, is by private contractors. Unlike most of our other case study countries, privatisation in Sweden was driven purely by national policy since it predated any effective implementation of EU legislation. Furthermore, in the Swedish case the policy was explicitly justified in terms of improving the quality of service, rather than as a cost cutting measure. Sweden is a clear case of competition for the market.

Elsewhere in Europe change has followed the development of EU competition policy. In some countries the formal legal system has been implemented, but in such a way that in practice everything remains as before. In other words, although there are public transport contracts between local authorities and transport providers, these providers are the old and unchanged public sector enterprises. This is effectively the situation in Italy, where at least to date no private enterprise has considered it worthwhile to challenge this situation through the courts.

Some countries such as Ireland and Hungary have obtained a derogation which has allowed them to delay the deregulation of some at least of their public transport. Even here though there are moves to create the legal basis for competition: defining

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the existing state undertakings as separate legal entities, drawing up service contracts between authorities and providers, and last but not least, establishing clearly defined transport authorities able to issue such contracts and regulate the market in the future.

In the Irish case government policy appears to be to increase the role of the private sector not by head on confrontation with the unions, but by ensuring that the existing state companies only play a limited role in new services. For Ireland, as mentioned, there is only a noteworthy urban public transport system in Dublin. There has been limited entry of private operators, with one notably providing a direct shuttle service to the airport. The new tramlines have been built by a new government agency and are operated by Veolia. Construction is due to start shortly on a long-planned new metro, the operation of which will also be put out to tender.

In Hungary there has been a derogation for the privatisation of the public transport sector until 2012 (in contrast to the similarly organised “Verkehrskombinate” in the former German Democratic Republic), although government policy is that these companies will be privatised in the coming years. By contrast the East German public transport systems had to undergo a double transformation. In the first stage, lasting until about 1993, the former “Transportkombinate” (integrated transport service administration for each region) were split up and transferred into publicly owned transport companies. There was a severe reduction of public transport services offered and a significant ‘modal shift’ towards the private car. In the second stage, lasting until today, these ‘new’ companies are now facing the same pressures for competition as their counterparts in West Germany.

These developments are summarised for our six case study countries in Table 1.

Table 1: Regulation of urban public transport: six EU countries

Country	Model	Ownership	Regulatory authority
Austria	Delayed privatisation	Largely state owned	Licensing by provincial authorities
Germany	Creeping privatisation	Some private operators, mostly state or municipally owned enterprises	Associations of local authorities act as licensing authorities and public transport coordinators
Hungary	Derogated privatisation	All state owned	Markets protected until 2012
Ireland	Derogated privatisation	Nearly all state owned; limited new private operators	None functioning but foreseen in current legislation
Italy	Formal privatisation	Largely state or municipally owned	Local authorities plan and licence, but little effective competition,
Sweden	Full privatisation before EU regulations were applied	Largely private, some municipally owned enterprises	Competitive tendering for all markets – coordinating authority

2. Employment and industrial relations in the NEPTM

Employment

At the start of the 20th century employment in transport meant working in large and usually state-owned railway companies. In the nineteenth century railway companies had been some of the very first large scale capitalist employers; during the first half of the twentieth century the state-owned railways remained significant employers within the national economies. An extreme case was Ireland where CIÉ (the state transport company) at its creation in 1944 was the largest company in the state. At local level too, public transport undertakings were significant employers within their cities. In a few countries this remains the case. For example the Budapest Transport Company (Budapesti Közlekedési Vállalat, BKV) currently employs over 13,000 employees and is one of largest companies in Hungary.

Beyond such individual cases it is difficult to identify precise numbers since most statistical sources such as the published national Labour Force Surveys do not disaggregate ‘transport workers’ into passenger and goods drivers, let alone differentiate between different types of public transport (bus, rail, etc). However, it is

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clear that overall public transport is not a significant source of employment in absolute terms and that furthermore, this has been the case for some time. Thus in Austria local and regional public transport (i.e. excluding federal railways) is less than 1% of total employment; in Vienna Wiener Linien (the municipally owned transport company), still provides virtually all transport in the city, but has a total employment of around 8,000 employees in a city with a total population of 1.67m. In Sweden total employment in public transport (excluding long distance transport) is 31,500 (2006) from a total employment of approx. 4.9 million; the Stockholm metro employees approximately 8,000. In Ireland where total employment reached over 2 million in 2008, Dublin Bus, still providing virtually all bus transport in the city, employs just over 3,000 workers and the national railway company employs in total only 5,500.

The long term decline in employment within urban public transport has been mainly because of increased productivity (as opposed to in the national railways where route closures have also been important) and it started long before the current wave of privatisation and de-regulation. From the late 1960s onwards buses and trams became 'one-man operated' (and the drivers were usually men); the bus or tram conductor had become a historical occupation. Since the 1970s we can observe an increasing emphasis on technical investment and a productivity increase (measured in transport kilometres per person employed) in some urban areas as a kind of secular trend – especially in Germany the whole public transport sector is reputed to be 'technology-mad'. For example, in many German cities during the 1990s there was a rapid introduction of low-floor busses with 'kneeling' technology (adjustable entry floors to facilitate handicapped people or passengers with baby buggies). Based on new technologies (e.g. integrated ticket systems, automated transport management systems) a higher transport capacity and improved quality became manageable with fewer people employed.

The collapse of the political system of the former state socialist countries also had implications for public transport employment. In the former East Germany there was a severe reduction of employment as the existing companies were turned into state enterprises on the (West) German model, and this continued as these enterprises in turn face the same pressures for competition as their counterparts in West Germany.

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By contrast in Hungary privatisation has been delayed and employment has not fallen as fast.

Comparing the changes in employment in the six countries since the mid-1990s in terms of aggregate statistics shows employment losses in Italy and Germany. By contrast in Austria there has been a large fluctuation; in Sweden total employment has also fluctuated, but with a slight increase by the end of the period. Finally in Ireland there has been a slight overall increase (comparative data from Hungary were unavailable).

It is however clear that the movement towards the NEPTM has contributed to reducing employment that is counted as public transport employment. While control and security tasks became increasingly important in suburban areas during the 1990s (cf. for Paris Hatchuel, 2002: 44ff.), these jobs were often outsourced and are now provided by security service companies. Even companies still in public ownership have adopted similar strategies for other “non core” tasks such as cleaning, technical services (bus maintenance) etc. We know less about other areas of management services (e.g. human resource management, information services, ticketing, route planning), but the disintegration of the formerly integrated public transport companies towards a “lean public transport company” has accelerated. In countries where state owned enterprises are beginning to compete with private enterprises, rising employment in the latter does not completely compensate for job losses in the state-owned sector. This is shown by the case of Germany. In 1994 196,587 employees worked in the public transport sector, but employment was reduced to 179,678 in 2004. It is not clear however whether this fall marks a fall in overall jobs, since it may well be the case that outsourcing has also resulted in a reclassification of employment sector (e.g. from ‘transport’ to ‘cleaning services’). In this context the Swedish case is interesting, since the process of privatisation began earliest and now appears to be one of the most complete in Europe. Between 1984 and 2004 overall employment has fluctuated within a range between 25,000 (1984) to 32,000 (in 1991 and 2004).

In conclusion, despite continued public investment in some countries such as Germany and Ireland, overall employment in public transport has been falling in most

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countries for some time. However, this has often been within state-owned enterprises and is usually the result of long term technological and organisational change. This decline therefore predates the changed regulatory context. However, the NEPTM has led to new business models and changed firm structures, and these in turn have meant that jobs within the core transport companies have been reduced.

Industrial relations and wages

The country studies reveal a variety of consequences initiated by changes in the industrial relations system. Given the diversity of industrial relations situations, it is hardly surprising that we find a similar diversity in wage levels and negotiation patterns.

In Dublin in Ireland most public transport workers however remain in the state-owned companies (Dublin Bus, Irish Rail). Here union membership is virtually 100% and the unions have successfully opposed all steps towards privatisation and deregulation of existing public urban transport. For most workers in the sector there has therefore been no change in the bargaining system; wages have remained stable with regular increases determined through the corporatist-style 'national agreements'.

In Hungary the company based bargaining system ensures that working conditions and wages widely differ between transport companies. In 2003, a strike and an agreement for all state-owned companies has partly standardised conditions, but the wage level for drivers and technicians is below the Hungarian average wage. There is no nationwide or centralised bargaining structure for the entire sector which could prevent wage losses or contractual disruption when privatisation and budgetary restrictions begin to operate in near future.

In Italy, a national collective agreement for the sector provides a base line for wages. This however is fragmented by additional bargaining at company level. Here improved conditions have been negotiated so that the urban public transport sector has a comparatively high wage level. The so-called 'social clause' guarantees the existing public sector employees' income level even if the services become provided by private operators.

In Austria, the privatisation of public companies is under way with a limited number of routes put out to tender since the end of the 1990s. In fact, local

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monopolies still exist and the implementation of the regulation is limited and contradictory. Nation wide collective agreements do not exist in the sector, wage negotiation is fragmented. There is a strong pressure on the wages in the publicly owned companies because wages are the main cost aspect to be influenced by the companies and subsidies are increasingly reduced. As long as the unions are not able to establish wage and working time standards even within one company all over Austria (which is the case now) increasing competition will impact on wages and working conditions.

In Germany, the federal structure has ensured that bus routes have been put out to tender in different ways. As in Austria, there is a high degree of coordination and integration of the services into regional traffic networks provided by public as well as private companies, the latter dominating in rural areas. Despite the same negotiating union in both areas, there were different wages negotiated for public service and for private bus companies. Traditionally, wages were higher in the public service due to the higher degree of unionisation and the pressure mobilised during the integrated negotiation in entire public services (including for example waste disposal and infrastructural services). Accordingly, the price based competition induces pressure on the wages primarily in the public companies. Along with the change of the collective agreement structure in the German public service in recent years, wages were reduced by the sectoral agreement for public urban transport. This is a kind of concession by the union to provide some 'competitive help' for the public companies in order to guarantee job tenure and employment security.

Finally in Sweden wages are excluded from being a core element of (price based) competition and the county report reveals a varying but continuous increase of wages over time.

Summing up these findings, wages have been under pressure in Austria and especially in Germany. Germany has seen the development of an increasingly fragmented bargaining system in public transport services adapting the wage levels to the lower wages in private companies. Looking at the bargaining practices here, it is quite evident that job tenure is bargained against lower wages or working conditions. Furthermore, the framework of a new collective agreement has been developed, but it

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is as yet not very widespread. However, this is partly the result of a wider fragmentation process within the public service as a whole, and is not simply the result of re-regulation.

Furthermore, the outsourcing of functions has involved a relative reduction of wages of those employees now performing tasks such as cleaning or security, since private companies from outside the public transport sector often tend to pay lower wages. In shifting to sectors with lower wage tariffs or with different collective agreements or even unregulated branches, outsourcing is contributing to an overall cost reduction initiated by the budgetary constraints in many countries; over time it reduces the number of employees with good fringe benefits such as pensions and sick pay.

By contrast, wages appear to have been increasing in Sweden and in Ireland in both absolute and relative terms. In Sweden unions have maintained sector wide bargaining and agreements. Even new enterprises are usually unionised, but there are cases (e.g. Dublin Connex-Veolia) where the employers have attempted to avoid recruiting new employees with strong trade union backgrounds. In general however it seems that private operators have no particular desire to avoid unions altogether, but are determined to avoid the union constraints on management decision-making that so often characterised traditional public sector enterprises in the sector.

3. Employment quality and service quality

Job Quality and Service Quality: Interdependence or trade-off?

As we argued above, urban public transport provided good bad jobs and clearly this was connected to the historical role of transport enterprises as state companies. It might seem reasonable therefore that there is a trade-off: public transport quality is increased, but the actual job quality declines. Implicitly or explicitly, this is the view of the proponents of the NEPTM. High wages and inefficient use of expensive labour occur because of the monopoly situation of transport undertakings. From this viewpoint it follows that effective public transport must involve reducing the power of transport unions and hence the quality of transport jobs. In order to oppose this argument, trade unions are forced to reverse the linkage between job quality and

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service quality. They deny that in the past job security and union power hindered improvements in service, and usually instead hold governments responsible for a lack of investment. Conversely, unions claim that the contemporary development of the NEPTM actually produces lower quality public transport, in part because it undermines the quality of work.

Table 2 Possible relations between job quality and service quality

		Service Quality	
		<i>Bad</i>	<i>Good</i>
Job Quality	<i>Bad</i>	Bad All Round Privatisation undermines job quality and service quality. Privatisation as seen by trade unions.	New Trade-Off Employees are exposed to market conditions which may undermine the quality of their jobs, but service quality improves. Implicit NEPTM argument.
	<i>Good</i>	Traditional Trade-Off Employees have ‘good bad jobs’, above all security of employment, but at the cost of bad service. Implicit NEPTM argument.	Win / Win Public transport is good, partly because of employees’ commitment and skills, in turn the result of good employment conditions. Trade union claim about the past and/or aspiration for the future.

These claims are presented schematically in Table 2 which shows the different possible combinations of ‘Job Quality’ and ‘Service Quality’. In the ‘Bad All Round’ combination both Job Quality and Service Quality are bad. This is the situation which unions foresee as the result of privatisation. Conversely, in the ‘Win/Win’ combination both Job Quality and Service Quality are good. Whenever unions attempt to gain public support for a defence of their existing conditions, this is the argument they have to make. Both combinations on this diagonal therefore posit a causal relationship between job quality and service quality. Although not often spelt out, this must involve the claim that service quality depends on employee commitment and skills, and these in turn are only ensured by good employment conditions.

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The other diagonal in Table 2 posits a trade-off between job quality and service quality. In the 'Traditional Trade-Off' employees may have good jobs, but this is at the cost of bad service quality. This is how the advocates of the NEPTM understand the traditional situation in European cities, implicitly or explicitly arguing that trade union power, in turn based on public sector monopoly, creates both excessive wages and inefficient working practices. For advocates of the NEPTM, exposing employees to market conditions may undermine the quality of their jobs and will certainly reduce the level of their wages. However, this is supposed to enable improvement in service quality.

Job Quality

A meso-level study like this can tell us relatively little about the more individual aspects of job quality (individual autonomy, stress, work-life balance, etc.). However, our national level reports do give some indications about the more structural issues. In particular they stress that in most cases privatisation and 'pseudo-privatisation' is leading to declining job security and, largely because of outsourcing, to lower promotion prospects for front-line staff.

The new more competitive environment compels existing public companies to consider their strengths relative to other possible providers. In Germany for example such public companies hope that if transport authorities insist on relatively high quality standards, then they will gain a competitive advantage since they will be able to utilise their strengths (skills, experience, advanced technology) to guarantee standards.

To some extent the skills and competences of transport employees can make a difference in performing their jobs which is visible to the customer. For example, it might be helpful if bus drivers had some minimal foreign language competency if s/he is asked by a foreign visitor for directions to a tradeshow, or if s/he has the personal skills enabling them to handle tense situations or confrontations between passengers on suburban bus lines. It is suggested that the customer benefits from having a driver who is able to do more than just drive and sell tickets. Furthermore, if the transport provider is running light rail, subway and bus lines, it might be useful to have drivers who are able to drive all these systems. Such versatility and functional flexibility is

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therefore an other argument for upgrading the skills basis in order to reach an upgraded level of service.

There is an increasing debate over what such an enhanced transport occupation would require (cf. for Germany VDV, 2004). However, to date there have been only a handful of initiatives towards the standardisation of integrated job profiles – e.g. the European project for the “urban transport driver” (see for example www.ctue-project.org). Although Transport for London does require their contractors to train bus drivers in customer relationship techniques³, in the DYNAMO countries themselves we found no new career structures and no widespread development of ‘customer-focused’ skills, let alone any certification of such skills. Instead, we encountered initiatives to lower the threshold age for becoming a bus driver in order to attract more young people. The efforts to strengthen and to update the profiles contrast sharply with the efforts of some companies to attract students (on part-time contract basis) into drivers’ jobs.

In some cases there is evidence that public transport workers traditionally understood their work as in part a ‘public service’ and this contributed to their job satisfaction. For example, in a recent study of four Dublin workplaces, employees at Dublin Bus were particularly likely to be ‘proud to work for this organisation’ and usually explained this, as one put it, in terms of providing ‘a public service, you know, not just public transport’ (Wickham, 2006 b: 171) Studies of low skilled care and health workers threatened by New Public Management, privatization and outsourcing have routinely reported similar findings, where for example hospital cleaners chat to patients and effectively undertake unpaid low grade nursing tasks. While job security and concomitant local knowledge may be the precondition for such ‘caring’ work, it would be difficult to argue that they guarantee it occurs. Indeed, within the DYNAMO case studies, customer dissatisfaction appears highest in Italy and the state-owned companies in Ireland (Dublin Bus, Irish Rail), all situations where traditional job security is strongest.

Traditionally, the career paths for bus drivers were fairly short: beyond some customer information jobs (preferably used for disabled drivers), there are only a

³ We thank an anonymous reviewer for this information.

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handful of planning and control tasks available in the companies as career steps. With the changing organisational structures of the companies, there are some new careers in planning and consultancy, but these jobs are restricted to highly qualified candidates, are few in number, and do not offer new careers for ordinary employees. Indeed, in some cases outsourcing of maintenance work further reduces the scope for alternative jobs in the same companies.

Beyond that, work intensification and the extension of working times is widespread in our case study countries (with the possible exception of Italy and Sweden) and has gone together with rising productivity, i.e. rising numbers of passengers and transport kilometres. This decline in working conditions does not seem to be reaching a plateau because of the limits of physical possibility and restrictions imposed by health and safety regulations. But this seems to be a general process and not simply the result of deregulation or new private operators.

Service quality

One attempt to define the quality of public transport is a new specification of the ISO 9001-2000 standard, the EN 13816 on quality of public transport and EN 15140 on the measurement of service quality in public service. Interestingly the impetus for the former apparently came from the European Parliament; it is part of the recent concern of the Parliament to protect European public services within the general discussion of the liberalisation of services. EN 13816 essentially focuses on quality of existing services, with 'quality criteria' including:

- availability, accessibility,
- information, time, customer care,
- comfort, security,
- environmental impact

(Meier, 2009)

To achieve certification a transport provider has to be able demonstrate a system for the automatic monitoring of service levels through its information technology systems, it has to regularly monitor customer satisfaction through customer surveys and other mechanisms; it has to implement a system for continuous improvement. While this is a step-change for many public transport companies, such a focus can of course say little about innovation (new services, new routes) or the general issue of

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the overall level of transport provision which we earlier argued has been the defining characteristic of public transport in European cities.

It is possible that both these standards will become more important in the future if transport administrations integrate them into their tender conditions, thus emphasising a certain measurable minimum of service quality at a certain price. Meanwhile the ISO/EN certification appears to be largely part of the public relations measures of some transport companies. According to experts, these standards are not yet part of the tendering process. Nonetheless, the EN norm has been transferred to the national standard systems in German, Austria, and Sweden; in Italy, courses for training and implementing the standards are available. If these norms do become used to define service standards, then companies will have to follow them, in particular by acquiring certification. Audits in turn will involve further demands for the specification of operating procedures and for appropriate training of employees.

More generally it is clear that some new private operators have taken some steps towards the regular monitoring of service quality along these lines. This has been partly driven by the demands of the transport authorities in several cities not within the DYNAMO Project, such as HKL in Helsinki and TfL in London, where transport contracts include monitoring of the quality of service provided. In Stockholm Veolia's reorganisation of the metro since 1999 has involved such monitoring of service levels and customer satisfaction surveys; in Dublin Veolia publishes regular updates on planned journeys completed on new trams that it operates, while no such data is available from the public sector Dublin Bus. However, such initiatives can also be found in large public sector undertakings, particularly in Germany and Austria. Conversely, we have no reports of any such monitoring in Italy or Hungary.

Ultimately, service quality depends not only on the customer care of front-line employees but on a host of factors ranging from investment and employment levels, maintenance standards, technical and managerial competence, to mention only a few. Evidence from the early bus privatisations in the UK (e.g. Wolmar, 1999) as well as the USA (Richmond, 2001) shows that where employers engage in a 'race to the bottom' in terms of wages and working conditions, then any attempt to maintain standards is doomed, since it becomes impossible for employers to hire reliable and

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committed employees and turnover reaches unsustainable heights. However, beyond this basic level, we can identify no evidence of any clear trade-off between quality of work and quality of service.

Service provision

Any urban public transport system requires subsidy; so the simplest way to reduce the subsidy is to abolish public transport within cities (as many American cities have effectively done). There is no escape from the fact that expanding urban public transport will require greater public expenditure. Accordingly a measure of success which focuses on the overall level of subsidy is perverse, and even some measure of receipts as a percentage of operating costs may only measure the extent to which transport provision concentrates on a small number of profitable routes. To date such comparisons are notoriously difficult (clearly the new European framework will facilitate them), but do indicate that low fares are not necessarily linked to high levels of ridership or decent quality. If the ostensible aim of urban transport policy is to increase public transport usage relative to private transport, it is revealing that such international comparisons are still made rather infrequently. Nonetheless, Table 3 presents some comparative data for the DYNAMO capital cities. In terms of the modal split for the journey to work, it suggests that Dublin is by far the least successful, although it has the highest contribution of fares to operating costs. Conversely, the most successful urban transport systems include both the 'reformed' Stockholm system and the 'unreformed' Viennese and Berlin systems. (see Table 3) This result would probably remain if the comparison included more complex indicators such as the extent of innovation in the system (e.g. new routes, new forms of service) or even the network density (measured for example in terms of the number of transport departures per square kilometre of the city area)⁴.

⁴ For detailed comparisons of performance see in particular van Egmond et al. (2003).

Table 3 Public transport share of journey to work, DYNAMO capital cities

City	(1) Modal split: public transport (%) all journeys ⁵	(2) Subsidy as % operating cost
Berlin	39	>50%
Budapest	70	>50%
Dublin	22	<20%
Rome	24	>50%
Stockholm	47	>50%
Vienna	45	>50%

Source: (1) Urban Audit (www.urbanaudit.org); (2) van Egmond et al. (2003)

Conclusion

We have argued that we are seeing the emergence of a New European Public Transport Model. This is a re-regulation (not de-regulation) of urban public transport which ensures that urban public transport is provided by private or ‘pseudo-private’ companies. Nonetheless, the regulatory framework - at least potentially – does accept the social role of urban public transport and the importance of the maintenance and further development of the urban public transport systems which we have argued are crucial to European cities. Whether this potential will be realised is unclear, but the NEPTM does clearly involve a restructuring of employment relationships within the new public transport undertakings.

Competition in the market clearly runs the risk of a race to the bottom in terms of wages and working conditions. This could only be prevented by strong sector wide bargaining which everywhere in Europe is becoming increasingly unlikely. However, the converse does not apply. It is clear that competition for the market is compatible with the variety of wage bargaining systems we have documented and with increased pressure on wages and (especially) working conditions. Furthermore, competition for the market and its stress on service quality necessitates tighter managerial control over front line employees. At most there may be an increasing polarisation between ‘high road’ and ‘low road’ services induced by a (possible) split between quality services in the cities and low cost services in rural areas. In urban areas there will be political pressure to continue and even expand the public financing of public transport systems

⁵ Summation of percentages by bus, metro, rail and tram.

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for social, environmental and economic reasons. By contrast, public transport in rural areas and small towns is more likely to fall behind – there are fewer customers, less money available, a decreasing offer of services and accordingly lower quality – and lower paid jobs. At least at the moment, there is little evidence that urban public transport in the new member states will do anything other than decline.

The prognosis for Europe as a whole is therefore a continued long term decline of employment and working conditions. In some major cities of the EU15 however expansion of public transport is possible and in some cases even likely. This is only possible on the basis of competition ‘for the market’ and the form of this competition will depend on national and increasingly sub-national (city) political decisions. To the extent that competition is indeed competition for the market (and not competition in the market), it will in turn necessitate some minimum standards in wages and conditions. Beyond such a base line, the extent of job security and of any improvement in working conditions will depend on national bargaining systems, and not on any features inherent in the sector itself.

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