

“Sustainable Transport, Unsustainable Politics”

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This paper will consider the relationship between transport and politics in the context of sustainable transport policy. Transport policy has historically been a short-term 'political football', with policy closely reflecting the prevailing political and economic thinking of the day. However, the threat posed by climate change and peak oil has become an increasingly prominent long-term issue facing the transport sector. While initial steps have been taken to address these issues, the long-term nature the problems and the solutions conflict with the short-term nature of politics. While the current recession could act as a stimulus for sustainable transport, political short-termism is instead magnified by this economic crisis, where the key focus of politicians is on tackling the short-term symptoms of economic weakness. In short, sustainable transport is undermined by unsustainable politics.

Understanding the Issue

Scientific opinion is almost unanimously united in the belief that the twin threats of climate change and oil dependency must be tackled if ecological and economic ruin are to be averted, something which will require substantial investment. The International Panel on Climate Change (IPCC) Fourth Assessment Report warned that 'warming of the climate system is unequivocal'.¹ The impact of climate change and the subsequent 'Greenhouse Effect' will be stark, causing rising sea levels, threats to food supply and huge ecological damage.² Peak oil is the point at which global oil production reaches its maximum level before it then goes into sustained decline.³ As supply dwindles and demand continues to grow, oil prices will rise exponentially, forcing reduced oil consumption. In a society not yet ready to be fossil free, the impact on the economy would be hugely damaging.

The UK and the world generally have been in the grip of the fiercest recession since the Great Depression. The recession is rooted in the financial sector, and the intrinsic role of financial services in all areas of the economy has made this a particularly severe downturn. The leeching of confidence within banking has led to constraints on credit and has weakened demand as firms and households consume less in an attempt to repair their balance sheets. Firms of long-standing global renown, such as General Motors and the Royal Bank of Scotland, have come close to collapse. The decline of these firms has been symptomatic of a wider retreat of key industries within the economy, including construction, engineering and car manufacturing. In light of these economic difficulties, sustainable transport has become a lower priority. Climate change and peak oil seem a long off way off for governments trying to repair damaged economies and for households fighting for their economic livelihoods.

Despite the apparent sidelining of the sustainable transport debate, the current recession does present an opportunity to realise the sustainability agenda. There is general acceptance of the view that, during periods of stagnant demand, it is the role of the government to provide a stimulus to the economy by increasing public expenditure and reducing taxation. There are many examples throughout history where governments have used economic weakness to their advantage by investing in large public works programmes aimed at re-energising their economies. Perhaps the two most quoted examples of this are Hitler and Mussolini's *Autobahns* and *Autostradas*⁴ during the 1930s, which ensured that Germany and Italy were amongst the few buoyant economies during the 1930s. Figure 1 presents an overview of total UK public spending between 1950 and 2010 (forecast) as a percentage of GDP:

¹ http://en.wikipedia.org/wiki/IPCC_Fourth_Assessment_Report

² Leggett, J., *Half Gone – Oil, Gas, Hot Air and the Global Energy Crisis* (Portobello, 2005), pp. 111-112.

³ *Preparing for Peak Oil – Local Authorities and the Energy Crisis* (The Oil Depletion Analysis Centre and Post Carbon Institute, 2009), p. 2.

⁴ Clark, M., *Modern Italy 1871-1995, Second Edition* (Pearson, 1996), pp. 263-268.

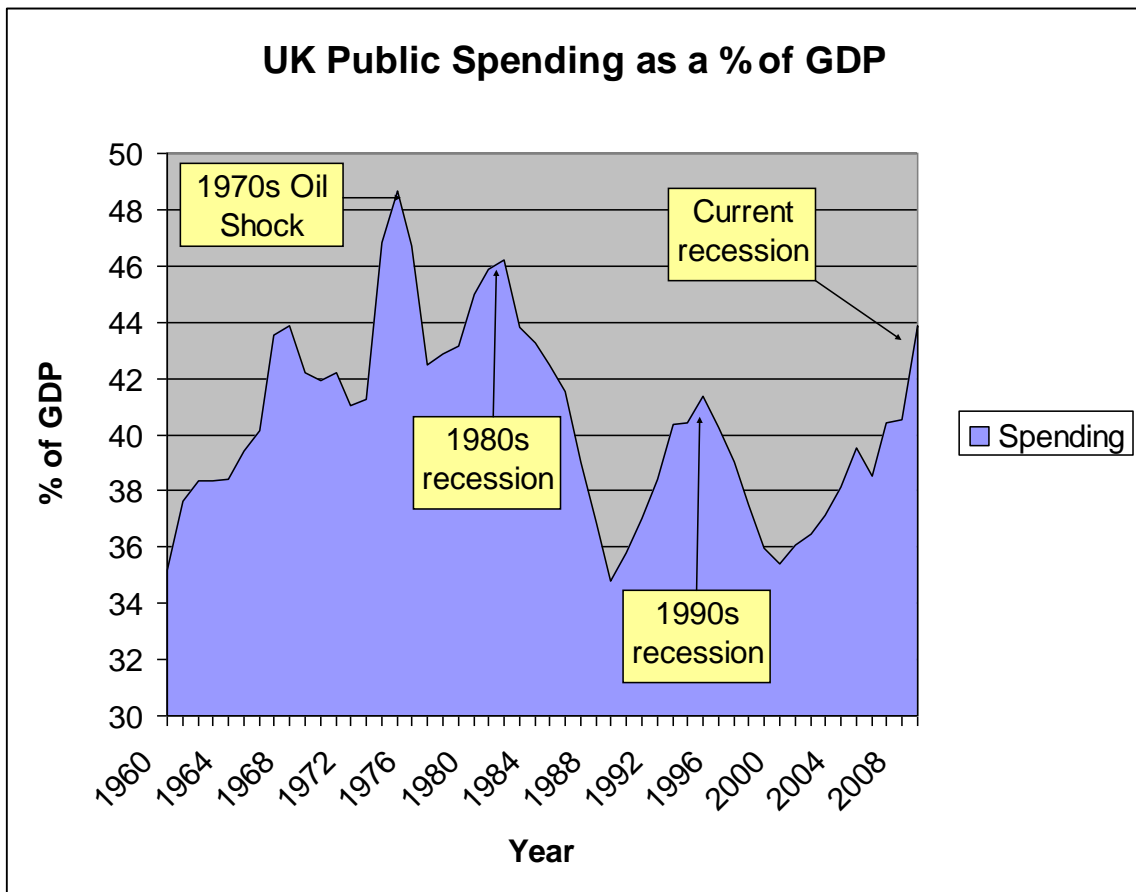


Figure 1: UK Public Spending as Percentage of GDP 1960 – 2010⁵

Figure 1 shows that public spending as a percentage of GDP tends to rise during a recession, both because spending is increasing and GDP is shrinking. Public expenditure reached almost 50% of GDP in 1975 as the UK faced the inflationary effects of the oil price shock of 1973/74. Similarly, public spending was above average in the early 1980s and mid-1990s as governments sought to address recession. Public spending also rose in 2008 and 2009 as the Government tackles the current downturn. The precedent is clear – the UK and other governments could reenergise failing sectors of the economy by providing an initial stimulus to investment in transport infrastructure and policies.

The potential for using the recession as a stimulus for sustainable transport investment was endorsed by Professor Phil Goodwin. Goodwin acknowledged that traffic growth rates will be dampened down by the recession, an assertion backed up by a recent AA study which found that:

- a quarter of commuters who have lost jobs did so in the last year, contributing to a 15% fall in rush hour congestion;
- 20% of commuters said hard times made them work from home to save on travel costs; and
- 14% opted for public transport and 12% shared cars to save money.⁶

Goodwin noted that these trends represent a good opportunity to implement policies that, when the economy recovers, produce different and more environmentally friendly patterns of growth. In face of

⁵ www.ukpublicspending.co.uk

⁶ <http://news.bbc.co.uk/1/hi/uk/8240510.stm>

tightening public expenditure, such investment should be focused on 'cheap high value' projects that are typically small scale and low prestige – eg local safety schemes, 'Smarter Choices' initiatives, bus lanes etc. In short, Goodwin argues that the economic crisis should be used to encourage structural change through investment in consistent and complimentary policies.⁷

There are limits to such investment, however, particularly the debt being accrued by governments. The credit ratings agency, Standard and Poors, recently called into question the medium-term credit worthiness of the UK Government⁸, while the National Audit Office has warned of the need for spending cuts.⁹ Indeed, the DFT recently experienced the first cut to its departmental budget.¹⁰ Despite this, there is still room for investing in transport – renowned economist Will Hutton recently stated that public spending must continue to increase to reinvigorate the economy.¹¹ However, it is the contention of this paper that public opinion and the architecture of democratic politics will lead to politicians focusing on the short-term issues of supporting the banking sector, bailing out key firms and stimulating household demand rather than considering the long-term potential of transport investment.

Politics and the Political System

- "Democracy is the worst form of government except all the other forms that have been tried from time to time"¹²

The prevalence of democratic government in most advanced societies supports Churchill's assertion that democracy is the 'best' form of government. A pluralist democratic government allows for open and transparent debate, which is closely monitored by the media. The population in democratic countries has the right to vote out an unpopular government at local, devolved and general elections. This system has proved to be effective over many years and in numerous countries. However, it has one key weakness - it does not prioritise long-term goals and indeed often trades off long-term benefits for short-term gains.

In contrast, one party states and weak democracies offer greater potential (generally not realised) for long-term planning. In such countries, policy direction comes more from the centre than from public opinion and leaders can plan for long-term development. The term 'one party state' is a pejorative one and provokes thoughts of the worst excesses of the German and Italian fascist governments, the Soviet Union, communist China and right-wing military juntas. However, this detracts from the achievements of countries such as Japan, which has essentially a one party democracy for almost sixty years¹³. The Japanese Government invested heavily in sustainable transport as a result of a public discontent over environmental issues and the external pressures caused by oil prices after the Yom Kippur War.

⁷ Goodwin, P., *The Economic Crisis and Transport Policy* (Local Transport Today, 19 June – 2 July 2009), p. 15.

⁸ Standard and Poors, a leading credit ratings agency, has recently sounded a cautionary note over the UK's credit worthiness. While S&P have reaffirmed the UK's long-term sovereign rating at AAA (the highest possible grade), it has changed its medium-term outlook for UK Government bonds from 'stable' to 'negative', due to its concern that public debt could approach 100% of GDP over the next five years, which is too high to be consistent with essentially default-free investment. S&P will not reassess the UK's rating until after the next general election as they wish to establish whether the next government has a credible plan in place to bring public borrowing back to sustainable levels and avoid an official downgrade.⁸ *Chief Economist's Weekly Brief* (Royal Bank of Scotland, 26 May 2009)

⁹ *Prepare for Spending Cuts* (Local Transport Today, 13 March – 26 March 2009), p. 5.

¹⁰ *First cut made to DFT's investment budget* (Local Transport Today, 3 July – 16 July 2009), p. 1.

¹¹ Hutton, W., *Brown Needs to Spend Big* (The Big Issue, 27 July 2009), p. 11.

¹² Excerpt from a speech given by Winston Churchill to the House of Commons in 1947 in Heywood, A., *Politics* (Palgrave, 1997), p. 65.

¹³ The Japanese Liberal Democratic Party was, with the exception of one ten month period in 1993, been in continuous power between 1955 and 2009. However, it should be noted that, in August 2009, the Democratic Part of Japan won the Japanese General Election.

Development was thereafter focused on the long-term and has delivered high quality, sustainable transport.¹⁴ Despite the Japanese and other examples, it should be noted that they are the exception rather than the rule amongst one-party states.

Democracy and Sustainable Transport

The key problem with democracy was identified by the philosopher Plato who argued that “the mass of people possess neither the wisdom nor the experience to rule on their own behalf”.¹⁵ While Plato was referring to the small Athenian *Polis*, this principle holds true today in that it is impossible for the general population to understand the nuances of every argument put before them, a concept known as ‘bounded rationality’.¹⁶ The mass of the population focus on the issues that are important to their own lives - ie jobs, education, housing, health and social security. Issues such as climate change and peak oil are talked about but are either not understood, believed to be exaggerated or seen as too distant a prospect to be concerned about.¹⁷ This a particular issue during a recession, where people are primarily concerned about whether their job is safe or whether they can pay bills. Indeed, a recent survey by the Office of National Statistics attempting to identify the three most important issues facing Britain found that the identification of climate change as a key issue had retreated from 32% of respondents in 2007 to 27% in 2008, reflecting greater economic pressures as recession set in.¹⁸ The limited understanding of a range of issues is what forms **public opinion**, the key driver of democratic politics.

The majority of democratic countries hold general elections every four to six years, where the government of the day is judged on its performance. Voter judgement is shaped by how well they believe the government has met their needs (ie public opinion) and by the media. While this system limits the power of government and curbs potential abuses, it leads to continual short-termism in policy making. The majority of politicians, like any other person, are focused on maximising their own utility, which can sometimes conflict with appropriate policy. As such, when a government is elected, it is aware that it must satisfy the public that their needs are being met. This would not be an issue if the public had ‘perfect knowledge’ of the issues under debate. This is known as the ‘Principal-Agent Theory’ - ie the principal (the voters) do not closely monitor the agents (the government) meaning that politicians can take actions not in keeping with the public interest. In light of this market failure, politicians shape their policies to reflect what the public think they need, rather than what they actually need – ie they will focus on policies that will get them re-elected. There is little incentive to invest in long-term projects as the instigating government are unlikely to still be in power when the results of such policies crystallise. A good example of this is the recent cancellation of the Glasgow Airport Rail Link scheme by the Scottish Government to compensate for a £129 million cut in NHS funding.¹⁹ As a consequence, the long-term threats of climate change and peak oil are never truly forced into the public arena.

Even where a potentially sustainable scheme is put forward, it can still be subject to the vagaries of politics. A recent article noted that the transport minister Lord Adonis is pressing for an extension of the proposed high speed rail line to Scotland to “reduce the political advantage enjoyed by the Conservatives,

¹⁴ Emmot, B., *Rivals: How the power struggle between China, India and Japan will shape our next decade* (Penguin, 2008), pp. 157-160.

¹⁵ Heywood, A., p. 70.

¹⁶ Besanko, D., et al., *Economics of Strategy, 3rd Edition* (Wiley, 2003), p. 120.

¹⁷ <http://news.bbc.co.uk/1/hi/sci/tech/8249668.stm>

¹⁸ *Climate drops down agenda* (Local Transport Today, 13 March – 26 March 2009), p. 9.

¹⁹ http://news.bbc.co.uk/1/hi/scotland/glasgow_and_west/8290956.stm

who have given a “commitment” to build a high speed line between London, Birmingham, Manchester and Leeds”.²⁰

Political short-termism and public opinion are reinforced by a fickle and often ill-informed media. For example, a recent article in *The Times* indicated that falling road traffic volumes in the UK would make the introduction of road charging schemes in the UK an increasingly difficult task.²¹ While this is true, the argument is being misunderstood. The bigger question is why road travel is one of the few goods for which users do not pay the full costs of driving.²² The theoretical role of the media is to be an impartial guardian of civic society, ensuring that no government can abuse its power. However, like other areas of society, the media has become polarised, often backing one of the major parties. Even where this is not the case, the increasing pressure on media companies to sell their products leads to sensationalism and disingenuous stories.

Questions are also raised over the means by which sustainable transport schemes are assessed and prioritised in funding allocations. The Campaign for Better Transport recently criticised English Regional Funding Allocation priorities, explaining that the heavy weighting given to driver travel time in appraisal creates a bias against public transport schemes.²³ In addition, Sustrans has criticised the Welsh Assembly Government and Welsh Local Authorities for reallocating funds earmarked for cycling schemes to roads schemes without undertaking any detailed analysis.²⁴ Similarly, in Scotland, cycling budgets have been significantly reduced in 2008/09, despite a commitment by the Scottish Government to ensure that 10% of all trips are made by bike by 2020.²⁵ In Manchester, including congestion charging as one element of the city’s TIF bid was rejected in a public referendum. Similarly, in Cambridge, an independent commission noted that the strategy should be to invest in smarter choices and sustainable modes, with charging only being introduced if targets are not met. A similar situation has also developed in Reading. This has also led to calls for the Transport Initiatives Fund (TIF) criteria to be reconsidered – ie providing the package of improvements before introducing charging.²⁶

The problem of political short-termism will continue to worsen in coming years. The Western World is facing a demographic crisis, with the ratio of economically active against economically inactive quickly worsening. Many of the post-war ‘baby boomers’ are approaching retirement age and, with a decline in the birth rate since the 1970s coupled with longer life expectancy, there is a demographic threat to government resources. Unless productivity improves markedly, national income will diminish as health and social security payments rise to meet the needs of the expanding retired population. Not meeting the needs of retirees would be deemed politically unacceptable.²⁷ Given the short-term focus of politics, this ongoing outlay will be met at the expense of long-term policy, such as investment in transport.

The willingness to invest in sustainable transport at the expense of short-term policy measures is also shaped by the cultural beliefs of different countries. Development is likely to be slowest in the United States and China. The prevalence of private car travel in the US coupled with the belief that government

²⁰ *Adonis sets more questions for high-speed rail study* (Local Transport Today, 13 March – 26 March 2009), p. 3.

²¹ *Times comments on falling traffic as Indie bemoans cheaper driving* (Local Transport Today, 22 May – 4 June 2009), p. 11

²² Congestion is often cited as a key example of this, where drivers travelling on busy roads at peak times ‘pay’ the same as those using a uncongested road in the off-peak. Other transport modes, such as bus and rail, successfully make this differentiation.

²³ Lange, B., *Viewpoint* (Local Transport Today, 27 February – 12 March 2009), p. 10.

²⁴ *Doubts about Welsh cycling commitment* (Local Transport Today, 10 April – 23 April 2009), p. 10.

²⁵ *Scots cycling target in doubt as spending falls* (Local Transport Today, 19 June – 2 July 2009), p. 9.

²⁶ *Cambridge transport commission kicks c-charging into the long grass* (Local Transport Today, 31 July – 13 August 2009), p. 11.

²⁷ Shapiro, R., *Futurecast 2020: A Global Vision of Tomorrow* (Profile Books Ltd, 2008), Chapters 2 and 5.

should adopt a big business friendly, *laissez-faire* outlook will cause resistance to change. The priority of the Chinese is economic development as it is the key tenet underlying the legitimacy of Communist Party rule. On the other hand, Japan, with its relatively deferent society, is likely to move towards sustainability most quickly.²⁸ The UK and Western European nations lie somewhere in between, in that they do recognise the problem but have not yet fully addressed it.

The motivation to behave in a sustainable fashion is also a key factor. Japan for example has few natural resources (most notably oil) and it is in their best interests to move away from oil dependent technologies. Countries such as the Netherlands are also likely to be proactive, as they are the most vulnerable to issues such as rising sea levels. In contrast, oil producing countries such as Saudi Arabia have the means but not the motivation to invest a sustainable transport system.

In short, while investment in transport is an important social good and could assist in stimulating the economy, the short-term nature of politics is set against the long lead in time for transport policy, thus preventing beneficial investment taking place.

The International Perspective – The Problem Magnified

Climate change and peak oil are global problems and can only be addressed through coordinated international action. Even if the UK were able to completely de-carbonise its economy, the small proportion of UK emissions in the global context means that the impact would be negligible if other nations took no action, as illustrated in **Figure 2**:

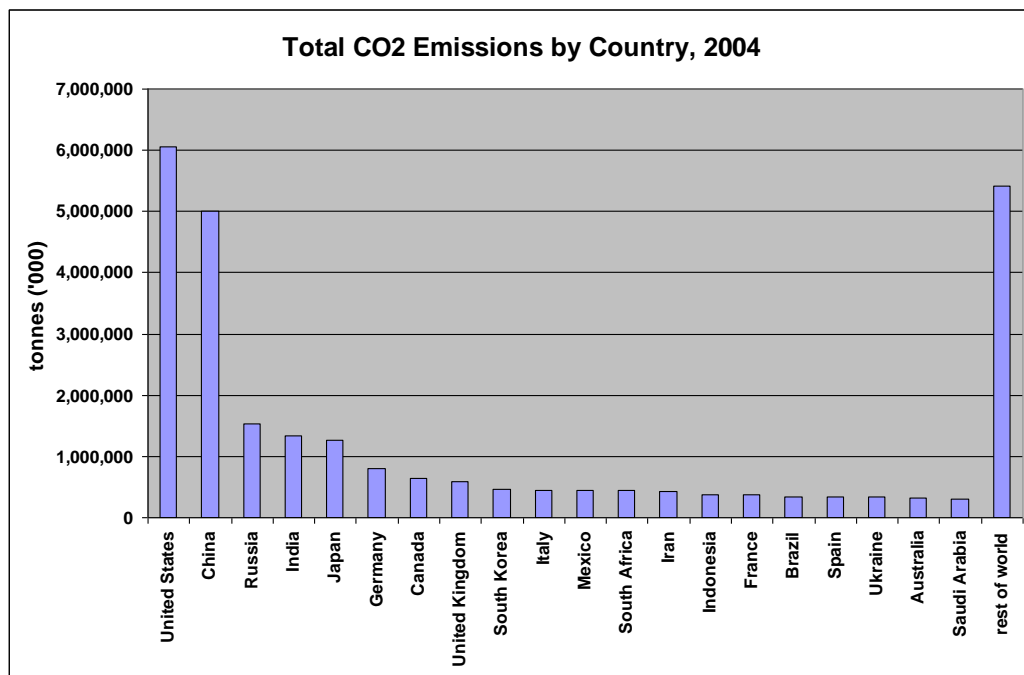


Figure 2: Total CO₂ Emissions by Country 2004²⁹

²⁸ <http://news.bbc.co.uk/1/hi/sci/tech/8241016.stm>

²⁹ Leitham, S. and Canning, S., *Climate Change and Peak Oil* (PTRC, 2008), p. 5.

The problem of unsustainable politics is magnified, in that international action requires domestic impetus in addition to supra-national agreement. There are two elements to this problem – firstly, there is a debate over “who should do what” and, secondly, there are strong public and political concerns over the infringement of national sovereignty.

The key problem in building international consensus is the ‘free-rider problem’, where one or more nations ‘free-ride’ on the efforts of other countries. Delivering a sustainable economy requires a short-term trade-off between economy and environmental objectives, in that realising environmental goals is potentially dependent on curbing some of the economic activities we perceive to be ‘valuable’ – eg driving. In a fiercely competitive global economy, countries are unwilling to make significant sacrifices if they cannot feel assured that ‘competitor’ countries will do the same. The difficulties associated with building a domestic sustainable transport policy suggests that different countries will encounter difficulties in agreeing an international means of moving forward. This is perhaps best illustrated in the Kyoto Agreement, where despite many countries signing up to the commitments, the two key powers, the USA and China, did not sign / ratify the agreement. The incidence of the agreement rested very heavily on the Americans requiring them to make greater absolute reductions in emissions than competitor countries, which the American Government had little incentive to do. As a result, the countries who signed up to Kyoto committed to taking action on emissions, while the Americans and Chinese, amongst others, were free-riders on the efforts of the signatories. Difficulties in establishing international agreements on emissions are likely to persist, as territorial politics will continue to dominate.

The impact of the free-rider problem is amplified by the difficulties in enforcing international agreements. While agreement on a range of issues may be possible, who is going to ensure that any treaty is enforced? Kyoto was an attempt at encouraging emissions reductions but even many of the signatory nations are failing to meet their targets. The lack of effective penalties incentivises nations to ‘cheat’ on their commitment, and the fact that those same nations define the terms of the treaties they sign lessens the likelihood of them agreeing to such penalties. International agreements are often ineffective in practice and need a strong and active leader to ensure that they are enforced. The Organisation of Petroleum Exporting Countries (OPEC) is a good example of an agreement being made effective by strong leadership. The OPEC cartel act as a monopolist by restricting oil output to drive up price, but there is an incentive for partners to cheat by selling off oil cheaply and capturing the market. This prospect is prevented by Saudi Arabia, whose oil reserves are both so vast and inexpensive to access that they can enforce the agreement by threatening to flood the market with cheap oil if any of its partners cheat. In terms of climate change, only Saudi Arabia, with its oil reserves and the United States, with its unparalleled geopolitical power, have the ability to enforce an international agreement.³⁰ However, in the short-term at least, it is firmly against their interests to pursue such agreements.

Worryingly, the emphasis on agreeing an international agreement on climate change is moving towards the developing countries of East Asia – India and China – where the focus of the respective Governments is solely on economic development, thus pressuring resources and inhibiting international consensus. Commentators argue that if ‘Chindia’ industrialises in the same manner as Japan, they could effectively destroy the planet.³¹ China has recently passed the USA as the largest emitter of Greenhouse Gases in absolute terms with, on average, a new coal-fired power station being opened every week during 2007.³² While the Chinese Government regularly passes regulations on environmental issues, the centrality of

³⁰ Shapiro, R., pp. 278-284

³¹ Emmot, B., pp. 157-163.

³² Fenby, J., *The Penguin History of Modern China: The Fall and Rise of a Great Power* (Penguin, 2008), p. xl

polluting industries to the economy means they are sidelined.^{33 34} India’s pollution problems are more localised but its latent industrial potential presents a threat for the future and, given the poor regulatory record of the Indian Government, it is questionable whether they can industrialise in a sustainable fashion.³⁵ Figure 3 illustrates this point – between 2000-2004, CO₂ emissions grew quicker China and India than in any other country:

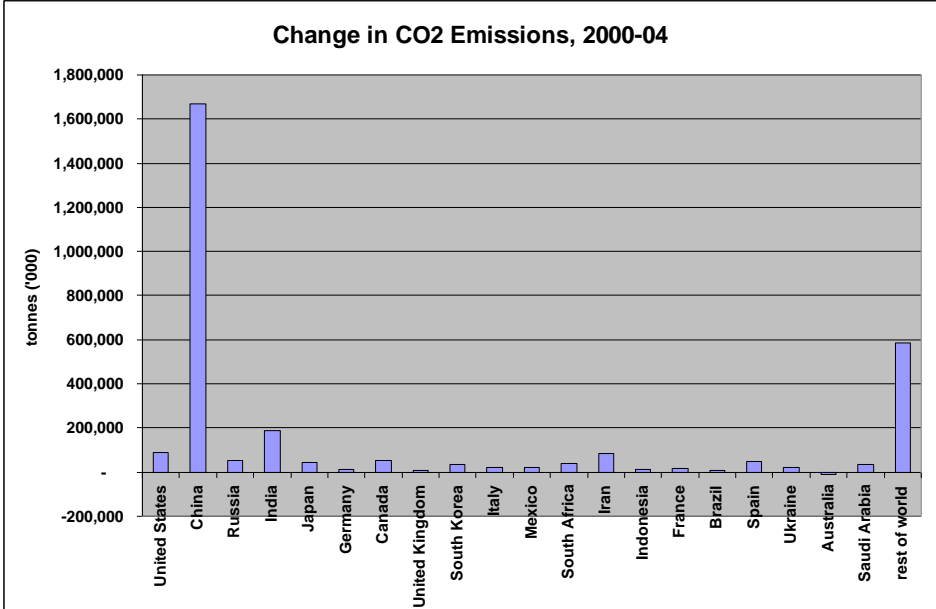


Figure 3: Change in Global CO2 Emissions 2000-2004³⁶

National sovereignty is a further key inhibitor of international agreements on sustainability. The importance of this issue cannot be understated – countries are fiercely defensive of their sovereignty and many have endured long struggles towards independence from colonial rule and are thus reluctant to submit to a supra-national agreement.³⁷ This problem is continuously manifested in the UK through the European debate, where the public are sceptical about the benefits of the European Union. Similarly, the USA continues to see itself as the protector of free trade, while the Chinese and Indians experienced many years of colonial rule and wish to now be strong in their own right.³⁸

In all, reaching international consensus on the sustainability agenda will prove to be a difficult task. Politicians appreciate the domestic dynamic and public opinion, and will not commit to agreements that entail large sacrifices for their country. In addition, distrust of other nations and the belief in national sovereignty limit the extent of any potential agreements going forward. Even if binding agreements are reached at the 2009 Copenhagen Summit, it remains questionable whether such an agreement would be adhered to by its signatories.

³³ Fenby, J., p. xl.
³⁴ This issue was neatly summed up by Deng Xiaoping’s often quoted phrase: “it doesn’t matter if the cat is black or white. All that matters is that it catches mice” – Leonard, M., *What does China Think?* (Harper Collins, 2008), p. 41-42.
³⁵ Emmott, B., pp. 164-168.
³⁶ Leitham, S. and Canning, S., p. 7.
³⁷ Bayliss, J. and Smith, S., *The Globalisation of World Politics, 2nd Edition* (OUP, 2001), pp. 393-395.
³⁸ Many commentators have noted that developed countries often criticise developing countries for the means in which they are industrialising and the emissions that they are giving rise to. However, almost all developed countries have industrialised in this manner and can be accused of “pulling up the ladder”.

Moving Forward

This paper has outlined at length why, given the long-term nature of transport investment, the government is unlikely to take the lead on encouraging sustainable transport. In short, public opinion and political short-termism will continue to ensure that the political establishment will not lead on the issue. The key question is; what can be done to progress the sustainable transport agenda?

Even if politicians did commit to strong and concerted action, mistrust of the motivations of government could prevent such policy coming to fruition. The public believe that politicians are out for their own gain, a perception frequently advanced by the press. Voters are often sceptical about schemes that they perceive as having negative impacts on their welfare – eg road pricing (even if this is not always in fact the reality). Such mistrust is again accentuated by culture – eg Americans are more averse to government involvement than Japanese for example. Mistrust of politicians is a particular issue in the UK at present in the wake of the Iraq War and the expenses scandal.

This paper identifies public opinion as the key driver of politics and it can be argued that a 'bottom-up' approach of trying to influence public opinion may be more fruitful than a 'top-down' politician-led approach. Central to this approach is the emerging discipline of Behavioural Economics. Traditional economic theory argues that a rational individual will try to maximise their utility through minimising their perceived cost of travel. In reality, travel behaviour is characterised by limited cognitive resources, bounded rationality, and emotional and habitual behaviour.³⁹ The key to encouraging sustainable behaviour therefore lies in informing travellers of choice mismatch⁴⁰ and outlining the available choices and the cost / impacts of those choices. Avineri argues that it is important how choices are 'framed' (ie how they are presented to travellers) and noted that small 'nudges' in the travel environment can attract people's attention and assist them in making the 'right' choices.⁴¹ One example of this is 'loss aversion', where choices are presented to the traveller in terms of what they will lose from travelling by a specific mode. This draws on the concept that people feel a sense of loss more keenly than their sense of gain.⁴²

Behavioural economics is becoming an increasingly central element of sustainable transport planning. "Smarter Choices" has become an important area of research and on presenting information on travel choices. While the requirement for the production of Workplace Travel Plans has been in place for a number of years, there has been a growing number of Personalised Travel Planning Programmes (PTP). For example, as part of its "Smarter Choices, Smarter Places" programme, the Scottish Government has recently chosen eight demonstration towns where PTPs are to be implemented.⁴³ Worcester, Peterborough and Darlington are the subject of similar initiatives in England. The DfT has also pledged £29 million over three years to create a sustainable travel city, which will include programmes such as smartcards, car clubs, cycle hire, travel information schemes, rail capacity measures and bus reliability improvements.⁴⁴ Despite these positive developments, a recent report by the DfT claimed that the

³⁹ Avineri, E., *Changing Travel Behaviour: Lessons from Behavioural Economics* (Transportation Professional, July / August 2009), p.28.

⁴⁰ For example, with school travel, many children are taken short-distances by car causing congestion around the school, increased emissions and health disbenefits for the children. Other choices, such as walking cycling, sharing a car with other children or taking the bus may be available.

⁴¹ Avineri, E., p. 28.

⁴² Avineri, E., p. 28.

⁴³ *Falkirk Residents Urged to Cut Car Use* (Local Transport Today, 3 July – 16 July 2009), p. 7.

⁴⁴ *Make us the Sustainable Travel City – Merseyside* (Local Transport Today, 17 July – 30 July 2009), p. 3 and *Sustainable City Launched* (Local Transport Today, 22 May – 4 June 2009), p. 3.

potential for CO₂ emissions reductions from Smarter Choices is over optimistic⁴⁵, although the Government quickly reaffirmed its commitment to this programme.⁴⁶ Perhaps a key stumbling block with Smarter Choices is that it is expensive to set-up and administer, particularly at a time when public sector funds are extremely constrained. However, while one estimate puts the cost of Smarter Choices at £500 million per annum, this cost would be offset by a 2% reduction in vehicle kilometres, which would reduce oil imports by an equivalent £500 million.⁴⁷ This again, however, raises the question as to whether politicians are willing to focus resources on sustainable transport in the short-term in order to realise long-term gain.

Powerful political leadership and force of personality may also be a means of driving through sustainable transport policies. Good examples of this are Ken Livingstone with the London Congestion Charge⁴⁸ and Lee Kuan Yew's promotion of Singapore's transport system.⁴⁹

The private sector is also an important element of a long-term sustainability strategy. Private firms are beginning to exploit the commercial value of sustainability, with a number of eco-friendly firms emerging throughout the economy, although some have been accused of "Green-wash". There are many examples of this including the London bicycle hire scheme⁵⁰, walkit.com (a website focused on providing walk information)⁵¹ and City Car Club (the company who pioneered car clubs).⁵² However, as a general rule, the majority of these firms are small scale and it will take time, coupled with a favourable policy environment, to allow this market to mature. Perhaps of greater promise in the short-term are multinational corporations such as Toyota who are spending large sums of money on research and development aimed at commercialising technologies such as hydrogen fuel cells.

In light of the political issues associated with developing an effective sustainable transport policy, it is likely that it will only be brought about by external events that reshape public opinion. There are two potential stimuli:

- gradual change caused by steadily rising oil prices (peak oil); or
- sudden change caused either by a cataclysmic event (eg a natural disaster) or a sudden jump in oil prices caused by an oil shock.

Global oil production has almost always kept pace with global demand. However, increasing demand coupled with declining production levels would have obvious implications in terms of supply levels and price.⁵³ For a number of reasons, there is disagreement over when peak oil is likely to 'occur'⁵⁴, and the prevailing view of government in the UK appears to be that technological change will provide the solution and the required changes within the transport sector will be achieved with little or no 'pain' to the public

⁴⁵ *CO₂ Cuts from 'Smarter Choice' Measures Exaggerated says DfT* (Local Transport Today, 17 July – 30 July 2009) p. 1.

⁴⁶ *We are Serious about Changing Travel Behaviour, insists Khan* (Local Transport Today, 31 July – 13 August 2009), p.1.

⁴⁷ *The Evolution of 'Smarter Choices': From Optional Extra to Vital Tool?* (Local Transport Today, 27 March – 9 April 2009), p. 11.

⁴⁸ *Preparing for Peak Oil – Local Authorities and the Energy Crisis* (The Oil Depletion Analysis Centre and Post Carbon Institute, 2009), pp. 14-15.

⁴⁹ http://en.wikipedia.org/wiki/History_of_Singapore

⁵⁰ *London's Bicycle Hire Scheme Attracts New Entrants to Market* (Local Transport Today, 27 March – 9 April 2009), p. 1.

⁵¹ *'Green' Transport and Capitalism: A Match That Can Work Well* (Local Transport Today, 3 July – 16 July 2009), pp. 12-13.

⁵² *Car Clubs Move from Niche to Mainstream in Pursuit of Profit* (Local Transport Today, 13 March – 26 March 2009), pp. 12-13

⁵³ Leitham, S. and Canning, S., p. 18.

⁵⁴ Leggett, J., pp. 44-80.

in terms the availability and cost of personal mobility.⁵⁵ However, if this view is incorrect, and prevailing evidence from a range of sources says that it is⁵⁶, peak oil could reshape the sustainability debate by making non-essential travel unaffordable. While this may be beneficial in emissions terms, it would severely damage the UK and global economy.⁵⁷ In addition, there is no guarantee that the alternative to crude oil would be more environmentally friendly (eg the use of shale oil).

A sudden event could also have the effect of raising public awareness of the fragility of an oil based economy, whilst abruptly changing public opinion in favour of sustainable transport. The obvious candidate for such a shock would at present be a sustained disruption to oil supplies. The Yom Kippur War of 1973 between Israel and the Arab states trebled the oil price between mid-1973 and early-1974 and caused hyperinflation in economies much less dependent on oil than their current day equivalents.⁵⁸ With continued geopolitical pressure in the Middle East, the concentration of oil in unstable or 'unfriendly' states and the threat of Islamic terrorism, an extreme oil price shock could happen at any time and could be triggered by even a small incident.

Such an event could also be driven by a climate related disaster. Hurricane Katrina brought the dangers of climate change sharply into focus, while there have also been smaller scale events such as fierce monsoons in Asia, drought in Africa, recent forest fires in Australia and Greece and the UK's own flood disasters in Humberside, Yorkshire and Gloucestershire in 2007. While such events are tragic, they have not re-shaped policy. However, Leggett notes that insurance losses from natural catastrophes have been rising at around 10% per annum in constant dollars for the past four decades. If this trend continues, wealth will be destroyed as fast as it is created by as early as 2060. Large insurance companies have warned that if this trend is not checked, it could bring about the collapse of the world's financial markets.⁵⁹ At an individual level, the failure of an insurance company to pay out following a natural disaster (purely because the industry could not afford it) would reshape public opinion and put intense pressure on government to act.

Could transport be depoliticised?

At the domestic level, one potential way of encouraging sustainability is to **de-politicise** transport policy. One of the most successful policies of the current UK Government was devolving control of interest rate policy to the Bank of England. Interest rates had historically been used by incumbent governments as a means of political leverage, providing 'sweeteners' to voters approaching elections. However, this approach gave rise to considerable economic volatility. By devolving rate setting powers to the Bank of England and providing them with a clear target (ie the 2% inflation level), the Government reassured financial markets that interest rates would be set purely with economic goals in mind and would not be subject to political interference.

This could be a model for transport, where the government provides a committed budget to an independent transport authority tasked with delivering a sustainable transport policy. The authority could be tasked with meeting one or a small number of key targets, such as a set reduction in transport CO₂ emissions or a percentage reduction in congestion. While such an approach appears promising,

⁵⁵ Leitham, S. and Canning, S., pp. 23-24.

⁵⁶ <http://news.bbc.co.uk/1/hi/uk/8296096.stm>

⁵⁷ *Preparing for Peak Oil – Local Authorities and the Energy Crisis* (The Oil Depletion Analysis Centre and Post Carbon Institute, 2009), pp. 1-7.

⁵⁸ Buxton, T. et al., *Britain's Economic Performance, Second Edition* (Routledge, 1998), pp. 40-41

⁵⁹ Leggett, J., pp. 110-112.

developing this model would give rise to a wide number of political and logistical issues. Firstly, the organisation would require a remit specifying what areas of transport investment fall under its control as well as a set of goals that have cross-party support and agreement between the UK and devolved governments. Thereafter, there would need to be some form of binding commitment that the organisation:

- could not be disbanded without the agreement of a large parliamentary majority (80% for example) and the consent of other statutory partners such as the Scottish Government and Welsh Assembly; and
- would not be subject to any form of political interference.

Budgeting would also be a difficult issue. Transport projects are, by nature, generally long-term. There would need to be a defined and transparent long-term budgetary instrument to facilitate investment. The budget could be agreed through a cross-party group and set for a defined term (say ten years) and reviewed on an annual basis. Alternatively, the budget could be defined as a set percentage of receipts from transport income (eg fuel tax, road tax, congestion charging, rail franchise repayments etc), thus ensuring a consistent and transparent outcome, although one which is subject to the cyclical nature of the economy. A further financial question that would arise is whether the organisation could borrow independently of government and, if so, whether the borrowing would be off-balance sheet or accounted for in the Public Sector Net Cash Requirement (PSNCR). The inability to borrow would be a significant constraint as transport schemes and policies often require large up-front investment, with the benefits accruing in future years.

The potential approach is summarised in Figure 4:

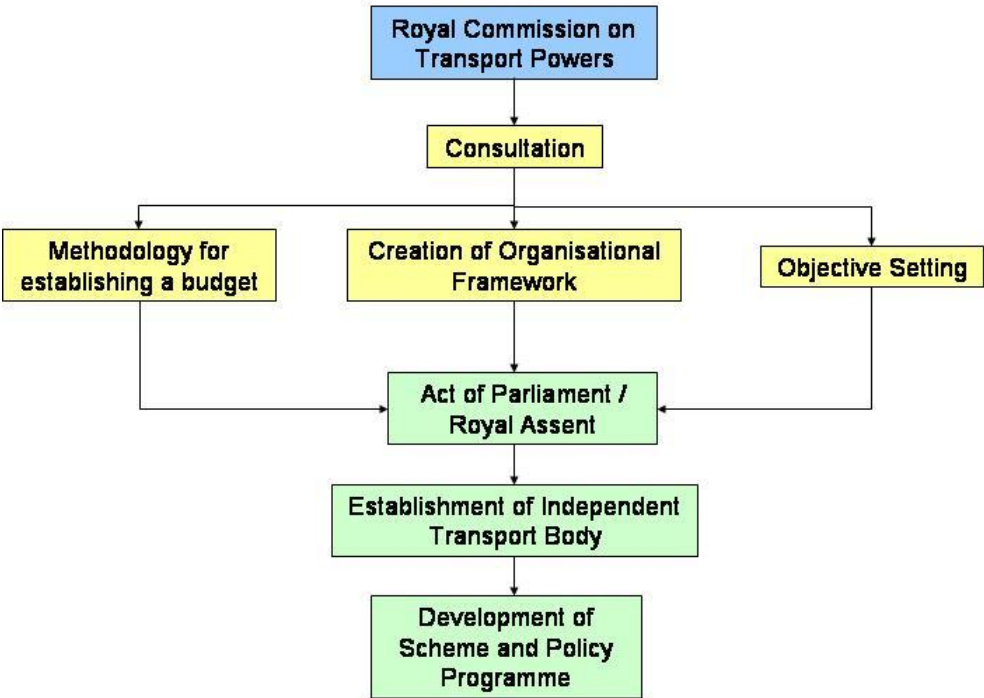


Figure 4: Establishment of Independent Transport Organisation

The first step in setting up the organisation would be establishing a Royal Commission to consider the potential for a national devolved transport body. The Commission would consult with the UK and devolved Governments, as well as other key stakeholders. Having done this, the Commission would recommend an organisational framework, the objectives of the organisation and a methodology for budget allocations. The outcome of this process would then be laid before Parliament as a draft Bill for debate. Once the Bill is agreed (this could take numerous iterations), it would pass as an Act of Parliament, establishing the new transport body and endowing it with the required powers to begin the development of a programme of transport interventions.

Devolving transport policy may raise issues of public acceptability and accountability. It is highly questionable whether the public would be comfortable with a largely unaccountable quango defining transport policy. There are also a wide range of other obstacles with this approach that would need to be considered, something that unfortunately lies outwith the scope of this paper. Historically, there is no precedent for a whole area of policy being devolved from government. However, as climate change and peak oil assume positions of increasing prominence, it can be argued that there is a need to consider more radical solutions to past failures in tackling these problems.

Conclusions

In conclusion, the twin threats posed by climate change and peak oil have brought the sustainable transport debate to the forefront of transport planning. Tackling these issues is essential in future-proofing the economic welfare of all people but, in the midst of a fierce global recession, the long-term issue of sustainability has become a side issue as the public and politicians worry about short-term issues of jobs, the economy and social welfare.

In a pluralist liberal democracy, the short-term nature of politics, driven by public opinion and a fickle media, will continue to trade-off sustainability against short-term objectives. Politicians serve relatively short-periods in office and their key aim is generally to retain power at the next election. In light of this, ministers often trade-off long-term goals for policies of a short-term nature to satisfy public opinion and media pressure.

Consensus is even more difficult to reach at the supra-national level, with debate over "who should do what" and issues of culture and national sovereignty arising. Previous attempts to reach international consensus have met with limited success, partly due to lack of motivation and partly due to the lack of a central power being capable of enforcing any treaties. The long-term debate hinges on whether the developed or developing world should make the sacrifices. The developed world has been the key driver of global warming and oil depletion, having had 'their turn' at industrialising. However, the developing world will put the greatest pressure on the global environment and resources over the coming years and many commentators note that it is they who should sacrifice. This issue is clouded by distrust between many countries as well as an understanding of the domestic political implications of any agreement. There appears little prospect of a workable and enforced international agreement in the near future.

A key question in the long-term is whether transport can be de-politicised by passing control of policy to an independent body tasked specifically with delivering a sustainable transport policy against set targets. There would be numerous hurdles in establishing such a body, but this paper has attempted to outline a means through which such an organisation could be set up.

While there have been many positive steps in encouraging sustainable transport, they are inherently small scale. While encouraging behavioural change and de-politicising sustainable transport could bring

notable benefits, it can be strongly argued that only exponential rises in oil prices or a cataclysmic climatic event will change public opinion and force the hand of politicians. In short, sustainable transport will continue to be undermined by unsustainable politics.

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