

Study on the Reform of Transport Institutional System in Chinese Central Cities

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Short biography:

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Summary

It is of great importance to promote the transport institutional reform in Chinese local cities by taking the opportunities of the local institutional system reform in combination with the spirit of central institutional system reform. In the process of this project research, theoretical study is combined with actual surveys and data collection, and international experience is combined with actual circumstances in Chinese cities. Through deep investigation and study, system

and mechanism issues that restrict the urban transport development are studied comprehensively; systematic summary of experiences in the international transport institutional system and analysis of typical cases in domestic cities provide references for the government; All these tasks, combine to form reform objectives, reform modes and important issues of the urban transport institutional system that can be analyzed, and consummated comprehensively.

1. Background

The 36 central cities (4 municipalities, 27 provincial capitals, and 5 coastal cities including Dalian, Qingdao, Ningbo, Xiamen, and Shenzhen) are the national and/or regional centers of the policy, economy, culture, technology and business. Moreover, they are large, heavily populated hubs with immense transactions of goods, services and information. Thus, they have special status and functions in promoting regional harmonious development while also encouraging a new economical growth axis.

The central cities usually have an abundance of transport resources, including the largest airports, railway hubs, ports, and advanced road networks in the region. Thus, they are the most significant transport hubs for national integrated transport, the centers of the regional integrated transport, and the connecting centers of various transport models. Therefore, they are paramount in accelerating the construction of convenient, fluent, highly-efficient, and safe modern integrated transport systems, and can be used to ultimately create city agglomeration with greater radiant effect.

The transport administrative agency of the central cities is a connecting link between the upper and lower levels. Compared with the transport administrative institution of provincial and other cities, the transport administrative institution of the central city faces more complex problems and is thus more eager to construct an integrated transport administrative institution.

Scientific, efficient transport institutional systems and operating mechanisms are important guarantees for realizing sustainable development of urban transport, and are fundamental in constructing modern comprehensive transport systems. However, there are many problems of urban transport institutional systems in China. The internal organizational setups and operating mechanisms are not scientifically based, functions are not oriented clearly, and the problems associated with multiple management are very obvious. These issues influence the government departments to fulfill their functions comprehensively and correctly, influence the increase of transport governing capacity and transportation service levels, and do not meet the requirements of economic society and modern comprehensive transport system. They have become important obstacles that restrict sustainable development of urban transport.

In 2008, “*Opinions on Further Reforming the Government Institutional systems*” was adopted in the Second Plenary Session of the 17th Central Committee of the Communist Party of China. It pointed out the need to *establish a relatively perfect socialist administrative system with chinese characteristics by 2020*. The *State Council’s Institutional Restructuring Plan*

was adopted in the First Session of the Eleventh National People's Congress emphasizing *organization of the Ministry of Transport*, responsibilities of the Ministry of Communications, Civil Aviation Administration of China, responsibilities of the Ministry of Construction for guiding urban passenger transport will be integrated and transferred into this Ministry. The central institutional system reform provides important opportunities for local transport institutional system reform. In this situation, it is very essential to study how to establish urban transport institutional systems and operating mechanisms in line with the specific characteristics of Chinese cities, define responsibilities and authority of transport departments and relevant bodies scientifically, thus enhancing administration efficiency and speeding up the construction of a modern and comprehensive transport system.

2. Current status of transport institutional system in central cities

As an important component of the Chinese institutional system, certain similarities exist in the developmental of transport institutional systems in central cities and the economic institutional system in China. After the *opening and reform policy*, the central cities have constantly promoted transport administration reform according to the overall requirements of establishing a socialist market-economy system. The governments of central cities actively promote reform, and some central cities have established integrated transport administrative institutions of *integration of urban-rural transport* or *one city one transport* system. As a result, the whole quality of service has been raised significantly. Now there are three management models in Chinese central cities as listed in table 1.

Model 1: Traditional model with overlapping management by various sectors

Transport administration is managed by various sectors including transport, urban construction, city affair management, urban management, and public security. There are eighteen cities applying this model, including Nanjing, Kunming, Fuzhou, Nanjing, and Hangzhou.

Model 2: Integrated urban-rural transport management

The transport authority manages the road and water transport, urban public transport, and highway passenger transport around the city. There are eight cities applying this model, including Shenyang, Harbin, Urumqi, and Xining.

Model 3: One city, one transport authority mode

The transport authority is in charge of design and plan, road (city and highway) and water transport, urban public transport, taxi management, and railway and civil aviation in the city. There are ten cities applying this model, including Beijing, Guangzhou, Chongqing, Chengdu, Shenzhen, and Wuhan.

Table 1 Overview of Transport Administration Modes in Central Cities

Mode Category	Mode 1	Mode 2	Mode 3
System mode	Transport, urban construction, municipal, public security etc departments implement cross management for the transport	Carry out integrated management of urban and rural road transportation	Comprehensive transport administration of "One Transport Authority in One City"
Representative cities	Nanjing, Kunming, Fuzhou, Nanning, Hangzhou etc 18 cities.	Shenyang, Harbin, Urumchi, Xining etc 8 cities.	Beijing, Guangzhou, Chongqing, Chengdu, Shenzhen, Wuhan etc 10 cities.
Typical characteristic	Multiple management, industry division, department division, crossed function, divided policies from various sources, high administrative cost.	Road transportation resources are integrated. But united strategies, united planning, united decision-making and united construction functions for urban and rural transport are not available.	Integrated road transport administration has been realized, but centralized and unified management has not been developed yet in aspect of transport infrastructure construction and maintenance.

In recent years, some central cities actively explore transport integrated administration reform to achieve integrated management, resource integration, coordination, and standard supervision, and have drawn some successful experiences.

In February, 2003, Beijing municipal government regulated and established Beijing Transport Committee, which is in charge of the integrated management of roads (including highways) in city and transport (including public transport, rail transit, long-distance passenger transport, freight transport, and water transport). Its administrative institutions were divided into either policy-making or operational involvement. (See Fig. 1).

In January 2006, Chengdu government repealed the city transport bureau's control over urban-rural highway transport along with the bureau of public's control over the public transport system in the city. Hence, it established the Chengdu Municipal Committee of Transport for integrated urban-rural transport management and carried out the integrated transport management

independently. (See Fig. 2).

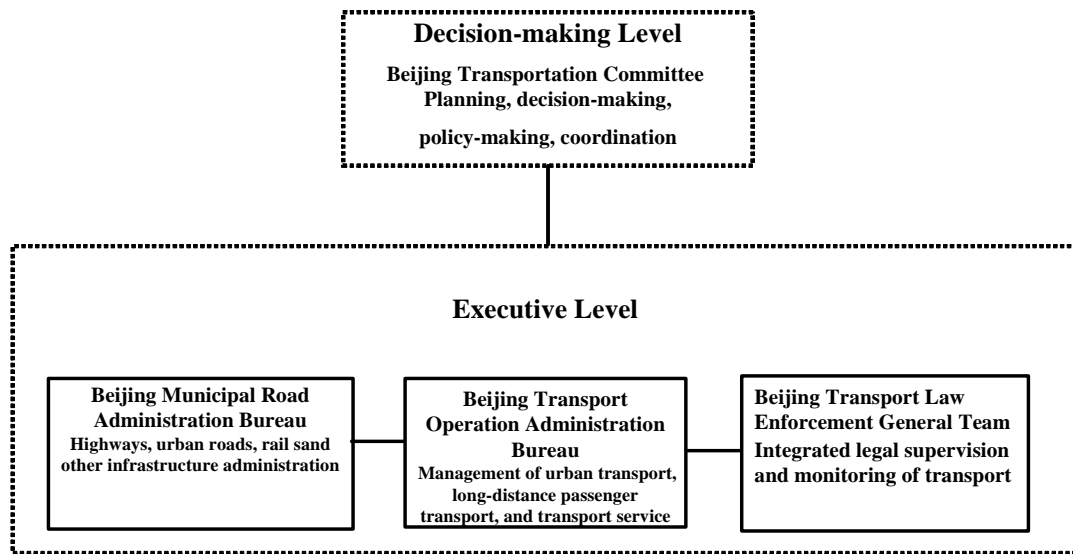


Fig. 1 Transport institutional structure in Beijing

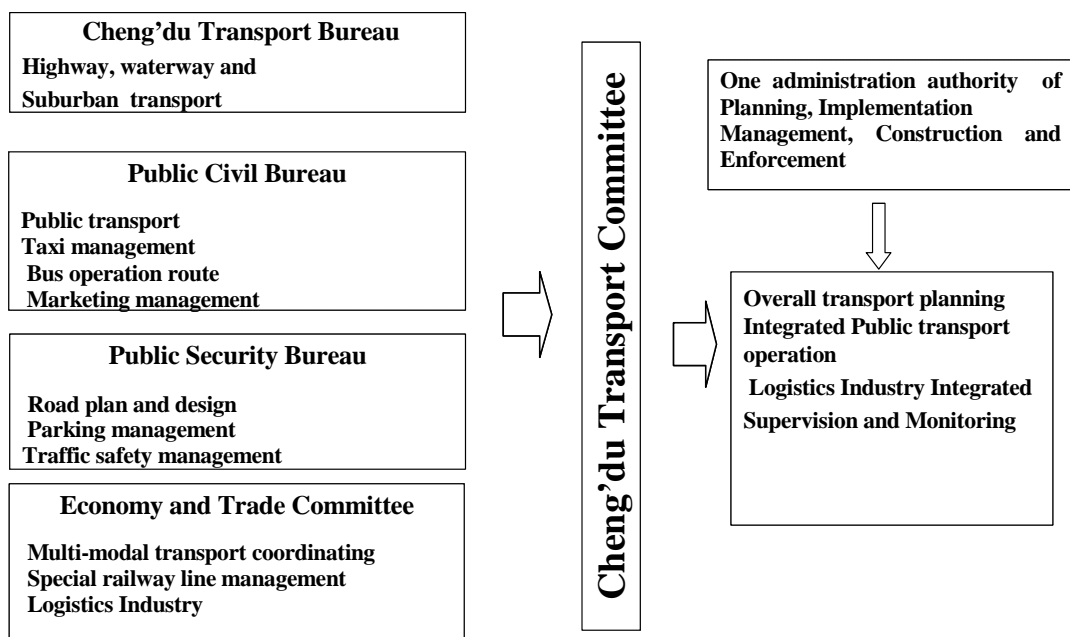


Fig. 2 Transport institutional structure in Cheng'du

3. Comparison analysis of the transport institutional modes in central cities

Table 2 is the distribution diagram of transport resource elements between city administrative departments in current institutional system modes in Chinese central cities. It can be seen from the table obviously that urban transport resource elements are distributed in several administrative departments to different extents in whichever institutional system mode. In contrast, transport resource elements are integrated to the maximum degree in the “One Transport Authority in One City” mode.

Table 2 Distribution of Transport Resources of the 3 Management Modes

Depart.	Mode 1: traditional mode						Mode2: Integrated management of urban and rural transport						Mode 3: "One city, one transportation" mode					
	Trans.	Civil affair	Const.	Pub. sec.	Trade Bus.	NDRC /corp.	Trans.	Civil affair	Const.	Pub. sec.	Trade & Bus	NDRC/ corp.	Trans.	Civil affair	Const.	Pub. sec.	Trade Bus.	NDR C/corp.
Bus		✓	✓				✓						✓					
Urban rail			✓			✓						✓	✓	✓				✓
Taxi	✓	✓					✓						✓					
Rural passenger							✓						✓					
Logistics													✓					
Aviation coordination					✓						✓		✓					
Rail coordin.					✓						✓		✓					
Highway	✓						✓						✓					
Waterway	✓						✓						✓					
Urban road			✓					✓	✓				✓	✓	✓			
Traffic safety				✓						✓			✓			✓		
Parking			✓	✓				✓	✓	✓			✓	✓	✓	✓		

Features of existing three institutional system modes in central cities are analyzed in aspects of the plan as a whole, information resource integration, transport safety guarantee, increase of logistics efficiency etc, as shown in the Table 4. From the view point of implementation effect, in existing three administration modes, *One City, One Transport Authority* mode realizes unified management and optimal configuration of transport resources to a great degree, increases efficiency, yields greater benefits to the transport system, and better meets social and economic development requirements.

Table 3 Efficiency Evaluation on the 3 Modes

Performance	Mode 1: traditional mode			Mode2: Integrated management of urban and rural transport			Mode 3: "One city, one transportation" mode		
	Good	Normal	Bad	Good	Normal	Bad	Good	Normal	Bad
Planning efficiency			✓		✓		✓		
Information service			✓		✓		✓		
Urban & rural trans. integration			✓		✓		✓		
Urban public trans. integration			✓		✓		✓		
Supporting the research			✓			✓	✓		
Traffic safety			✓			✓		✓	
Environmental sustainability			✓			✓		✓	
Logistics efficiency			✓			✓	✓		
Parking management			✓			✓		✓	

Traditional mode is a typical product of planned economic institutional systems, which lead to disjointed urban transport in terms of planning, construction, management and policy. Such planning could not meet the requirement of “*convenient, efficient, and safe*” comprehensive transport system development. It also cannot meet the requirement of conservation-oriented society construction. Thus, disjointed management is unfavorable to increase government service efficiency and such a policy is unfavorable to the construction of a harmonious society.

4. Major problems of transport institutional system in central cities

Facing the new situations and new requirements of economic and social development, discrepancies exist in the transport institutional systems of central cities. Current problems that restrict transport development in central cities mainly include:

4.1 Decentralized administration bodies with obvious contradictions

Various transport modes management bodies are disjointed. Presently, administration bodies of different transport modes for highway, railway, civil aviation, pipe, urban mass transit, bus and trolley, taxi etc in different cities of China are decentralized and in different departments. This means that different types of management modes are developed, including “*vertical management modes*”, “*block management modes*” and “*parallel strip modes*”.

4.2 Unreasonable administration functional configuration with low administrative efficiency

Firstly, unreasonable government function setting and unclear functional definitions have plagued administrative efficiency. On the one hand, transport department in central cities assume excessive construction, operating, and management responsibilities that should be assumed by industry association or society. Yet on the other hand, market supervision and public services along with other important governmental functions are not exercised effectively.

Secondly, too many administrative levels along with redundancies have caused low administrative efficiency, with results of low efficiency, due to overstaffing, waste of personnel, property, materials and resources.

4.3 Incomplete communication and coordination mechanisms

Urban planning, transport infrastructure construction and maintenance, passenger and freight transport, and road transport administration functions in most central cities belong to different government departments such as construction, public security, transport, planning etc, and lack of communication and coordination mechanisms.

Firstly, uncoordinated transport planning. Due to the lack of effective coordination mechanisms, it is very difficult to connect the various transport plans of urban road, highway, and urban rail etc. Secondly, uncoordinated transport administration, such as the contradictions between suburban passenger transport management of the transport department and urban public transport under the construction department, as well as traffic order, parking management and safety management under public security transport

management departments.

4.4 Incomplete supervision mechanisms

Firstly, imperfect supervisory mechanism in the transport system. This is mainly embodied in the fact that the transport administration department is both a policy executor, and the supervisor of policy implementation effect. Thus it cannot ensure its impartial law enforcement making supervision non-transparent and administration accountability questionable.

Secondly, lack of a supervisory mechanism for the service quality of public transport enterprises. At present, evaluation mechanisms and evaluation standards for operation service quality of public transport enterprises are unavailable in China, which caused weak supervision of the government on public transport enterprises with very low public participation degree.

5 Basic principles for transport institutional reform in central cities

5.1 Principle of limited government

Limited government means that government should be bound and restricted strictly by the constitution and laws in terms of power, function and scale. In precondition of enhancing government control capability, and increasing macroeconomic control levels of the government, the government should have something to do, and something not to do, should accept supervision and restriction while providing public goods, public services to meet public interest and objective demand of market economy development, so as to avoid abusing administrative power.

5.2 Principle of responsible government

Responsible government principle emphasizes that the core characteristic of a responsible government should be responsible politics. The generalized responsible politics, refers to the political form in which people could control the exerciser of public power, so his exercise of public power meets people's wills and interests, and is responsible for the people directly or indirectly.

5.3 Principle of performance government

Performance government refers to the government operation form oriented to preset public services performance evaluation goal, so as to investigate overall process of public services, evaluate government behaviors actively or passively. Government performance institutional system is a major means to promote governments of all levels and their departments to fulfill their functions comprehensively.

5.4 Principle of service government theory

Service government refers to modern government that meets social public demand, provides abundant high quality public goods and public services. The public service government mode is to create a public services supply system by the government, so that the government or society satisfies increasingly expanding public service demands of the people effectively, timely and sufficiently. Public goods supply bodies in public service government mode are not only limited to government organizations but can include all kinds of social

organizations or private enterprises to a large degree.

6 Key tasks for transport institutional reform in central cities

6.1 Accelerate the transformation of government functions

According to the principle of mutual constraints and coordination of decision-making, implementation and supervision, quicken the transformation of government functions. The transport department of central cities should separate the functions of operation, service and supervision from the administration to construct an executive institution. Thus, the administration institution focuses on the macro-decision such as policy making, while the executive branch of this institution and relative institutions would be in charge of the execution of said laws, policies and regulations brought forth by the administrative policy making branch.

6.2 Establish integrated transport administrative authority

According to the administration reform raised by the central government, the institution setting should follow the principle that one issue is managed by one department. The government should establish an integrated transport administrative authority to wholly manage the highways, urban roads, highway transport and urban transport, water transport, civil aviation, railway, post, and freight transport. Through establishing an integrated administration department to take on the overall responsibilities of transport management within the city scope to integrate the urban-rural transport system.

6.3 Improve complementary measurements

The city governments should promote complementary reforms among various aspects of transport investment and financing systems, institutions, road maintenance systems, and road transport market price systems. These measurements could create favored conditions for our intended transport institutional system reform. In addition, it will provide the professional management needs allowing for the transport department to enhance human resource management and civil servant construction in the transport industry, thereby creating a new talent selecting mechanism that will foster competition of thoughts and innovation.

6.4 Deale with the relationship with other departments

The transport department of central cities should effectively coordinate and communicate with other departments such as development and reform, finance and planning. In doing so, the transport departments can work to create a favored environment for the construction and development of integrated transport. For those issues involving different departments, an effective coordinating mechanism to clarify the rights and obligations of all parties involved should be established. Meanwhile, the transport department of central cities should enhance the coordination with other departments for the effective urban road and rail plans.

7. Reform goal

Well managed system: the government should focus on changing its function to standardize the institutional settings, focusing on specific rights and

obligations of such institutions. Thus, it could construct a justice modern integrated transport institutional system featured by complete system transparency, simple but effective institution, and harmonious and standard operation.

Complete operating mechanism: the government should fully and effectively execute its functions and make a large effort to take responsibility in the construction of a transport administration mechanism with unity of right and obligation, rational duty division, proper management, and enhanced supervision.

Four fundamental changes: first, the transport department should be changed to create a favored developing environment, suitable to market economy development that provides high quality transport services. Second, the transport department should have control of institution setting focusing now more upon scientific, standardized, law-based, and effective practices. Third, the transport department should have changes within the administrative bodies and management methods to make them more standardized and efficient. Fourth, the transport department should change the transport administration from, being segmented and disjointed, to centralized and integrated. This means a complete overhaul from the dualistic currently existing urban-rural structure toward a newer, combined singular entity under the urban-rural integration system.

8. Recommended model for transport Institutional reform

8.1 Management scope

Based on the laws and the direction of administration reform raised by the central government, the transport department of central cities is in charge of the issues which are not managed by the central and provincial transport departments.

1) Highway and Urban Roads Management. The duties include plan of highway and urban road, construction, maintenance, road management, and charging fees.

2) Urban Transport and Road Transport Management. The transport department of central cities manages the urban public transport (and urban ferry), taxis, rail transit, parking and transport impact assessment. Its duties also cover the road goods and passenger transport (including vehicle repair, driver training and stations upkeep), non-motorized vehicles, and traffic safety.

3) Water Transport Management. The duties include the plan, construction and maintenance of water channels; the planning, construction, maintenance, operation, and supervision of the ports; the management of water passenger and freight transport; and supervision of traffic security.

4) Management of Civil Aviation, Railway, Post and Logistics. The duties of the transport department of central cities include the infrastructure construction and operating management of the above four parts assigned by the central and provincial government.

Meanwhile, the transport administration department of central cities should

take on the functions of industrial association and agent services in the industrial sector, industrial self-discipline, and maintaining the order and stability of any and all associated markets. It suggests establishing experts and public participation systems for high-priority transport projects.

8.2 Function orientation

According to the reform requirements and real transport situation in central cities, the transport department of central cities has the following duties:

- 1) Macro-decision making policies. It includes proposing and adjusting the strategies and plans for the transport development in central cities, drafting and issuing local transport regulations and laws, and drafting and issuing local transport standards.
- 2) Public Service. It includes managing the public infrastructure and security of the public transport, providing information and services for public transport, and preparation for any future emergencies, national disaster and/or military conflicts.
- 3) Market Supervision. It includes the market access and supervision of transport construction and operation.
- 4) Integrated Coordination. It includes integration and sustainable development of the various transport models, coordination and management of transport financing, investments and price, coordination of transport security and environment, coordination of transport construction and transport enterprises, and coordination during emergencies and natural disasters.

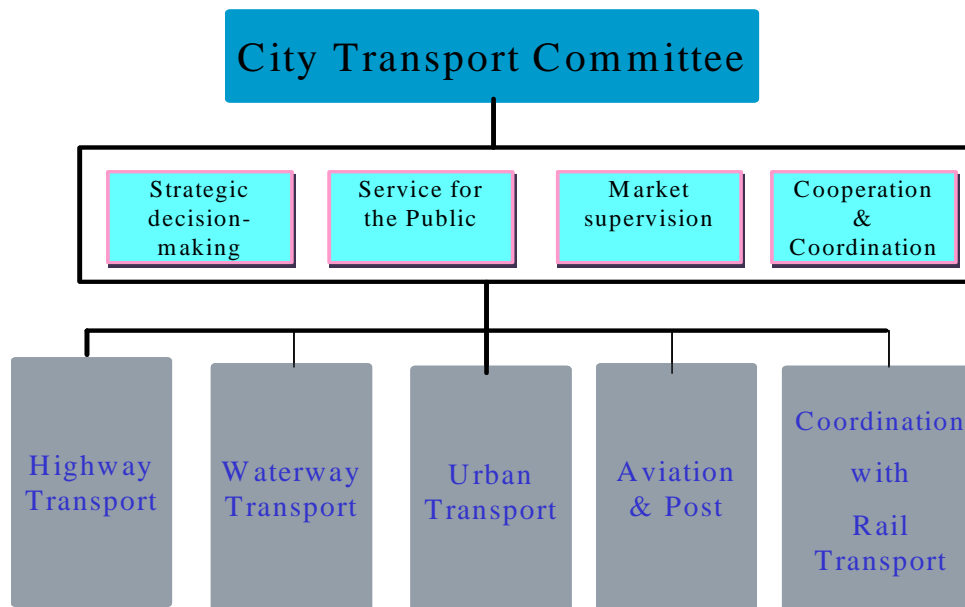


Fig. 3 Structure of Transport Institutional system of Central Cities

8.3 Organizations establishment

According to the “giant department” and governmental function changing policy, the transport department of central cities should construct the following institutions, in which the rights of decision making, operation and supervision are mutually restricted but integrated.

1) Professional transport management organizations

The government should establish professional transport management organizations for other issues except decision making, integrated coordination and supervision. The five organizations include public transport management institutions, infrastructure management institutions, civil aviation and port management institutions, construction quality and security supervision institutions, and integrated law enforcement institutions.

A. Public Transport Management Institutions

Its duties include the management of bus and trolleybus (including ferry), rail transit, taxi, parking, transport impact assessment, non-motorized vehicles, goods and passenger transport and other accessory business (such as vehicle maintenance, driver training and management of stations).

B. Infrastructure Management Institutions

It is mainly in charge of the construction, maintenance, management of infrastructure, road management, toll collection and travel fee management. The local government has a right to decide whether to transfer the managerial jurisdiction of urban road and rail transit to this institution or not to.

C. Civil Aviation and Port Management Institutions

For the central cities with large ports, the government should establish a Civil Aviation and Port Management Institution for the management of construction and maintenance of water channels, operation and safe working of the ports and boating lanes, waterway freight and passenger transport management, and the security of the water transport and water ways.

D. Construction Quality and Security Supervision Institutions

The institution is responsible for the supervision and management of transport construction markets and transport engineering safety, the supervision of construction quality and transport project cost management.

E. Integrated Law Enforcement Institutions

Its duties include highway and urban road management, land transport management, and law enforcement (including punitive actions) within the realm of land and water transport.

2) Establishing supervision institutions

The transport authority should establish some non-standing, independent supervision institutions, such as consulting committees with experts from various fields. It should also allow greater transparency toward the public, including evaluation meetings participated in by the public, and a law enforcement evaluating committee. Thus, these institutions could provide periodical consultant and evaluation of transport administration efficacy and service quality. These institutions will act as functions of social supervision and consulting, which make the decision more democratic, responsible and scientific.