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**Book Review**

[Book Review of] Transport networks in Europe :  
concepts, analysis, and policies, Kenneth Button ...  
(eds.) : Cheltenham, Elgar, 1998

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## REZENSIONEN – BOOK REVIEWS

**Button, Kenneth, Peter Nijkamp, and Hugo Priemus (eds.),** *Transport Networks in Europe – Concepts, Analysis and Policies*. Cheltenham 1998. Edward Elgar. XVI, 362 pp.

This comprehensive conference proceedings volume on theoretical, empirical and political issues of European transport network development, edited by *Kenneth Button, Peter Nijkamp* and *Hugo Priemus*, provides a wide range of papers which were presented and discussed at a European Research Conference entitled “Policies on European Networks” held under the auspices of the Network on European Communications and Transport Activity Research (NECTAR) in Espinho (Portugal) from 17 to 23 April 1995.

Though the publication of the conference proceedings absorbed three years – presumably in part due to the fact that the authors were advised to revise their papers in the light of the discussions, a fact that indicates the high quality of the event – the topics of the papers are by no means confined to problems of the 1990s. Just the opposite is true, the reader finds a comprehensive agenda of still highly relevant issues in transport economics. The list of contributors reveals that a great number of leading researchers in transport economics and related research disciplines participated, among them several scholars who are very active in the Regional Science Association International, and what they have to contribute are thoroughly worked out and engagingly presented analyses of still unsolved problems of transport networks in Europe.

The conference agenda covered a wide range of topics, beginning with network economics in general, going further to microeconomic transport business analyses, to regional impacts of transport, to discussions on regulatory issues and on the appropriate role of the public sector, and ending with the still unsolved problems of sustainable transport.

Though the conference topic has been inspired by the new task of the European Union as granted by Article 129b–d of the Maastricht Treaty – taking action towards forming and completing Trans-European Networks (TENs) in transport, telecommunications, and energy –, the contributions to this volume do not go too much into the details of the concrete EU TEN policy approaches. The summarizing remarks of the editors as well as some hints on TEN projects in the *David Banister, Bernard Gérardin* and *José Viegas* paper which deals with public-private partnerships and allocation of responsibilities in transport policy at different layers of decisionmaking can be regarded as totally sufficient for the purpose of informing the reader on the main lines of the TEN initiative. Instead of dealing with the details of these, the volume goes back to the underlying basics of transport economics, both from a theoretical and from an applied perspective. Under this wide range of topics, the reader is invited to take a look behind the scenes of actual transport network evolution in Europe.

Though from time to time some more formal analytical tools are applied in a number of articles, such as in the *Heli Koski* paper on the contribution of information and communications networks to transport and the uncertainty effects of network externalities which might hamper the spreading of communications networks, the volume remains a pleasant piece of reading even for those who prefer a verbal discussion of economic problems. Going through the different articles reveals the effort of quite a number of authors to strictly categorize the underlying problems and potential ways to their solution in order to enhance the transparency on causes and consequences of transport policy approaches. This technique which is, e.g., employed by *Cristina Capineri* and *Dirk-Jan F. Kamann* on different concepts and perceptions of synergies within networks, by *Roberta Capello* and *Piet Rietveld* on policy implications of network synergies viewed from different perspectives (micro, meso or macro) or *Peter Nijkamp, Sytze A. Rienstra* and *Jaap M. Vleugel* on sustainable transport scenarios, facilitates the view behind the scenes and serves to sep-

arate important from less important elements. In addition, a number of articles comprises a survey of the relevant literature – the *Dino Martellato, Peter Nijkamp* and *Aura Reggiani* paper on accessibility may serve as an example – so that options for going more into details are provided to the interested reader.

Concerning the perception of networks, a common feature of many articles is that they are putting the emphasis on the “software side”, on the operation of existing infrastructure facilities, on the virtual character of networks, and on the complementary regulatory framework for transport, in contrast to the traditional meaning of transport networks in the sense of material infrastructure, i.e., roads, railway lines, canals or airports. Institutional and regulatory aspects of networks and of operating services on them absorb a substantial part of the volume, and this seems entirely warranted in the light of the integrated character of transport infrastructure, user regimes, transport regulation, and transport service markets. Moreover, the transport function is more and more integrated into a value added chain of sophisticated logistics so that not only the functioning of the material infrastructure (as the basic layer) and of the transport markets (as the service layer) is of crucial importance for economic development, but also the responsiveness of all actors in the transport business to competitive forces and to emerging business opportunities: This can be understood of the top layer of virtual networks of cooperations for improving the logistic performance. For instance, *Michel Frybourg* and *Peter Nijkamp* argue in favor of applying a multi-dimensional evaluation method for assessing network performance which sufficiently takes into account the different software aspects of networks. But also the other articles mentioned in the paragraph above stress the importance of the virtual dimension of networks.

The changing role of state interventionism into transport markets, which this sector has undergone over the last two decades, is clearly reflected in the analyses, not only as regards institutional aspects of networks but also concerning the inclusion of private actors in formerly purely public domains, such as infrastructure facility provision and financing. The reader will find several articles dealing with the inherent problems as well as opportunities of public-private partnerships, such as in the *Peter Nijkamp* and *Sytze A. Rienstra* paper on chances and risks of involving private actors in infrastructure provision as well as in the *David Banister, Bernard Gérardin* and *José Viegas* paper on an appropriate allocation of responsibilities in transport policy both at the European and the urban layer of decisionmaking. Of course, a non-negligible role of the state in this area remains intact, in particular for the accompanying “institutional and software software” which is labelled in this volume by the terms of “orgware”, “finware” and “ecoware”. But the paradigmatic change in transport economics from formerly unquestioned and unlimited state interventionism towards increasingly relying on private actors, which has taken place since the early 1980s, leads the authors to conclude that public policy initiatives should accompany and, hence, encourage private action.

At the same time, it becomes clear that within the remaining public sphere, efficiency has to be enhanced, and here, too, the organizational setting will matter a lot. This is true, for instance, where governments decide on subsidies for transport firms in order to give incentives to them to provide socially desirable side effects. In this field, the paper of *Daniele Fabbri* evaluates different theories of public transit subsidization. With a view to the changing division of labor between public and private agents in transport, it seems appropriate, as Fabbri does, to draw a link from traditional welfare economics approaches towards newer avenues of research which include the application of institutional economics for better understanding the interface between principals and agents. Another problem of public sector efficiency is addressed by *Álvaro Costa*, namely how to properly measure efficiency in publicly organized networks. He demonstrates different measurement concepts to evaluate urban public transport service performance by applying them to a metropolitan network.

Moreover, the conference volume represents the paradigmatic change in transport economics of the last two decades towards regarding competition in transport now as the rule rather than the exception. Competition does not solve every problem, but it is now an inherent part of the game. Moreover, the next venture of the competition paradigm is applied, where co-operation (of single enterprises, as in strategic alliances, or between public and private actors in public-private partnerships) both within networks and in a competitive setting is understood as a normal feature of competition rather than as a contradictory element. Several authors aim at opening up opportunities of enhanced dynamic competition within networks, such as *Aisling J. Reynolds-Feighan* and *Joseph Berechman*, who argue that liberalization of air transport markets, not only in Europe but world-wide, could provide ample opportunities for network development, e.g., by the emergence of further hub-and-spoke systems. Nonetheless, even in liberalized European air transport markets a couple of still restraining factors – slot constraints as well as operating hour and other environmental regulations – do not permit unlimited growth. So again the great impact of the complementary regulatory frameworks on transport market development is reinforced.

Several articles deal with issues to be found at the borderline between transport and regional economics, hence emphasizing the close relationship between these two disciplines and the serving role of transport for regional development. The spatial agenda ranges from a discussion of the active space approach, a concept which tries to reconcile transport improvements necessary for regional economic development with sustainability aspects, (by *Marina van Geenhuizen* and *Remigio Ratti*) over users' behaviour on congested roads and its implications for land-use and infrastructure planning (by *Eliahu Stern*, *Piet H. L. Bovy* and *Mart Tacken*), and accessibility concepts for regions (by *Dino Martellato*, *Peter Nijkamp* and *Aura Reggiani* who argue that both network alternatives and utilization of links have to be included in any computation of regional accessibility measure) to development opportunities of border regions by a cross-border integration of physical and institutional infrastructure (by *Fabienne Corvers* and *Maria Giaoutzi*).

Finally, the trade-off between transport, integration and environmental protection is addressed. *Odette van de Riet* and *Patricia Twaalfhoven* aim at identifying strategies for intermodal freight transport which might allow to lessen impacts of transport on the environment. *Peter Nijkamp*, *Sytze A. Rienstra* and *Jaap M. Vleugel* develop different scenarios of future mobility and conclude that a more sustainable transport system than today may be hard to obtain unless major changes in societies' preferences and behavior take place. A new approach towards finding a guideline for a compromise in this trade-off space seems to be the attempt of *Kenneth Button* and *Erik T. Verhoef* to identify a shadow price of sustainability in terms of non-realized gains from economic integration.

To conclude: This is a comprehensive volume with abundant information on recent developments in transport economics. The reader will gain many new insights from this tour behind the scenes of transport economics and will find enough food for thought on the future development of transport networks in Europe.

Claus-Friedrich Laaser

**Cobham, David, and George Zis (eds.),** *From EMS to EMU: 1979 to 1999 and Beyond*. Basingstoke, Hampshire 1999. Macmillan Press, St. Martin's Press. X, 294 pp.

This volume is a collection of papers that were presented at a conference held on January 30<sup>th</sup>, 1999, organized by the Money, Macro and Finance Research Group at the London Business School. The study is divided into twelve chapters containing ten research papers, an introductory chapter by the editors, and a concluding 'epilogue' by *David Cobham*. The volume also includes commentaries to the research papers by invit-