



TRADE UNION VISION ON SUSTAINABLE TRANSPORT



**EUROPEAN TRANSPORT
WORKERS' FEDERATION**



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FOREWORD



Transport systems that are efficient, sustainable, accessible and safe are crucial to achieving the Lisbon goals of high economic growth and job creation. If we want transport systems in Europe to offer people and businesses a high degree of mobility while safeguarding the environment and halting climate change, we need to make progress quickly towards reconciling the objectives of sustainable transport and mobility.

I welcome this initiative by the European Transport Workers' Federation to open a debate that cuts across transport modes in order to develop an integrated vision for sustainable transport. But achieving the aim of the TRUST project will not be an easy task, because it requires overcoming the customary division — and indeed competition — between different transport modes, as well as getting people to acknowledge the need for change. Growth forecasts for the transport sector are impressive, yet it will have to contribute to achieving sustainable mobility and transforming the EU into a low-carbon economy.

Europe needs trade unions that are partners for change and can identify new opportunities while upholding the interests of their constituencies. I have every confidence that this ambitious project will mark the start of new trade-union thinking in the transport sector. This publication should provide a useful vehicle for disseminating the findings and fostering further debate. May it not only help European transport workers to anticipate future changes and adapt to them, but also serve as a source of inspiration for company management and policy-makers across the Union.

Nikolaus G. van der Pas

*Directorate-General for Employment, Social Affairs and Equal Opportunities
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INTRODUCTION

Soon after the ETF Congress in May 2005 it was agreed there was the need for a different approach to the concept of sustainability in transport, in the framework of a European construction where market values continue, in practice, to prevail and rule above everything else, and in particular above social and labour rights.

Many talk about sustainable transport from an environmental perspective only. Others limit their views to the promotion of this or that transport mode, boosting transport efficiency, facing competition with other regions of the planet, removing what they call “barriers” to progress and development.

And again and again no mention is made to transport workers and fishermen, the increasing pressure on working time they are subject to, the reduction of social protection, the discrimination of EU nationals according to their nationality and/or country of residence, the systematic disrespect of existing social legislation, including the fundamental right to be organised in trade unions, often with the complicity of Member States and their administrations.

With the argument that the way markets are organised, with just-in-time deliveries and zero stocks, requires more flexible - “modern” they call it - forms of labour organisation, we have witnessed the development of shameful forms of precarious labour, namely in the freight distribution market. Workers being paid by the kilometre or by the parcel are just examples of how businesses perceive the concept of sustainability.

At the same time workers were “offered” the objectives of the Lisbon Strategy: competition and economic growth, social development and protection of the environment going together, in a balanced combination. Also the concept of flexicurity has been promoted as being in workers’ interest. In the context I mentioned above, it is no surprise that transport workers and fishermen say: We have had enough! Let us have security first, before we can discuss on further flexibility!

The imbalance is too evident and shocking for us to enter **now** in an exercise of discussing more flexibility in exchange of supposed further security. The ex-

amples came from all the sectors we represent during the TRUST workshops and conferences: from fisheries to civil aviation, from road to maritime and inland waterways transport, from railways to ports. The downwards spiral is pressing more and more, moved by employers and international financial interests, and often, through acts or omissions, with the support of the European Commission and the Council of Ministers.

Of particular concern for us and our members is the situation in several Central and Eastern European countries, where in addition to hard restructuring processes and significant jobs losses, workers and trade unions are confronted with the lack of an inclusive culture from governments and businesses despite of being bound, at least, by the existing legislation in terms of information and consultation, labour rights, collective bargaining, etc.

Some may say that this is an unfair reading of the reality. We hear it all the time. And it is true that the European Union remains the most advanced region of the globe in terms of social protection and trade union rights. It is also true that much has been done through the years to develop a European Social Model that we can be proud of.

However, it is precisely because we are proud of our Social Model, which accommodates the Nordic, the Southern and other European labour relations' cultures, that we do fight against all attacks it has been subject to during recent years. Those who think I exaggerate should look into the recent court decisions on the Viking Line, Laval/Vaxholm and Ruffert cases. On basis of the existing Treaty, the European Court of

Justice, although recognising the right to strike, considers those actions to be in breach of the Treaty because they hinder the free movement of businesses. In other words, the internal market freedoms prevail over the fundamental social rights!

With the near completion of the internal market, other problems can be predicted when a number of existing concessions will start being subject to new public tenders. Even if Commissioner Jacques Barrot addressing the ETF Executive Committee in March 2006 agreed that it was "unacceptable that workers would find themselves without a job if their company would loose a concession following a compulsory public tender", the situation remains unchanged and one of the priorities for the ETF work. All discussions we have had so far with both DG Employment and DG TREN have led nowhere. What is more, in cases where national governments tried to ensure some degree of security, like in ground handling services in Germany and Italy, the Commission rushed in declaring those dispositions as being against the Treaty.

Many of our members tell me they do not believe in capitalism with ethics and consider sectoral social dialogue as just another tool to keep trade unions away from their objective of better defending the interests of their members. Frankly speaking, we are too often confronted with the refusal from our counterparts in social dialogue to engage in meaningful negotiations. Most of the positive steps we have jointly achieved in so many years and meetings with employers in six sectoral social dialogue committees, were only possible because they benefited from the pressure from the legislators upon employers' organisations in order

to agree on matters that otherwise might be ruled without their participation.

The ETF wants to believe it is possible to work together, provided there is trust and respect. Our members can hardly understand that we keep sitting in successive meetings discussing how important their problems are with those responsible for maintaining and deepening those problems.

The ETF has seriously embarked in the TRUST project believing it might help to make the difference. The Policy Paper reproduced in this publication is just a first contribution as we believe that trade unions can and must play a key role in shaping a different transport policy that promotes a broader concept of sustainability, where the decision makers themselves demand and respect trade unions' participation as responsible and representative actors.

It is the result of the contributions from many participants in ten workshops and conferences, where we had the opportunity to confront trade union views with those from employers' organisations, NGOs, public authorities, Members of the European Parliament, Commission officials, and others which enriched our work. It is important to recognise the importance of the contributions we had from external experts, speakers and affiliates who have supported and committed to the success of the TRUST project and the ETF Secretariat for all the time and hard work devoted to organising and shaping a Trade Union Vision on Sustainable Transport.

The Paper has been endorsed by the ETF Executive Committee and will be the reference document for

elaborating a Strategy Paper to be discussed and adopted at the next ETF Congress in May 2009.

The TRUST project also permitted the ETF and its affiliates to identify a number of areas which require further discussion and improvement. We know that much has to be improved in the ETF work even with the limited resources we have; the same for our affiliates and particularly those from Eastern and Central European countries. One thing is clear: we are determined to build a balance of power without which we will neither be heard nor consulted.

On a number of matters it was not always easy to formulate a consistent position based on the contributions from affiliates.

The environmental issues are a good example of what I just said: here and there we were confronted with views that considered that trade unions should stick to the protection of their members whilst the environmental protection should be left to others with more vocation for that. Our conclusion was that transport workers' organisations have to be active players in promoting environment protection, not because it is now fashionable, but because we want to ensure that possible solutions take into account the interests of our members too.

We are more and more called to act on the factors that provoke climate change, transport being pointed out as one of the main contributors therein. Changes, both technological and behavioural, must be discussed and decided in coordination with workers and their organisations, not against them and not in their detriment. The expected increase in transport volumes in the coming years must be accompanied by adequate measures that can ensure a balanced and sustainable development of the different modes.

One of our major challenges has been to confront different competing transport sectors and discuss compromise positions with which all can feel comfortable. The existing perspectives for expansion in most of those sectors have, in a way, helped to smooth possible conflicts.

On the other hand, TRUST encouraged the debate on women transport workers and the potential for job creation in the different sectors. Again the debate highlighted the existing deficit in terms of equal treatment, equal pay, work-life balance, etc. Whilst the ETF and its members have to better organise women in transport, specific work must be developed in order to address their particular needs and problems. The attractiveness of transport professions for young workers, women and men, is also of paramount importance and pursuing in the lines of cutting labour related costs to the exhaustion, can only jeopardise all efforts to encourage them to joining and maintaining a European know-how.

The Policy Paper highlights a number of situations where transport workers and fishermen have a word to say from restructuring to social protection, from environment to ensuring universal public services.

You may rest assured that the ETF will use all possible forms to contribute to building a sustainable transport policy where the human element and the contribution from all, women and men, to make Europe a better place to live and work, is respected, valorised and dignified.

Eduardo Chagas
ETF General Secretary
Brussels, March 2008



THE TRUST PROJECT

1. Background

The European Transport Workers' Federation (ETF) represents more than 2.5 million workers from 223 transport unions and 40 European countries in the following sectors: railways, road transport and logistics, inland navigation, civil aviation, ports & docks, tourism and fisheries and is a recognised social partner in six European Sectoral Dialogue Committees.

In its work, the ETF is repeatedly confronted, on the one hand, with the lack of a social dimension in transport policies, which applies practically for all transport modes and the fisheries sector and on the other hand, with the domination of market led strategies. Therefore, from October 2006 until March 2008, the ETF has been conducting a broad debate towards a **Trade Union Vision on Sustainable Transport (TRUST)**. TRUST is a EU-funded project conceived to give guidance to a trade unions' contribution to sustainable transport policies with a particular focus on the social dimension of a long-term outlook of the transport future in Europe.

In general, sustainable development is a development that “meets the needs of the present without

compromising the ability of future generation to meet their own needs”¹. The concept is built on three pillars: economic growth, environment protection and social progress. To have real sustainable development, all of its three dimensions must be taken into account. At economic level, the concept is linked with the globalisation of trade and the focus is mainly on competitiveness and growth. Furthermore, in the public debate, sustainable development is often considered merely as an environmental issue. However, there has also to be a social dimension to it and no real sustainable development is possible without decent employment. Therefore, from a trade union perspective, the concept means creating the conditions for economic growth, while ensuring fair working conditions and quality jobs in a socially responsible industry which, at the same time, does not harm the environment.

According to figures provided by the European Commission, transport is a huge employer providing for 5% of direct employment in the EU and, accounting for around 7% of EU's gross domestic product, is an important economic factor with a considerable potential for job creation in the various

¹ Brundlandt Report, <http://www.un-documents.net/ocf-ov.htm>.

transport modes. To ensure good quality services, the transport sector needs to work with properly qualified personnel, working under decent working conditions.

A (socially, environmentally and economically) sustainable transport system requires above all political actors who are committed to take on their responsibilities and shape a transport policy in the interests of the citizens and the workers. Those actors include the European Council, the European Commission, the European Parliament, the international financial institutions as well as the Member States with their regions and municipalities.

2. Aims of TRUST

The objective of the TRUST project is to make evidence that there must be a really integrated transport policy, which is socially, environmentally and economically sustainable. In addition, TRUST wants to make clear that a transport system that relies on and/ or promotes job losses, precarious working conditions, social dumping thus rendering the industry unattractive for young workers, and does not show adequate responsibility for protecting the environment, is not sustainable.

Therefore, TRUST is intending to:

- ▶ demonstrate the need for the various EU institutions to integrate a social dimension in transport policies;
- ▶ highlight the importance of the “employment pillar” of the Lisbon Strategy: more and better jobs;
- ▶ integrate the social partners in defining policies at all levels;
- ▶ stress the need for appropriate ex-ante and ex-post (social) impact assessments of restructuring processes;

- ▶ mainstream gender-equality issues in discussing sustainability;
- ▶ find a better balance between transport and environmental concerns;
- ▶ highlight contradictions in unsustainable transport demand growth trends.

To achieve these aims, trade unions in the transport and fisheries sectors must get proactively involved in promoting sustainable development policies. TRUST has further shown that trade unions must improve their organisation and coordination in order to better fight for standards to protect workers, strengthen their capacity to influence change and promote solidarity. In this regard, light was shed on the need to better organise workers in the new emerging sectors such as warehousing or logistics, who closely work together with the more “traditional” transport workers but are often poorly represented in trade unions. The same applies to women and young workers in the transport and fisheries sectors. Consequently, the adequate trade unions’ response must be to better organise themselves in order to organise those workers.

3. Structure of TRUST

The past 18 months, divided into four phases, included a variety of events where ETF delegates from all sections gathered together in order to debate sustainable transport related issues, with a particular focus on the four core topics of TRUST:

- ▶ Restructuring and developments in the Transport Sector;
- ▶ The Lisbon Strategy and Transport Workers;
- ▶ Transport and Environment;
- ▶ Infrastructure financing, State aids and the Role of States.

FIRST PHASE – OCTOBER TO DECEMBER 2006

This first information-gathering stage was devoted to the drafting of four discussion papers on each of the four TRUST core topics, which provided a common information ground for the seven Sectoral Workshops. They also addressed common questions to boost the internal debates.

SECOND PHASE – SECTORAL WORKSHOPS – FEBRUARY TO JULY 2007

During the second phase, seven sectoral workshops were held corresponding to the ETF sections: Fisheries, Civil Aviation, Ports, Road Transport, Railways, Maritime Transport and Inland Navigation. During these gatherings, affiliates from each section coming from across Europe discussed a common agenda based on the four core topics.

All workshops welcomed external speakers and stakeholders coming from various NGOs, employers' organisations and the European Commission (DG EMPL, DG TREN).

THIRD PHASE – CROSS-SECTORAL THEMATIC CONFERENCES – JULY TO DECEMBER 2007

During the third phase, the conclusions gathered from the seven sectoral workshops were discussed in four thematic conferences aimed at building a common and cross-sectoral view on the core topics.

- ▶ The first conference on “Restructuring and Developments in the Transport Sector” was held in Brussels on 30 and 31 October;
- ▶ The second thematic Conference took place in Lisbon, on 14 and 15 November, since Portugal hold the EU Council Presidency during the second half of 2007 and the Conference addressed “The Lisbon Strategy and Transport Workers”;
- ▶ The last two thematic Conferences were organised

on 11 and 12 December, in Brussels and discussed the outcomes of the workshops on the topics “Transport and Environment” and “Infrastructure financing, State aids and the Role of States”.

All Conferences experienced high participation from ETF member delegates from across Europe. Several external speakers from the European Commission (DG EMPL, DG ENV, and DG TREN), the ETUC and the ITF as well as from various research institutes addressed the Conferences. Furthermore, the Portuguese Minister for Public Works, Transport and Communications, the Deputy Director-General of DG TREN as well as the Deputy Chief of Cabinet of the Flanders Regional Minister of Mobility participated.

FOURTH PHASE – FINAL CONFERENCE – 26 FEBRUARY 2008 AND REPORT

At the final Conference, which took place on 26 February 2008 in Brussels, the ETF presented the results of the whole TRUST project, thus providing a contribution for a trade union vision on sustainable transport. The Conference was attended by more than 100 delegates from ETF member unions and welcomed a number of high-ranking speakers from the European Institutions: Vice-President of the European Commission in charge of Transport, Director-General of DG EMPL, Deputy Director-General of DG TREN, a representative of the Slovenian Transport Ministry, two members of the European Parliament and one of the Confederal Secretaries of ETUC.



HERTOGS
Secretary

Philippe ALFONSO
Political Secretary



TOWARDS A TRADE UNION VISION ON SUSTAINABLE TRANSPORT

► The ETF Policy Paper

Introduction

European transport and fisheries unions represented by the ETF are of the opinion that transport has to be sustainable in order to ensure that future generations will be able to develop their activities in a healthy environment in which working and living conditions are promoted to the highest possible standards.

Sustainability has to be viewed in a broad sense and this vision must not be limited to environmental aspects, but must, in particular, include respect for social rights and the expectations of all citizens in general, and of workers in particular.

The European transport and fisheries unions have noted, however, that the liberalisation and deregulation policies of the past decades have had adverse effects on the environment and on social conditions in the transport industry for a number of reasons that we have analysed during the TRUST conferences and workshops.

The increasing awareness of the impact of global warming and the role of transport on the one hand, and the energy dependency of the transport indus-

try on the other hand, mean that environmental sustainability is on the agenda of the current political debate. European transport and fisheries trade unions welcome these developments and wish to contribute to the discussions and the efforts made to find solutions.

We note that concrete policy measure tend to favour technological solutions in order to reduce emissions and energy consumption, whilst there continues to be a lack of a real political commitment to promote modal shift and to establish an integrated sustainable transport system.

Furthermore, we are highly concerned to see that the **social sustainability** of the European transport industry is not part of the discussion. The ETF is convinced that the environmental and social sustainability of transport are two sides of the same coin and cannot be separated. There will not be a sustainable transport system if workers' living and working conditions in the industry are not acceptable. A scenario that reduces labour costs and social rights and, as a consequence, transport costs, will not lead to a sustainable transport system.

The different functions of transport and its importance for society

Transport is not only an industry that transports people or goods from A to B. Transport has an important societal function and as part of the objective of creating a sustainable transport system, all functions of transport have to be considered:

► **Transport infrastructure** plays a crucial role for the socio-economic development and cohesion of regions. But transport infrastructure is also the basis for an environmentally sustainable transport system. The accessibility of regions and their integration in the national and European economy, through the promotion of a transport infrastructure that is environmentally sustainable, fulfils both objectives.

► **Transport of goods** plays an essential role in the industrial production and distribution process and in supplying people with goods. It influences the (international) division of labour, since low transport costs encourage the delocalisation of production. For the purposes of this function, the price of transport is important. The current industrial production systems and the estimated growth rates for transport are only possible because transport is too cheap, from both an environmental and a social point of view. The price of transport also has an influence on the modal choices made.

► **Passenger transport** has an important social function:

- The social inclusion of people; the guarantee of participation in economic, social and cultural life; in this function, transport is a public service and providing (accessible, affordable and high quality) public transport is, once again, socially and envi-

ronmentally indispensable;

- Transport satisfies the people's mobility needs.

► **The transport industry** itself is an important economic factor, since the industry represents 5% of direct employment and 7% of GDP within the EU (we are assuming similar figures for the whole of Europe). The transport industry and its development is the basis for the quantity and quality of transport jobs. A fast growing sector that is based on poor quality jobs is neither socially nor environmentally sustainable. A socially sustainable transport industry can only be achieved through high quality jobs and services.

This variety of functions underlines the societal importance of transport. **Transport is indispensable for the further development of both society and the economy.**

The impact of transport

Despite the important role of the different transport functions, transport has a substantial **impact on the environment**. The ETF recognises the environmental impact generated by the transport sector, which is the fastest growing consumer of energy and producer of greenhouse gas emissions in Europe.

CO₂ emissions from transport in Europe contribute significantly to global warming and failure to act on this action will have irreversible consequences. Transport workers are aware of the fact that (to varying degrees across transport modes) whilst transport is extremely important to them since it provides them with employment, it also contributes to environmental problems and global warming.

Furthermore, a **safe and secure transport system** is something that is very much required by society. Transport as an open public space system, used by many different stakeholders, requires stringent safety measures and is particularly vulnerable to a lack of security (terrorist attacks). Accidents and attacks are a threat for peoples' safety and security and often have disastrous damaging effects for the environment. For transport workers, this issue is crucial as they are directly exposed to these dangers.

Given the functions and impacts of transport, the ETF feels that it is quite clear that the **organisation of transport cannot be left in the hands of market forces and the role of the state cannot be limited to ensuring (fair) competition between companies and the provision of infrastructure in areas in which it is too expensive for the market to invest. The market has severe side effects on social and ecological sustainability and does not provide sustainable infrastructure and public transport.**

WHAT IS "SUSTAINABLE TRANSPORT"?

From a trade union perspective, the concept of sustainable development means creating the conditions for economic growth, whilst ensuring fair working conditions and quality jobs in a socially responsible industry which, at the same time, does not harm the environment.

A sustainable transport system has to meet the different functions of transport whilst respecting all three pillars of sustainability: social sustainability, environmental sustainability and economic sustainability, as set out in the Lisbon Strategy.

Social sustainability from a trade union perspective means:

- a) That transport fulfils its function for social inclusion and participation. This includes regional and local planning in order to provide adequate, quality infrastructure and services; ensuring public services for access to mobility and social inclusion.
- b) That the transport industry itself is socially sustainable. The transport industry must provide safe and secure high quality jobs in decent working conditions, and without social dumping. This is a pre-condition for the delivery of high quality services for businesses and people.

Sustainability in this wider sense requires an active and highly integrated policy that places the societal role to transport in the forefront: integration of regional, financial, social, economic and environmental policies.

However, it might be an illusion to believe that in transport it is possible to place economic sustainability (competitiveness of the European transport industry) on the same level as environmental and social sustainability. The necessary consequence of this would be to re-think and to re-evaluate the liberalisation of transport markets in the light of its impact on sustainability and the reversal of liberalisation where it has contributed to worsening sustainability indicators, especially in the field of social and ecological sustainability.

A policy for promoting sustainable transport proposed by the ETF

The ETF is of the opinion that, above all, political leadership and a strong commitment made by the decision makers at all levels - European, national, regional and local - is essential for realising the objective of a sustainable transport system.

THE COORDINATED SPATIAL PLANNING OF SUSTAINABLE TRANSPORT INFRASTRUCTURE AT ALL LEVELS IS CRUCIAL

Infrastructure is the basis of all transport. The state has to guarantee an integrated and coordinated spatial policy regarding infrastructure planning and investment, which is based on maintaining and developing infrastructure for sustainable transport modes and ensures:

- Socio-economic development of regions in a sustainable way;
- Access to transport for people;
- Access to the national and European transport systems which are also made of multimodal nodal points, such as ports, in order to favour the social-economic development of the regions.
- ▶ *The European Commission has to establish a “coordinating system” within which integrated infrastructure planning, territorial development and cohesion are promoted and concerted at European, national, regional and (in some cases) local level; today, there is no such instrument to combine the different levels of infrastructure planning and territorial development in Europe;*
- ▶ *Social impact assessment, as well as environmental impact assessment, must be one instrument to be used at all levels in order to ensure socio-economic development along side sustainable infrastructure development.*

PROVIDING PUBLIC TRANSPORT MUST BE A STATE OBLIGATION AT ALL LEVELS

Public transport plays an essential role in meeting the objectives of social inclusion on the one hand and environmental sustainability of cities and regions on the other. Policy makers have to give priority to public transport and related financing. This is particularly crucial for Central and Eastern European countries where maintenance of the public transport systems is under threat from the liberalisation of the transport system.

- ▶ *Decision makers have to give priority to the provision and financing of public transport, preferably with publicly owned companies, in order to guarantee accessibility, affordability and quality;*
- ▶ *Decision makers have to include social and quality criteria in public transport contracts.*

FINANCING OF SUSTAINABLE TRANSPORT SOLUTIONS MUST BE A PRIORITY

Political decision makers have to guarantee the financing of a sustainable transport infrastructure and public transport systems.

One of the obstacles for a sustainable transport system is the lack (or wrong prioritising) of financial resources. Financial instruments other than private-public partnerships have to be found such as (for example):

- ▶ *Excluding infrastructure investments from ‘Maastricht’ criteria, such as public debt constraints;*
- ▶ *Introducing a European tax for infrastructure financing, since Member States are not willing to allocate more financial resources via the general EU budget;*
- ▶ *Financing environmentally sustainable infrastructure through the charging of external costs (the same for public transport);*

► *State aid policy must support socially and environmentally sustainable transport, including and/ or strengthening social/ human aspects in the EU guidelines on State aids. In particular, the awarding of State aids in certain transport sectors must be closely linked to the promotion of employment of EU citizens. In the event of the development of new State aid guidelines or in the event of the existing guidelines being revised, the human factor must be taken into account. In particular, the European Commission should give priority to financing those cases which favour job creation and the promotion of working and living conditions for the workers concerned.*

Using all available instruments to promote environmentally sustainable transport

There are different categories of instruments, which aim to:

- Promote modal shift
- Avoid un-necessary transport
- Give incentives for emission reduction and energy saving

The price of transport influences the modal choice. A market based instrument to promote a **modal shift** towards more sustainable transport modes is the internalisation of external environmental and social costs.

The ETF fully supports a policy aimed at modal shift and the internalisation of all external costs in all transport modes. This is essential for an environmentally sustainable transport system.

This policy must be completed by measures that

promote intermodal transport and concepts that combine the different transport modes in a sustainable way.

However, “setting the right prices” is not an aim per se, rather it is a method designed to change transport and production patterns. If internalisation of external costs is to be effective in terms of avoiding environmental damage, then transport workers should not be required to pay for the increase in price. Efforts must be made to ensure that, through a number of social policy instruments and the strict enforcement of social legislation, the higher costs involved in using the infrastructures are passed on to the customer, thereby conveying the correct message regarding prices that are environmentally sustainable .

Furthermore, an (environmentally) sustainable transport system needs a policy that aims at:

- Acknowledging and strengthening the human element in environmental policies, as well as respecting the close link between environmental and working conditions, by tackling, amongst others, fatigue and excessive workloads that raise the percentage of accidents that have a negative impact on environment. If environmental impact assessments are to be conducted at EU level, then social analyses should also be carried out with the involvement of the trade unions so as to ensure a win-win situation;
- Ensuring the effective implementation of existing environmental standards and/ or regulations. Nevertheless, there is a clear need for improved, stricter and binding environmental regulations in the transport sector with a view to ensuring greater respect for the environment;

- ▶ Tackling the sectors' environmental challenges and further intensifying the reduction of fuel consumption and pollutant emissions through improved infrastructure and energy-efficiency measures, such as the use of cleaner fuels, as well as improved and innovative technologies when constructing more environmentally friendly trains/ trucks/ airplanes/ vessels. In many cases these measures cannot be implemented immediately, due to the very long life time of those vehicles. Therefore, particular attention has to be paid to the need for modernising existing vehicles;
- ▶ Ensuring that other regions of the world implement comparable measures, i.e. global solutions are preferred to regional ones. However, the EU can and must be a forerunner in the field of ecological protection and must not defer the implementation of the highest standards that protect European citizens.

Socially sustainable transport requires an appropriate social policy in transport and strengthened social dialogue

The liberalisation of the transport industry is underpinned by just in time / zero stock production systems and the delocalisation of industrial production within Europe and globally.

It is based on competition between, and within, the different modes of transport and has huge negative impacts on the social conditions in the industry, since a typical strategy in the transport industry is focused on lowering labour costs.

Companies adopt various instruments to achieve this aim:

- ▶ Extending working time and even violating the existing legislation on working time;
- ▶ Increasing work intensity and flexibility;
- ▶ Lowering wages through replacing quality jobs by precarious working conditions (part time, fixed term contracts; agency workers);
- ▶ Out-sourcing and sub-contracting;
- ▶ (Bogus) self-employment;
- ▶ Social dumping by undermining national/regional standards;
- ▶ Reducing investments in training and qualification;
- ▶ Reducing investments in health and safety standards;
- ▶ Discouraging the employment of EU nationals so as to apply the terms and conditions from the country of origin in the maritime sector.

These cost cutting strategies are used by transport companies of all transport modes in order to increase their competitiveness in a liberalised, competitive business environment. They are designed to reduce transport costs and thus constitute **a threat to a socially and environmentally sustainable transport system and put an additional burden on the social security systems of the Member States.**

A LABOUR COST CUTTING STRATEGY EVEN DAMAGES THE ECONOMICAL SUSTAINABILITY OF THE TRANSPORT INDUSTRY

In a number of transport industries, we can observe difficulties being encountered in the recruitment of young people, both, men and women, and there is also a shortage of mobile personnel. In the light of the demographic developments in Europe, this can have dramatic implications for the transport companies and the industry in general. The reaction of the transport industry to the opening up of the market, which is competing on the basis of labour costs in a downwards spiral, makes the sector completely unattractive. The strategy of companies to attract new workers by lowering access conditions is a short term solution that will not solve the problem but add to it.

- ▶ *It is important to improve the profile and reputation of the transport industry through good quality working conditions;*
- ▶ *It is important to heavily invest in the qualification and training of young people, both men and women, as well as in LLL (life long learning);*
- ▶ *It is indispensable to create conditions for a better work-life balance.*

A socially and environmentally sustainable transport system requires an appropriate social policy:

- ▶ Re-regulating and meaningfully integrating the various transport modes in order to ensure and sustain high-quality transport and prevent social dumping on a lasting basis by, among other things, defining binding standards including social standards. This means that certain collective bargaining and social standards must be compulsory in tender procedures and the workers must be transferred to the new undertaking in the event of a change of operator;
- ▶ Eliminating social dumping in Europe by ensuring that each transport worker is paid and works under working conditions that are valid in the country where he / she is carrying out the work (while respecting the non-regression clause of course). This has to be ensured through European and national regulation that

is adapted to the specific characteristics of each transport sector and by collective agreements;

- ▶ Transparency in the relationship between employers and workers, as well as clarity regarding the applicability of legislation relative to social security, have to be guaranteed in order to enforce social rights and social legislation;
- ▶ In all European countries, sectoral collective agreements must guarantee a level playing field for fair competition; a pre-condition of this is that core labour standards, such as membership of a trade union, the establishment of collective bargaining structures in companies and collective bargaining are ensured everywhere, not only formally, but in practice;
- ▶ Social legislation has to fully apply to self-employed workers;
- ▶ European social dialogue shall be strongly supported in order to enforce minimum standards

through negotiation (e.g. working time and minimum manning standards in inland waterways); where negotiations fail, the European Commission has to make legislative proposals (e.g. minimum manning standards in the European ferry industry);

- ▶ Social and environmental criteria are to be included in contractual relations between customer and transport companies, between the state and its supplier. Therefore, indicators must be developed with the participation of the European social partners. It is necessary to make the customer responsible for quality and social conditions through their transport option;
- ▶ Rigorous enforcement of appropriate social and working conditions;
- ▶ Working with well qualified personnel who perform their duties in decent working conditions in order to ensure high quality and safe services. To do so, the original objective of the Lisbon strategy of “more and better jobs”, needs to be re-prioritised and given real meaning. More and better jobs for everyone means turning “outsiders” into “insiders” by putting quality of work at the centre;
- ▶ If companies are to compete globally, then rather than doing so on the basis of low labour costs and bad working conditions, they should invest in people (education and training) and compete on the basis of highly skilled workers. Providing adequate training and education, together with innovation, is a key tool for the European competitive advantage in the world economy. It is extremely important to improve the levels of training for workers in the transport and fisheries sectors since adequate training can ensure that workers know how to react in the event of an accident, thereby reducing the risk of possible environmental impacts;
- ▶ Job protection for transport workers in the event

of further restructuring and/ or liberalization in the sector. At the same time, efforts must be made to find solutions to avoid job losses and precarious working conditions in the event of consolidations and/ or calls for tenders in the sector. In any case, the transfer of staff must be made compulsory;

- ▶ Strengthening job security – too much flexibility already exists in the transport and fisheries sectors. However, it does play a fundamental role in employment, together with adequate initial and life-long training. Motivated and well trained workers improve safety and efficiency levels and also deliver a better service;
- ▶ Attracting young workers to the transport and fisheries sectors while ensuring decent working conditions and career prospects for them;
- ▶ Creating and promoting job opportunities for women workers in transport and fisheries;
- ▶ Eliminate gender discrimination in transport and ensure equality of pay terms and conditions in employment;
- ▶ Providing training and education to enable women transport workers to access genuine career opportunities;
- ▶ Providing an education activity to increase women’s participation in trade unions and trade union activities;
- ▶ Organising gender awareness programmes in transport unions;
- ▶ Negotiating work-life balance, equal conditions and quality jobs for all workers;
- ▶ Guaranteeing social standards at ‘corridor’ level, in particular in the process of the extension of TEN-T to the neighbouring countries (South East Europe). This includes working time legislation, minimum standards of qualifications and transport related safety legislation to prevent unfair compe-

tion among workers, as well as exploitation and competition on the basis of the lowest labour costs. Furthermore, it requires the acknowledgement of the important role of the European social partners in the implementation of transport infrastructure projects of European interest. Social partners must play a central role in both the consultation and the implementation process;

► Allowing social partners, and trade unions in particular, real and meaningful form of participation in

the definition of socially sustainable transport policies, namely through social dialogue at national and European level, proper information and consultation, promoting their role in society, encouraging negotiations at European level. The social partners must be systematically consulted beforehand in cases in which changes are foreseeable in order to avoid undesirable social consequences and threats to employment in the transport sector.

The ETF proposes to establish a European social and environmental observatory in transport that monitors and proposes legislative measures when the sustainability objectives fail.



THE KEY CONCLUSIONS OF THE TRUST CROSS-SECTORAL CONFERENCES

a. Restructuring and Developments in the Transport Sector

As the TRUST project has shown, the transport and fisheries sectors in the EU have gradually gone through liberalisation, restructuring and/ or privatisation as a result of European policies as well as of business strategies. This has led to a situation in these sectors, which is characterised by dramatically decreasing sustainability. In line with the European internal market programme, the emphasis of the European transport policy is on the economic dimension, i.e. more deregulation and competition in order to make transport faster, more efficient and cheaper whilst the social (and the environmental) dimensions have been disregarded. All that counts to best serve the globalised industry and this process is driven by the idea that the market is the best instrument to ensure those objectives.

In this regard, the TRUST project has shown that transport and fisheries workers are fully aware of the external and internal factors including EU policies, which lead to restructuring and changes in their sectors. They are further aware of the need to deal with the (often adverse) impacts of increasingly growing transport flows, which respond to the new forms of market organisation, e.g. just-in-time deliveries,

zero stocks, deregulation etc. However, as it was emphasised, the role of transport is not solely to move goods and people from A to B as fast and cheap as possible. Instead, it was stressed that transport plays an important role as an instrument for regional development and social cohesion, for the benefit of the public interest and solidarity.

European sectoral social dialogue is supposed to play an important role in anticipating and managing change and be a platform for joint initiatives. However, as the TRUST project has shown, experiences of the various transport sectors vary. The mechanism is often not working properly as on the employers' side there is frequently no will to discuss issues relating to employment conditions. It was agreed that there is a clear need for the Commission to play a more active role in sensitising employers' organisations to engage in an effective social dialogue that can improve workers living and working conditions whilst strengthening the sustainable economic performance of the industry.

b. Lisbon strategy and Transport Workers

In the words of the European Commission, the European transport sector is an essential part of the

Lisbon strategy, but the TRUST project has criticised that the Commission only considers transport in the sense of fostering EU competitiveness, economic growth and well-functioning of the internal market through providing fast, efficient and cheap transport. Accordingly, the Commission aims at further improving the internal market and the development of an infrastructure free of interoperability and logistic constraints in order to enable the (freight) transport sector to contribute to growth and to the EU competitive position in the global economy. Similarly in passenger transport, the Commission's approach sees competition as the best solution to fight congestion and to lower prices. These aims are also supposed to be reached through more flexibility (and less security) of the labour market without addressing the negative effects for workers such as social dumping or deteriorating working conditions. With this approach, it was stated, the Commission neglects the fact that, due to its prospected growth in the future, the transport sector has a considerable potential for (quality) jobs creation.

The TRUST project has shown that for the European competitiveness advantage in a global economy, training and education, qualification and innovation are key. The best way to achieve this is through secure and quality work places, where labour is dignified and not seen as an asset or commodity, workers and their organisations have a voice, collective bargaining is respected and promoted and social dialogue works as an added value for both employees and workers. However, the TRUST project has rather observed the opposite development in the transport and fisheries sectors: considerable job losses in some sectors such as the railway sector, new low quality jobs compensate for jobs lost in the civil aviation sector, poor working

conditions and lack of life-long training in road (freight) transport or inland navigation, recruitment problems in practical all sectors and even disappearance of jobs for EU citizens which are replaced by low cost third countries' workers as in the case of the maritime sector. Even if European social legislation exists and should improve the situation of the workers, its enforcement often remains a problem. New jobs in warehousing and logistics do not offer skills and career developments and are often characterised by precarious employment and poor working conditions. Fisheries remain among the sectors with the highest rate of accidents. Moreover, due to the continuous deterioration of working conditions and social dumping, working in transport and fisheries is less and less attractive to people, which will further increase the already existing recruitment problems.

In general, it can be said that the dominating competition philosophy and the related policies are not based on a social level playing field and the Lisbon strategy has given so far weak results from a social perspective. The TRUST project has highlighted that there is no sustainable transport policy when the workers are not taken into account. Furthermore, trade unions do not want a Lisbon strategy mainly based on the economic pillar, in which any job is good irrespective of its quality. The future success of the Lisbon strategy and its next cycle will widely depend on the EU's willingness to invest more in people and their skills. Therefore, it was stressed that the original objective of "more and better jobs" needs to be re-prioritised and filled with substantial meaning.

Amongst the contributions received from participants at the Lisbon Conference, the idea was raised of setting a "certification system" for companies with

best social practices which could represent an added value for companies' competitiveness. The criteria for awarding the certificate could be jointly set by social partners in the relevant sectoral social dialogue committees.

c. Transport and Environment

The above mentioned concentration on competition, competitiveness and growth in the transport sector has also led to a situation, which failed to contribute to other urgent sustainability issues, which are generated by transport, i.e. greenhouse gas emissions contributing to global warming as well as congestion, noise and other air pollutant emissions.

Although the trade unions' main interest is to defend the workers' interests, the TRUST project has shown that transport workers and fishermen are conscious of the environmental impacts generated by the sectors they work at, which are the fastest growing consumers of energy and thus producers of greenhouse gas emissions in the EU. Furthermore, they are fully aware of the necessity of conferring environmental sustainability to the sectors and are committed to this objective, given that, in particular in the case of fishermen, their activities strongly depend on that. If trade unions do not get involved in this urgent topic and do not make their voices heard by the policy makers, decisions will be taken without them.

It was also stressed that the sector has the opportunity to improve its environmental performance and thus become more environmentally friendly. To do so, urgent and coordinated measures are unavoidable. To reduce the environmental impact and to develop a more environmentally sustainable transport system, a policy mix consisting of regional, structural, energy, social and economic policies, is of paramount importance. Furthermore, to ensure

the reduction of pollution and congestion, there is a clear need for better regulation in the transport sector, which should set binding targets, and not leave it to the markets. Moreover, it was criticised that although new technical solutions in many cases already exist, there is a lack of political willingness to implement them. In general, concrete policy actions are required in five areas: greenhouse gas emissions, air pollutant emissions, noise, growth in transport and share of the individual transport modes. In this regard, the TRUST project stressed that solutions on a global scale should be favoured. Nevertheless, the EU has to set the lead and trade unions will have to push the EU not to wait for other countries to take actions.

Moreover, it was noted in the TRUST project that most environmental problems caused by transport and fisheries are closely linked to the workers' health and safety. Therefore, it has been strongly articulated that environmental protection measures cannot be carried out on the expenses of workers but instead in close cooperation with them to create a real win-win situation. Furthermore, when it comes to training and education in the transport and fisheries sector, environmental considerations should be included in the curriculum. The levels of training in general should be improved as adequate training can, for example, ensure that workers know how to react in case of accidents, and thus reduce possible environmental impacts.

Lastly, TRUST highlighted that the improvement of the relationship and cooperation between trade unions and environmental NGOs should receive further consideration, with a view to enhance partnership when finding and/ or offering solutions together for a more environmentally (and socially) sustainable transport system.

On the whole, trade unions demand for a (pro)active participation in both phases of policy making and implementation of rules aimed at integrating environmental objectives. TRUST has further proved that trade unions consider it as their task to focus on a more environment friendly transport system and demand for a policy approach that reaffirms the balance between the three dimensions of sustainable development.

d. Infrastructure financing, State aids and the Role of States

The TRUST project has shown that modern, high-quality and efficient infrastructure has a huge social role to play as it contributes considerably to social and regional cohesion, regional development, territorial planning as well as reducing congestion and alleviating the transport sector's environmental performance. Unfortunately, adequate funding, which is a crucial prerequisite, is not always adequately provided. Moreover, a general shift was observed from public to private operators.

With respect to investments in the Trans-European Transport Network (TEN-T), the TRUST project has paid particular attention to the way the EU handled this issue in the case of Central and Eastern European countries. Much of the EU co-financing of infrastructure projects, and thus national co-financing, is strictly awarded to infrastructure projects of European interests, i.e. the main corridors, often in detriment to domestic networks, which are traditionally very wide. At the same time, the new EU Member States as well as neighbouring countries have been experiencing drastic cuts in the levels of investment to local and public operators, which have far reaching consequences on the network but also on labour, societal and social cohesion. Moreover, a

number of TEN-T corridors are developed with funding from various international institutions, whose assistances/ loans are often conditioned by tough privatisation/ restructuring measures, which have led to considerable job losses. Despite these substantial impacts, there has been little interest from the Commission and Member States to assess the social impacts throughout its strategic planning and implementation and to link them with employment policies. Furthermore, the important role of the European social partners in the implementation of infrastructure projects of European interest is not sufficiently regarded. In this regard, TRUST highlighted that on TEN-T corridors, in particular when discussing their extension to neighbouring countries, social standards and legislation have to be complied with. Lastly, it was stressed that more funds must be invested into infrastructure.

As a possible instrument for financing, the TRUST project discussed "fair infrastructure charging" including the internalisation of external costs aiming at creating fair conditions between transport modes, which has been on the political agenda for 15 years. It was discussed that part of the revenues should be reinvested in local infrastructure. Currently, the Commission is evaluating the results from a public consultation on this topic with a view to present a comprehensive model for the assessment of external costs for all modes no later than 10 June 2008. However, it remains to be seen how this model will be constructed and whether it will actually be transparent and help to achieve a level playing field among the various transport modes. With respect to the political sensitive and important question of State aids, the TRUST project expressed its support to State aids, which are a good instrument for regional development and social cohesion

in some cases and improving EU businesses global competitiveness in other cases. However, considerable discontentment with the current Community State aid guidelines and their applications was expressed. It has been widely criticised that the various guidelines do not include social criteria (at least to adequate degree) in the awarding conditions. In particular, in certain transport sectors, State aids authorisation must be closely linked to the employment of EU citizens, i.e. it should be awarded only under the condition that it benefits EU workers, who are domiciled within the EU.

Moreover, unfair State aids need to be reported and action has to be taken. In case of the development of new State aid guidelines or in case of revising the existing ones, the TRUST project stressed that the human factor must be strongly taken into account. The possibility was discussed to introduce social criteria and priority should be given to financing those cases, which favour job creation and promote working and living conditions of the workers concerned, e.g. when co-financing road infrastructure, the establishment of secure parking areas should be considered. Moreover, it was stated that infrastructure and public passenger transport financing should not be seen as State aid.

Although the EU and its institutions provide the overall concept of a common transport policy, the TRUST project has expressed its strong belief that the Member States have an active role to play in transport policies and cannot withdraw from this responsibility. It is on them to define transport policies, act as regulators and/ or monitor as well as enforce rules and objectives. Furthermore, they have to make the necessary infrastructure planning and ensure the necessary financing of the infrastructure projects so that they can be fully realised. Policies

cannot be planned in view of a particular business interest but must privilege the common interest instead. In this regard, it was discussed to exclude infrastructure investments from the convergence criteria on Member States deficit and public debts while a critical stance towards public private partnerships was taken up. In fact, there is the concern that these paths may take to a commercialisation of public interest services. Lastly, Member States have to assure public transport services of high quality, which are accessible and affordable for all.



SUMMARY OF THE EU POLICIES AND RECENT DEVELOPMENTS IN TRANSPORT

The European Union has an increasing influence on the way how, not only in the Member States but also the neighbouring countries and even in a wider space, all matters relating to transport are dealt with. For this reason the views

contained in this summary address, to a large extent, the EU institutions and Member States but are also intended to non EU Member States, whether or not they are candidate countries to EU membership.

1. Restructuring and Developments in the Transport Sector

1.1. THE DEVELOPMENT OF THE EUROPEAN INTERNAL MARKET

Liberalisation, i.e. the opening up of markets, such as transport, to competition, is by no means a new phenomenon, which, in the EU, has evolved since the creation of the common market in 1958. The European common market was intended to eliminate trade barriers between the Member States with the aim to increase economic prosperity and contribute to “an ever closer union among the peoples of Europe”.¹ In 1986, the specific concept of the internal market was incorporated in the EC Treaty by the Single European Act defining the internal market as “an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured”.²

The main ambition of the single market and its neoliberal transformation was to prepare the European economy for a competitive world market. The European Commission, as one of the key drivers of this process, executed indirect structural pressure through the Single Market Programme and the European Monetary Union, which aimed at disciplining monetary and fiscal policies to make Member States to comply with the convergence criteria on State deficit, the continued expansion of European competition law (often through rulings of the European Court of Justice), and direct pressure through sectoral liberalisation directives. Furthermore, the EU had to prepare itself for and to deal with the enlargement to 25 Member States in May 2004 and to 27 in January 2007.

¹ Treaty of Rome, preamble.

² EC Treaty, Art 14 (2).

Complementarily to these trends, there have been other major external forces shaping and transforming the European economy, i.e. economic globalisation and technological innovation. Globalisation required European businesses and services to change in order to maintain their competitiveness or to become more competitive on the global market. A second driving force was the British experience of liberalisation under the Thatcher and Major governments (1979-1997) and deregulation in the USA under the Reagan administration.

The approach to launch the European internal market together with those external forces made business far more global: companies could produce anywhere they wanted, could sell anywhere they wanted and could shift their enterprises in weeks where they wanted. In particular, the 1990s were characterised by massive sales of public property stakes held in public services enterprises to private owners, i.e. privatisation of public services. As a result, liberalisation, privatisation and constant deregulation opened up new investment possibilities for large international financial investors, who have a strong interest in breaking into new markets and investment spheres, which led to massive cross-border financial flows and increased the pressure on companies to raise profits and pay dividends, which then led to further restructuring. In recent years, the enormous growth of hedge funds and private equity funds' intervention as company shareholders and their influence in key sectors, has given rise to concerns.

According to the Commission, the internal market as a whole and the liberalisation of particular sectors such as transport, energy, postal and telecommunication services, have allowed the European consumers to benefit from lower prices and new services, which are in general presented as being

more efficient and consumer-friendly as well as offering a wider choice. Also in the Commission words, it has created more jobs and raised prosperity in the EU and, as a result, this has made the European economy more competitive.³ The reality, however, stands in sharp contrast to the general expectations and the proclaimed results.

The market did not always develop to the benefit of consumers and neither the price nor the quality of the services came always up to the promised level and what is more, there is a lack of a consistent social policy linked to the internal market construction. Therefore, a number of common negative trends with respect to the effects of liberalisation on workers can be identified, which mainly concern extensive staff retrenchment, reduction of labour costs through income reductions and changes in pay structures, adverse changes in working conditions, flexibilisation of working time, deteriorating conditions for collective workers' representation as well as flexibilisation and individualisation of employment relationships.

1.2. THE LIBERALISATION OF THE EUROPEAN TRANSPORT MARKET

Transport is one of the Community's earliest common policies and Member States emphasised the importance of the Common Transport Policy (CTP) with its own title in the Treaty of Rome.⁴ Since the beginning, the CTP has focused on removing obstacles at the borders between Member States in order to facilitate the free movement of persons and goods without borders and thus creating a common transport market. The capacity to move people and goods quickly, efficiently and cheaply has been a main principle of the Community's aim of a dynamic economy and cohesive society. In the process of

³ DG Competition (2007): Liberalisation, http://ec.europa.eu/comm/competition/liberalisation/overview_en.html.

⁴ Treaty of Rome, Title V.

opening, liberalising and/ or privatising the transport market, the Community attached great importance to developing the conditions for fair competition within individual modes of transport as well as between them.

The CTP has been the driving force behind the restructuring of the various transport modes since the early 1990s, when the Commission published its first White Paper “The future development of the Common transport policy” in December 1992. The guiding principle of the Paper was the opening-up of the transport market to greater competition between the operators.⁵ It further presented a shift from an approach organising the different transport modes by sector towards an integrated approach, embracing all modes of transport in order to improve the efficiency and to meet the objectives of sustainable mobility.⁶ In connection with the 1992 White Paper, the Commission published a Communication in 1995 entitled “The Common Transport Policy: Action Programme 1995-2002”, which included three main areas: firstly, improving quality, based on the introduction of systems using new technologies, secondly, improving the operation of the single market, mainly by encouraging competition between modes of transport while safeguarding social standards, and lastly, developing the external dimension, by improving transport links with third/ neighbouring countries.⁷

By opening up national transport markets to competition and by removing barriers to free movement, the EU has broadly contributed to the liberalisation of the transport sector, in particular for freight. That applies namely to road, sea and air transport, to a lesser extent to rail but soon also to urban public transport. However, today’s transport patterns, growth rates and social conditions are far from being fair and/ or sustainable

and they predominantly pursue the CTP’s aim to lower prices. As we will later see in the document, the immense growth of transport (tkm), in particular of freight transport, is partly caused by the reduction in the costs of transport in the 1990s.⁸

1.2.1 Restructuring and developments in the transport sector

By definition, restructuring is a constant economic, social and political process of structural changes and must not necessarily lead to worse working conditions but in reality, it often involves high costs for workers on all levels, from pilots to truck drivers, as new technologies change the way work is being done, whole industries are closed down and new emerge, private sector organisation methods are adopted, personnel costs are reduced and jobs become redundant, precarious and atypical forms of work increase, skills requirements change and some job profiles even disappear.

Driven by liberalisation, commercialisation (EU-driven), and privatisation initiatives (mainly driven by national governments), the transport sector experienced unprecedented economic restructuring. Large public sector monopolies, such as rail, were turned into commercial enterprises, and in some cases privatised. Restructuring further involved fast internationalisation, mainly driven by (cross border) mergers and acquisitions, bankruptcies, emerging conglomerate suppliers as well as private sector growth at the expense of public sector suppliers.

The second White Paper entitled “European Transport policy for 2010: time to decide”, presented by the Commission in September 2001, was by no means a response to restructuring in the sector but a continuation of a logical and intended path. The Paper constituted a ten-year strategy aimed at

⁵ COM(92)494 final of 2.12.1992, p. 17.

⁶ *Ibid.*, p. 29f.

⁷ COM(95)302 final of 12.7.1995.

⁸ NEA Transport research and training (2003): Initial survey of European policy and legislation, p. 12.

improving the quality and efficiency of European transport.⁹ The Paper identified a set of problems of the European transport sector. Besides congestion and pollution, those included the massive growth in and increasing demand for transport, especially in the cases of road and air transport. To overcome these adverse tendencies and to contribute to the creation of a sustainable transport system, the Commission put forward a comprehensive package of measures, which were primarily designed to gradually decoupling transport demand from economic growth and balancing the development of the individual modes of transport. Therefore, one of the Paper's main objectives was to rebalance the various modes of transport by 2010 to ensure greater efficiency, less congestion and to perform a shift to alternative (less polluting) modes of transport.¹⁰ This modal shift should be achieved through an increased focus on inter-modal transport by revitalising railways and investing more in transport by sea and inland navigation.¹¹ It has to be noted though, the Paper included no chapter dealing with the social aspects of creating a sustainable transport system; it only occasionally referred to it.

In June 2006, the Commission published its mid-term review of the 2001 Transport White Paper named "Keep Europe moving – sustainable mobility for our continent". According to this, the overall objective of the European transport policy is to have a competitive, secure, safe and environmentally friendly transport policy.¹² The mid-term review came to the conclusion that in spite of progresses registered in the European transport policy, the package of measures from 2001 had not been effective in achieving the formulated objectives. This was mainly due to the above explained developments at European but also at global level. Furthermore, the

transport sector in the EU itself has evolved. New sectors emerged and/ or grew, such as logistics, consolidation has taken place, and workers had to adapt to the new situation. Due to these changes, the mid-term review argued for a comprehensive, holistic approach to European transport policy, which is supposed to be more flexible and broader and to offer in a next step a new set of tools to address the new situation.¹³ Additionally, the report dropped the objective of breaking the link between transport and economic growth and stated instead that transport must be decoupled from its negative side effects. Lastly, it performed a u-turn from the aim to achieve a modal shift to the approach of co-modality, i.e. the efficient use of different modes on their own and in combination.¹⁴ To reach the new objectives, the review announced a set of concrete actions until 2009, which include amongst others an action plan for goods transport logistic, the promotion of intelligent transport systems and new technologies, a European approach to mobility in urban areas, an action plan for the promotion of inland waterway transport, a programme for environmentally friendly fuels in road transport and charging for infrastructure.

According to official figures provided by the Commission, the transport sector occupies today an important position in the EU and is a key economic factor. Transport constitutes a considerable source of employment as it is providing for 5% of direct employment in the EU and is accounting for around 7%¹⁵ of the EU's gross domestic product (GDP). This alone does not make transport a service of public interest as such but it is the kind of service the sector provides that makes it. The growth of freight transport (tkm) in the EU-27 between 1995 and 2006 was 2.8% per year, which exceeded the economic

⁹ COM(2001)370 final of 12.9.2001, p. 12.

¹⁰ Ibid, p. 11-12.

¹¹ Ibid, p. 13-14.

¹² COM(2006)314 final of 22.6.2006, p. 21.

¹³ DG TREN (2006): Keep Europe moving!, p.5.

¹⁴ COM(2006)314 final of 22.6.2006, p. 21.

¹⁵ Commission Staff Working Document (2006): Impact Assessment of the Communication "Keep Europe Moving", p. 15.

growth in that period of 2.4%. However, passengers transport grew at a lower rate of 1.7%.¹⁶ For these reasons, the sector holds a considerable potential for job creation in the various transport modes. In the Commission's point of view, maintaining and strengthening the competitiveness of transport operators is the best guarantee for sustainable high employment levels.¹⁷

With respect to the gender dimension in the transport sector in the EU, it can be said that restructuring mainly had negative impacts on the male dominated transport sectors and occupations. Women rather work in the service activities developed within newly emerging sectors, such as the private sector, logistics, freight forwarders or the supply chains with the sub-contractors. As the pressure for more labour flexibility is especially high in those sectors, women are very likely to work under precarious working conditions and are often to first to be laid-off.

1.2.2. Restructuring in the transport sector of the new EU Member States

The restructuring processes the old EU Member States underwent, also effected the transformation in the countries in Central and Eastern Europe. The transformation of the 1990s was backed by liberal consensus. In these countries, state ownership was often discredited by the socialist past and credit provision from the various transnational banks was often linked to implementing privatisation. Furthermore, the prospect of EU accession gave additional stimulus to the liberalisation of the transport sector. Thus, the cost reduction in the sector has been at the top of governmental agendas throughout the new Member States since the 1990s and entailed massive job losses, which have been even more severe as national railway companies, for example, often used to be

amongst the largest employers in many countries (Czech Republic, Slovenia, Bulgaria, Romania etc.).

1.3. THE EUROPEAN SOCIAL DIALOGUE

The European social dialogue is clearly defined in the EC Treaty (Articles 137-139) and is supposed to be "at the centre of the European social model"¹⁸. Accordingly, social partners can, through their active involvement in the European social dialogue, make a significant contribution to the development of active labour policies, the definition of European social standards, to maintaining and/ or fostering "sustainable jobs" and managing restructuring and change. The social dialogue underwent an important change in May 1998, when the Commission established sectoral social dialogue committees promoting dialogue between the social partners at European level.¹⁹ Since then, more than 30 sectoral social dialogue committees have been set up in various fields of activity, including six transport committees in which the ETF has been actively involved: civil aviation, maritime transport, railways, road, fisheries and inland navigation. Within these sectoral committees the social partners can, in theory, identify and tackle a wide range of issues of common interest.

¹⁶ DG TREN (2008): Energy and Transport in figures 2007, chapter 3.1.2.

¹⁷ Ibid, p. 12.

¹⁸ COM(2002)341 of 26.6.2002, p. 4.

¹⁹ Commission Decision of 20.5.1998 on the establishment of Sectoral Dialogue Committees promoting the Dialogue between the social partners at European level, 98/500/EC.

2. The Lisbon Strategy and Transport workers

2.1. THE LAUNCH OF THE LISBON STRATEGY IN 2000

As a reaction to the challenges the EU was facing from globalisation and growing international competition, the development of new information and communication technologies as well as Europe's ageing society, the 15 EU leaders adopted the Lisbon strategy at the Lisbon European Summit, Portugal, in March 2000.

The Lisbon strategy was conceived as a new strategic approach supporting all EU policies and aimed at making the EU “the most competitive and dynamic knowledge-driven economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.”²⁰ It was based on the idea that a stronger economy will fuel job creation in the EU, alongside social policies, which then will drive economic growth even further. It has to be noted though that the strategy contained an approach, which was not about the individual worker and did not include a direct reference to the various sectors. To achieve these aims the following ambitious targets were set to be attained by 2010:

- ▶ an annual growth of around 3%;
- ▶ an overall employment rate of 70%;
- ▶ a female employment rate of more than 60%;
- ▶ an employment rate for older workers (55+) of 50%.²¹

These targets were to be reached through a comprehensive set of policies. Firstly, a macro-economic policy mix should foster the transition to a competitive, dynamic and knowledge-based economy including high economic growth, the completion of the internal market and fiscal consolidation.²² Sec-

ondly, active policies were proposed to modernise the European social model by investing in people and building an active welfare state. This included education and life-long training, the promotion of social inclusion as well as the modernisation of the social protection system by balancing flexibility with security.²³

With the adoption of the EU Strategy for Sustainable Development at the European Council of Gothenburg 2001 in Sweden, an environmental dimension was added to the two dimensions (social and economic) of the Lisbon strategy (see Chapter 2.2.).²⁴

2.1.1. The renewed Lisbon Strategy for Growth and Jobs in 2005

Reaching the mid-term of the Lisbon process in early 2004, it became obvious that the EU was failing to reach its targets and thus the Commission appointed a High Level Group of independent experts in March 2004 to make an independent assessment. In their report “Facing the Challenge”, presented to the Commission and Council in November 2004, the group concluded that little progress had been made in the first years, mainly due to a lack of determination. Accordingly, they criticised the overloaded agenda, poor coordination, conflicting priorities as well as a lack of commitment and political will.²⁵ The report further pointed out those structural reforms had been used at the expenses of the workers creating more flexibility and less security as well as weakening the workers' rights.²⁶ Due to these deficiencies, the group concluded that the EU was unlikely to meet its 2010 targets and recommended to refocus the strategy on growth and employment.

²⁰ Presidency Conclusion, Lisbon European Council, 23 and 24 March 2001, p. 2.

²¹ Ibid, p. 2, 9.

²² Ibid, p. 2-7.

²³ Ibid, p. 7-10.

²⁴ Presidency Conclusion, Gothenburg European Council, 15 and 16 June 2001, p. 4.

²⁵ High Level Group (2004): Facing the challenge – The Lisbon strategy for growth and employment, p. 6.

²⁶ Ibid, p. 31.

The Commission presented the outcome of the mid-term review process in March 2005 and drew basically the same conclusions as the expert group. The European economy had failed to deliver the expected performance in terms of growth, productivity and, in particular, employment in order to reach the Lisbon targets.²⁷ This, however, was not seen as a deficit of the strategy itself but of its deficient implementation. Therefore, the Commission proposed to renew the Lisbon strategy, focusing all efforts on “delivering stronger, lasting growth and creating more and better jobs” and pursuing a stricter implementation.²⁸

As a result of this process, the Brussels European Council renewed the Lisbon strategy as a “Partnership for Growth and Jobs” in March 2005 following largely the recommendations of the Commission.²⁹

To increase the EU’s growth potential and its productivity as well as strengthening its social cohesion, the EU should renew the basis of its competitiveness and put the main emphasis on knowledge, innovation and the optimisation of human capital. Therefore, the strategy had to re-focus priorities on growth and employment and the EU should more strongly mobilise all necessary national and Community resources in its pillars.³⁰

To create “more and better jobs”, the Council announced its intention to:

- ▶ attract more people into the labour market and reform social protection systems;
- ▶ improve the adaptability of the workforce and increase the flexibility of the labour markets in order to help the EU adjusting to restructuring and market changes and
- ▶ invest more in human capital by improving education and skills.³¹

On the whole, the revised Lisbon strategy does not equal to the original strategy anymore rather reflect-

ing a major shift in objectives. On the one hand, the date of 2010 and the associated employment targets of the original Lisbon strategy are no longer put forward as priorities in the revised Lisbon strategy. On the other hand, the balance of the three pillars is disturbed. The revised strategy has strongly marginalised both the social and the environmental pillars and instead now focuses primarily on the economic dimension, i.e. growth, competition and labour market flexibility first and social Europe (perhaps) later. At the 2006 Spring European Council, the Heads of States and Governments agreed on the following four priority areas to boost the strategy, which are of cross-cutting nature: investing more in knowledge and innovation, unlocking the business environment, especially of SMEs, greater adaptability of labour markets based on flexicurity and lastly energy and climate change.³² In the words of the European Council in December 2007, “the Lisbon strategy is delivering” after it was relaunched in 2005. Economic growth was 1.8% in 2005, already 3.0% in EU-27 in 2006 and is expected to reach 2.9% in 2007. Employment growth has also been on an upturn, i.e. almost 6.5 million new jobs have been created in the last two years.³³ Therefore, the main emphasis of the Lisbon Strategy remains on implementation and delivery of reforms and the whole Lisbon tool box should be used for this purpose.³⁴ The Council further stated that “delivering life long learning to all citizens is (...) of particular importance for more and better jobs” and therefore, Member States and the Commission should prioritise the implementation of the Education and Training work programme.³⁵ At the same time, the Council praised the internal market as being “an undisputed success” and stressed the need to unleash its full potential by addressing the remaining barriers.³⁶

²⁷ COM(2005)24 final of 2.2.2005, p. 7, 12f, 29.

²⁸ Ibid, p. 7.

²⁹ European Council Brussels, 22 and 23 March 2005, Presidency Conclusion, p. 2.

³⁰ Ibid, p. 2f.

³¹ Ibid, p. 10f.

³² COM(2006)812 final Part I of 12.12.2006, p. 10-15.

³³ COM(2007)803 final Part I of 11.12.2007, p. 5.

³⁴ Presidency Conclusion, Brussels European Council, 14 December 2007, p. 10.

³⁵ Ibid, p. 11.

³⁶ Ibid, p. 12.

During the spring meeting of the European Council in March 2008, the 27 EU leaders decided to launch the second three-year cycle of the Lisbon strategy reconfirming the four priority areas for growth and jobs. Despite the progress made, the focus of this cycle must lie on implementation and structural reforms.³⁷ In this regard, the Council underlined the “importance of further developing the social dimension of the EU as an integral part of the Lisbon strategy”.³⁸ The Council further agreed to start reflecting on a post 2010 strategy and asked the Commission to do the same.

2.2. THE EU STRATEGY FOR SUSTAINABLE DEVELOPMENT

Already in the 1990s, sustainable development became an important objective of the EU, when it was enshrined as Article 2 in the Amsterdam Treaty. Since then, sustainable development has been a fundamental horizontal principle of the EU that is supposed to underpin all its policies, actions and strategies.

The Commission adopted in May 2001 a Communication entitled “A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development”, presenting the long-term vision that economic growth, social cohesion and environmental protection must dovetail.³⁹ Following this proposal, the European Council adopted the “EU Strategy for Sustainable Development” (EU-SDS) at its Gothenburg Summit in Sweden, in June 2001.⁴⁰ The EU-SDS, in close connection to the Lisbon strategy, was supposed to set out a policy framework to deliver sustainable development, based on the three pillars, which need to go hand-in-hand and mutually reinforce one another in order to attain the long-term objectives.⁴¹ It has to be noted though that the

social pillar in this strategy is solely about social cohesion and not about more and better jobs or decent working conditions.

The strategy was composed of two parts. The first part of the strategy revised the way of EU policy-making, focussing on improving policy coherence and making aware of possible trade-offs between contradictory objectives so that informed policy-decisions can be taken. In result, the economic, social and environmental consequences of all EU policies should be examined and taken into consideration in decision-making.⁴² The second part introduced a number of long-term objectives and measures to address various unsustainable trends such as ensuring sustainable transport by limiting the adverse effects of transport. Accordingly, a sustainable transport policy should break the link between GDP growth and transport growth as well as fully internalise the social and environmental costs. The strategy also envisaged infrastructure charging and promotion of more environmentally friendly transport modes.⁴³

2.2.1. The review of the EU Strategy for Sustainable Development in 2005

Similar to the changes introduced in the Lisbon strategy, the objectives of the EU-SDS were modified considerably, too. Based on a broad consultation process, the Commission presented a Communication in February 2005, in which it confirmed that even though immediate results could not be expected, the unsustainable trends had continued to worsen.⁴⁴ Following the recommendations of two European Council meetings in 2005, the Brussels European Council of June 2006 eventually adopted the “Renewed EU Strategy for Sustainable Development”,⁴⁵ which includes a framework defining the

³⁷ Presidency conclusion, Brussels European Council, 13-14 March 2008, p. 2.

³⁸ *Ibid.*, p. 4.

³⁹ COM(2001)264 final of 15.5.2001, p. 2.

⁴⁰ Presidency Conclusion, Gothenburg European Council, 15 and 16 June 2001, p. 4.

⁴¹ *Ibid.*, p. 4.

⁴² *Ibid.*, p. 4f.

⁴³ *Ibid.*, p. 6f.

⁴⁴ COM(2005)37 of 9.2.2005, p. 9f.

⁴⁵ Presidency Conclusion, Brussels European Council, 15 and 16 June 2006, p. 7.

responses to more effectively tackle the unsustainable trends challenging the EU.⁴⁶ According to the Council, “the overall aim of the renewed EU-SDS is to identify and develop actions to enable the EU to achieve continuous improvement of quality of life both for current and for future generations” and the main challenges are environmental protection, social equity and cohesion, economic prosperity as well as meeting the EU’s international responsibilities.⁴⁷

The renewed EU-SDS sets out overall objectives, targets and concrete actions for seven key challenges for the period 2005-10, which mainly concern the environmental pillar such as climate change and clean energy, (environmentally) sustainable transport, sustainable consumption and production as well as social inclusion. Concerning sustainable transport, the overall objective is “to ensure that our transport systems meet society’s economic, social and environmental needs whilst minimising their undesirable impacts on the economy, society and the environment”.⁴⁸ The operational objectives include decoupling economic growth and demand for transport, with the aim of reducing environmental impacts, achieving sustainable levels of transport energy use and reducing greenhouse gas, air pollutant and noise emissions from transport, achieving a balanced shift towards environment friendly transport modes, modernising the EU framework for public passenger transport services as well as halving road transport deaths by 2010 compared to 2000.⁴⁹

The European Council, during its summit in December 2007, called (environmentally) sustainable development a “fundamental objective of the EU” affirming that the EU-SDS’s governance structure and tools must be fully used and strengthened.

With respect to transport, the Council stated that the EU must continue to move towards more sustainable transport and environmentally friendly transport modes.⁵⁰

2.3. THE CONCEPT OF FLEXICURITY

At European level, the concept of “flexicurity” has been high on the political agenda for the past years closely linked to the debate of the modernisation of labour law. The key element of the debate is the question how to maintain the balance between the need for flexibility of the European labour market while at the same time safeguarding and/ or providing the necessary security on the labour market/ for workers. In the words of the Commission, the approach aims at “ensuring that all citizens can enjoy a high level of employment security”⁵¹ which stand in contrast to the concept of job security.

The concept is based on the Danish model, which is an approach to reconciling the objectives of a dynamic economy and a secure workforce based on the so-called “golden triangle”, which links a flexible labour market with lower dismissal protection to higher social security and active labour market policy with rights and obligations for the unemployed. In Denmark, this concept can look back to a long-lasting tradition of dialogue and trust among the social partners.

In the past, various claims have been made, mainly from the Commission and the employers’ side, that the labour market must be modernised and reformed in order to be able to tackle the above mentioned challenges of the 21st century and to meet the objectives of the Lisbon strategy. It further has been claimed that the business climate for creating employment needs to be “improved”. In line with this, the Commission presented a non-binding com-

⁴⁶ Council of the EU: Review of the EU SDS (10117), p. 3.

⁴⁷ *Ibid.*, p. 3f.

⁴⁸ *Ibid.*, p. 10.

⁴⁹ *Ibid.*, p. 10.

⁵⁰ Presidency Conclusion, Brussels European Council, 14 December 2007, p. 16.

⁵¹ COM(2007)803 final Part I of 11.12.2007, p. 10.

munication entitled “Towards common principles of flexicurity: More and better jobs through flexibility and security” in June 2007, in which it defined common challenges the EU labour market must tackle and put forward a number of possible common principles for Member States in order to provide more and better jobs. The Employment and Social Affairs Council discussed the Commission’s flexicurity proposals during their meeting in December 2007 and reached an agreement on the common principles on flexicurity, which globally follows the Commission’s proposal. The European Council is now inviting the Member States to take the common

principles into good account when developing and implementing national flexicurity policies.

As flexibility is already high in the agenda of many Member States, i.e. about half of them have or are developing policies on the basis of this approach,⁵² the current debate shows what kind of labour market policy is desired in the EU. In reality, flexicurity means on the one hand *more flexibility* of the labour market and the working conditions while on the other hand a *reduction of job security*.

Environment being a so-called common good, nobody can be excluded from its use and consump-

3. Transport and Environment

tion, which can lead to free-rider problems, i.e. users everywhere can consume the good without paying their share for its costs. This calls for policies as well as actions at all levels aiming at insuring that all actors concerned work together in order to protect the environment because environmental problems have wide-reaching and cross-border ecological, economic and social impacts.

3.1. DEVELOPMENTS AT EUROPEAN LEVEL

Since environmental problems are one of the major threat and/ or challenge Europe faces, concerns for environmental protection at Community level have been present for long. Alongside the European internal market programme, a comprehensive environmental agenda has been developed in the EU. The Single European Act in 1987 made environmental integration a legal obligation in the EC Treaty.⁵³ The basic idea behind it was that environ-

mental protection targets can only be achieved by involving all policy areas causing environmental deterioration and by introducing a shared responsibility between the various actors at EU level. However, the comprehensive *acquis communautaire* regarding the European internal market has not been matched yet by a comparable environmental *acquis communautaire*.

3.1.1. The Environment Action Programme

The EU’s 5th Environment Action Programme (5th EAP) formed the EU’s environmental policy agenda from 1993 till 2002 and made the integration of the environmental dimension in all major policy areas of the Community institutions, such as transport, a key factor. With respect to transport, it highlighted the importance of the transport sector as being vital “to both our economic and social well being” but at the same time warned of its adverse

⁵² Ibid, p. 7.

⁵³ Single European Act, Art. 130r

environmental effects. It further analysed that in wide parts of the EU, in particular in urban and industrial areas, a situation had developed, in which the imbalance of transport modes and the inefficient use of transport capacities led to congestion, pollution, damage to health and economic loss but remarked that “transport is never environmentally friendly, since all modes of transport have varying degrees of impacts on the environment.” Lastly, it pointed out that the predicted increase of transport demand makes it even more urgent to pursue a comprehensive strategy aimed at reducing its environmental impacts.⁵⁴

The successive 6th EAP, which entered into force in 2002 and will run until 2012, referred to decoupling economic growth and transport demand as one of the key actions in order to deal with climate change and alleviate health impacts of transport in urban areas. It also put renewed emphasis on the importance of environmental integration into EU policies. To do so, the 6th EAP mandated the Commission to prepare seven thematic strategies on key environmental issues such as air pollution, marine environment and urban environment. The aim is to create positive synergies and to integrate them with existing sectoral policies, the Lisbon strategy and the EU-SDS.⁵⁵

3.1.2. The Cardiff Process of environmental integration

The Amsterdam Treaty in 1997 identified external integration of environmental considerations in each policy field as the way forward to (environmentally) sustainable development. This prompted the European Council at its summit in Cardiff, in June 1998, to launch the Cardiff Process, which stressed that environmental policy alone cannot achieve the

improvements needed but must be supported by actions to reduce the environmental pressure from the various sectors, such as transport. Therefore, the Council requested its various formations to prepare sectoral strategies to promote environmental integration and sustainable development. Transport was amongst the first Council formations to deal with while during the next Council meetings, further formations were invited (i.e. fisheries).

The Transport Council submitted its “Strategy on the integration of environment and sustainable development into the transport policy” to the European Council in December 1999. The strategy assessed the EU transport system as being environmentally unsustainable and expressed serious concerns about an indefinite continuation of the growth of road transport and aviation. It further pointed out that especially the sector’s growing CO₂ emissions threatened the EU meeting its target under the Kyoto Protocol. One of the main objectives put forward was to decouple economic growth from the growth of transport. The strategy also recognised the need for further actions in the fields of harmful air emissions, modal split and noise. Member States were called upon to pursue these actions at national level and at international level.⁵⁶ The main weakness of the strategy was, however, that it only contained non-binding long-term goals but neither short- nor medium-term ones and no binding targets, which would require concrete actions.

In June 2004, the Commission assessed progress of the Cardiff Process and concluded that the Cardiff Process had, despite a few positive results, “failed to deliver fully on expectations” and pointed out that more had to be done to integrate environmental thinking into EU policy decisions.⁵⁷ The report con-

⁵⁴ Towards Sustainability. A European Community Programme of policy and action in relation to the environment and sustainable development, 17.5.1993, O.J. C 138/5, p. II, 33-35.

⁵⁵ Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 laying down the Sixth Community Environment Action Programme, p. 5, 9-13.

⁵⁶ Transport Council, Report to the European Council of Helsinki, 11717/99, p. 2, 4, 7, 12.

⁵⁷ COM(2004)394 final of 1.06.2004, p. 31.

cluded that the only way to tackle the worrying trends, such as climate change, declining fish stocks or pollutant emissions, and to move towards more environmentally sustainable development, would be to make environmental issues central to the policy decisions in sectors that have significant environmental impacts.

3.1.3. The Commission's 2001 Transport White Paper and its mid-term review in 2006

In its Transport White Paper from September 2001, the Commission highlighted the need for a modern transport system being not only economically and socially but also environmentally sustainable and proposed a comprehensive package of measures.⁵⁸ The targets to achieve this were on the one hand to gradually decouple traffic demand from economic growth while, on the other hand, to combat the imbalance in the development of the modes of transport. Therewith, it was intended to stabilise the shares of rail, inland navigation and short sea shipping at 1998 levels and to induce a modal shift from road to rail, waterways and public passenger transport from 2010 onwards in order to reach greater efficiency, less congestion and decrease pollutant emissions.⁵⁹

Five years later, the Commission emphasised in its mid-term review of the Transport White Paper, presented in 2006, the importance of promoting the protection and the improvement of the environment to provide the EU with a sustainable, efficient and effective transport system. It further warned of the substantially increased environmental pressures from transport, which will persist in the future.⁶⁰ When comparing the mid-term review with the 2001 White Paper it not only failed to mention the commitment to reducing greenhouse gas emissions (GHG) from

transport and levels of air pollution and noise, but it also abandoned the idea of decoupling GDP growth from transport growth. Moreover, it dropped partly the idea of performing a modal shift towards more environmentally friendly transport modes.⁶¹

3.1.4. Latest developments

Since early 2007, environmental protection, climate change and global warming have been high on the European political agenda but also worldwide with a number of important studies and reports being published.

In January 2007, the Commission put forward a comprehensive package of measures in order to set out a new energy policy for Europe, aiming, on the one hand, to combat the factors that contribute to climate change and, on the other hand, to foster the EU's energy security and competitiveness. Foremost, the Commission presented the ambitious target to cut GHG emissions by at least 20% by 2020 compared to 1990 levels (30% provided an international agreement is reached that goes beyond the expiry of the Kyoto Protocol in 2012)⁶². Concerning transport, the paper declared that the current energy and transport policies within the EU are not sustainable as they would lead to an increase of EU CO₂ emissions by around 5% by 2030.⁶³ Not even a month later, the Intergovernmental Panel on Climate Change, published its warning report on climate change concluding that human activities are a "very likely" (>90%) cause of global warming and there are only ten years left to avoid its worst effects such as a temperature rise.⁶⁴ As already today changes in climate are having major effects on ecosystems, water resources and coastal zones, the report urged policy-makers worldwide that urgent action is needed to curb GHG emissions.

⁵⁸ COM(2001)370 final of 12.9.2001, p. 6.

⁵⁹ Ibid, p. 11-12.

⁶⁰ COM(2006)314 final of 12.06.2006, p. 3.

⁶¹ Ibid, p. 4.

⁶² COM(2007)1 final of 10.01.2007, p. 5.

⁶³ Ibid, p. 3.

⁶⁴ IPCC (2007): Report of Working Group I of the IPCC, Summary for policy makers, p. 10.

In response to those challenges, the European Council, in March 2007, agreed on an integrated energy and climate change strategy and invited the EU Member States to move forward with the GHG reduction target of 20%.⁶⁵ To implement the strategy, the Commission proposed in January 2008 a legislative package to decrease the EU GHG emissions by 20% by 2020 while increasing the use of renewable energies by 20% during the same period.⁶⁶ Special attention was paid in this regard to the transport sector setting a specific minimum target for sustainable biofuels of 10% of overall petrol and diesel consumption.⁶⁷ Furthermore, the package included a proposal on how the overall EU GHG target will be shared between Member States.⁶⁸ The Spring European Council in March 2008 discussed the package as being “a good starting point and basis for agreement”.⁶⁹ With respect to transport, the Council stressed the importance of promoting a (environmentally) sustainable system, which allows Member States to take the necessary steps to effectively combat climate change.⁷⁰ Furthermore, the Council expressed the wish to have it agreed by Member States by the end of 2008 to enable adoption by 2009.⁷¹

3.2. THE MAIN ENVIRONMENTAL IMPACTS OF TRANSPORT

Transport is often referred to as being the fastest growing consumer of energy and thus producer of GHG in the EU as its overall volume has grown significantly in most Member States. The transport sector accounts today for nearly 31% of total final energy consumption in the EU-25 (excl. international shipping).⁷² GHG emissions from the sector increased by 26% between 1990 and 2005 and contributed to total GHG emissions in the EU-27 with

22% in 2005.⁷³ Until 2010, the predominant role of the sector in final energy demand growth is predicted to continue with an annual growth of 1.4% and in 2030, the sector is expected to still account for 30% of final energy demand, thus remaining the largest demand side sector.⁷⁴ Additionally, its near complete dependency on oil-based fuels (97% at present) is unlikely to change significantly in the near future.⁷⁵ These developments already generate and will continue to generate substantial environmental problems such as GHG emission, noise and air pollutant emissions as well as congestion.⁷⁶ According to the Commission, the environmental costs of transport are estimated at 1.1% of GDP.⁷⁷

3.2.1. Economic growth and transport growth

Figures provided by the European Environment Agency and the European Commission demonstrate that more goods are transported not only further but also more frequently than ever before. Accordingly, freight transport volumes have grown considerably, i.e. by 35.3% between 1995 and 2006 in EU-27.⁷⁸ For the future, freight transport demand is expected to increase by around 50% between 2000 and 2020 in EU-25.⁷⁹ Passenger transport volumes grew by 20.1% during the same period in EU-27, which is mainly due to growth in income, decrease of ticket prices particularly in civil aviation, improved infrastructure as well as spatial developments.⁸⁰ In particular, the growth of road transport and aviation was already high in the past and both sectors are estimated to increase by 36% and 105% respectively between 2000 and 2020 in the EU-25. Between 1992 and 2004, GDP grew by 30%.⁸¹ These figures show that the objective of the 2001 Transport White Paper of decoupling GDP growth from growth in transport volume has not been achieved. Moreover, due to

⁶⁵ Brussels European Council, Presidency conclusions, 8 an 9 March 2007, p. 12.

⁶⁶ COM(2008)30 final of 23.1.2008, p. 2.

⁶⁷ Ibid, p. 7f.

⁶⁸ COM(2008)17 final of 23.1.2008, p. 15f.

⁶⁹ Presidency conclusion, Brussels European Council, 13-14 March 2008, p. 12.

⁷⁰ Ibid, p. 15.

⁷¹ Ibid, p. 12.

⁷² Eurostat (2007): Panorama of Transport, p. 142.

⁷³ EEA(2008): Climate for a transport change, p. 8.

⁷⁴ DG TREN (2006): European Energy and transport – Trends to 2030, p. 29.

⁷⁵ European Parliament, TRAN Committee (2007): Energy and environmental aspects of the transport policy, p. VI.

⁷⁶ EEA (2006): Transport and environment: facing a dilemma, p. 16.

⁷⁷ COM(2006)314 final of 12.06.2006, p. 8.

⁷⁸ DG TREN (2008): Energy and Transport in figures 2007, chapter 3.2.2.

⁷⁹ EEA (2007): Transport and environment: on the way to a new common transport policy, p. 12.

⁸⁰ DG TREN (2008): Energy and Transport in figures 2007, chapter 3.3.2.

⁸¹ EEA (2007): Transport and environment: on the way to a new common transport policy, p. 14.

unequal development between transport modes, the objective of a modal split or maintaining the 1998 shares has not been achieved either.⁸²

3.2.2. Greenhouse gas emissions

Due to transport growth and the associated raise in energy consumption, the transport sector is one of the main sources of GHG emissions, which have gone up by around 32% between 1990 and 2004. In 2005, the sector accounted for 23.4% of all GHG emissions in EU-27 (excluding international aviation and maritime transport).⁸³ Maritime transport is responsible for 13% of the world's total transport GHG emissions and is foreseen to grow by 35-45% between 2001 and 2020. CO₂ emissions from international aviation showed an increase of 86% between 1990 and 2004.⁸⁴ These adverse developments in the transport sector have to a large extent outweighed the positive achievements reached in other sectors and those made with respect to improved energy efficiency of various transport modes. They are seriously threatening EU progress towards meeting international environmental commitments, such as the Kyoto Protocol.

A first step towards reversing the adverse effects of climate change at a global scale was the Kyoto Protocol, which was adopted in 1997 and entered into force in February 2005. The signatory Member States committed themselves to reducing their emissions of six GHG by at least 5% below 1990 levels during the period from 2008 to 2012. The EU-15 Member States have committed themselves to cutting their combined emissions of GHG by 8% redistributing their reduction targets among themselves.⁸⁵ The EU-12 Member States are not part of this joint target and have partially individual reduction targets. By the end of 2003, EU-15 emissions

were only 2.9% lower than in 1990.⁸⁶ In December 2007, delegates from more than 100 countries met in Bali, Indonesia and drew up a two year negotiation roadmap to reduce GHG emission, which is supposed to result in a new global climate agreement to succeed the Kyoto Protocol in 2009.

To promote a long-term strategy to reduce of GHG emissions “in a cost-effective and economically efficient manner” and to meet its Kyoto targets, the EU established the world's first emissions trading scheme (ETS) in October 2003.⁸⁷ Under the ETS, which came into effect on 1 January 2005, around 10,000 large industrial plants across the EU are able to buy and sell permits to emit CO₂, covering almost half of total EU CO₂ emissions. At present, only a limited number of industries are covered by the scheme and the only transport mode indirectly covered by the ETS is railway via electric power use. Therefore, legislation is under discussions to include civil aviation in the ETS and the Commission is also considering how to address GHG emissions from shipping. Moreover, the Commission has proposed new transport fuel quality standards that would reduce GHG emissions.⁸⁸

3.2.3. Air pollutant emissions

Harmful emissions of air pollutants significantly reduced between 1990 and 2005: particulate matters by 33%, acidifying substances by 36% and ozone precursors by 45%.⁸⁹ This can be mainly attributed to increasingly strict EU emission standards for the different transport modes, improved fuel quality as well as new engine and vehicle technologies.

Despite progress made, transport still gives rise to significant air pollution levels, many Member States continue to suffer from bad air quality and the decline in air pollutant emissions has slowed down.

⁸² DG TREN (2008): Energy and Transport in figures 2007, chapter 3.2.2., 3.3.2.

⁸³ Ibid, chapter 4.1.2.

⁸⁴ EEA(2008): Climate for a transport change, p. 16.

⁸⁵ UNFCCC (2005): Caring for Climate – A guide to the Climate Change Convention and the Kyoto Protocol, p. 6f, 24-26.

⁸⁶ DG Environment (2005): Environment fact sheet. Climate change, p. 3-4.

⁸⁷ Directive/2003/87/EC of 13.10. 2003, Art. 1.

⁸⁸ COM(2007)817 final of 19.12.2007.

⁸⁹ EEA(2008): Climate for a transport change, p. 18.

Especially many European cities do not meet the air quality values set by various EU Directives. Transport, in particular private cars, is also a source for emissions of fine and ultra-fine dust particles, which is mainly due to high congestion in cities. Therefore,

bad air quality caused by transport continues to have major negative effects on human health.⁹⁰ As a reaction, in an increasing number of European cities, restrictions on the free circulation of cars are being imposed.

4. Infrastructure financing, State aids and the Role of States

In general, Europe offers a dense transport infrastructure, which constitutes the “arteries of Europe and contributes to social cohesion in terms of accessibility”.⁹¹ Therefore, the CTP has traditionally been concerned with providing transport infrastructure and services to support the development of the internal market and to ensure the adequate functioning of the EU’s transport system. In its 2001 Transport White Paper, the Commission has put forward the objective to offer users high-quality and safe infrastructure that serves all modes of transport and allows the optimal usage of existing capacities.⁹²

4.1. THE TRANS-EUROPEAN TRANSPORT NETWORK

The idea of Trans-European Networks (TEN) emerged in the late 1980s in connection with the development and implementation of the Single European Market, i.e. it made little sense to establish an internal market, with freedom of movement for goods, persons and services, without the regional and national networks of that market being appropriately linked by modern and efficient infrastructure.⁹³

The EC Treaty in 1993 provided the legal basis for the TENs and gave the Community competences and instruments in the area of, amongst others, transport infrastructure.⁹⁴ The basic ideas were then set out in a White Paper in the same year, which

highlighted the Community’s role in integrating national operations in the wider context of Community interests and pointed out that the networks could help to create jobs, not only by building infrastructure itself, but also by stimulating growth.⁹⁵ On 23 July 1996, the European Parliament and the Council adopted Decision No. 1692/96/EC on Community guidelines for the development of the TEN-T, which set up the broad guidelines of action to establish the network. As priorities, the European Council meeting in Essen, in 1994, identified a list of 14 projects of common interest, which were to be finalised by 2010. In May 2001, Decision No. 1346/2001/EC was adopted amending Decision No. 1692/96/EC making sea and inland ports part of the TEN-T and thereby emphasising the multimodal dimension of the network.

4.1.1. Financing of Trans-European Networks

Both Decisions were addressed in particular to the Member States, which have the primary responsibility for the implementation of the Trans-European Transport Networks (TEN-T). It is, however, on the Community to eliminate the financial and administrative obstacles to the development of these projects. Several instruments were set up at Community level to support Member States financially, while the total amount of Community aid was not permitted to

⁹⁰ Ibid, p. 19-20.

⁹¹ EEA: Indicator fact sheet, TERM 2003 18 AC – Capacity of transport infrastructure networks, p. 1.

⁹² COM(2001)370 final of 9.11.2001.

⁹³ DG TREN: Trans-European Networks, http://ec.europa.eu/ten/transport/index_en.htm.

⁹⁴ EC Treaty, Title XV (Art. 154-156).

⁹⁵ COM(93)700, p. 77f.

exceed 10% of the total investment costs. Additional funds were also available through the European Structural and Cohesion Fund, the European Investment Bank (EIB) or the private sector.⁹⁶

Soon it became obvious that the work on the TEN-T was not progressing as fast as expected, which was partly due to coordination problems between Member States but mainly to a lack of funds. The first TEN-T implementation report in 1998 indicated that investment in the projects in 1996-1997 amounted to only €38.4 billion, while the financial resources needed to complete the network by 2010 were estimated to be €400 billion.⁹⁷ Accordingly, the 2001 Transport White Paper emphasised the need to mobilise more private funding and for Member States to mobilise “non-traditional sources of funding, based on funds derived from fuel taxes and infrastructure charges”.⁹⁸ Lastly, it stressed the need to reduce the bottlenecks in the TEN-T by concentrating investment on a few horizontal priorities and a limited number of specific projects.⁹⁹ In October 2001, the Commission initiated a first revision of the guidelines in order to tackle the infrastructure challenges for the sector, i.e. the enlarged transport infrastructure network due to the enlargement of the EU in 2004, and to help to meet the objectives of the new transport policy as described in the Transport White Paper.¹⁰⁰

Following the recommendations of a High-Level Group on the TEN-T chaired by Karel van Miert, presented in June 2003, which stated that the delays in implementing the infrastructure of the TEN-T were having adverse effects on the profitability of the investments, the Council and the Parliament modified in 2004 the rules for granting Community funds allowing for a higher maximum co-funding rate (20%) for key projects.¹⁰¹ At the same time, the

Commission reviewed the list of priority projects raising their number from 14 to 30, which are aimed at completing cross-border connections among the 27 Member States and are to be finalised by 2020. The new list took into consideration the need to integrate the ten new Member States' infrastructure and aimed at performing a modal shift. The second TEN-T implementation report for the period 1998-2001, published in 2004, evaluated the results of that period as “solid progress, but needs to be better”. The total investment between 1998 and 2001 was around €129 billion, which was, comparing to 1996-1997, an increase of nearly €90 billion. Despite this positive development, the report concluded that at this rate of investment, the target of building the TEN-T would not be achieved.¹⁰² During the successive reporting period (2002-2003), the total investment in the TEN-T in the EU-27 amounted to approximately €82 billion. National public funding (78%) together with loans from the EIB contributed with more than 90% to the investment while only €1.19 billion was funded by the TEN-T budget. In terms of modes, the investment focused on rail transport (46%), roads (33%), airports (12%), ports (6%) and inland navigation (2%), values which were similar to the previous years.¹⁰³ During the lengthy negotiations on the EU's financial perspectives for 2007-2013 in 2006, the Commission proposed a substantial increase for TEN-T from EU budget to €20 billion and also to rise to a maximum co-funding rate to 50%. This proposal, however, was rejected by Member States and in November 2006, the Council of Ministers approved only €8 billion of which €5.1 billion are assigned for the 30 priority projects. In November 2007, the Commission announced that railways (74.2%) and inland navigation (11.5%) would

⁹⁶ Regulation (EC) 2236/95.

⁹⁷ COM(98)614 final of 28.10.1998, p. 25.

⁹⁸ *Ibid.*, p. 93.

⁹⁹ *Ibid.*, p. 50-51.

¹⁰⁰ COM(2001)370 of 12.09.2001, p. 92.

¹⁰¹ Regulation (EC) No 807/2004 amending Regulation (EC) No 2236/95.

¹⁰² SEC(2004)220 final of 19.2.2004, p. 3.

¹⁰³ COM(2007)94 final of 13.3.2007, p. 5, II.

receive the bulk of the €5.1 billion while road receives just 2.7%.

4.2. THE EU TRANSPORT INFRASTRUCTURE PROJECTS FOR SOUTH EAST EUROPE

The Community guidelines developed for the TEN-T were also supposed to serve as a model for other European regions. Already the European Council in Helsinki in 1997 developed the concept of a Pan-European Transport network partnership and since then much pressure has been put by the EU to integrate the transport infrastructure of the South East European countries in the EU transport network and to improve the transport infrastructure. The objective of these measures is to support better quality of life through economic growth, regional integration, social cohesion and adequate environmental conditions. The networks are supposed to cover the main road and rail routes, inland navigation, sea and inland ports, airports and terminals in the region and should be built in accordance with Decision No. 1692/96/EC. The plan is that Europe, in the long run, will be served by an integrated multimodal network.¹⁰⁴ To make funding available, the Commission developed a new financial instrument called Instrument for Pre-Accession Assistance in July 2006. At the same time, the Commission wants to attract private-public partnerships and plans to work closely together with the international banks to finance the networks.

This makes sense from a European point of view but it is in contradiction with what exists now. The networks of this region are too vast and only a few corridors will be developed in the future. All parts outside of these corridors remain in the capacity of the countries, but the governments often do not have to financial means or capacities to further develop them.

4.3. INFRASTRUCTURE CHARGING

In general, efficient transport charging policy on infrastructure use aims at improving transport management and reducing its external costs (congestion, air pollution emissions and accidents) while at the same time generating funds for investing in new infrastructure.¹⁰⁵ Therefore, the aim of the Commission's infrastructure charging policy is to ensure that, for every transport mode, taxes and fees are variable to reflect the real external costs of transport because the high and growing proportion of the external costs of transport endangers its sustainability.¹⁰⁶ To contribute to achieving the targets of a more sustainable transport system, it is important to apply the so called "user pays" principle, based on marginal cost pricing, i.e. the user pays for the damage caused.

In the early 1990s, the issue of transport charging started to play a major role in the Community's transport policy. Already the first Transport White Paper in 1992 emphasised the importance of addressing the question of how prices can cover the real external costs in transport.¹⁰⁷ The Commission presented a Green Paper in December 1995 to launch a debate on how pricing instruments can contribute to reducing environmental impacts and congestion and how they can function as a possible tool for infrastructure financing.¹⁰⁸ In this Paper, the Commission considered the existing taxation system to underestimate the external costs of transport, because Europe's entire economy had to bear the costs generated by transport. Therefore, the Paper's objective was to explore new ways of making transport pricing systems fairer and more efficient by giving users as well as producers economic incentives to adjust their transport behaviour.¹⁰⁹ The Green Paper was followed by a White Paper, pub-

¹⁰⁴ European Commission (2001): Transport and Energy infrastructure in South East Europe, p. 5.

¹⁰⁵ EEA: Transport price signals, Technical report, No. 3/2004, p. 7, 12.

¹⁰⁶ DG TREN: Transport infrastructure charging policy, http://ec.europa.eu/transport/infrastructure/index_en.htm.

¹⁰⁷ COM(92)494 final of 2.12.1992, p. 21, 24.

¹⁰⁸ COM(95)691 final of 20 December 1995, p. 2-3.

¹⁰⁹ *Ibid.*, p. 2.

lished by the Commission in July 1998, whose key message was that “the great diversity of infrastructure charging systems across transport modes and Member States undermines the efficiency and the sustainability of Europe’s transport system.”¹¹⁰ Thus, it was, in the words of the Commission, “imperative” to replace the patchwork of charging systems across Member States and modes by a harmonised Community approach to transport charging applied in the various transport modes.¹¹¹ This was also a key topic in the 2001 Transport White Paper. One of the proposed measures was the creation of an accurate pricing system for all transport modes by harmonising the principles of infrastructure charging. Therefore, EU policies in the area of internalisation of external costs should focus on gradually restructuring transport charges in order to establishing a level playing field between modes.¹¹²

Following a request by the European Parliament, which, when approving the Eurovignette Directive in May 2006, called on the Commission to present a comprehensive model for the assessment of external costs for all transport modes no later than 10 June 2008, the Commission conducted a two-month public consultation, which ended in December 2007.¹¹³ In the Commission’s words “for efficiency as well as for fairness purpose, the costs (...) related to transport activities should be borne to a large extent by those who produce them”.¹¹⁴

4.4. STATE AIDS

State aid policy is an important element of EU competition policy with the objectives to prevent the distortion of competition and intra-community trade as well as ensuring a level playing field for all undertakings active in the European Single Mar-

ket.¹¹⁵ Therefore, the EC Treaty generally prohibits Member State authorities from granting State aid. Its Articles 87 and 78 outline the basic State aids rules and contain an extremely wide-ranging ban. However, according to the EC Treaty, there exist certain exceptions from this ban. To be considered State aid, it must affect trade between Member States, which in reverse excludes any aid that only has internal consequences within a Member State. To apply these rules, the EC Treaty sets out a system for Community-level processing of State aid. In particular, the Commission has wide ranging powers to control, monitor and review the compliance of State aid with EU rules and the application of exemptions rests exclusively with the Commission, too. If necessary, the Commission may also suggest certain actions. The Council of Ministers has the option to intervene but the ultimate control rests with the European Court of Justice.

The Lisbon strategy in 2000 called on the Commission, the Council and the Member States to “further their efforts to (...) reduce the general level of State aid, shifting the emphasis from supporting individual companies or sectors towards tackling horizontal objectives of Community interest (...)”¹¹⁶, which was affirmed by the Stockholm European Council in March 2001.¹¹⁷ These calls prompted the Commission to launch a comprehensive reform process, which resulted in the adoption of a number of new instruments to accelerate and facilitate the granting of State aid. It further adopted a number of block exemption Regulations, which authorise State aid without requiring formal notification for SME, for training, for employment, for services of public interest and for regional aid. Moreover, the Commission set out the aim of moving towards a situation where most State aid is horizontal.

¹¹⁰ COM(98) 466 final of 22.07.1998, p. 1.

¹¹¹ *Ibid.*, p. III.

¹¹² COM(2001)370 of 12.09.2001, p. 77f.

¹¹³ TREN.A2/EM/ccD(2007)3 22073, p. 2.

¹¹⁴ *Ibid.*, p. 7.

¹¹⁵ DG Comp (2006): Citizen’s Guide to Competition Policy.

¹¹⁶ Presidency Conclusion, Lisbon European Council, 23 and 24 March 2000, p. 6.

¹¹⁷ Presidency Conclusion, Stockholm European Council, 23 and 24 March 2001, p. 5.

As its new benchmarking instrument for State aids, the Commission introduced in July 2001 the State aid scoreboard in order to assess Member States progress towards meeting the Lisbon objectives and response to the European Councils' call for less and better targeted aid. The latest scoreboard, published in December 2007, focuses on the State aid situation in the EU-25 for the year 2006. The overall level of State aid (excluding railways) granted was estimated at €66.7 billion in 2005 (0.58% of EU GDP). Compared to 2005 with €63.8 billion (0.59%) and in relation to GDP, this means a moderate decline.¹¹⁸

4.4.1. State aids to the transport and fisheries sectors

In general, DG Competition sets out the legislation under which State aid can be authorised. However, as certain sectors have specific rules, four Directorate-Generals are carrying out State aid control for their sectors, amongst others DG TREN and DG Fisheries.

The overall objective of State aid rules in the transport sector is to remove discrepancies likely to distort competitive conditions in the transport market. However, aid control in the transport sector needs not only to take into account the general provisions laid down in Article 87 (1), but also the special rules in the EC Treaty as well as secondary legislation and soft law dealing specifically with the various transport modes. Therefore, the legal basis for the EU's transport policy is divided in the areas of transport by rail, road, air and maritime transport as well as inland navigation and fisheries.

In the beginning of the “de minimis” State aid policy in 1992, which regarded State aid of up to €100,000 given to one enterprise over a continuous three-year period not as State aid in the sense of Article 87 (1)

EC Treaty, existed certain exceptions from the application, amongst others for the transport sector. The exception was justified by the specific rules applicable and the economic features of the transport sector¹¹⁹ as even small amounts of aid could distort competition between transport companies. In June 2005, the Commission announced a revision of the “de minimis” threshold “to take account of the evolution of the economy”¹²⁰, which came into effect in December 2006 and contained two alterations as of 1 January 2007: Firstly, the doubling of the amount to €200,000 and secondly, the inclusion of the transport sector.¹²¹ In the fisheries sector, the threshold for “de minimis” State aid used to be €3000 over a three-year period. After strong requests from the industry, which was mainly linked to the fuel crisis affecting the sector, the Commission increased the ceiling for fisheries up to €30,000 in 2006.

According to the autumn 2007 State aid scoreboard, in the EU-25, the total amount of aid awarded to the transport sector (excluding railways) per year over the period 2001-2003 amounted to € 1.9 billion while during the period 2004-2006 it was € 2.2 billion, which is an increase of 15%. The biggest bulk of €1.4 billion during 2004-2006 was awarded to the maritime sector (almost 70%), which is due the specific global nature of the sector and its State aid guidelines.¹²² The total amount of State aid, which the fisheries sector received in 2006, was estimated at €287 million, which is accounted separately from the transport sector.¹²³ It has to be noted though, that the State aid scoreboard only represents aid that falls within the scope of European legislation.

4.5. THE ROLE OF STATES

A sustainable transport system requires above all political actors, which are committed to take on their

¹¹⁸ COM(2007)791 final of 13.12.2007, p. 8.

¹¹⁹ Regulation (EC) No. 69/2001 of 12.01.2001, Art. 2 (2).

¹²⁰ COM(2005)107 final of 7.6.2005, p. 10.

¹²¹ Regulation (EC) No. 1998/2006, (Art. 2 (2)), (Art. 1).

¹²² COM(2007)791 final of 13.12.2006, p. 14f.

¹²³ *Ibid.*, p. 19.

responsibilities and shape transport policy in the interest of the society and the workers. Those political actors include the European Council, the European Commission, the European Parliament as well as the Member States with their regions and municipalities.

In general, the EU provides the overall concept of the common transport policy. It is, however, on the Member States to define transport policy and to allocate the necessary funds so that it can be fully

realised. Therefore, Member States play a major political role in the European transport policy and this role has to be active. Member States cannot withdraw from their responsibilities but must act as a regulator, monitor and enforce rules and objectives. In this sense, it is important that the Member States do not consider transport policy separately from environmental and social policies, but as closely interlinked and influencing each other.





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