REFLECTIONS OF EU TRANSPORT POLICY IN THE CZECH REPUBLIC: ENVIRONMENTAL IMPLICATIONS

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1 Introduction

Transport is, in many respects, the new heavy industry of modern economies. The main difference between transport and heavy industry does not lie in its propensity to pollute or produce waste products, but merely in the fact that transport takes place in front of homes, places of work, and even where children play. Transport only increases personal mobility up to a point, after which it diminishes, and pollution, congestion and the necessary scale of infrastructure become hindrances themselves. As the Western European countries of the European Union seek policies to stem the highly unsustainable growth of private automobile transport, the problem is in its infancy in the former communist countries of Central and Eastern Europe. Impending EU membership for the Czech republic means the adoption of the *acquis communitaire* and the harmonising of conditions for competition within the internal market, both of which have implications for transport policy.

Increasing car ownership and use in the transition countries of Central and Eastern Europe is not simply the result of increasing demand for greater personal mobility, but also as part of the shift to a more consumerist society. Cars are, after all, not just a means of transportation, but also a consumer good; whereas, trains and busses, and other public mass transport, are part of the communist legacy. Because of this, it is also clear that financial incentives alone will not be enough to stem the increase in private automobile use.

2 Economic Forces

2.1 Efficiency in Pricing

In the 1998 *Transport Policy of the Czech Republic*, produced by the Ministry of Transport and Communications, it is conceded that road and rail are not on a level playing field with regards to costs paid by users. [1] The costs associated with rail infrastructure must be covered by the railways’ budget; whereas, road infrastructure is mostly paid for by the central government, not by road users. The EU Transport *acquis* states that in order to enable consumers to make better transport modal choices, it is necessary to “develop appropriate concepts for fair and efficient pricing in the transport sector and to promote a more commercial approach in rail transport” [2]. Efficient pricing and fair competition demand that, for the two modes to compete, users should be charged the full costs, or at least their costs should be subsidised to equal degrees. Much has been written on valuing the environmental externalities of road transport and their possible incorporation into the costs paid by users. There are two recent publications on the subject by Maddison and Pearce (1996) and Tinch (1995). [3]

One of the main causes of the decline of Europe’s railways is that, although rail has been identified as the most environmentally friendly mode of land transport, it is the only mode where many external costs, such as infrastructure, are internalised. This situation may change progressively. But it is currently overridden by the pressing demand of creating modern transport links with the EU. Road building continues to be centrally funded; whereas, only the modernisation of strategic high-speed rail corridors is even partially centrally subsidised.

2.2 Transport of Goods

The construction and upgrading of motorways and other high-speed roads is a major implication of the reorientation of trade towards the West. Modern economies demand fast and flexible movement of people and goods; therefore, new infrastructure is essential to compete in the European marketplace. Previously, time was of marginal concern in the movement of goods, and slow trains with large, time-insensitive deliveries, waiting to use single-track lines were accepted as the norm. Or, as Gabor Hunya put it in a 1995 article: “Low specialisation of firms, a static assortment of products and a high level of inventories were … characteristics of production which demanded transport of large quantities and made speed and timeliness secondary.” [4] Since the coal industry, a major railway client, is shrinking, due in part to new environmental regulations, the need to offer modern services is becoming ever-pressing.

One of the main goals of Czech transport policy at the moment is to ‘ensure requirements for the functioning of the internal market.’ [5] So it is not just EU transport policy itself that is affecting the transport policy of the Czech republic, but also the demands of economic competition and integration. “The transport sector has been subject to particularly acute pressures from system users seeking faster, more efficient forms of travel, while on the supply side, the burdens of adequate infrastructure, rolling stock and equipment and lack of
financing weigh heavy on transport system operators.” [6]. If the railways are unable to provide this type of service, they will continue to lose market share to the more heavily polluting road-based modes.

3. Policy Initiatives

3.1 Integrated Networks

‘Integrated transport’ is the new catch phrase all over Europe; it refers to uniform ticketing and multi-modal interchanges. Multi-modal terminals have long existed in the Czech republic. In Prague outlying metro stations are the starting point for suburban bus routes, and trams normally also have stops nearby. The ticketing system was integrated about five years ago. Now one ticket is valid for all MHD services within a specified zone or time period. Most other Western European cities have similar systems, with the exception of British cities (which only have integrated daily or longer term passes).

In the recent transport policy of the Czech republic, the ministry pledges to learn from the mistakes of past transport policies of EU member states. The terms ‘sustainable mobility’ and ‘sustainable development’ are used in relation to the completion of the transport network. In many respects the recent Czech Green Paper on Passenger Mass Transport is a summary of the EU Green paper The Citizens Network for public transport. However, the Czech document places more emphasis on the environment as a reason for supporting public transportation. [7] So what does the Czech Republic have to learn from EU transport policy. It would seem that they should be leading the member states with regards to integrated passenger transport.

3.2 Park and Ride Schemes

An inappropriate western incentive adopted into recent Czech transport policy is the creation of Park & Ride schemes, which are considered part of an integrated system in many countries. Its adoption is unusual because the Czech republic has strong public transport links to the edges and centres of towns. The introduction of a P&R scheme is likely to encourage driving for part of a journey that was previously undertaken solely by public transport and walking. As a result there may be diminished demand for rural bus and rail services. Private transportation would thereby be inadvertently encouraged to the edge of urban areas. [8] Eventually, as is the case in Western Europe and North America, this could cause public transportation to become concentrated in urban areas and make private car use a mandatory part of rural life. The jewel in the crown of Czech public transportation is its penetration into rural areas. Although the country has a relatively low population density, people live in villages, rather than isolated homesteads, can be effectively served by rail.

4 Rail

4.1 Disrepair: a Push Factor

After extolling the praises of Czech transport systems, it should be pointed out that - apart from the modern Prague metro - much of the system is in a shocking state of disrepair. This problem, along with the desire for greater personal mobility, act as ‘push’ factors to private transportation modes. Since the condition and extent of the Czech public transport system is so different from that of the EU countries, should Czech transport policy adopt initiatives from the EU, where the modal split is greatly in favour of the private automobile, and rural rail (and bus) transport is minimal to nonexistent? The answer is that the transport system has survived the political regime that created it. Private cars, although now easy enough to obtain, are still very expensive in comparison with public transportation. In Czech cities the ratio of public to private transport use has been 9:1; whereas, in Western Europe the best ratio is 7:3.[9] People are not continuing to use public transport because of environmental consciousness, but rather because of economic forces.

4.2 Causes of the Decline

The European Commission has identified a number of push and pull factors which have contributed strongly to the decline in rail in Western Europe over the past 50 years. Many causes for the crisis in rail in the EU countries are now coming into play in the Czech republic. Their legacy can provide Czech policy makers with a sort of crystal ball into the future of domestic transport if efforts are not made to change trends. The first two points in the following list have already been discussed above.

- Only transport sector where many external costs are internalised
- Unable to adapt to changes in patterns of economic activity, including the decline of heavy industry
- Rise of more flexible road-based modes
- Road infrastructure has been upgraded faster
- Requirements to maintain uneconomic social services without sufficient subsidy[10]

All of the above factors, without exception, are occurring now in the Czech republic, and need to be addressed urgently to prevent unsustainable growth of road vehicle traffic.
4.3 TENs

Major corridors of the Trans-European Transport networks for rail cross the Czech Republic. The main routes are Berlin-Decin-Prague-Brno-Bréclav-Budapest, Nuremberg-Pilsen-Prague, Warsaw-Petrovice-Bréclav-Vienna, and Linz-Ceske Budejovice-Prague. These routes were identified as part of the Vienna-based TINA (Transport Infrastructure Needs Assessment) project. The title of the project is a bit misleading, as it did not analyse internal needs, just possible international links. The Czech rail infrastructure modernisation programme is practically limited to these strategic corridors. Strengthening of the above-named routes can reduce international transit traffic on the roads, and offer a competitive alternative between some main domestic towns and cities, but it does nothing to improve the average day-to-day journey. The abovementioned routes will compete with air travel, and primarily attract business passengers. The funding for the major corridor routes has been agreed from multiple sources, including the state budget, the railways themselves, EU structural funds, and bank loans.

4.4 Transformation

Directive 91/440/EEC of 29 July 1991 mandated the separation of accounts for operations and infrastructure of railways. Its main aim is to make the railways operate in a more commercial manner. This element of the transport acquis is particularly relevant for Czech Railways, which operate in a decidedly non-commercial fashion. The separation of accounts will make it clearer which services are making or losing money. It has hitherto been impossible to pinpoint exactly how much certain services are losing, or if they are actually covering costs. Social services are to be fully compensated by the central government, and this requirement is echoed in the 1998 Transport Policy of the Czech Republic. [11] Railways can no longer reasonably be expected to carry out social services without state compensation.

5 Road

The major negative consequence of impending EU membership is the extension of the motorway and dual carriageway capacity. The goal of which is to create high capacity cross-border links with neighbouring states. While road-building initially produces positive economic results, it has disastrous environmental consequences. In the UK, it is generally accepted that increases in road capacity tend to bring about increases in road use. With the expansion of transit traffic, increases in foreign holidaymakers and greater domestic car use, it can be fairly assumed that increases in road capacity in the Czech republic will be overtaken by increases in use. The Czech government is well aware of the detrimental effects of road transport. In the ‘State Environmental Policy’, the detrimental effects were estimated at 5% of GDP - although there is no indication of how this figure was reached. [12]

5.1 Transit Traffic

The Czech Republic is a major transit country. No less than 4 trans-European road routes cross the country. Directive 93/89/EEC from the transport acquis on charging infrastructure taxes to hauliers in relation to the environmental impact of the vehicle may be particularly helpful in reducing the impact of some HGV transit traffic. However, in no way will it compensate for or curb the increase in transit haulage seen over the past decade. The Directive also prevents discrimination in charges based upon the country of origin of vehicles. This precludes the possibility of charging vehicles from wealthier countries greater charges that reflect the cost of doing business in the country of origin.

5.2 TENs

The government has embarked on a substantial roads-building programme, although by no means as extensive as that of Hungary, where accusations have been made that it is systematically killing off public transport. The first high speed, high capacity, road link with Western Europe (D5, Prague - Pilsen – Rozvadov, with the exception of a Pilsen bypass, where the routing has been much debated) was completed in November 1997. Motorway construction had started long before, with the completion of D1, Prague – Brno – Bratislava, in 1980. This was the first existing international high capacity road in Central Europe; however, the border was drawn across the road in 1993, and not the other way around. [13] The next motorway connection with Western Europe will be the D8 (Prague – Border for Dresden). The possibility of making it a toll road was entertained, but Czech drivers would not be able to afford high enough tolls to attract private investment, and Germany was not in support of a Prague – Dresden toll road. [14]

There are also plans for more trunk roads and a ring road around Prague, which if it has a similar impact to the M25, built just over a decade ago around London, should increase traffic. [15] The government is the main financier of the roads-building programme; it also guarantees foreign credits, most of which come from the EIB. [16] The TINA programme puts the wider opening of borders via the freer movement of people and goods as a major goal of the strategic road and rail links.
6 Conclusion and Projections

When the CEC last commented on the Czech Republic’s application for membership, they said that the adoption of the acquis has progressed well with regards to air, waterway, combined, and road transport, but less so with rail. [17] Public service obligations are unclear, and accounts still need standardising. The Czech authorities are reported as being aware of the objective of creating an “integrated and competitive transport system.” [18] The Czech transport system is more physically integrated than those of most EU member states, although access to centralised information has been limited. Now, most urban public transport (MHD) systems have web pages with route maps and timetables, as do Czech Rail (CD) and Czech Coach Services (CAD). Rail is competitive in the sense that prices are low – about 60 halers per kilometre - and the network is comprehensive. However, levels of service are substandard and operational costs are not covered by receipts from the fare box.

The prospect of EU membership will over all continue to increase transit and cross-border traffic, with all their deleterious environmental impacts. The new economic and social structures of the country should continue to encourage the purchase and use of road vehicles for quite some time to come. However, some individual EU policies are likely to have positive impacts. The transformation of Czech Railways, which has already been set into motion, along the lines of EEC directives, should make rail a more attractive mode of transportation for passengers. Although, as long as modernisation is concentrated only along strategic corridors, it is unlikely to have a major impact on day to day transport use for the average resident of the Czech republic. Initiatives such as Park and Ride will probably have a primarily traffic-generating effect, by encouraging a proportion of journeys to be made by private car.

The CEC have identified a number of causes for the decline of rail as a mode; these include the decline of heavy industry, greater investment in road than in rail infrastructure, and incorrect pricing regimes. Czech policy makers are in the advantageous position of being able to learn from Western Europe’s mistakes, in order to ensure a more sustainable future. Provided that they don’t create the same problems in the meantime.

References