



## Urban mobility policies

On 13 and 14 March 2008 in Buenos Aires, Argentina, a seminar on urban mobility policies and urban transport infrastructure services was organized by French Cooperation and ECLAC (through its Natural Resources and Infrastructure Division and its Office in Buenos Aires), with the sponsorship of the Alliance française and the Andean Development Corporation.

The notes of the seminar were prepared by rapporteurs Ms. Patricia Brennan and Mr. Jorge Lupano. For further details, please contact [Trans@ECLAC.org](mailto:Trans@ECLAC.org). The presentations given at the seminar can be accessed at [www.eclac.org/transporte](http://www.eclac.org/transporte).

The seminar was opened by the French Ambassador in Argentina, Mr. Frederic Baleine du Laurens; Director of the ECLAC Natural Resources and Infrastructure Division, Mr. Fernando Sánchez Albavera; the Minister for Urban Development of the City of Buenos Aires, Mr. Daniel Chain; and a representative of the Department of Transport of Argentina, Mr. Juan Roccatagliatta.

The presentations were delivered by participants from Latin American countries and France, on experiences and projects relevant to the seminar's theme. There was clearly a high level of consensus around the main issues related to mobility.

### **Summary of presentations**

The presentations proved the point that the situations of developed countries and that of Latin America are extremely different. Whereas cities in developed countries have seen years of integrated planning, Latin American cities are facing urban growth and increased motorization and car use with limited planning tools, weak institutions with

low levels of trained staff, and small-scale operators that in many cities disguise hidden unemployment, which in turn generates difficult social problems in the area of transport alone.

One recurring element in discussion was that the concept of mobility was not yet fully developed or integrated in Latin America. As a result, decisions made are isolated and incompatible, such as supporting cars by building motorways, while at the same time investing in the public transport system. This represents a lack of clarity in policy.

Many of the actions implemented in France are a model that the region's countries could attempt to replicate. The historical development of transport in French cities presented by *Thierry Desclos*, the grouping of transport authorities described by *Chantal Duchène* and the relations between operators and transport authorities/regulators outlined by *Jean Claude Ziv* all provide guidelines for strengthening the region's regulatory institutions and for serious consideration of the need for adequate instruments for the short-, medium- and long-term planning of transport systems. This would involve techniques implemented by the institutions with the relevant authority. The French experience of financing urban transport offers an alternative to the operating subsidies currently used in some of the region's countries.

*Ricardo J. Sánchez* reported on current concerns about: how decisions on mobility policy are made, how objectives and targets are set, how planning is carried out, the quality of institutions responsible for the planning, management, administration and regulation of transport systems in Latin American cities, how systems are financed, the influence of pressure groups on decision-making and planning, and the forms of citizen participation.

*Germán Correa* explained that, in Chile, the planning of the capital's "Transantiago" transport system and the formulation of the Santiago Urban Transport Plan (PTUS) defined a mobility policy based on a joint vision of urban development. However, there was a lack of coherence at the implementation stage, as other decisions taken at the same time gave priority to cars (through major motorway) and the metro system (even though the latter accounts for a lower proportion of journeys in the city).

*Ricardo Jordán* made some more general points that went beyond transport and mobility. He suggested that rapid urban growth in Latin America goes hand in hand with the increased urbanization of poverty, and that cities tend to be formed by projects with no integral planning. The main problem today is not what to do but how to do it, i.e. how to manage the process and with which institutions.

The presentation of *Carlos Felipe Pardo* concentrated on quantifying infrastructure investment in terms of cost per traveller, rather than per vehicle, and on the effects of motorway construction on the urban structure in terms of the geographical spread of housing and the repercussions for longer journey times and increased congestion and pollution in cities.

Mr. Pardo summarized the main public transport interventions in Latin American cities. He emphasized that the main elements of the newly implemented BRT systems have been changes in the administrative structure and management of the public transport systems, without the need for major infrastructure investment. The presentation also highlighted the importance of political will, which is key to the implementation of bus rapid transit (BRT) systems and road pricing.

*Jorge Kogan* outlined current trends in Latin American transport systems, and gave details of the infrastructure financing activities carried out by the Andean Development Corporation. The speaker underlined the need to create and consolidate an integral mobility strategy and to solve the problems of business and institutional organization that cities are facing, especially in terms of regulation, weak planning agencies and activities, and the lack of suitable prioritization for investment projects. Such difficulties can only be resolved if consistent measures are employed to tackle them. The emerging problems of motor vehicle use will only worsen in the future, as it is a cultural and status issue that needs to be confronted by offering increasingly efficient and attractive public transport services.

*Juan Carlos Barroso da Costa*, representing the Business Chamber of Road Passenger Transport of Buenos Aires, analysed some of the shortcomings and failings in the city, mainly in terms of the lack of: roadway preference given to public transport, efficient infrastructure management, a single metropolitan transport authority to coordinate tariffs and services, clear policies on transport and private vehicle use and system planning. For decades, individual initiatives of operators themselves gradually changed the service network, with the changes simply approved by the authorities. Much of the current network is the result of those business initiatives. The speaker explained that the current subsidy regime compromises the decisions of operators, because the subsidies represent over half of their revenues, with no contract to protect that income during the concession.

*Hyara Rodríguez*, Deputy Mayor of Montevideo, described the significant process of reform of the city's transport system, including prioritizing public transport and non-motorized transport, the introduction of high-technology equipment and the implementation of flexible and integrative management, which is considered a powerful tool for building cities with a better quality of life.

*Guillermo Krantzer* expressed his concern about the considerable decline in passenger numbers on the public transport system of Buenos Aires, as well as the reduced supply of services in guided transport in recent decades and the change in bus transport that now involves US\$ 800 million in subsidies a year. This shows the authorities' historical lack of interest in improving the transport system through adequate investment, and in implementing the institutional reforms required for it to be managed integratively. He concluded by stressing the need to: invest, set up a transport coordination body and rethink the subsidy policy to target low-income groups through mechanisms to subsidise demand.

*Peter Alouche* referred to recent experiences of urban transport in San Pablo, where the main difficulties include: growing congestion, many accidents, violence in the city and on transport, legal and institutional restrictions, a lack of a metropolitan agency and falling demand for public transport. Within this situation, one striking development is the restructuring of the bus transport system, which has formalized the small-scale operators into a network of structural and feeder lines with intelligent integration terminals. The most important aspect of is the tariff integration system, which enables passengers to use the metro, train and bus for a single tariff for two hours. This is considered a revolutionary development that has been crucial in improving the social inclusion of the region's inhabitants. Another vital factor is the introduction of advanced technology for system information, control, operation and maintenance.

*Bernard Soulage* gave a presentation on the characteristics of medium-distance transport in French regions, where it is considered a priority to find appropriate responses and develop network intermodality and complementarity, as well as the necessary coordination of policies on transport, public works and town planning. The speaker described some of the problems in ensuring that the various regional authorities work together, and also the lack of resources to finance the necessary investments.

*Raymond Gras* outlined the guide for mobility strategy developed at the request of the Ministry of Ecology and Development of France, to be applied in the cities of emerging countries. The development process of the guide was based on the analysis of five cities with efficient transport systems considered as references in transport policy: Paris, Curitiba, Tokyo, Madrid and Seoul. The general idea is that, although moving around is necessary, it should be a well-organized and regulated activity.

*Julio César Crivelli* spoke of the institutional foundations needed to develop infrastructure, and how Buenos Aires is an example of disinvestment. He explained that the current infrastructure deficit at the national level is the result of an institutional deficit, and a lack of robust and appropriate agencies and legal certainty. According to the speaker, the country's infrastructure is not thought out in detail, and an independent

agency should therefore be set up to oversee infrastructure investment and re-establish the principle of legal certainty of the State.

*Martín Orduna* and *Inés Schmidt* reported on the academic contribution to urban mobility policies, in particular a series of requirements for improving transport in Buenos Aires that include: creating a metropolitan transport entity, introducing a single ticket, improving passenger interchanges, developing the potential of public transport corridors, restructuring bus services, regional express network (RER), introducing medium-capacity alternatives (LTR, BRT, tramways), developing major infrastructure, the port as a metropolitan issue and the north-south connection in the region.

### **Points of consensus at the seminar**

From an economics point of view, the consensus reached could be summarized as follows:

- Urban mobility is where externalities and indirect economic effects converge:
  - *Agglomeration economies in cities*: these have a positive impact linked to the development process, and therefore contribute to higher employment and poverty reduction in the region's countries.
  - *Indivisibility of land*: space is finite, however, and public planning decisions must be made, in the form of a master plan that provides for common or social needs.
  - *Traffic congestion* (not only on the road but also on underground trains and port freight, as in Buenos Aires): it should be pointed out that this is an expression of the demand for infrastructure.
  - *Aspects of distribution*: benefits of agglomeration should reach all citizens, which means guaranteeing the right to access mobility for low-income groups.
  - *Accidents*: the high accident rates in Latin America must be translated into decisive public policies, so that they may make these extraordinary economic and human costs more transparent and also prevent them.
  - *Environmental, local and climatic pollution*: despite many efforts and impressive technological progress, the present stage of economic growth means that motorized transport involves high environmental costs at the regional level.
  - *Public safety*: the threat of crime on urban transport involves personal harm and also acts as a significant economic disincentive.

## Final reflections of the rapporteurs

Planning urban mobility is essentially the appropriate management of externalities and indirect economic effects, as shown by national case studies presented at the seminar.

- The economic incentive of cities is unquestionable: there is a growing concentration of population in cities, which results in high social demand. However, much of the cost *is not internalized by the various means of transport*. There is *excess demand*, as users only bear some of the true social cost of urban mobility (especially in the case of private vehicles). It could be said that population would not be as concentrated in urban areas if the costs involved were paid privately, and that the general structure and location of economic and residential activities would certainly not be the same.
- In the future, there is no exclusively engineering-based solution (immediate infrastructure supply to meet demand). Transport flows are affected by cost and by urban mobility. They constitute a real economic market, albeit an imperfect one. It is vital to reveal the real costs and prices, which implies managing and regulating demand (through measures such as the congestion charges introduced in London and Singapore and mentioned during the seminar).
- Problems of distribution are an integral part of that management, which involves altering subsidy systems. The priority should be to reduce transport spending for *low-income users*, rather than subsidising supply in the transport system. However, this should be understood as referring to the transport and mobility system as a whole, since modal cross subsidies are perfectly acceptable in this context, as shown by the multimodal ticket experiences described in various presentations.
- New public transport systems are very interested in tackling relevant social costs, such as those relating to the environment and accidents, and in a possible rationalization of the demand for urban mobility and transport infrastructure. Nevertheless, such systems must help to sustain their own costs and infrastructure requirements, as should the private car, which on the condition of the complete costs of demand being borne, shows a genuine demand that is worthy of attention.
- The discussion demonstrated that the problems of urban mobility include aspects that go beyond the purely analytical. There is a demand from citizens that is given high political priority and that demands immediate decisions by governments of every level. Although the seminar has not resulted in an optimum or single institutional model, common concerns were expressed on the need to establish decision mechanisms and means of participation for citizens, non-government organizations (NGOs) and the private sector. Particular emphasis was placed on the way in which the authorities organize themselves to diagnose, decide and make

financial arrangements, especially in terms of the need for professionalism and Independence on the part of the public agents involved.

- As far as institutional aspects are concerned, some of the experiences of France are noteworthy in this regard:
  - Importance of deconcentrating decisions on public transport to the local level (city or metropolitan area), with a significant role to be played to local electorates and leadership from political “champions” of reform.
  - The French public financing system, based on a nationwide payroll contribution for public transport paid directly to local governments. This system has some parallels with the proposal for Argentina presented at the seminar, in terms of a specific allocation of funds for the requirements of transport infrastructure (which in the latter case would include road and interurban transport).
  - Urban agglomerations in France are also obliged to formulate and adopt an environmentally sustainable master plan of urban mobility, which must be made public.