

BUS DEREGULATION — BACKGROUND AND PROSPECTS

John Hibbs*

Introduction

The need for some form of regulation and control of transport has been recognised for many centuries. Mediaeval magistrates felt called upon to fix the just price for carriers as well as for bakers, and the history of canal and railway construction is marked throughout by interference on the part of government with the free working of the market. That governments were able to interfere in this way arose largely from the need for canal and railway promoters to go to law to obtain the land they needed: without powers of compulsory purchase, and means for arbitration of price, any land-owner could stand out for an exorbitant price for his “Naboth’s vineyard”.

Governments also took the view that infrastructure investment would serve the interest of the state, and intervened in a more positive way. The Argentinian case offers an interesting illustration.¹ The fail-dangerous nature of railways brought a further incentive for government action, and experience of unscrupulous financiers whose activities caused spectacular disasters led to the general recognition of the need for state supervision of railways. Thus was born what today we would call *quality control*, and it is significant that even then there was little awareness of any distinction between control in the interest of safety and the intervention in terms of pricing policy that can be discerned in many of the earliest railway Acts.

Price control in Great Britain and Ireland developed in the 1870s, when the railway began to take on the appearance of a discriminating monopoly. It is probable that the fixing of prices under the Railway and Canal Traffic Acts played a major part in turning railway management from a commercial to a technical activity, with disastrous results when the railways’ monopoly of all but short-distance (and some coastwise) traffic was ended by the development of the road motor vehicle. But the need for what we would now call *quantity control* — the erection of statutory barriers to entry to the market — did not appear at this time, because by the end of the 19th century the opportunities for new investment in railways had all but disappeared.

*The author is Director of Transport Studies at the City of Birmingham Polytechnic.

The Emergence and Typology of Regulation

It is against this background that the regulation of the bus industry must be seen, and it is a measure of the hold that railways have on legislators that governments on both sides of the Irish Sea — and across the Atlantic — should have failed totally to recognise that the establishment of the commercial motor transport industry represented a radical change in the economics of inland transport. Illustrative of this are the textbooks of transport economics of the first quarter of the present century, which, despite their titles, are in effect studies of *railway* economics. Railways had become respectable — no doubt because of state regulation — but the bus and lorry operators were pariahs, and all the more suspect because they were supposed to be subject to instability and a high rate of bankruptcy, which was probably not true either [MacLeod and Walters, 1956].

During the 1930s there were statutory enactments all over the world,² designed to regulate and control road transport. In Ireland there was the Road Transport Act 1932; in Great Britain the Road Traffic Act 1930 and the Road and Rail Traffic Act 1933; in the USA the Motor Carrier Act 1935 (and a long series of State enactments before it). What all these have in common is a felt need to extend to the growing road transport industry the sort of control that had been felt necessary for railway companies, under the very different circumstances of the railways' monopoly that the road industry had just brought to its close.

They also had in common a confusion between the three types of control — quality, quantity and price — that we have already distinguished, as recent research into the background of the British Act of 1930 has shown [Mulley, 1983]. That there was, and remains, a case for the enforcement of quality control will only be disputed by fundamentalists of the free economy: Hayek recognises the need for certification “to enable inexperienced consumers to make rational choices between the alternatives offered” [Butler, 1983], though he doubts whether it is necessary for the State to be the certifying authority. What concerns us here is the absence of any such typology in the thought of the legislators, when bus regulations were being put in place.

It seems to have been held, and it is held in some places still, that the necessary objectives of quality control can be achieved only by the introduction of quantity control, with all the distortion of the market that quantity control implies. And then, given the resulting monopoly conferred on the holders of discriminatory licences, it comes to be seen that price control is needed as well. But our typology would suggest that the effective enforcement of quality control is sufficient to avoid the danger of unscrupulous entrepreneurs indulging in what the British

Secretary of State has called — with delightful meiosis — “foolish practises”.

But before we turn to the argument for dismantling the regulatory systems of the 1930s, there is a further issue of taxonomy to be examined by way of clearing the ground. Working independently, Dr. Michael Kenny and I have come to the same conclusion [Kenny, 1982; Hibbs, 1983], that there exists a dichotomy between states with a Common Law tradition and those with a Civil Code, in their attitude to the provision of public transport. From this there appears a further distinction, between *franchise* and *arbitration* in the award of operating rights to firms in the industry. It is characteristic of the Common Law systems that the initiative may be freely exercised by firms in the market, subject to the arbitral decisions of the state or its organs by way of quantity control. In states with a Romano-Germanic legal background the assumption is that the provision of such a public service is the undoubted function of the state, which however may permit its “exploitation” by private enterprise where it is seen to be appropriate to do so.

There is a sense, of course, in which all quantity control tends to award a franchise, but the term is most usefully retained for overt and usually arbitrary conferral of the rights of exploitation. From this we may derive a typology more powerful than the threefold distinction of quality, quantity and price control. It enables us to analyse the clauses (never activated) in the British Transport Act 1968, which would have given effective quantity control of private operators to the Passenger Transport Executives. It points up the nature of tender as used by London Regional Transport when buying in a lower-cost bus service on routes that it wishes to leave. And it explains the Irish system, where the para-statal company has a franchising power modified only by vestigial powers of arbitration on the part of the State, from which its own franchise originates.

A Critique of Bus Regulation

Critics of regulation have from the first concentrated upon its economic consequences. The subject has been and remains controversial,³ and has been obfuscated by vested interest. But what was, it seemed, unthinkable in the 1960s (save that, in Britain, the railways were deregulated in 1962 and road haulage in 1968 — by governments of opposing composition) has come to be thought in the 1980s. In Canada and New Zealand there has been serious examination of the possibility of deregulation; in the USA the Bus Regulatory Reform Act 1982 to some extent dismantled a system that was itself more restrictive than either the Irish or the British equivalent; in Britain there have been two deregulatory statutes; and in Ireland the recent Green Paper has taken a cautious look at the argument.

Proponents of deregulation rest their case upon two lines of approach: from theory, and from the supposed consequences of the systems that have been in place now for some 50 years and more, and which are seen to have contributed to the failure of bus operators to counter the competition of the private car and the television programme — or even to recognise, until too late, that such competition existed. This pragmatic argument rests in turn upon the axiom that the biggest monopoly profit is a quiet life, so that the protectionist policies of the 1930s are seen to have permitted management to concentrate upon the processes of production at the expense of the marketability of the product itself. To disinterested observers of the industry the force of such argument is difficult to resist.

The argument from theory derives rather from the Austrian concept of the market, and from an analysis of bus economics that finds little evidence of economies of scales.⁴ It seems difficult to avoid the conclusion that largeness causes serious diseconomies of system, in that market information is stale when it reaches the decision-making level, while the subsequent delay means that responses are out-of-date when they have passed down to the consumers' world. The pressure of the market is seen as ensuring that entrepreneurs will react directly to market signals, when the alternative is insolvency. (And it is to be noted that franchise is a powerful defence against insolvency). Here again we may observe that protectionism has enabled producers to ignore the theory so that as late as 1986 the British establishment hardly questioned the creation of Passenger Transport Executives and state-owned holding companies that today seem to be examples of giantism. And it is relevant to add that in the unregulated sector of the British bus and coach industry, the average size of fleet remained firmly under the five-vehicle level.

The defence of regulation rests upon the desirability of maintaining a network, and upon the fear of instability. (We may ignore the argument that rests upon "foolish practices", since we have already seen that effective quality control can deal with such matters). The instability issue is an emotive one, and it does not lend itself to quantification: let it be said that the rigid provision of bus services on "invisible tramlines" offers an example of the counterprevailing problem of over-stability. Conceptually, it may be that the problem lies more in the immediate consequences of deregulation, as producer-oriented systems are fractured by the impact of consumer preference, than it does in the longer-term processes of change, that are likely to be less traumatic. It must in any case appear that the effect of quantity control has been inevitably to inhibit the ability of the producers to react to market signals, and thus to build into bus operation an entirely artificial stability, verging upon ankylosis.

The network argument is different, and deserves more examination than it has so far received. It turns partly, but only partly, upon the issue of cross-subsidisation, which has been analysed so far only within a neo-classical set of constraints (Institute for Transport Studies, 1984). If we approach the issue from the definition of economics as “the science of prices”, it may be seen that the debate is irrelevant, in that true cross-subsidy (i.e. the extraction of monopoly profit so as to maintain provision of services that earn less than their short-run escapable costs, and are not otherwise commercially justified) is itself a product of standard charging, which appears to have been the only basis for price control that had any appearance of equity (albeit a spurious one). On this argument, what goes on in the unregulated market is a constant adjustment of prices to pursue an equilibrium between costs and effective demand, in which account is taken of the marginalities on both sides. Thus the argument against deregulation from the supposed desirability of cross-subsidy is seen at root to be cyclical.

But there is another issue, that does not appear to have been seriously debated so far. The practice has grown up in Britain (and is now to be ended) of providing bus operators whose scale of output is sufficient with a “network subsidy”, so as to meet the costs of providing their services. Let it be said at once that neither the costs nor the benefits involved are easily quantified, and that the practice can be, and has been, criticised as a form of deficit financing; nevertheless there may be more to be said for it than that.

The question turns upon the extent to which a system of bus services can be seen to be a “packet-switching network” (PCN). It is characteristic of the economics of PCN's that their costs are concentrated upon keeping the system up and running, so that individual uses are permissible at zero marginal price. Up to the limit of its capacity a PCN is a reducing-cost system, so that the greater the use that is made of it, the lower will be the unit cost per user (that cost being a crude average). There are various ways of charging for the use of PCNs, but basically they come down to an access price, combined with a rationing price insofar as the system is approaching saturation. (The two-part tariff for telephone service will be easily recognised here).

Clearly such a system demands an effective monopoly, such as is given to telecommunications in most countries, or at least a highly regulated quasi-competitive system such as seems to be emerging under the pressure of new technologies. The question that must be addressed (and that has been studiously avoided so far) is the extent to which a system of bus services is analogous to a packet-switching network.

There are two sides to the argument. First there is the extent to which it is analogous as to cost, and second the extent to which it is analogous as to user. In advance of a more rigorous analysis, the answers seem doubtful on both counts: the costs of maintaining a bus network with current technology are closely related to the unit of output, while the extent to which users see it as a PCN rather than as a means of travelling from A to B on a once-off contract) appears doubtful. As to the first, it will be readily apparent that a multi-access, fully automated, computer-controlled system of small track-bound vehicles would have costs analogous to a PCN, though it is perhaps doubtful whether such a system would be environmentally acceptable. As to the second, it may well be that a high-density city-centre metro, such as those of London and Paris, is perceived by users as a form of PCN, but far more questionable is how far the same applies to radial and orbital services in the typical city/suburban bus system. Least of all does the analogy seem to hold good for rural services.

A sense of history may illuminate the issue further. In the early decades of the electric tramway, current for traction was available at marginal cost, since it was the sole or principal daylight load on generating stations. This, combined with the element of sunk cost in tramway investment, enabled low fares to be maintained, which tended to disappear with the conversion to motor buses [Dickinso and Longley, 1986]. If there is any value in the study of history, it is to instruct us as to the sources of expectations and prejudices that trouble discourse in the present, and it is plain that many policies that could be justified in railway and tramway days have tended to be propounded latterly, as if those concerned were unwilling to face the changes inherent in the shift to road motor transport.

The Process of Deregulation

The argument for deregulation of bus and coach operation has been widely accepted in Great Britain and the USA. In this there may be seen a manifestation of a sea-change in thought, paralleled by the growth of interest in neo-Austrian economics, that has accompanied a growing disillusionment with the consequences of interventionary planning. There is little evidence of political partisanship at any but the shallowest level; the policy is both approved and execrated within each of the parties in the British parliament. How, then, has it proceeded, and whither do we go from here?

Let us note in passing that the interest in deregulation is limited largely to the Common Law countries, which seems to follow from the nature of regulation as franchise elsewhere. (Latin American commercial law has developed from British and US practice, so that the extensive deregulation

in Chile [Hibbs, 1985] serves to prove the rule). It may be that the greater reserve discernable in Ireland is due to the far greater extent of franchise to be found in the history of bus regulation in both the Republic and the Six Counties. Nevertheless it is in Great Britain that the most rapid advance has been made in moving to a market for bus and coach services — bearing in mind that deregulation in the USA commenced from a much more restrictive system [Hibbs, 1985].

The first move in Britain was the passing of the Transport Act 1980. This took three main steps. It removed all quantity control of express coach services (the definition being a 30-mile minimum trip for any passenger); it removed all but residuary control of prices; and it transferred the burden of proof from the applicant to the objector in contested applications for a road service licence for local services. The first led to lower fares and a remarkable increase in the number and frequency of express services on main arteries, and to a small decrease in cross-country services; the newly contestable market rapidly stabilised, but left the state-owned operators in a dominant situation, mainly because of their command of the High Street ticket agencies. The competition was felt chiefly by the railways, whose management responded by improved marketing and a more demand-responsive corporate structure.

The removal of price-control (in advance, be it said, of the removal of monopolistic quantity control — never accuse the British of consistency) had the effect of releasing the marketing skills of a new generation of bright, young, well educated managers, not least in the state-owned companies. Free of constraints of standard charging, these men and women began to develop various forms of price discrimination, with the overall objective of maximising remunerative traffic. In the municipal sector the response was the further development of various forms of bulk selling, combined with off-peak price cutting, but the extent of network subsidy may come to be seen as having weakened the marketing thrust in these firms.

The third change — shifting the burden of proof — had the least effect, merely allowing a limited number of private operators to enter the market for local services, still after tedious and expensive quasi-legal proceedings. To all intents and purposes the market here remained incontestable. An exception was the use of the Act to set up three experimental areas, in which quantity control was actually dismantled, but it proved impossible to draw any conclusions from them, beyond the manifest fact that the system of quantity control was already obsolete in “deep rural” areas, where no change of any significance occurred.

There have been two recent studies of deregulation [Glaister and Mulley, 1983; and Savage, 1985]. The former concludes that the use of quantity control serves no useful purpose, but inhibits the working of the market to produce consumer satisfaction; the later examines the working of the British Transport Act of 1980, and argues that it is better to have competition *for* the market rather than *in* it. Until the Transport Act 1985 has had time to show its effects it remains necessary to keep an open mind.

This Act dismantles the road service licensing system that was the cornerstone of quantity control under the Road Traffic Act 1930. At the same time it considerably strengthens the element of quality control, where the 1930 system had already been improved upon by the Operator's Licence requirement introduced some years previously. The only barrier to entry to local service operation (now defined as having a 15-mile *maximum* trip per passenger) is the need to register one's intention to operate such a service (giving certain information, which does not include prices); to vary that operation; or to withdraw it. Operation is nonetheless hedged about by the need to observe any traffic regulation applied to a specified section of road, limiting its use by *any* operator; and by the need to defend any operating agreement by registering it with the Office of Fair Trading.

Thus when the Act comes fully into force, there will be a markedly more contestable market (except in London, where different rules apply). Heeding the market dominance of the existing state and municipally owned firms, the Act also requires the National Bus Company to reorganise its subsidiaries into smaller units, which must then be privatised (it does not require this of the state-owned holding company in Scotland). Network subsidy is outlawed, and the use of public funds to provide a service that the market cannot support may only be by way of open tender, with the subsidy awarded to the operator who offers the best value for money. The municipal undertakings (including the Passenger Transport Executives) must be reconstructed as entities under Company Law and its appropriate audit procedure, though their shares will for the time being be held by the local authorities concerned. Operators guilty of foolish practices will be subject to powerful sanctions, ranging from loss of part of their fuel duty rebate to begin with, to loss of their Operator's Licence if they continue to abuse the system.

Conclusion

There is much argument in Britain about the consequences of all this. Many feel that there will be over-provision on the busy routes, and the loss of marginal services that local authorities cannot afford to subsidise. Others deplore the potential breakup of networks, and there is a widespread feeling that the bus industry is in some way "special", and ought

not to be subjected to market discipline at all. Many operators, on the other hand, not least in the state-owned sector, are looking forward to the ability to exercise their marketing skills — it is in the municipal sector, with its long paternalist tradition of supply, that there seems to have been the greatest exodus of managers through early retirement.

It is unusual indeed for the British to make so great a change as this on the basis of theoretical justification. But the Act has shown that deregulation is at least practicable. All who are concerned for the transport industry, and who have concluded that there is much that is wrong with the traditional dispensation, will watch with interest the way things turn out. Hopefully they will analyse the results with objectivity and rigour.

NOTES

1. There is a need for a systematic study of the on-going impact of railway policies in the past upon transport thinking in the modern world. One contribution to this would undoubtedly be Lewis, 1983 (see below).
2. I have surveyed this in a general conspectus — see Hibbs, 1985, below.
3. Criticism of the British bus licensing system of 1930 can be found in the literature almost since its inception — e.g. Plant, 1932 (below). There does not seem to have been any correspondingly rigorous defence of the system, many arguments in its favour being tainted by vested interest in the continuation of the protection it has afforded to the “established operator”.
4. For a summary of the literature on economies of scale, see Hibbs, 1975 (below).

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PARTICIPATION IN THE ORGANISATION OF WEEKEND BUS SERVICES

Mary A. Keating*

Introduction

Small-sized private Irish road passenger firms have been engaging in entrepreneurial activities and developing their businesses in recent years. Services have grown in volume and sophistication in line with tourism development, whilst the advent of a nationwide school transport system created a formal role for private bus operators in rural areas. Officially, the smaller operators complement the nationwide scheduled rail and bus services provided by the state-owned Coras Iompair Eireann, by providing out-reach and link-up services.

Recognising the needs of young migrant workers, and in order to increase their markets, some private bus operators have recently developed innovative services to cater for the needs of the migrants or week-end commuters. These services have grown rapidly, indicating that they fulfil a distinct need. It is estimated that there are currently some 48 weekend commuter bus routes, carrying approximately 60,000 passengers per year, in some 90 vehicles¹.

The consumers of the service are truly commuters in Pickup and Town's (1983) terms as they are embarking on "fixed essential journeys from home to workplace", the only unusual feature being that the frequency of commuting is measured in units of weeks rather than of days. The legality of the services has been questioned by the national transport company Coras Iompair Eireann (CIE) in that, while the companies fulfil the letter of the law in that the individual trips are carried out on a private hire basis, they have many of the characteristics of scheduled services for which the companies are not licensed. Furthermore, the operators have been accused of "creaming" CIE's peak weekend market. Despite these criticisms the services provided have proved demand responsive and successful.

*The author is Lecturer in Personnel Management in the Department of Industrial Relations, University College Dublin. This article originates from a study by the Centre for Transport Studies UCD, on behalf of the European Foundation for the Improvement of Living and Working Conditions, on the impact of participation by interested parties in decision making in transport for commuting. The full study, which also involved teams in Denmark, France, Italy, and the United Kingdom, is due to be published in 1986.

The Research Focus

The weekend commuting service operated by a small successful private bus company is the subject of this study and was observed, to evaluate the degree of participation by all the parties involved in the service and to report on and analyse the process entailed. The objective was a report on the participation in decision making, which whether formal or informal, facilitated the provision of a service which is both “market” responsive and accountable to the passengers.

With this objective in view, an analytical framework within which to describe the process was constructed. Two paradigms of participation exist [Lovridge, 1980] — that of “constitutional pluralism” (in which the participation is seen as having a narrow instrumental approach to democracy), and that of “primitive democracy” (in which the individual achieves and sustains high levels of involvement). The small scale of the study, the small number of key actors in the process and the lack of a legislative framework constraining the process, facilitated a micropective approach.

The following parties interact in the provision or utilization of the weekend commuting services: the Commuters, the Public Servants Travel Club (PSTC), the Bus Company, and the Courier. In the context of the study a commuter was defined as any individual who books a seat, through the Travel Club, for one of the designated buses before it departs on Friday. The Public Servants Travel Club (PSTC) effectively acts as a booking office, accepting bookings from commuters and arranging schedules with the Bus Company. It also appoints a courier to each bus.

The PSTC was formed in 1975 in reaction to the high cost of travelling home at weekends for public servants working in urban areas but who wished to return to the rural areas from which they originated frequently at weekends. It was initially a voluntary organisation, and membership was conditional only on booking a seat on a weekend bus run by PSTC. The club started with one nucleus group running a small service but it later expanded as its popularity grew. As a result of this expansion one of the original founder members of the Club changed the status of the organisation from that of voluntary club to that of limited company. It now has a full-time staff of three.

The Bus Company is retained by the Travel Club to operate the designated routes. It employs a total of twenty-six fulltime non-union staff who have adopted a very flexible attitude to their job. Staff members tended to have different primary occupations i.e. painter, upholsterer,

mechanic, and were trained by the company to drive buses. Consequently, when not driving, the other skills prove invaluable to the company.

The couriers (predominantly female) are selected from among the regular travellers on the different routes. The courier collects the bus passenger list from PST on Thursday night, and as passengers arrive for the bus on Friday nights, formally checks them on. Mid-way on the journey, there is a stop for a tea break when the courier collects the fare from the individual commuters. This operation is effected off the bus, so as not to contravene the legislation, and is in fact the main reason for the tea break. The tea break is, however, also a very successful occasion for social interaction. In exchange for his/her service each courier is rewarded by a free return trip.

The Participation Process

Commuter participation is understood to occur when the users of the service, the commuters, take part in the management or organisation of the bus services². An ability to influence the decisions of the bus company and its intermediaries is implied. Figure 1 sets out the gradations of behavioural outcome which are possible in this study, as a function of the participation potential existing in the system, the participation propensity of the actors, and linkages between the two fostered by the PSTC couriers. participation potential is intended to mean providing the opportunity to participate, whilst propensity refers to the willingness and ability of those involved to participate. Using this relatively clear model and taking cognisance of the different paradigms of participation, the task became that of assessing the process of participation in the weekend commuter services. within the framework suggested by Figure 1.

Figure 1: Possible Loci of the Participation Process

Propensity to Participate		COMMUTERS	
		HIGH	LOW
BUS COMPANY & PSTC	HIGH	Vitality	Formality
	LOW	Frustration	Apathy

The exercise was particularly concerned to draw a distinction between commuter services which are simply market responsive, in that the initiative lies largely with the supplier of the services (and the motivation is substantially that of maximising the profitability of the service), and those which are market accountable, where the initiative lies with the user (through devices such as co-option of users to the bus company board, the decisions regarding service cancellation, etc.). There was also concern to assess more specifically the role of the courier (who is in the special position of having an allegiance to both the bus company /PSTC and the Commuters) in influencing the nature of the participation process.

The Case Study

In the case study, the focus of attention is on the manner in which formal and informal methods of participation are used to facilitate the provision of the weekend commuter service, to the satisfaction of all the actors involved. Information for the case study was collected through a combination of (i) a questionnaire based survey, (ii) personal interviews with the key actors, (iii) secondary sources, and (iv) observation. The questionnaire was designed to reflect the need to examine commuting in the context in which it occurs. As De Boer (1982) notes, "a movement cannot be regarded as an isolated event, but has to be studied in its relations to stationary activities". The questionnaire focussed on three themes: the social and work life of the commuters in Dublin during the working week, the actual travel process involved in weekend commuting and the impact and significance of commuting for the rural area itself.

The questionnaire was administered on three different bus trips serving the western region from Dublin, on a randomly selected weekend for which no significant market distortions caused by unusual events were anticipated. One hundred questionnaires were distributed, and eighty were returned completed. Data analysis was a combination of computer processing of the survey results and qualitative interpretation of additional information obtained from the various sources.

Based on the evidence of the survey, the commuters were predominantly female, well educated and working in the public service. Approximately 98% of the passengers interviewed were satisfied with the bus service. For these individuals their life, their family, friends and recreational activities existed in the country — they merely worked in Dublin.

The Role of Participation in the Decision Making Process

The survey showed that a very informal, but highly effective feedback system, is central to the decision making process in relation to this service.

This is backed up a formal system initiated by the PSTC. Of the two, the informal system of participation appears to be the more powerful. Central to the informal communication and feedback system is the courier. The courier's role emerged originally from the need to have various administrative tasks conducted on the journey, but it has now developed to the point where couriers provide a focal point for the passengers, and their link with both PSTC and the bus company. Couriers are recruited voluntarily from regular travellers and they are trained to look after bookings and to collect money. As such the courier is both a commuter and a representative of the PSTC and the bus company.

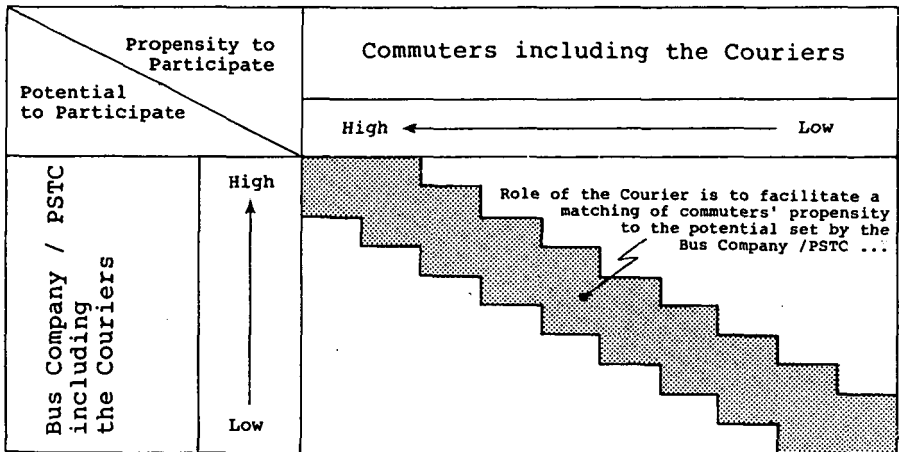
As the director of PSTC indicated, a good courier has now become essential to a good service. The courier ensures that passengers are collected and dropped off satisfactorily, and has a high level of contact with the passengers, the driver and PSTC. The courier is, therefore, the link between the success of the service and the satisfaction of the commuter. There is regular contact, usually by telephone, during the week between the courier and PSTC. Problems that may have occurred, or complaints and suggestions from passengers are discussed. Personal observations from the courier about the functioning of the service may also be discussed. On the Friday evening before departure the individual couriers meet a representative from PSTC in order to ensure that there are no problems, and each courier collects the passenger list for his/her particular bus on Thursday evening.

Reinforcing this strong informal system of feedback revolving around the courier, a strong sense of rapport exists between the passengers themselves, and between the passengers and the driver, who is seen as the direct representative of the bus company. This rapport appears to have developed from (a) the fact that many of the commuters travel the same route regularly and know each other well, (b) the demand responsive image of the service as projected by the driver's interest in the travel requirements of individuals and his willingness to adapt the itinerary where possible, and (c) a sense of loyalty to a firm willing to take a legal risk on behalf of its customers.

The role of the courier in maintaining an effective service is so pivotal that it affects all aspects of the participation process. Figure attempts to modify Figure 1 to reflect this feature of the study.

Quite often en route, the courier initiates a formal communication exercise, by distributing circulars from the PSTC office to the passengers informing them where the bus is scheduled to stop and the basic rules of the travel club. The information in the circulars is influenced strongly by

Figure 2: Representation of the role of the courier



feedback obtained by the couriers from previous passengers. The courier goes around the bus listening and responding to queries about times and destinations. Many examples were quoted illustrating the effectiveness of this process. On one route it was, for instance, discovered that passengers were unhappy about the departure and arrival times. A small survey was conducted and the times were changed to suit the passengers. Similarly, when PSTC initially commenced activity, it was the practice to deposit passengers in the centre of Dublin city on Sunday night. Many passengers, predominantly female, complained of the danger and inconvenience this entailed. Arrangements were made to re-route the buses through the main dwelling areas, thus leaving most passengers almost to their doorsteps.

There is also an important social dimension to weekend travelling for both the couriers and the passengers. For the passengers the commuting event itself acts as a social focus and a means of communication, with the homogenous nature of the group working to reduce the traditional dis-benefits of long distance travel. The couriers interviewed felt that being a courier had many positive aspects and that in particular it enabled them to widen their own circles of acquaintance.

On the basis of the above, it is evident that the bus company and PSTC, in conjunction with the couriers, have established an effective mechanism for participation and would appear to score high in terms of both propensity and potential as represented in Figures 1 and 2.

Attitudes of the Parties to the Participation Process

It is clear, from the foregoing information, that the process provides a degree of potential for all current passengers to become involved in the

service. A weakness is that there is no guarantee that current passengers are representative of the market as a whole, and of non-passengers in particular. Thus the process may not be efficient in detecting the travel needs of the potential, as opposed to the existing, market. In the on-bus survey, passengers were questioned concerning their perception of their own role in the decision making process. As Table 1 shows, 63% of respondents felt they were consulted regarding bus stopping locations, while 34% felt they were consulted regarding arrival and departure times. Upon further investigation, it was established that this response pattern was related to the fact that arrival and departure times tend to be fixed by office closing times in the case of the outward trips, and by social patterns in the case of the return trip.

A further question cross-checked on this position, by asking passengers about their wish to be consulted. Sizeable minorities expressed no wish to be consulted which was construed to indicate broad satisfaction with current procedures. The percentages of passengers wishing to be consulted about destination was 68%, which was similar to the percentage in Table 1 indicating they are consulted. However, the percentage wishing to be consulted about travel time was 59%, which was considerably higher than the percentage indicating they are consulted. This discrepancy seems to suggest a shortfall in the participative process. These figures highlight the 'Propensity' or willingness of the commuters using the service to participate in decisions regarding it.

Table 1: *Responses to questions regarding actual consultation on itinerary times and bus stopping locations*

Actual Consultation	Departure/Arrival Times		Bus Location Stops	
	Number	Percentage	Number	Percentage
Yes Respondents	25	34%	47	63%
No Respondents	47	66%	28	37%
Total	72	100%	75	100%

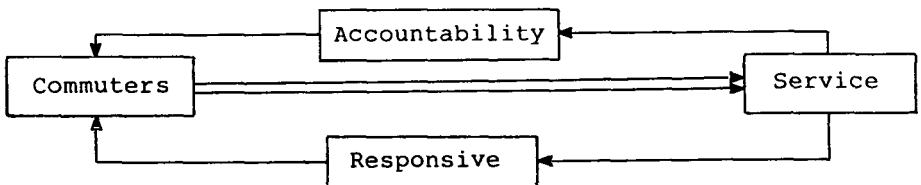
In response to a further question on their perception of their own influence, a majority of passengers accepted the bus company as the ultimate decision maker in matters of route and schedule design. This acknowledgement of the operator's central role in technical matters, irrespective of the level and format of participation by the other parties, highlights the fact that the bus company and PSTC control the participation potential and the extent and degree of participation, be it formal or informal. Regarding the attitudes of the participants to each

other, we detected no evidence of any resentments on the part of some groups of travellers in relation to itinerary changes made for other groups. This can possibly be attributed to the care which the service planners give to determining the balance of viewpoints and requirements, and also to the co-operative spirit engendered on the buses.

The Accountability Factor

A particular concern of the study was to draw a distinction between services which are merely market responsive and those that are both responsive and accountable. Companies following straightforward marketing strategy seek to assess the existence of potential markets via knowledge accumulated through market research. A market responsive service is one which adapts to changes in customers' needs, but with no direct involvement of the customer in the process of adaptation. At a further level of sophistication there is the concept of a market accountable service, in which there is some explicit regulation of the service itself by the customer, either through devices such as direct consultation, or through joint supplier/consumer decision making whether in formal or informal format (Figure 3).

Figure 3: *The Market Accountable Model*



Clearly services which are both accountable and responsive to the felt needs of all the parties involved are closest to the concept of participation within the terms of the study. To investigate this point, it was raised in interview with both the owner of the bus company and the director of PSTC. Questions were asked concerning the process by which the major route decisions relating to the service are made. Our understanding is that the basic approach in the case of new route selection is as follows. A new route is decided upon based on a preliminary assessment of likely numbers travelling each weekend and the adequacy of existing public transport services to the area in question. Much of this latter information is supplied by the PSTC and collected through the courier system. A tentative itinerary is constructed based on office closing times, estimated road travel times, and desired return times to Dublin based on past experience. During the early weeks of operation these arrangements are fine-tuned based on the revealed preferences of passengers. Gradually a

steady-state evolves, and thereafter the role of the participative process is (a) to pick up minor adjustments necessary to the operation, (b) to confirm that the operation pattern still satisfies the passengers.

In terms of Figures 1 and 2 it is clear that the bus owner and the PSTC maintain control of the participation potential, and at the route planning stage restrict the flow of information via the courier to the commuters. Effectively, a straightforward marketing approach is used in assessing route feasibility, but once a route is selected the communication process commences, and the commuter participation propensity is stimulated. A basic obstacle in achieving consensus between the parties is of course the physical scatter of the ultimate rural destinations of the commuters. A fundamental benefit of the participation process is therefore the co-operative spirit it engenders and the ease with which a balanced itinerary is achieved.

Regarding accountability, it was observed that it only becomes an important factor when a service is not responsive to commuter needs. To the extent that the bus company must continuously monitor commuter needs to maintain the service, it must regard itself as informally accountable to its passengers. In this, they are considerably dependent on the goodwill and continued co-operation of the couriers.

In basic terms, however, the weekend commuting service must be categorised as very responsive to the needs of commuters, but weak in terms of its formal accountability. Commuters are allowed, but do not have the right, to participate. The influence of the participants is limited in that PSTC and the bus owner have final decision making power. Participation in the weekend commuter service is informal, and there are no defined procedures by which commuters can have an absolute involvement in decisions about the service. While commuters can initiate new bus runs through convincing PSTC that there is a market, the final decision rests with PSTC and the bus company. There are indications, however, that the commuters could exert much greater pressure on the bus company/PSTC to participate in more strategic decision making, but that they either do not recognise their collective power or possibly do not wish to do so.

These findings suggest that the process of participation in the weekend commuter bus service is broadly in line with the "constitutional pluralism" paradigm mentioned at the beginning of this article. This model expresses the view that, in a pluralist world, potential and propensity to participate are related to a temporary and simultaneous raising of consciousness of both a personal need (e.g. the commuter) and a sectional need (e.g. the bus owner, PSTC, groups of commuters).

The problem of service accountability raises many complex issues. A case could for instance be made that the establishment of more formal procedures with definite decision making powers would improve the quality of participation. However, this would also introduce a degree of formality into what is in reality and of essence a highly dynamic and flexible phenomenon. The nature of the present service is such that commuters are free to use alternative modes of transport or not to travel, whenever they wish. The present informal process of participation appears to meet the needs of the commuters, in that the on-bus survey indicated a high level of satisfaction with the process, to the extent that a sizable minority indicated no wish to be consulted further.

Observations from the Case Study

In the Irish national transport context the weekend commuter services have received considerable attention. Criticism of CIE's competing national rail service has centred on its price levels and restricted geographical coverage. CIE's Expressway road passenger services are popular, but tend to concentrate on the high density trunk routes. The weekend commuter services appear to fill a real market gap. Without them, the travellers involved would face the choice of either a rail or Expressway journey with a necessary modal interchange and the possibility, in the case of rail, of significantly extra distance to be travelled between station and home, some form of carpooling arrangement, hitch-hiling or simply not travelling.

Without the public Service Travel Club, it is doubtful that any bus company would be in a position to assemble the high bus load factors on trips to remote areas, that are essential for the low level of price sought by the commuters. Without the particular form of participation practised by PSTC and the bus company jointly, it is doubtful whether the spirit of co-operation and flexibility, necessary to allow itinerary coverage of a large rural hinterland, would exist.

There are definite indications of social benefit to the inhabitants of remote rural regions from the process. In a European context the process must raise interesting possibilities in the context of worker migration from rural to urban areas. At present, the weekend commuter services in Ireland are very much a private sector initiative. As discussed earlier their legality has been questioned, but their popularity is such that the Government has commenced a review of the legislation restricting road passenger operations (which dates from 1932).

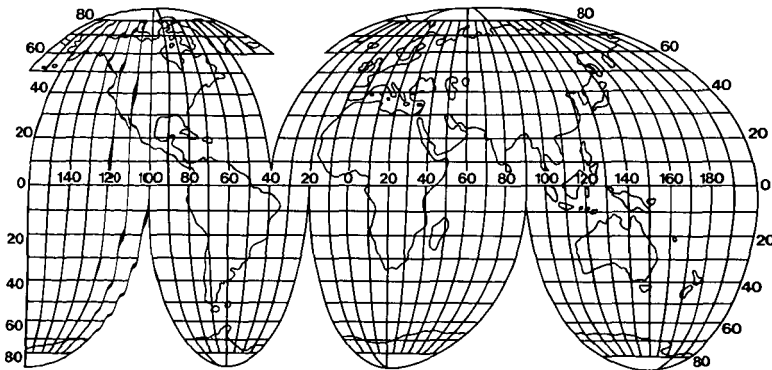
NOTES

1. Based on estimates supplied by the private Association of Motor Bus Owners (PAMBO) Ireland, 1984.
2. This is close to Walker's definition of worker participation in Walker K.F. 1986. "Worker's Participation in Management, Bulletin of the International Institute for Labour Studies, No. 2.

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