



Introduction

Bernhard Wieland ^{1*}

¹ *Institute for Transport and Economics
Faculty of Transportation Sciences "Friedrich List"
Dresden Technical University*

Competitive Tendering is currently viewed by many as a *panacea* for the economic problems of public transportation services. Competitive tendering is believed to reduce costs, increase productivity, decrease subsidies, induce better quality, stimulate innovation, and to further the modal share of public transport. The European Commission advocates competitive tendering as a means to stimulate competition in public transport and as an important additional step towards the goal of an internal European market for transportation services.

The present special issue of European Transport assembles five articles which review the experience of those European countries that have the greatest experience with competitive tendering so far, namely the UK, Sweden, Norway, and Italy. To these European countries the overseas perspective of Australia has been added, because the failure of the public tender in Melbourne has received widespread interest among experts.

Basically the papers show that no easy answers and – what is even more important – no *standard* answers emerge. Competitive tendering will not deliver economic gains *per se*. Context and history matter. Moreover, there are some serious inherent pitfalls in competitive tendering that have to be avoided. Finally, it is not clear, in how far competitive tendering can replace regulation (as contended in Demsetz classical article of 1968) or whether there must still be constant monitoring of the winning bidder. It is also unclear whether improved regulatory mechanisms could achieve the same efficiency results as competitive tendering, but perhaps at less transaction cost.

Concerning the role of context Boitani/Cambini point out the importance of the political framework conditions. The two authors present new original data from which they conclude that the Italian experience with the tendering of bus services has been disappointing so far. The number of participants in the tendering processes has been very low in most cases and the incumbent won the tender almost everywhere. There has been no convergence of cost levels (as should be expected with a well known production technology like in bus transport) and the cost savings that have been achieved have been

* Corresponding author: Bernhard Wieland (Bernhard.Wieland@mailbox.tu-dresden.de)