

# Transport Policy in France: Modal Neutrality or Favoritism

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May 19, 2006 Conference on Transport  
Policy, Warsaw

# Introduction (1)

Six objectives, dimensions, constraints of transport policies:

- Mobility
- Safety
- Environment
- Public Finance
- Equity
- Acceptability

# Introduction (2)

- Look at French policies from the view point of modal split
- Should not be a major objective (not one of the 6 objectives mentioned)
- But in practice, reducing road transport is a key issue. In EU statements. In French official statements.
- French policies somewhat schizophrenic: in principle, neutral, in practice anti-road. Also examine outcomes.

# Transport investments in theory : Cost-benefit Analysis

- In principle, modal neutrality thanks to cost-benefit analysis. Ex ante & ex post studies compulsory by law.
- A long tradition. Detailed ministerial directives. Including values for external costs and benefits.

# Cost-benefit analysis in practice

- 1) Rarely done by sub-national govt.
- 2) Not always done by central govt
- 3) Can be cheated
- 4) Often ignored by decision-makers
- 5) Ex post studies hardly ever done

# Heavy Taxation of Road Transport

2004	(in G€)	(% GDP)
<i>Specific</i> road taxes	34.0	2.1
(of which: Fuels taxes	27.2	1.7
Road expenditures	18.8	1.1
Balance	15.2	0.9

# Heavy Subsidies to Rail Transport

(2004)	G€	%GDP
Rail expenditures (of which wages	19.5 8.0	1.2 0.5)
Users payments	8.8	0.5
Balance=Subsidies	10.7	0.6

# Heavy Subsidies to Urban Public Transport

(2004)	G€	%GDP
Expenditures	8.6	0.5
(of which wages	3.4	(0.2)
Users payments	2.4	0.15
Balance (subsidies)	4.6	0.3

# Not Explained by Externalities

- Congestion: already borne by road users
- Accidents: not an externality
- Air pollution: < 4.3 G€ (declining)
- CO<sub>2</sub>: 3.5 G€ (not declining)
- Noise: 0.9 G€

Total = 8.7 G€, much less than 15.2 G€ of subsidies.

# Modal Split 2004

	in equ. Pass*km	in €
Road	79%	89%
Rail	9%	4%
Air (incl. Intl)	12%	7%
Total	100%	100%

# Conclusion

Relative to mode, French transport policy:

- 1) Claims to be neutral
- 2) Is strongly pro-rail and anti-road
- 3) Fails to prevent road dominance