**Transport & environmental policy**

Our modern world is heading towards creation of more and more regional blocks in order to achieve greater stability and prosperity in all areas. The European Union, one of the strongest regional blocks, has its economic policies as its main concern how to achieve stronger cooperation, integration and prosperity within the organization. The main discussion of this paper will be the EU Transport and Environmental policy. The main purpose of this essay is to introduce main concepts and workings of both policies separately and then evaluate how these are applied in reality. However the main concepts based on the previously mentioned ideas will be to stress out the importance or need of both policies and what have been their major successes and failures so far. At the end the main task will be to analyze and make a conclusion, for both policies together, what should be done better and what would be the possible directions of those in the future.

**Transport Policy**

For the EU’s goal to have an efficient and dynamic economy and cohesive society the crucial issue is to move goods and people as quickly, cheaply and efficiently as possible. This concept is reflected by proper transport policy. The basis of the Transport policy within EU is reflected in articles 74 to 84 of the Treaty of Rome (1957). These articles set the rules that call for the following points: common set of rules that would govern the transport policy within EU; for promotion of public transport services there have to be state aids to support it; to have as low costs as possible; introduce several means of transport (road, water, sea and air transport). Why it is actually important to have an effective transport policy within the EU? The main reason for this is, that transport as a growing industry has a significant importance in the economy of the EU. In other words if EU wants to have a integrated and prosperous economy it has to built up an effective transport system. Therefore the main concern of transport with regards to the economy involves several important aspects: support the process of Single Market; promote sustainable development; creating appropriate infrastructure to reduce disparity among regions; provide and improve safety; establish relations with third countries etc. At the end it is also important to mention that EU system of transport does not necessarily stop at EU borders, it might continue even further if a non member country has an agreement with the EU concerning the transport issues.

Over time the demand of transport means and services has changed rapidly within EU. There were several factors contributing to such changes: shifting of manufacturing away from many of originally urban sites; the great increase in sector of services; greater mobility among professional people; increase in incomes therefore more use of transport is created etc. What this change actually means in reality? Firstly, the new transporting network (beginning of 20th century) was created and is used by all states apart from Spain. Secondly, in general since last two decades there has been major increase in transport, which created a new mobility within the EU. The transport of passengers increased over 85% (fastest change in air transport). However despite many disadvantages (pollution, traffic jams etc.) road transport has achieved the greater increase and currently dominates in the area of transport means.

By the completion of Single Market the transport policy was heading towards the advancement. The main concern, again, was to create a set of rules where within the Single Market the transport would be efficiently provided and also the competition would be present as well. The main worries concerning the Single Market issue were not to allow the creation of monopolies, not distorting competition, managing of structural changes and ensuring that all means of transport will cover their costs (even causing the environmental damage). These issues were more or less solved but mainly two issues have been the center of debate concerning the impact of Single Market. The first one is the road haulage, mainly because it is the most common of means how to transfer goods. The second is the civil aviation (which grows constantly) and is the main means of passengers’ long-distance travelling.

The road haulage is one of the major concerns of the EU transport policy because it is the major means of transporting goods within the region. Firstly, this area has been the main concern for the transport policy mainly because it is the most important mode of transport and both “international and domestic freight transport have been subjected to a variety of controls and restrictions in terms of prices and entry into market” (Barnes, Barnes 84). How much restricted control is applied varies from one country to another. For example while Germany applied strict regulatory controls, UK used more liberal approach towards such issue. However the main principle of international haulage is characterized by the use of so-called quota system, meaning that hauliers have to obtain the permit to be able to undertake international journeys. One form of permit is so called Bilateral permit, which is mainly about two particular member states who make a bilateral agreements about the amount of haulage licences to be granted to non-domestic carries. Another form is Multilateral permit, which allowed unlimited journeys within the EU region. This one became especially important over the last two decades and was given even wider scope by the EU. Secondly, because of fairness among domestic and non-domestic hauliers there was the introduction of payment for usage of roads (1250 ECU per year, Euro-regional tax disc). Thirdly, because there are other issues in which a member states differ (weight that trucks might carry) there was the introduction of weight allowed to be carried by trucks that could vary as much as 30 % depending on particular member state. Finally, the new agreements created more competitive environment within the EU. Trucks could obtain loads for tour journeys so that they are more often fully loaded. However, the road haulage now days takes highest percentage of modes of transport even though it causes the highest pollution and therefore most harm to the environment. Main concern that it should be joined if not substituted by other modes of transport (such as rail, inland waterways, air, sea etc.) that are more ecological. The best way to achieve this would be through incentives, targeted advertisement emphasizing for the need of usage of other means of transport.

The civil aviation form of transport is the other crucial area because it is the constantly growing and most common means of transport of passengers for the long-distance travelling. It is important to mention that prior to 1990s the air transport was highly regulated and in most cases state-owned. However due to increasing importance of global competition the aviation industry switched from being a infant industry to being a provider of mass service, mainly privately owned. The major breakthrough came in 1986 with the so-called “Nouvelles Frontieres judgement of ECJ, which confirmed that competition rules did apply to the air transport sector as well. Competition rules applied under Article 85 of Treaty of Rome, which takes into consideration the anti-competitive agreements; and Article 86, which concerns the abuse of dominant market positions (Barnes, Barnes 89). The main features of liberalization of aviation services came in years 1987, 1990 and introduces the following concepts: free pricing for scheduled airfares; rules against predatory pricing were strengthened; entry into industry was easier; allowed duly licensed air carries to operate virtually all routes between airports in the EU. Most importantly, the liberalization of air transport is the part of completion of Single Market in service sector and is believed to bring the prosperity mainly because the possible threat of oligopoly is reduced, price of the air travel will fall, there will be available grater availability of flights (more efficient transport area) and finally there will be provided new spirit for competition between existing airlines.

One of the important concerns with regards to the air travel services is the amount of state aid given to the particular airlines. During the period of 1991 to 1994 there was a great amount of state aid given to the European airlines in order to improve the situation within the area of air transport. However the state aid was inefficiently used by many airlines. The main example was the French “Air France” that had a loss of 440 million Euro in a first half of 1993, and recognized a need of financial help from the state. However after it had received the help from state the actual loss at the end of 1993 turned out to be 1 billion Euro. Other airlines argued that giving a state aid to companies that show significant level of loss deprives them for any possibility of gaining the help from state if they need it and prevents them from equal treatment and opportunities. Therefore after a successful discussion the EU Commission has changed the criteria for giving the aid to airlines and the outcome has brought following points: the state aid is given on “one last time” basis; the remaining airlines that are not privatized should do so; careful monitoring of restructuring process; government should not participate in commercial decisions of airlines and so on and so forth. What is important to mention concerning this issue is mainly that if transport policy has to work properly in this sector there has to be emphasis on coordination of infrastructure of industry. EU could possibly help the process by providing enough funding but at the same time there has to be a will of national governments to encourage competitive practices.

For the European economy to operate as a Single Market there has to be presence of common transport policy. Simply speaking, many member states consider their national transport issues but undermine the importance of the overall European system of transport network that would connect all areas within the region, bring closer cooperation and greater economic efficiency and success. These is to be achieved through the establishment of so-called Trans-European networks (TENs). Its establishment will require member states to combine with the EU in order to achieve greater coherence. This ought to bring the economic growth and deeper integration within the EU. The main tasks include “better and safer travel at low costs; effective planning in Europe in order to avoid a concentration of population; bridge building towards Eastern Europe in order to step up investment and promote trade” (Barnes, Barnes 98). All these have to be achieved mainly through removing of financial and regulatory obstacles and involving private investors in such issues. What is most believed that effective working of such a network will bring economic and social cohesion. The important thing to be emphasized here is that this idea needs the proper funding coming from all different sources (involving arrangements between public and private sector). In order to achieve the all-European strategy the new routes have to be taken and focus especially on those areas were the coordination between member states and EU authorities is performed badly therefore has to be improved.

For better understanding of the whole issue let’s summarize major successes and failures of the EU transport policy. First major success was actually the stressing out the importance of transport policy within the EU as a necessary part for the effective economic integration and therefore making it a part of the EU law. Another significant success could be connected with the increase, during last two decades, of usage of many means of transport mainly road, air, rail, water etc. It could be followed by liberalization of road haulage and civil aviation. The last, but probably most important, success would be the effort to establish Trans-European networks (TENs) which is supposed to provide EU with better economic and social cohesion. However there are several failures that have to be mentioned as well. One of them would be that even though there has been an effort to liberalize the road haulage, this means of transport is most commonly used despite the fact that causes the biggest threat to our environment. There has been complete failure by EU to substitute it with other more ecological means such as air or rail transport. Another significant failure by EU concerns the state aids and ineffective spending on policy issues (e.g. Air France). This could be followed by the fact that EU did not manage to convince or create greater cooperation between member states and EU authorities therefore leaving the states to take care more of their national interests rather than common European interest. Generally speaking, the EU has created a lot of good proposals and concepts concerning effective trade policy on the paper but it has done much less in converting it into real practices (more important). What is necessary for the future is that EU should find the way how to spend the money devoted tot the trade policy more efficiently and most importantly to find means for applying all these practices that it has on paper in reality so to achieve a real progress in all areas.

**Environmental policy**

The concept of environment is crucial because it affects all citizens and therefore its presence in the EU legislation is of great importance. Unlike many other policies, the beginning of environmental policy does not go backwards up to the Treaty of Rome in 1957. Its main concern (importance) was introduced in 1972, were a great amount of amendments, regulations, decisions, directives have been adopted by member states. Afterwards it became the part of the Treaty on European Union (TEU), more precisely in article 2, where its importance is firstly recognized by a EU treaty. Mainly, legislation has been introduced to cover such issues as “quality of water, waste management, air quality, control of pollution from transport, emission of chemicals, protection of wildlife and countryside, as well as measures to make a legislation work. As a result the EU’s environmental policy has an impact on all aspects of life” (Barnes, Barnes 294). It was easy for the EU to put all these aspects on the paper but more difficult to make 15 member states (currently 25) to adopt and practice these in reality. The main aim how to achieve this was through the introduction of different levels of sustainable development principles. The main aim of this policy in the future will be to redistribute costs and responsibilities among major polluters and encourage cooperation between different groups, industries etc.

As was already mentioned the importance of environment and its protection within the EU was introduced for the first time in 1972. The most important thing considering the legal basis of environmental issue was that in 1986 the SEA included a chapter on environmental issue which gave the policy much firmer legal background. The SEA clearly stated main points of environmental issue as follows: preserving, protecting and improving the quality of human life; contribution towards human health and rational use of natural resources. These were to be achieved by the three main principles which include: prevention is better than cure approach; rectification of damage at its source; polluter pays to clean up the damage. What is also important concerning the legal basis is that SEA included requirement that environment should become the common part of EU policies and also introduced the principle of subsidiarity. Another important concept that deserves mention is the sustainable development. The main idea was that in 1987 there was a need to develop environmental policy that would contribute to greater economic growth but with condition to be coupled with effective protection of the environment. The idea of sustainable development was introduced in 1987 “Bruntland Report, Our common future” (Barnes, Barnes 295). There was presented the idea that it is possible to achieve economic growth with the effective protection of environment. This created the principle of sustainable development which was supported in 1992 in Rio summit and is common phenomenon now days.

One good aspect to realize is how the economic prosperity and growth are connected to the environment issue. Here we can emphasize several main concepts. Firstly, it is argued economic benefits heading towards removal of trade barriers have a negative impact when it comes to an environment. The idea is that only at zero economic growth there is no negative impact on the environment. Secondly, there has to be ability of EU to intervene and harmonize definitions an standards in areas where differences might cause distortion to barriers to trade. If the state keeps the low standards compared to others where the standard is higher than they practice unfair advantage over these states. Simply speaking, if the low standards are cause of ignorance towards an environmental damage the product prices in such a country could be lower therefore giving companies unfair advantage on the Single Market. This is where the EU ought to intervene. Thirdly, there has to be some measure at EU level concerning environment in order to achieve effective implementation of legislation. Finally, there has to be potential for creation of eco-industries as well as development of new technologies that will promote more competition within the EU environmental industries and relationships.

The main concern is to see what is the great importance of the environmental policy and how it’s effective application can be achieved in reality. As was already said the EU environmental policy was started in 1972 during the Summit conference of Heads of the States in Paris. At the same time was launched the First Environmental Action Program to meet those main criteria. The criteria that emphasize why we need the environmental policy are the following: “prevent, reduce and eliminate pollution; maintain satisfactory ecological balance and protect the biosphere; avoid damage to ecological balance; to ensure that more account is taken of environmental aspects in town planning and land use; to work for those ends with non-member states of the EU” (Barnes, Barnes 301). The Second Environmental Action Program created more proactive approach in the environment, meaning that it looked for specific resources for the prevention of the pollution. The Third Environment Action Program emphasized mainly on the prevention rather than cure principle. Fourth Environmental Action Program as adopted at the same time as was the Single Market program, therefore representing clear linkage of economic and environmental issues. The economy should not undermine the protection of environment. Fifth Environmental Action Program was created mainly for better approach towards environmental management. The emphasis was put mainly on research and monitoring of environmental problems. This encouraged many states to use several tools (taxes, market-based instruments) to protect the environment. What is also important, the program established EU Financial Instrument for the Environment (LIFE). Most important is the last or the Six Environmental Action Program (until 2010). The main principles are: “tackling climate change and global warming; protect natural habitat and wildlife; addressing environment and health issues; preserving natural resources and managing wastes” (Environment). All policy is based on “polluter pays” principle (payment can be required through investment or taxation on goods etc.).

As with all other policies the environment policy has to be backed up by the financial support if it want to work properly and achieve the necessary progress. There are several places where the environmental policy can be supported from. Firstly, the Structural fund provided some 1 billion ECU during the period of 1988 to 1993. However taking into an account that environment is a crucial aspect of EU policies this amount of money is negligible for such a period of time. Secondly, Cohesion fund within the EU provided some very small amount of money in 1994, which again made no significant progress in such a crucial issue. Finally, the most important source of funding is currently The Financial Instrument for the Environment (LIFE). However this was not created as to be separate agency financing the EU environmental issues but only as a body that ensures that financial support coming from all different resources is used in a most efficient way so to get the highest possible impact (sustainable development). As we can see here lies one of the main problems of environmental policy which is the lack of financial support for its effective implementation. For the future concern would be to increase of funding from whatever sources if the EU environmental policy is about to be efficient.

One of the most crucial issues concerning environmental policy is to see to what extent it is actually effective. One of the first concerns is the actually there is a lack of commitment among the Member states. More precisely, the most of the legislation was adopted in the form of directives. Directives is the principle were the end result is crucial but the way it is going to be achieved depends on the particular member state. As a consequence the gab has been created between the drafters of the legislation and member states who responsible for putting legislation into practice. Main point is that if particular member state lacks the commitment to particular issue then the effective outcome is uncertain. These cases occurred in countries such as Greece, Ireland, Italy and England. Other main concern in this area is that there has to be legal compliance with legislation. The main idea is that Commission encourages individuals to report infringements of EU directives, therefore Commission will afterwards restore the order. Commission has already taken action against states such as Belgium or Italy for not managing to introduce legislation to put EU’s laws into practice. In addition EU has introduced new penalty for states that fail to do so: “If the state concerned fails to take necessary measures…within the time limit laid down by the Commission, the latter may bring the case before the Court of Justice. In so doing it should specify the amount of lump sum or penalty payment…If the court of Justice finds that the Member State concerned has not complied with its judgment it may impose a lump sum or penalty payment on it” (Barnes, Barnes 307). Certainly those two factors are of great importance for effectiveness of policy as such but there are other factors, such as sufficient financial support and finding most appropriate means for solution of the problem for each specific area, that are even more important.

The need of agency that would support the enforcement of EU legislation led to creation of the European Environment Agency, based in Copenhagen. The main task of the agency is to provide the state of environment and warn before the problem is about to arise. The agency mainly provides the information on which decision is made by member states; ensures the promotion of best practices for the environmental protection and technologies; helps the Commission in sorting the research results. However the main concern of the European Environment Agency is to support initiators and provide effective enforcement of legislation mainly by providing and spreading information.

There are several market-based instruments proposed by EU that are supposed to force both consumers and producers to behavior that is headed in direction, which is less harmful to the environment. The idea of EU is that by usage of economic and fiscal instruments the true price will be always paid therefore companies won’t be able to continue with wasteful practices. One of the first parts of the legislation to deal with such issue was “EU’s Eco-management and Audit Scheme Regulation (EMAR). It is based on the introduction of cycle of environmental auditing by a company with the objective of identifying and introducing measures to improve environmental performance over time” (Barnes, Barnes 312). Another type of instrument is so-called Eco-labeling, which makes consumers aware of the issue of environment and stressing out its importance. However in both cases the important thing is that information is made public and is commonly shared by the citizens of Europe. Another form how to intervene in this area is the form of taxation. The main idea is to impose taxes on the activities that cause pollution The last of the concepts is the application of principle of subsidiarity, meaning applying same conditions of competition and same environmental practices to all member countries.

The very important concept of the environment within the EU is that pollution prevention and control has to be more integrated. The main idea of this approach was to supplement existing directives by new ones that would force member states to adapt their minimum discharge standards to best available techniques. This means that technology will be commonly developed but its adaptation will be left to member states to decide how to use it in most efficient way. Every member state will be required to impose limit values for all substances listed in “Annexes to Directives”. The main goal or purpose of this approach is to protect environment as a whole rather than let it transfer from one area to another.

Once again the useful thing would be to summarize all the successes and failures that EU has achieved within the concern of environmental policy. Among the biggest successes we could count the fact that despite failure to recognize the importance of environment in the Treaty of Rome it has been achieved later on in 1972 and made a part of TEU. The success is obviously the ability to create the legal principles and main ideas of the policy. Another form of success could be seen in the creation of EEA and establishment of Six Environmental Action Programs that deal with issue of environment into more details. Probably the biggest success was the creation of Market-based instruments to make public aware of an issue and also to make it participate in such an important concept. However there are probably more failures than successes in this case. One of the most obvious failures is that EU does not provide policy with sufficient financial backing therefore preventing it from being effective in a first place. The other failure, closely linked to the previous one, is that even the financial support given to the policy issues is not spent efficiently (not spent on most important concepts). Another failure could be the fact that EU deals with the environmental policy in a very broad sense. It means that it should go more into details and deal with specific areas of the whole environment. Finally, one of the biggest failures similarly to the first policy discussed, is that EU has done great deal of putting all necessary concepts on the paper but still does not do very much in reality. Therefore if the environment, as a crucial issue for everyone of us, has to be taken towards a progress for the future concern of EU would be to find appropriate means for every particular aspect of the whole policy and instead of lovely talks what should be done it has to start practicing these in real world situations.

After analyzing the need, main concepts, workings, successes/failures of transport and environmental policy, there is a necessary task to realize what has to be done by EU in the future for making greater integration and greater progress in all areas of the European Union. We have seen that both policies, as well as many other policies within EU, are of great importance and are more or less closely linked to each other. Both of the policies have the good structural background with all its main working principles and basic ideas but unfortunately these are only well performed in the legislation or treaties. The EU, for its future progress, has to overcome several concepts that it has been missing so far. Firstly, the EU has to redistribute its funding to every policy according to the actual need of particular policy, meaning that it has to provide enough funding for every policy in order to make it work well. Secondly, the funding available has to be spent in most efficient way, meaning that areas of particular policy that really need the financial support have the priority over the others that are less in need of financing. Thirdly, EU when approaching its policies, in most cases tends to get the concern of a policy in general terms. This should be substituted by taking deeper approach, more precisely into specific areas of a problem of policy and then building up a whole aspect of policy. Finally, the most important idea is for EU to establish specific concepts for particular policies and rather then on the proposal based on documents what should be done it must implement these main ideas and concepts more in real life situation. By doing so this is the only way how to achieve progress within the EU policies. The progress within the economic policies is a must to survival of the European Union in future.

**Список литературы**

Ian Barnes, Pamela M. Barnes. The Enlarged European Union. Pearson education limited, Essex, England. Published: Addison Wesley Longman Publishing, New York, USA: 1995.

Transport. Environment. May 14, 2004. http://www.europa.eu.int