



Flemish Modal Scan (VMOS)

A public-private policy arrangement for cargo mobility

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1. Introduction

The Flemish Modal Scan-project (hereafter: VMOS) fits into the general toolbox of mobility policy makers to promote alternative transport modes (rail, inland waterways, short sea shipping)¹ and to shift cargo away from the congested roads. In the VMOS-project, inbound and outbound cargo flows of individual companies –carried out via road transport- are screened. Subsequently, options are proposed to these companies regarding ways to organize the screened cargo flows via alternative or combined transport. I.e. VMOS' aim was to improve shippers' access to information regarding alternative transport modes, creating a deeper knowledge and more transparency with respect to their possibilities, and establishing contacts between shippers and alternative transport providers in order to, subsequently, facilitate a modal shift.

From a policy and societal perspective, such *modal shifts* are considered necessary. On the one hand, to guarantee the accessibility of economic and logistic centers now and in the future, and, on the other hand, to minimize the negative externalities caused by road transport movements in general (noise, air pollution, accidents, ...).

The traditional economic policy solutions to promote such a shift, are aimed at interfering in the supply side and price level of the different transport modes (infrastructure, subsidies, levies and taxes) in order to obtain a desired modal split. This kind of measures can be placed in the tradition of synoptical or rational planning (Harmon, 1981; Nagel, 1984; Goodman and Pennings, 1977). This kind of top-down planning assumes e.g. complete certainty regarding the problem definition on which a policy measure is targeted, complete knowledge of the alternative measures at hand and the precise impacts etc. of these measures (Rieken, 1990).

However, solutions in the tradition of rational planning become increasingly difficult to implement because of a variety of factors. Most important is the resistance to government interference in the price level of the transport modes –both on behalf of (supra)national governments and private actors; mainly to prevent international market distortions. Therefore the political feasibility of an implementation or even extension of these policy measures is rather small. Consequently, other policy initiatives are necessary as substituting or accompanying measures for the materialization of modal shifts.

Moreover, the potentially positive effects of differentiating transport prices (favouring alternative transport modes above road transport) may not be completely realised, when there is a lack of transparency in the market. This is certainly the case with respect to the transport market, due to the fact that users have incomplete knowledge of all alternatives; the fact that scanning for information is time-consuming and costly; and due to the fact that not even all the information gathered can be processed, interpreted and evaluated correctly by actors – either with or without help of advanced decision support tools- due to cognitive limits of the

¹ Either with or without pre and/or post haulage via road transport: “combined transport”.

mind and bounded rationality (Simon, 1947, 1957; Arrow, 1974; Johansson and Mattsson, 1987).

The philosophy behind the VMOS-project was markedly different from the ones behind the measures that stem from the tradition of rational planning, precisely as it departed from the assumption that bounded rationality governs most transport choices and that only a widening of the knowledge on alternatives to road transport, makes cargo shippers more inclined to consider a modal shift.

Likewise it is presumed that only through direct interaction with the policy subjects, policy makers in the field of mobility can overcome their bounded rationality with respect to private companies' logistic choices (Lindblom, 1959, 1979). Only through an enlargement of policy makers' knowledge of the policy subjects' rationales, can effective mobility and transport policies emerge. This kind of bottom-up policy making can thus be placed in the stream of incremental and sensibilization planning forms in which public administration's initiatives at the level of the "playing field" (Lipsky, 1979), and in direct interaction with the policy subjects concerned ("actor perspective"), are believed to be more effective than or at least complementary to top-down political decisions (Lindblom, 1959, 1979).

Furthermore, VMOS can obviously be considered as a public-private partnership initiative, in which policy objectives are pursued via embedding certain actions into a joint, project-based, relationship. This stems from a more socio-political or sociological viewpoint on policy making (Hoppe, 1988).

One step further than the incremental and hands-on approach as adopted in the VMOS project, would be to extend it to a mixed scanning policy programme, in which the public administration's initiatives at the level of the "playing field", and in direct interaction with the policy subjects concerned serve at the same time as inputs and inspiration for top level political decisions (Etzioni, 1967, 1986). As such, incremental actions can finally lead to far-reaching changes. This way, "flanking" top-down measures can be formulated and implemented in order to enhance modal shifts and a coherent policy programme is created with great potential for lasting and broad mobility effects.

In this article, we argue that such a double loop (bottom-up and top-down) policy circuit is requested in order to translate the promising results of the VMOS project into sustainable modal shifts.

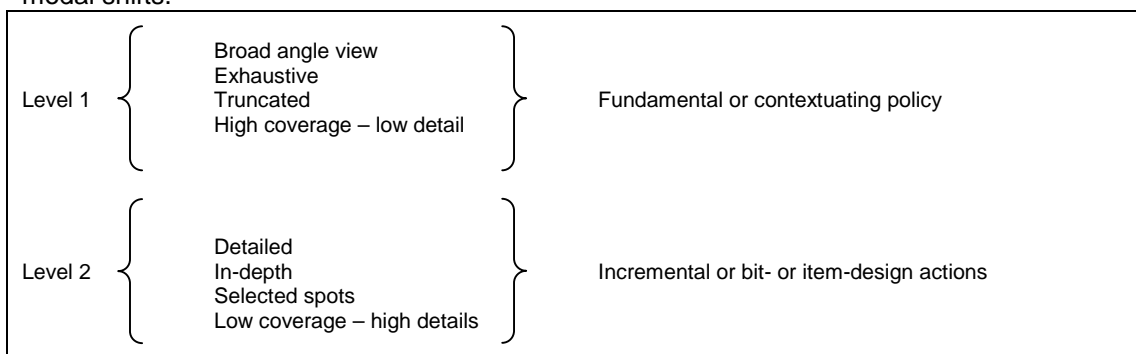


Figure 1: Mixed scanning, schematically

In practice, the VMOS project approaches the modal shift issue from different angles.

First of all the project tries to effectively shift cargo from selected inbound or outbound streams at concrete companies from road to alternative transport modes.² By means of offering private companies the possibility to compare intermodal transport possibilities with regular road transport practices on the level of individual cargo flows, the instrument aims to convince companies to shift (part of) their transport flows to alternative modes.

² Either with or without pre and/or post haulage via road transport: "combined transport".

Secondly, the project aims to identify bottlenecks in the multi-modal transport network obstructing (further) modal shifts. Such bottlenecks need not necessarily be infrastructure bottlenecks. They may also be related to a lack of interoperability between the networks of the different alternative transport modes (lack of interfaces between and introduction points to the alternative transport modes, such as loading and unloading points); the incompatibility of all kinds of standards (e.g. containers); production process choices on the level of individual firms (historically influenced by the availability of logistic solutions and the transport partners with whom a specific shipper worked); the existence of all kinds of administrative, fiscal or social barriers; lack of flexibility on behalf of shippers, forwarders and transport organizations; lack of information, etc.

Once bottlenecks are detected, a solid base for flanking top-down measures is obtained. Both (public-private) actions and funds can then be allocated in a more effective way in order to improve, on the one hand, the quality of the supply side of the multi-modal transport market and strengthen the competitive position of alternative transport modes and on the other hand, the institutional facilities to make effective use of these alternative transport modes.

Besides the former two objectives, a third policy objective is to initiate a reflex in order to institutionalize the systematic taking into consideration of alternative transport possibilities by logistic managers when confronted with inbound and outbound transport choices.

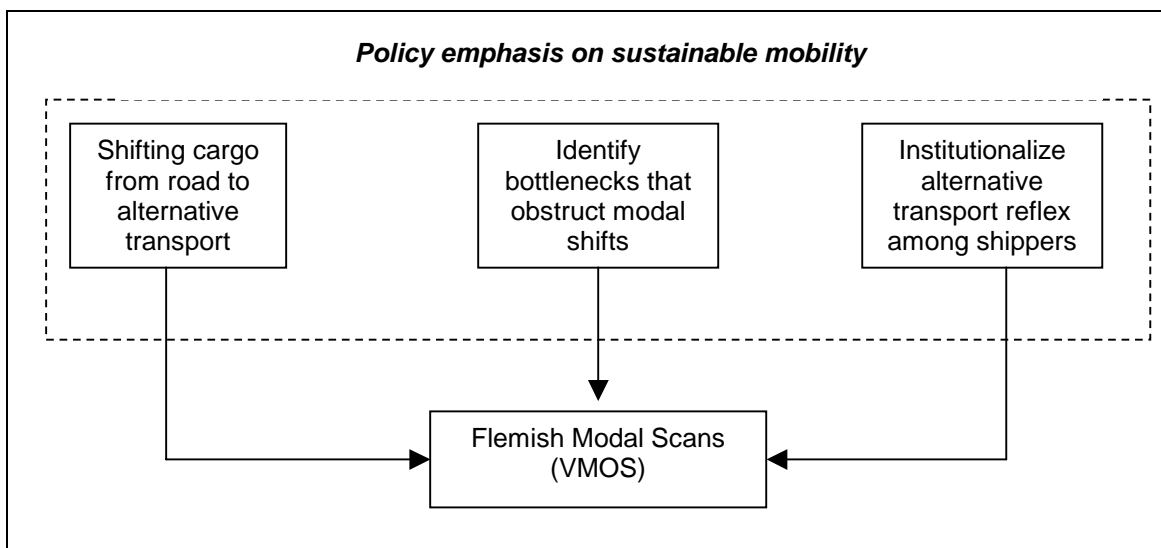


Figure 2: Operational objectives of VMOS

1.1 Transport modal choices and bounded rationality

As was stated, the first objective is to effectively achieve shifts from road haulage to alternative and combined transport. For this matter, alternatives on the multi-modal transport market for specific cargo streams of a selected number of companies were investigated. VMOS thus departs from the postulation of a sub-optimisation in the information stream prior to transport choices of companies. A second crucial point of departure in VMOS is the assumption that targeted information and advise on alternative transport solutions can improve the quality of the transport choices and can generate modal shifts.

The idea, that sub-optimisation in (logistic) choices might occur, can be explained by the concept of bounded rationality. This concept, introduced by Herbert Simon in micro-economic theory (1957), was already observed and introduced in management science by Cyert and March (1952) when investigating business decision processes for their “behavioural theory of the firm”.

The main characteristics of their findings were that economic actors do not make their choices based on a perfectly rational approach. Instead, they are bounded in their decision making process; bounded by the availability of information, the availability of time to search for optimal solutions, and by their own position in the company and in the information network. In

general, when an actor finds a solution that is acceptable for his problem he will make a choice and will stop looking for other alternatives, certainly when he assumes that the search will be more costly (time-consuming) than the possible *return* of the search. Sub-optimisation of logistic choices thus becomes a reality.

As was exposed in the introduction, it is plausible to argue that actors in the transport market make their choices frequently in a situation of bounded rationality. Consequently, they make sub-optimal choices, because of a lack of knowledge and lack of time to investigate further. In spite of the eventual attractiveness of multi-modal transport solutions for shippers, alternative transport is only solicited on a limited scale. This is partly due to the intransparency of the possibilities of alternative transport and the fact that more research and time would be necessary to see through alternative transport's possibilities.

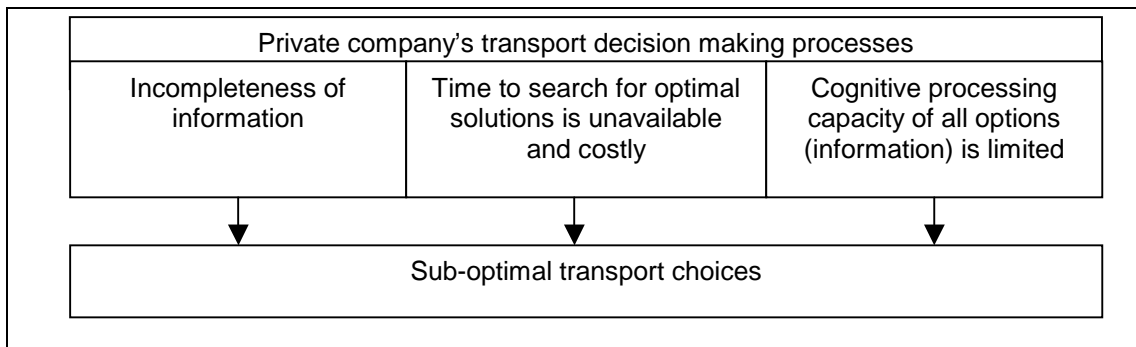


Figure 3: Bounded rationality of shippers' transport choices

The idea of the VMOS project was therefore to fill up the assumed (and proved -in VEV, 1999, 2001) information gap concerning logistic managers' knowledge of multi-modal transport solutions.

Independent advisers were chartered to help companies in the information gathering and decision making process towards their various logistic choices. Through this, the objectives of shifting cargo to alternative transport, the detection of bottlenecks obstructing modal shifts and improving the knowledge and perception of alternative transport under logistics managers, were pursued.

During and after the project, it became clear that the project design was extremely interesting for attaining the second objective, the identification of bottlenecks in the multi-modal network, which jeopardize modal shifts. The feedback obtained from the logistic managers at shippers and from logistic service suppliers gave a huge amount of information on practical issues, as well as on technical, administrative and legislative topics. Together they provided valuable inputs for the formulation of a wide range of policy advises in order to enhance modal shifts.

1.2 Lay-out of the paper

In the following paragraphs (2-3), an elaborated description is provided regarding the different phases the VMOS-project went through during its life cycle.

In paragraph 4, an evaluation of the project and its objectives is presented.

Afterwards (paragraph 5), policy recommendations are forwarded in order to increase the effectiveness of VMOS-like instruments by means of a double loop embeddedness into a mobility policy programme.

It is argued that the VMOS instrument as a PPP-construction and the information flows and logistic consultancy regarding alternative transport options in the transport carrier market for shippers, should be complemented by: (1) information flows and logistic consultancy regarding the support possibilities from the public sector that exist in terms of participation in investments in infra- and superstructure, (2) the design of (funding possibilities for the setting up of) mechanisms to co-ordinate and organize innovative logistic initiatives on behalf of shippers, in order to increase modal shift potential. The paper also argues that a transparent

and EU-conform framework, governing the possibilities for companies in Flanders to apply for VMOS-like assistance in a non-discriminatory way, should be set up.

2. Policy preparatory phase and methodology

Various policy methods for countering the information shortage among logistic managers concerning multi-modal transport can be used.

The measures can be put on a continuum, going from sensibilisation through information leaflets, more personal approaches using modern media (e.g. standardized advise using Information Technology), to completely customized approaches used in individual consultancy.

In VMOS a project architecture was chosen that came very close to individual consultancy. This approach was already used during the Modal Shift projects carried out in the Netherlands by a consortium of consultants and shippers organisations.

For VMOS a consortium of three consultancy companies was composed. One of the consultants had already been a participant in the Dutch Modal Shift projects. The other two consultants were Belgian bureaus that had extensive field experience in Flanders through projects in different areas of mobility, transport and infrastructure policy. Whereas the Dutch consultant was primarily integrated into the consortium because of its methodological expertise; the two Belgian consultants brought in their knowledge of the structure of the Belgian transport sector, and their knowledge regarding companies that could be interesting for the project.

For the steering of the project a steering committee was composed which consisted of different organisations in the field of transport, regional and economic policy.

The function of the steering group was twofold. First of all, they followed the process and progress of the study and screened the interim reports on completeness and accuracy. A second function was their function of providing information inputs to the consultants. Through the fact that, the steering committee members represented a vast array of transport actors, easy access to information maklers inside such transport actors was assured. In order to clarify the modal scans methods, a clear methodology for the execution of the project was designed and discussed among consultants and steering committee prior to its implementation.

Important for the success of the project was the fact that the designed methodology was uniform, clear and transparent. The adopted methodology also proved to be sufficiently generic to be succesfully applied to different types of companies. Moreover, the information it generated could be easily processed in a database.

3. Implementation of the Modal Scan project

When the methodology that was going to be used was mis-à-point, the project could take off.

The project consisted of four main steps:

- Selection of the companies
- Modal scan
 - Analysis of the freight streams and the logistic structure of the companies.
 - Selection of transport relations within the companies with apparent possibilities for a modal shift.
 - Search for multi-modal alternatives.
- Formulation of recommendations to the involved companies and to policy makers
- One-time follow-up on companies' plans and decisions

It has to be pointed out that providing assistance to the implementation of the recommendations did not form part of VMOS. It was argued that this implementation actually forms part of the commercial phase in which the shippers talk and negotiate with logistic service providers. Consequently, it was reasoned that interference of the consultants in this phase would not only distort fair competition in the transport market, it would also be

considered a too pronounced interference in the decision making processes between the involved companies. Therefore, the consulting task ended with the formulation of logistic recommendations and did not involve any implementation guidance.

This formed a risk factor with respect to the chances for implementation of the proposed alternatives, but it was a fair choice given the mentioned drawbacks in which it could result.

In the **selection of companies**, the input of the steering group was of major importance. Because of their position, certain members were able to forward names of companies who could offer interesting modal shift potential and who might be interested in participating. Based on their own past experiences in Belgium, the consultants were also able to suggest several companies. The inputs on behalf of the steering committee members and the consultants together produced a long-list of candidate companies.

It can be argued, that this selection method produces a somewhat biased sample of companies. Consequently, the outcomes in terms of shift potential and the detection of bottlenecks may not be representative for a wider population of companies and the results of this pilot group of companies will therefore represent limited validity. However, one of the main objectives of the project was however to shift cargo and to make a difference. For that purpose a selective sample should be preferred over an a-select one. The proposed companies were assumed to be of particular interest for the project for different reasons: expressed interest, voluminous cargo flows, specific cargo type, major impact on mobility in certain regions, etc.

As regards the outcomes in terms of modal shift potential for resp. inland navigation, railway and SSS, the selection method may indeed have been subjected to sectoral stakeholders' interests. That is, the fact that several steering committee members represented only one of the various alternative transport modes, creates the risk that they seize the opportunity to place certain companies on the scan agenda. Companies, which they see as potentially interesting for their alternative transport mode.

On behalf of the candidate companies, opportunistic participation can not be ruled out totally either. Some of them may have tried to become included into the modal scan project in order to give rumour among policy circles to certain bottlenecks which are of particular interest for their logistics. The removal of this particular bottleneck may be important for them in order to be able to shift to multi-modal transports and make substantial gains in the cost of the logistic chain. This kind of opportunism can indeed occur when applying the selection methods as presented.

The effect of these interferences on the unrepresentativity of the outcomes of the scans for its reference population should, however, be considered as rather limited.

First of all, as one of the main objectives of the project was the enhancement of modal shifts and sustainable mobility. Therefore, the reference population for the project is the group of companies with shift potential who shelter e.g. voluminous cargo flows, receive or ship specific cargo types and have major impacts on the mobility in certain regions (and not companies *telle quelle*). It was from among the former group that the final selection was made and the choice for a specific company was explicitly legitimized via the submitting to the steering committee of a company fiche in which the grounds on which the company was chosen were presented. As such, the selection should be seen as representative for the targeted population of companies i.e. those that ought to be captive or at least targets for alternative transport.

As far as a bias could occur in favour of a certain alternative transport mode, it is true that the waterway authorities were perhaps somewhat overrepresented in the steering committee and that its superior countervailing powers may have provided the selection with an accent of waterway-oriented companies. Nevertheless, it should be acknowledged that common sense governed the selection discussions. The final selection did not testify of tactics to include

waterway potential offering companies at the expense of railway potential offering companies.³

As regards opportunism on behalf of the participating companies, we refer to the discussion of the achievement of objective 1 of VMOS, in paragraph 0. Nota Bene: by no means, shippers tried to put certain company-specific bottleneck on the public policy agenda. As far as this is concerned, there was no sign of opportunism.

The final selection of the companies was carried out by the consultants. Through telephone contacts and in-take conversations, companies were selected using the following set of selection criteria.

- Are there substantial transport streams that qualify for a modal shift?
- Does the company have not too much experience with multi-modal alternative transport so far?
- Is the company interested in participating in a modal scan?
- Is it possible to free time and human resources to guarantee the delivery of the required information and human resources?

The ultimate selection made an appeal to the expert knowledge of the consultants. They had to try to assess the chances for a successful execution of the modal scan with the companies that were contacted.

The contacted companies themselves eventually had to take the decision to participate in the project. The motives for participation appeared to vary largely. A big difference in attitude towards the project was observed between big and smaller companies. Smaller companies, with a less extended logistic staff (most of the time only one person) saw the logistic assistance as an opportunity to shed a different light on their own transport policy. They were open to new ideas as they themselves had most of the time no opportunity to investigate alternative logistic solutions, due to a lack of time and resources.

Bigger companies displayed a different approach towards participating in the project. Most of them saw it as a change to outsource part of their research for optimal logistic and transport solutions. The VMOS assistance was a good opportunity for them to have research carried out regarding certain transport streams and get a second opinion or an update on the best way to organize them.

It should also be mentioned that a couple of companies were not interested in participating in the VMOS-project. Different reasons were placed forward. Lack of human resources (time) to collaborate in a serious way with the consultants, was a frequently used reason. Also a lot of companies argued that they had a well thought-out logistic strategy and that they used alternative transport modes already in all the cases where it fitted into this strategy. Mainly big companies forwarded the latter argument.

A resistance vis-à-vis government interference in internal decision-making processes of companies was never forwarded as a reason not to participate. Perhaps, the project design, using private consultants, countered this potential problem. Possibly, this also gave the companies the idea of contracting experienced assistance, which they interpreted as a business opportunity. In general, it seems that if companies thought that participating in VMOS would help them in their logistical choices and it would not cost them too much time; they decided to participate in the project.

During the *modal scan* itself, the consultant–shipper relationship took firmly shape. A selection of transport streams was made by the consultants and the search for alternatives

³ Nota Bene: the fact that the final results did present more potential for waterway transport than railway, was not due to lack of attention to the railway mode. Its possibilities were equally investigated. It was more due to case-specific circumstances that inland waterway seemed to offer more potential.

could start. During these search activities, also the input from members of the steering group, as an information source, was very important. Certainly from the members who represented a transport mode, for instance the people from the promotion offices for Inland shipping and Short Sea Shipping, and the people from the Belgian railways.

The search activities brought the consultants in contact with a lot of transport forwarders and carriers, railway operators, terminal operators, etc. These actors not only proved to be very helpful for researching the alternative transport possibilities, but also for identifying bottlenecks in the intermodal transport network.

During these search activities, it became clear that an intensive feedback and constant interaction between the shippers and the consultants was necessary in order to come up with acceptable alternatives. It turned out that a lot of technical and administrative boundaries which the shippers had to take into account, only came to the surface when information was given by the consultants regarding encountered alternative transport options in the market. It became clear that information gathered in one or two interviews with the companies was often not enough to be able to propose feasible alternatives and that additional information from the shippers was necessary.

Finally, the cargo stream analyses could be carried out and comparisons with alternative transport options in the market could be made. For most cargo streams, competitive alternatives based on combined transport could be forwarded.

After the company-specific **recommendations** had been communicated to the resp. companies, as well as the policy recommendations to the policy makers, the companies were contacted once more during a **follow-up** moment to learn about the steps they had already undertaken or were planning to undertake.

4. Results and evaluation

Looking back on the pilot project which consisted of 14 scans, it is possible to evaluate the merits and shortcomings of VMOS as a policy instrument. Both in terms of its application and methodology (the intrinsic project design) and in terms of the targeted policy objectives.

4.1 Evaluation of the project design

4.1.1 Selection procedures

The adopted selection procedures for the pilot study implied that only few companies could participate in the modal scans. Among those companies included in the final selection, a certain degree of opportunism in their motives to participate (free of out-of-pocket costs) can not be excluded.

Moreover, the company-oriented approach, with the consultants and steering group taking the initiative in selecting the companies, means that it may occur that those companies that are most in need of assistance or have the biggest interest are not selected, as they may be overlooked.

As such, the ad-random selection method applied in the VMOS project makes it a rather discriminating instrument in which not all companies have equal chance of participating and in which costs-benefits are not correlated to need or willingness to participate.

4.1.2 Role of logistic consultants

The search activities of the logistic consultants allowed them to propose tailor-made logistic solutions to the selected companies for very specific origin-destination relations.

The intermediate function of the consultants avoided the impression of a high level of public interference in private sector logistic affairs. As such, the mere role of the logistic consultants is believed to be valuable.

The use of a private consultant in the contact with the companies was a very effective approach to reduce eventual fears for government interference in their internal business management.

4.1.3 Implementation of recommendations

As the scan trajectory ended before the implementation phase and companies had only signed an "intention of putting the interesting shifts into practice", once the scan was finished; the implementation was left in the hands of the private companies. During the follow up-moments with the scanned companies some three months after the project was finished, it became clear that at this stage, most companies had yet to implement the alternatives.

The decoupling of the relationship consultant-private actor soon after the scan trajectory not only results in a knowledge vacuum as regards: "What has the company done in the end?" "Has it implemented the recommendations?" It may also endanger the effective implementation steps, as other business issues may get more priority, like: the financial situation of the firm does not allow for logistical reorganizations, the effective implementation is seen as too costly and/or complicated etc. All kind of events can occur pushing the implementation of modal shifts of the company's short term agenda.

This may also have been caused by the fact that the companies in the pilot study had been requested to participate. Had the companies themselves been the ones to request (and possibly make a sacrifice in order) to participate, then this would have testified the value they themselves attach to company-specific modal shifts.

As such, the current set-up of the project may leave too much to private companies' voluntarism.

4.2 Evaluation of the achievement of objectives

4.2.1 Materialization of cargo shifts

At the outset of a scan, the consultant stressed the freedom of companies to participate, as long as the company would seriously consider the proposed alternatives if logistic improvements could be expected from them.

This construction gave participating companies the possibility to act rather opportunistically or easy-going in the end. Certainly, once the contact with the consultant was ended.

Although the non-involvement of the logistic consultants in the implementation phase had been a conscious choice at the outset of the project, it meant that a substantial effort concerning the implementation of a modal shift on a management and operational level was left to the initiative of the individual companies.

In general, this was not a problem in the larger companies and several modal shifts are achieved by them thanks to VMOS. In the smaller companies, instead, this meant an extra burden for the transport managers on top of their normally tight work programmes.

Therefore, the shifts that implied more laborious or costly implementations proved to be difficult to materialize for smaller firms. The chance that these shifts do not take place then, is considerable.

Related to this was the issue of the priority attached to a modal shift and the support the top management of the company concedes to such initiatives.

In view of these three criteria; "size of the firm", "implementability" of a modal shift, and "top management support" to a modal shift; a matrix can be set up, indicating a company's need for ongoing assistance in their efforts to implement a modal shift.

Need for follow-up assistance of modal scan	Shift type "A"	Shift type "B"	Shift type "C"
SME - Shift is seen as strategically important	Low	medium	High
SME - Shift is not seen as strategically important	High	high	High
MNE - Shift is seen as strategically important	Low	low	Medium
MNE - Shift is not seen as strategically important	medium	medium	High

Matrix 1: Need for follow-up assistance to implement modal shifts:

Source: Resource Analysis, 2002

Legend for Matrix 1:

Shift type "A": Shifts that can be implemented right away. Shifts that are attractive in terms of cost-comparison and acceptable in terms of punctuality, frequency and quality and which do not require extensive organizational adaptations.

Shift type "B": Shifts that can be implemented right away. Shifts that are attractive in terms of cost-comparison and acceptable in terms of punctuality, frequency and quality, but which require organizational adaptations.

Shift type "C": Shifts that can not be implemented right away. Shifts that are attractive in terms of cost-comparison and acceptable in terms of punctuality, frequency and quality, but which require organizational adaptations and investments in infra- and/or suprastructure.

Such assistance may come both in the form of guidance with expertise, or guidance in intra-firm and inter-firm reorganizations and other implementation implications related to a materialization of shifts. It may also come in the form of furnishing additional information on possibilities for (applying for) funding of the expenditures related to a materialization of shifts (cf. PACT, Marco Polo).

By combining the former with more generic possibilities for companies to apply for VMOS-like assistance and the design of flanking facilities in order to inspire companies to materialize not only shift type "A", but also "B" and "C"; one ought to be able to multiply the amount of companies that can be reached through such policies. One can thereby also abstain from repressive measures (like a tightening of the "intention of putting the interesting shifts into practice") that may have a discouraging effect on the willingness of companies to participate.

Finally, it should be possible to counteract the issue of opportunistic participation in modal scans by asking companies to (co-) finance VMOS-like logistic assistance.

4.2.2 Identification of bottlenecks in the multi-modal transport network obstructing (further) modal shifts

During and after the project, it became clear that the project design was extremely interesting for attaining the second objective, the identification of bottlenecks in the multi-modal network, which jeopardize modal shifts. The feedback obtained from the logistic managers at shippers and from logistic service suppliers gave a huge amount of information on practical issues, as well as on technical, administrative and legislative topics. Together they provided valuable inputs for the formulation of a wide range of policy advises in order to enhance modal shifts.

Another true added value of this exercise was the fact that the thorough analyses of the logistical chains, made that the study obtained very detailed insights in cost structures and non-cost factors involved in companies' modal choices. This also shed light on the circumstances and elements that determine the casuistic competitiveness of alternative transport and road haulage. Many practical details, which are easily overlooked in policy-making processes, proved to play an important role in the decision making of the companies.

As such, the practical approach indicated clearly where certain bottlenecks vis-à-vis alternative transport should be attacked by targeted policies. These insights and this kind of

information were directed bottom-up towards the policy makers in the form of policy recommendations.

The study thus succeeded in the formulation of (policy) measures that should contribute to overcoming or eliminating these obstacles. These were both of a “hard” supply – infrastructure- kind and of a more soft, institutional kind.

Nota Bene: the bounded rationality thesis leads us to think that the more soft, institutional measures –which are in general less well-known to companies compared to major infrastructure works, which tend to get substantial airplay and gets through to people- should be taken mostly into consideration.

Especially if companies can apply individually to institutional measures, excellent possibilities exist for compatibility with individual company requirements and the actions they are willing to undertake.

4.2.3 Institutionalization of a multi-modal reflex among shippers

The project also greatly objectified the logistic managers’ perception of alternative transport and achieved an institutionalization of the reflex to “think multi-modal” when being confronted with (new) inbound and outbound logistic choices.

The third objective was, therefore satisfactorily reached through the shippers’ direct participation in the modal scan. Consequently, they became better able to evaluate alternative transport modes in a more objective way. Alternative transport thus obtained better possibilities to be included in ex ante considerations of logistic options. In addition, the fact that managers became better informed as such about the possibilities of alternative transport modes will enhance their use.

As was stated by many shippers afterwards; even if the proposed alternative transport options did not comply sufficiently with the minimum level requirements for a specific cargo flow, the mindset of the shipper had already been prepared for thinking about alternative transport for other origin-destination relations.

5. Policy recommendations

On the basis of the former, one is able to evaluate whether certain modifications and additional measures in the conceiving and implementation of the VMOS instrument are likely to increase the desired effects.

It appeared that the 2nd objective (identify bottlenecks that obstruct modal shifts) and the 3rd (institutionalize a multi-modal reflex among shippers) has been satisfactorily achieved.

As regards the 1st objective (materialize cargo shifts), it appeared that only limited success was achieved so far. As the main points for improvement with respect to the 1st objective, the following stand out:

- Contain opportunistic participation
- Monitor and/or guide implementation processes
- Widen participation possibilities

The former calls for the design of additional measures on behalf of the commissioning policy maker, in response to and in order to sustain modal shift intentions on behalf of private actors. In order to regulate the request for logistic assistance à la VMOS in a non-discriminatory way, and to avoid that companies with interest in or in need of such assistance are overlooked, a framework for funding possibilities open to firms in Flanders is proposed.

In order to simultaneously widen the participation possibilities, reduce the risk of opportunistic participation and possibilities to monitor or guide the implementation process, it would be best to design a generic, EU-conform, framework.

This framework should cover (co-) finance possibilities with respect to:

- (1) Assistance in the scanning of company-specific possibilities for alternative transport
- (2) Assistance in the implementation of company-specific modal shifts
- (3) Assistance in the screening of the support possibilities on behalf of the public sector in terms of participation in investments in infra- and superstructure (cf. PACT, Marco Polo), and the submission of requests for funding,
- (4) Assistance in the screening of the support possibilities on behalf of the public sector in terms of participation in costs related to the setting up of mechanisms to coordinate and organize innovative logistic initiatives on behalf of shippers, and the submission of requests for funding.

Nota Bene: the framework should also foresee in the effective possibilities to fund the costs under type (4).

This way, an extended version of the VMOS instrument as it has functioned to date can be offered to the whole community of firms in Flanders. Contrary to the pilot situation; all companies that are interested in VMOS-like assistance, can then contract such assistance and part of the costs in which they engage will be carried by the public sector. Moreover, when offering the possibility to co-finance the implementation phase as well, the chances on materializing modal shifts should increase substantially. However, to provide an incentive to shippers to effectively materialize shifts, it is recommendable not to offer a 100% public covering of the costs, but only a part of it.

As a consequence, the bottom-up character of the pilot project in which only a selection of companies were able to participate would be transformed in a more generic policy program with a truly mixed scanning character.

It is, thus, argued that accompanying measures –as in a tradition of mixed scanning policy approach- can “accelerate” the moment in which the modal shift is effectively materialized. It can also help to reach out to more companies than is possible with the current set-up of the VMOS instrument. Both ways, the amount of shifts that can be materialized will increase and the effectiveness of the policy (instrument) is enhanced.

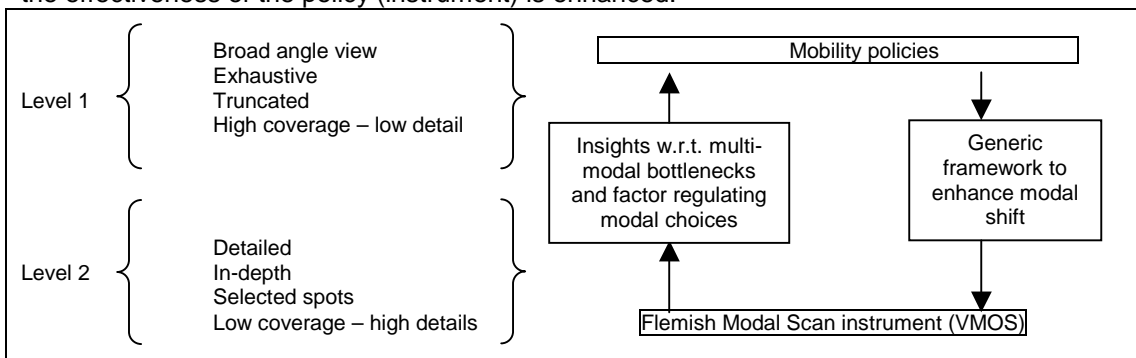


Figure 4: The VMOS instrument embedded in a generic policy framework, schematically

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