European urban public transport: towards a single European employment model?

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ABSTRACT
Publicly owned public transport contributed to the distinctive character of 20th century European cities. Today, however, the sector is being opened up to various forms of competition. Using a comparative study of urban public transport in six European countries, this paper traces the emergence of a new European mode of regulation for the sector. This new framework has not, however, always led to a deterioration in wages or working conditions, since national employment systems remain important. Change has often been justified as leading to improved service quality: traditional public sector employment, above all job security, was seen as contributing to bad service for passengers. Our study, undertaken as part of the EU-funded Dynamo project, however finds no such simple link – either negative or positive – between the quality of service and the nature of employment.

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

1 EU-FP6 project ‘Dynamo – Dynamics of National Employment Models’
2 This paper is based our report ‘European public transport – not public any more?’ produced for the Dynamo project. Material for that report included a paper on EU policy (Schweiger) and national reports on public transport in Austria (Hermann), Germany (Latniak), Hungary (Tóth & Jancsics), Ireland (Wickham), Italy (Tarola & Lamelas) and Sweden (Månsson). See http://www.dynamoproject.eu for further information.
A new European public transport model?

Public transport and the European Social Model

European cities are a distinctive feature of European societies (Häusermann, 2005). Especially compared to American cities, European cities are more compact; and European city centres are centres of administration, business, entertainment and shopping, rather than simply ‘Central Business Districts’. This has been possible because car-based mobility has been restrained, particularly in large cities, Europeans are more likely to travel to work by public transport, and also more likely to make short journeys on foot or by bicycle (Newman & Kenworthy, 1999; van de Coevering & Schwanen, 2006). This is partially due to the ongoing maintenance and expansion of public transport in many cities during the second half of the 20th.

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

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

Although it has received less attention., employment in urban public transport has also contributed to the distinctive social structure of European cities. The existence of routine, long-term jobs in the public sector has contributed to European cities’ social stability. Moreover, the public sector has provided regular employment with good conditions to a significant section of the population with low formal qualifications:

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

Because such jobs were secure and had real, if limited, long-term benefits, there were fewer incentives for geographical mobility: such jobs strengthened citizens’ Platzgebundenheit - their physical and emotional attachment to their city (Kazepov, 2005).

During the general expansion of public sector employment in Europe in the 1970s, most of the growth occurred in lower white collar (administration) and
lower professional employment, such as social work and teaching. While this mainly affected women, public transport was unusual in that employment was overwhelmingly for men in manual jobs. Like other public sector employees, public transport workers were also unionised and, although they made no contribution to public transport policy, trade unions became the beneficiaries of public sector expansion and, as we shall see below, its potential guardians.

**The new European public transport model (NEPTM)**

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

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

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

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

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

Some countries, such as Ireland and Hungary, have obtained a derogation that has allowed them to delay the deregulation of at least some of their public transport. Even here, though, there are moves to create a legal basis for competition: defining the existing state undertakings as separate legal entities, drawing up service contracts between authorities and providers and, last, but not least, establishing clearly-defined transport authorities that are able to issue such contracts and regulate the market in the future.

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

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

The developments in our six case study countries are summarised in Table 1.
Table 1: Regulation of urban public transport: six EU countries

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

Employment and industrial relations in the NEPTM

Employment

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

Beyond such individual cases, it is difficult to identify precise numbers since most statistical sources, such as the national Labour Force Surveys, do not disaggregate ‘transport workers’ into passenger and goods drivers, let alone differentiate between different types of public transport (bus, rail, etc). However, it is clear that, overall, public transport is not a significant source of employment in absolute terms and, furthermore, that this has been the case for some time. Thus, in Austria, local and regional public transport (i.e. excluding federal railways) is less than 1% of total employment; in Vienna, Wiener Linien (the municipally owned transport company) still provides virtually all transport in the city, but has a total employment of around 8,000 employees in a city with a total population of 1.67m. and a workforce of something less than half that number. In Sweden, total employment in public transport (excluding long distance
transport) is 31,500 (2006) from a total employment of approximately 4.9 million; of which the Stockholm metro employees approximately 8,000. In Ireland, where total employment reached over 2 million in 2008, Dublin Bus, which provides virtually all bus transport in the city, employs just over 3,000 workers and the national railway company employs in total only 5,500.

The long-term decline in employment within urban public transport has been attributed to increased productivity (as opposed to in the national railways, where route closures have also been important) and started long before the current wave of privatisation and deregulation. From the late 1960s, there was a trend for buses and trams to become ‘one-man operated’ (the drivers were usually men); the bus or tram conductor had become a historical occupation. Since the 1970s, there has been an increasing emphasis on technical investment and a productivity increase (measured in transport kilometres per person employed) in some urban areas as a kind of secular trend – especially in Germany, where the whole public transport sector is reputed to be ‘technology-mad’. Innovations did not just include such positive examples as the introduction of low-floor buses with ‘kneeling’ technology (adjustable entry floors to facilitate use by handicapped people or passengers with baby buggies but also a range of other new technologies such as integrated ticket systems and automated transport management systems. These made it possible for a higher transport capacity and improved quality to be manageable with fewer people employed.

The collapse of the political systems of the former state socialist countries also had implications for public transport employment. In the former East Germany, there was a severe reduction in employment as the existing companies were turned into state enterprises on the (West) German model, and this continued as these enterprises in turn faced the same pressures for competition as their counterparts in West Germany. By contrast, in Hungary privatisation has been delayed and employment has not fallen as fast.

A comparing of aggregate changes in employment in our case-study countries since the mid-1990s shows employment losses in Italy and Germany. By contrast, in Austria there have been large fluctuations in numbers; whilst in Sweden total employment has also fluctuated, but with a slight overall increase by the end of the period. Ireland, too showed a slight overall increase (comparative data from Hungary were unavailable).

It is clear, however, that the movement towards the NEPTM has contributed to a general reduction in public transport employment. While control and security tasks became increasingly important in suburban areas during the 1990s (for Paris, see Hatchuel, 2002:44ff.), these jobs were often outsourced and are now provided by security service companies. Even companies still in public ownership have adopted similar outsourcing strategies for other ‘non-core’ tasks such as cleaning, technical services (bus maintenance), etc. We know less about other areas of management services (e.g. human resource management, information services, ticketing, route planning), but the disintegration of formerly integrated public transport companies towards a ‘lean public transport company’ model has accelerated.

In countries where state-owned enterprises are beginning to compete with private enterprises, rising employment in the latter does not completely compensate for job losses in the state-owned sector. This is illustrated by the case of Germany. In 1994,
196,587 employees worked in the public transport sector, but employment was reduced to 179,678 in 2004. It is not clear, however, to what extent this fall marks an overall reduction in transport jobs, since it may well be the case that outsourcing has also resulted in a reclassification of employment from one sector to another (e.g. from ‘transport’ to ‘cleaning services’). In this context, the Swedish case is interesting, since the process of privatisation began earliest there, and now appears to be one of the most complete in Europe. Between 1984 and 2004, overall employment fluctuated within a range between 25,000 (1984) and 32,000 (in 1991 and 2004).

In conclusion, despite continued public investment in some countries such as Germany and Ireland, overall employment in public transport has been falling in most countries for some time, but this has often been within state-owned enterprises and is usually the result of long term technological and organisational change. This decline therefore predates the changed regulatory context. However, the NEPTM has led to new business models and changed firm structures, and these in turn have meant that jobs within the core transport companies have been reduced.

**Industrial relations and wages**

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

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

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

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

In Austria, the privatisation of public companies is proceeding slowly, with a limited number of routes put out to tender since the end of the 1990s. In fact, local monopolies still exist; the implementation of the regulation is limited and contradictory. Nationwide collective agreements do not exist in the sector, so wage negotiation is fragmented. There is a strong pressure on wages in the publicly-owned
companies because wages are the most important costs that these companies are able to control, and because subsidies are increasingly being cut. As long as the unions are not able to establish wage and working time standards, even within a single company with Austrian national coverage (which is the case now), increasing competition will impact wages and working conditions negatively.

In Germany, the federal structure has created a situation whereby bus routes have been put out to tender in different ways. As in Austria, there is a high degree of coordination and integration of services into regional traffic networks provided by public as well as private companies, with the latter dominating in rural areas. Despite having the same negotiating union in both areas, different wages have been negotiated for public and private bus companies. Traditionally, wages were higher in the public service, because of the higher degree of unionisation and the pressure mobilised during the integrated negotiation across the entire public services sector (including, for example, waste disposal and infrastructural services). Accordingly, the pressure on wages induced by price-based competition has mainly been felt in the public companies. In addition to the effects of changes in the collective agreement structure in the German public service sector in recent years, wages have also been impacted by the sectoral agreement for public urban transport which also conceded some wage cuts. This was a concession by the union to provide some ‘competitive help’ to the public companies to guarantee job tenure and employment security.

In Sweden, by contrast, wages are explicitly excluded from being a core element in (price-based) competition. Here, the county report reveals that there has been a varying, but continuous increase in wages over time.

In sum, wages have been under pressure in Austria and even more so in Germany. In particular, Germany has seen the development of an increasingly fragmented bargaining system in public transport services, in which public wage levels have been adapted to the lower wages in private companies. Looking at the bargaining practices in Germany, it is quite evident that job tenure has been bargained against lower wages and/or working conditions. Furthermore, although the framework of a new collective agreement has been developed, it is not very widespread. This is partly the result of a wider fragmentation process within the public service as a whole, and is not simply the result of re-regulation.

Furthermore, outsourcing has involved a relative reduction of wages for employees in cleaning and security, since private companies from outside the public transport sector often pay lower wages. By shifting to sectors with lower wage tariffs, different collective agreements, or even unregulated branches, outsourcing is contributing to an overall cost reduction, a process that starts with budgetary constraints in the public sector and, over time, leads not just to lower wages but also to a reduction in the number of employees with good fringe benefits, such as pensions and sick pay.

By contrast, wages appear to have been increasing in Sweden and in Ireland in both absolute and relative terms. In Sweden, unions have maintained sector-wide bargaining and agreements. Even new enterprises are usually unionised, but there are cases (e.g. Dublin Connex-Veolia) where the employers have attempted to avoid recruiting new employees with strong trade union backgrounds. In general, however,
Between a rock and a hard place: the shaping of employment in a global economy

Employment quality and service quality
Job Quality and Service Quality: Interdependence or trade-off?

As we argued above, urban public transport provided ‘good bad jobs’ and clearly this was connected to the historical role of transport enterprises as state companies, it might seem reasonable, therefore, to conclude that there is a trade-off whereby public transport quality is increased, but the actual job quality declines. Implicitly or explicitly, this is the view of the proponents of the NEPTM, who argue that high wages and inefficient use of expensive labour occur because of the monopoly situation of transport undertakings. From this logic, it follows that effective public transport management must involve reducing the power of transport unions and hence the quality of transport jobs. In order to oppose this argument, trade unions have been forced into a position that obliges them to reverse the linkage between job quality and service quality. They deny that in the past job security and union power hindered improvements in service, and usually instead hold governments responsible for failing to invest adequately in the system. Conversely, unions claim that the contemporary development of the NEPTM actually produces lower-quality public transport, in part because it undermines the quality of work.

Table 2: Possible relations between job quality and service quality

<table>
<thead>
<tr>
<th>Job Quality</th>
<th>Service Quality</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad all round</td>
<td>Bad</td>
<td>Privatisation undermines job quality and service quality. Privatisation as seen by trade unions.</td>
</tr>
<tr>
<td>Good</td>
<td>Traditional trade-off</td>
<td>Employees have ‘good bad jobs’, above all security of employment, but at the cost of bad service. Implicit NEPTM argument.</td>
</tr>
<tr>
<td></td>
<td>Good</td>
<td>Win/win</td>
</tr>
<tr>
<td></td>
<td>Good</td>
<td>New trade-off</td>
</tr>
</tbody>
</table>

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

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

**Job Quality**

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

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

To some extent, the skills and competences of transport employees can make a difference to job performance which is visible to the customer. For example, it might be helpful if bus drivers had enough foreign language competence to direct a foreign visitor to a trade show, or sufficiently well-developed personal skills to enable them to handle tense situations or confrontations between passengers on suburban bus lines. The suggestion is that a customer benefits from having a driver who is able to do more than just drive and sell tickets. Furthermore, if the transport provider is running light rail, subway and bus lines, it might be useful to have drivers who have the skills to transfer between these multiple systems. The desirability of such a versatile and functionally-flexible workforce is another argument for upgrading the workers’ skills in order to achieve an upgraded level of service.

There is growing debate about what skills such an enhanced transport occupation would require (for instance in Germany see VDV, 2004). However, to date, very few initiatives have been set up with the aim of standardising integrated job profiles in the sector. One rare for example, is the European ‘urban transport driver’ project3). Although Transport for London requires its contractors to train bus drivers in customer

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3 See [http://www.ctue-project.org](http://www.ctue-project.org)
relationship techniques\(^4\), in the countries studied by Dynamo we found no new career structures nor any widespread development of ‘customer-focused’ skills, let alone any certification of such skills. Instead, we encountered initiatives to lower the threshold age for becoming a bus driver in order to attract more young people. Ambitions to strengthen and update skill profiles of current staff contrast sharply with the efforts of some companies to attract students on part-time contracts to drivers’ jobs.

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

In the past, career paths for bus drivers were fairly short: beyond some customer information jobs (for which disabled drivers were generally given preference), only a handful of planning and control jobs were available to provide career progression. As organisational structures have changed, some new careers in planning and consultancy have been opened up, but these jobs are restricted to highly-qualified candidates, are few in number and do not offer new careers for the average employee. Indeed, in some cases, the outsourcing of maintenance work has further reduced the scope for internal redeployment to alternative jobs.

Furthermore, work intensification and the extension of working time is widespread in our case study countries (with the possible exception of Italy and Sweden), a trend that has been closely linked with rising productivity, most often evident in increases in numbers of passengers and transport kilometres. This deterioration in working conditions now appears to be reaching a plateau because of the physical limits of human capacity and restrictions imposed by health and safety regulations. This seems to be a general trend, however and cannot necessarily be attributed to deregulation or the new private operators.

**Service quality**

Quality standards have also played a role in reshaping employment in public transport. One attempt to define the quality of public transport is a new specification of the ISO 9001-2000 standard, in the EN 13816 on quality of public transport, and EN 15140 on the measurement of service quality in public services. Interestingly, it appears that the impetus for the former came from the European Parliament and arose from its recent concern to protect European public services in the context of the general debate about

\(^4\) We thank an anonymous peer reviewer for this information.
the liberalisation of services. EN 13816 essentially focuses on the quality of existing services, with ‘quality criteria’ including: availability, accessibility, information, time, customer care, comfort, security and environmental impact (Meier, 2009).

To achieve certification, a transport provider has to be able to demonstrate that a system is in place for the automatic monitoring of service levels through its information technology systems. It also has to regularly monitor customer satisfaction through customer surveys and other mechanisms. Finally, it has to implement a system for continuous improvement. While this is a step-change for many public transport companies, such a focus can of course say little about innovation (such as new services or new routes) or about the general issue of the overall level of transport provision, which, as we earlier argued, has been the defining characteristic of public transport in European cities.

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

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

Ultimately, service quality depends not only on the customer care provided by front-line employees but also on a host of other factors including investment and employment levels, maintenance standards, and technical and managerial competence; to mention only a few. Evidence from the early bus privatisations in the UK (e.g. Wolmar, 1999) as well as the USA (Richmond, 2001) shows that, where employers engage in a ‘race to the bottom’ in terms of wages and working conditions, any attempt to maintain standards is doomed, since it becomes impossible for employers to hire reliable and committed employees and turnover reaches unsustainable heights. However, beyond this basic level, we can identify no evidence of any clear trade-off between quality of work and quality of service.
Service provision

Any urban public transport system requires subsidy, so the simplest way to reduce the subsidy is to abolish public transport within cities (as many American cities have effectively done). There is no escape from the fact that expanding urban public transport will require greater public expenditure. Accordingly, a measure of success which focuses on the overall level of subsidy is perverse, and even some measure of receipts as a percentage of operating costs may only measure the extent to which transport provision concentrates on a small number of profitable routes. To date, such comparisons are notoriously difficult (clearly the new European framework will facilitate them), but do indicate that low fares are not necessarily linked to high levels of ridership or decent quality.

If the ostensible aim of urban transport policy is to increase public transport usage relative to private transport, it is revealing that such international comparisons are still made rather infrequently. Nonetheless, Table 3 presents some comparative data for the Dynamo capital cities. In terms of the modal split of journeys to work, it suggests that Dublin is by far the least successful, although it has the highest contribution of fares to operating costs. Conversely, the most successful urban transport systems include both the ‘reformed’ Stockholm system and the ‘unreformed’ Viennese and Berlin systems. This result would probably remain valid even if the comparison included more complex indicators, such as the extent of innovation in the system (e.g. new routes or new forms of service) or even the network density (measured, for example, in terms of the number of transport departures per square kilometre of the city area).5

Table 3 Public transport share of journey to work: Dynamo capital cities

<table>
<thead>
<tr>
<th>City</th>
<th>(Modal split: public transport as % of all journeys)</th>
<th>Subsidy as % of operating cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>39%</td>
<td>&gt;50%</td>
</tr>
<tr>
<td>Budapest</td>
<td>70%</td>
<td>&gt;50%</td>
</tr>
<tr>
<td>Dublin</td>
<td>22%</td>
<td>&lt;20%</td>
</tr>
<tr>
<td>Rome</td>
<td>24%</td>
<td>&gt;50%</td>
</tr>
<tr>
<td>Stockholm</td>
<td>47%</td>
<td>&gt;50%</td>
</tr>
<tr>
<td>Vienna</td>
<td>45%</td>
<td>&gt;50%</td>
</tr>
</tbody>
</table>

Sources: Urban Audit6; van Egmond et al. (2003)

Note: ‘public transport’ is calculated as a summation of percentages by bus, metro, rail and tram.

Conclusion

5 For detailed comparisons of performance see in particular van Egmond et al. (2003).
6 See http://www.urbanaudit.org
We have argued that we are seeing the emergence of a New European Public Transport Model. This is a re-regulation (not de-regulation) of urban public transport which ensures that urban public transport is provided by private or ‘pseudo-private’ companies. Nonetheless, the regulatory framework, at least potentially, does accept the social role of urban public transport and the importance of the maintenance and further development of the urban public transport systems, which, we have argued, are crucial to European cities. Whether this potential will be realised is unclear, but the NEPTM does clearly involve a restructuring of employment relationships within the new public transport undertakings.

Competition in the market runs the risk of a race to the bottom in terms of wages and working conditions. This could only be prevented by strong sector wide bargaining, which everywhere in Europe is becoming increasingly unlikely. However, the converse does not apply. It is clear that competition for the market is compatible with the variety of wage bargaining systems we have documented, and with increased pressure on wages and (especially) working conditions. Furthermore, competition for the market and its stress on service quality necessitates tighter managerial control over front-line employees. At most, there may be an increasing polarisation between ‘high road’ and ‘low road’ services induced by a (possible) split between quality services in the cities and low-cost services in rural areas. In urban areas there will be political pressure to continue and even expand the public financing of public transport systems for social, environmental and economic reasons. By contrast, public transport in rural areas and small towns is more likely to fall behind because there are fewer customers, less money is available, and the range of services, is falling, leading to lower quality – and lower paid jobs. At least at the moment, there is little evidence that urban public transport in the new member states will do anything other than decline.

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

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