



Institutions and the governance of transport infrastructure projects: Some insight from the planning and construction of the CentrePort Canada Way



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ABSTRACT

The paper investigates the dynamics between institutions and the governance of transport infrastructure projects, focusing on the planning and construction process of the CentrePort Canada Way (CCW) project. The CCW is regarded as a pivotal project in helping CentrePort Canada, the major inland port in Winnipeg and the province of Manitoba, to become a major inland transport and logistics hub in catalyzing and promoting international trade between Manitoba, Canada and the world. It focuses on how institutions have caused paradigm shifts in the planning culture of infrastructure projects in Manitoba, notably the Manitoba Infrastructure and Transportation (MIT)—how such shifts have transformed its initial idea, financial support, planning and construction of the CCW project. We hypothesize that institutions have influenced in an important manner on the direction of planning and development the CCW project, in both positive and negative ways. The paper offers insight to the roles of institutions on the planning and development process on large-scale transport infrastructure projects.

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1. Introduction

The expansion of international trade and global supply chains has posed significant challenges for ports—not only the nature of demands for their services but also geographic monopolies, resulting in the blurring of boundary lines demarcating port-specific forelands and hinterlands (Ng, 2006). With the global division of labors, the diversification of the process production to different countries and regions, global supply chains have gradually transformed the pivotal roles of ports (not just seaports, but any nodal facilities which can facilitate the smooth production, and the efficient distribution, of products around the world, including inland ports, river ports, and even airports) in connecting global productions and economies (Ng & Liu, 2014; Xiao, Ng, Yang, & Fu, 2012). As most cargo flows are constrained by geographic distances (Guerrero, 2014), niche markets and local economies would be given the opportunity to connect to the global economy only with the existence of ports and other logistical nodes.

Hence, inland ports have affirmed their significance to complement market development, seamless transport and supply chain integration,

in both developed countries and emerging economies. However, while the well being of the facilities and infrastructures inside the inland ports was critical, the infrastructures connecting inland ports were equally important, as they ensured that the inland ports would not become isolated islands. Needless to say, the criticality of inland ports to modern supply chains has been extensively studied (e.g., Ng & Cetin, 2012; Rodrigue & Notteboom, 2009; Slack, 1999). However, while there were many studies focusing on the construction and operation of inland ports, with some notable exceptions (e.g., Lehtinan & Bask, 2012; Monios & Lambert, 2013; Rodrigue, 2004), attention on the linkage connecting inland ports and other components of supply chains was relatively scarce. Moreover, it was surprising that there was not much attention paid on the effects of institutions on the planning and development of inland ports and related facilities, despite the fact that inland ports, and related facilities, are embedded within particular countries and regions, and thus nearly always influenced by the established local institutional frameworks. Some significant gaps have yet to be filled, and this raises an important research question: ‘in what ways do institutions affect the funding of transport infrastructure projects, and how do they impact on the effective governance in intermodal transportation?’

Understanding such a deficiency, the paper investigates the dynamics between institutions and the governance of transport infrastructure projects. The study focus is on the planning and construction of the CentrePort Canada Way (CCW) (which took place in 2009–2013), a

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10-km expressway which aims to improve the connection between CentrePort Canada (hereinafter called 'CentrePort') to the Perimeter Highway (a 90-km beltway around the city of Winnipeg of the province of Manitoba), and into key trade corridors, notably the Asia-Pacific Gateway ([CentrePort Canada website](#)). The CCW is regarded as a pivotal road project to enable CentrePort, the major inland port in Winnipeg (the capital city of the province of Manitoba), to become a major inland transport and logistics hub in catalyzing and promoting international trade between the province of Manitoba, Canada and the world. It focuses on how institutions have caused a number of paradigm shifts in the planning culture of infrastructure projects in Manitoba, especially the Manitoba Infrastructure and Transportation (MIT)—how such shifts have transformed its initial idea, financial support, planning and construction of the CCW project. This study is highly relevant to the effective governance of intermodal transportation in the contemporary world: it clearly illustrates the (changing) use of government funding to develop intermodal terminals and services, and thus enhances our understanding on how resources, relationships and responsibilities are managed so as to achieve a particular, desired outcome.

In this regard, we believe that the CCW project deserves special attention, as it represents a significant gap that has largely been overlooked in previous research on similar topics. CentrePort was established in 2009 in Winnipeg, of which the city is, indisputably, a regional (admittedly, relatively isolated) center within a developed country (and also with a large area). Under such a setting, there is little doubt that the economic well being of Winnipeg and CentrePort is (and will be) closely knitted together.³ However, unlike its major counterparts (like Chicago), there were few doubts that CentrePort, as it stands, does not belong to the major transport and logistical 'trunk routes' (in terms of handling international, notably trans-continental, traded products from the emerging economies, such as China) within the continent. Moreover, CentrePort is located in a region adjacent to various natural resource and agricultural bases which possess considerable potential for exportation. Unsurprisingly, such a unique setting has significantly shaped governmental policies (especially provincial) on its development, while it also differentiates the relationship between the inland port and its surrounding regions with its major counterparts (cf. [Notteboom & Rodrigue, 2005](#); [Padilha & Ng, 2012](#)). It is fair to argue that CentrePort is a 'Type III' inland terminal which distinguishes from the type as illustrated by [Notteboom and Rodrigue \(2005\)](#) based on their 'port regionalization' concept ('Type I') and 'Type II' (which mainly exists in emerging economies like India and Brazil, see [Ng & Cetin, 2012](#); [Ng & Gujar, 2009](#); [Padilha & Ng, 2012](#)) inland terminals. As mentioned, the CCW is likely to play a pivotal role in deciding the future success of CentrePort. Hence, the lessons learnt from the CCW project will be especially valuable to professionals who are planning, managing and operating inland ports locating in a regional city, but currently not along the major transportation and logistical trunk routes. Moreover, it will offer useful insight on the roles of institutions on the planning and development process on large-scale transport infrastructure projects.

The rest of the paper is structured as follows. [Section 2](#) consists of the theoretical background, while the methodology and a brief introduction to CentrePort can be found in [Sections 3 and 4](#), respectively. In [Sections 5, 6 and 7](#), the planning and development of the CCW project are discussed by dividing it into three main phases, namely 'origins and ideas', 'sought for federal support' and 'planning and construction', respectively. Finally, the conclusion can be found in [Section 8](#), where the contributions to scholarly knowledge and implications for managerial practices are illustrated.

2. Theoretical background

There are many research studies addressing the nature and impacts of institutions—understood as structures (both formal and informal) or mechanisms of social order governing the behaviors of individuals within societies. In historical institutionalism ([Hall & Taylor, 1998](#); [March & Olsen, 1989](#)), institutions pose systematic constraints on individual and collective choices, promote certain actions and preferred outcomes, and push non-institutional actors towards strategic calculations to fit into new environments. Yet, they are rarely the sole cause of outcomes. Ultimately, even the institutional framework depends on what could be done within the economic sphere, notably the pressure along identified directions; the possibility of implementation; the country or region's position within the global economy; and the organization of labors, capital, and the state. In this regard, neo-institutional theory recognized that path-dependent policy was affected by critical junctures: when events created visions of institutional change and divided events into different periods. Indeed, the development of institutional change was dialectic ([Buitelaar, Lagendijk, & Jacobs, 2007](#)). Moreover, coercive and persuasive powers enabled the development of events, e.g., governance forms, institutionalized norms, traditions, etc., which countered changes in completely de-shaping existing structures. In many cases, reforms within a sector took place incrementally with notable characteristics, reflecting the remnants of pre-reform setting ([Denzau & North, 1994](#)). Unsurprisingly, this may affect the relationships between this particular sector and its surrounding activities, both competing and complementary ones.

This account may be valid for organizational changes (e.g., [Johnson, Smith, & Codling, 2000](#); [Sminia & van Nistelrooij, 2006](#)), including institutional agents. Public organizations are major actors in exercising institutional pressure, but they are also strongly affected by such pressure ([Pouder, 1996](#)). When moving service transactions to market environments the prominent role of the regulatory framework, and legitimacy, is firmly embedded within distinctively social, legal and economic environments demand institutional studies ([Fernandez-Alles & Llamas-Sanchez, 2008](#)). In the economic sphere, arrangements forming the construct within which a particular sector of the economy, or even a specific industry, operates represent a sub-set of the institutional framework. These arrangements may have profound effects on the way that the economic sector (or parts of it) in question evolved. Nonetheless, they are only a fracture of the broader institutional framework, with the latter being deterministic about the details of these arrangements. Such arrangements exist in cultural and political contexts that define their forms.

However, most aforementioned studies focus on how institutions create locked-in or path-dependent inertia which avert organizations to move away from the originally intended development (sometimes spatial) processes, dynamics and outcomes. Few (which include existing institutional theories and studies) notice that such institutional barriers would simultaneously create intangible forces pushing stakeholders to seek alternatives. This is especially true when the situation has reached the critical juncture, in which they must quickly adapt for better survival in an increasing uncertain external environment. Traditionally, it is understood that institutions are established to avert chaos and uncertainties, and various historical experiences suggest that social contracts and practices, in most cases, would gradually 'institutionalize' to certain routine practices so as to keep societies intact through averting uncertainties and potential chaos—not to mention the desire to maintain certain social objectives and control (for instance, the accumulation of capital; see [Harvey, 2006](#)). Even in a world of globalization and interdependence, institutions and their agents may not necessarily react differently and, in some cases, may even attempt to reverse any potential changes ([Biersteker, 2000](#)). Nevertheless, when new circumstance arises, the interactions between institutional agents with diversified procedures and practices, and especially between different hierarchies, inevitably increase. This may create 'outlets' for institutional agents to exploit, and ultimately disembedded from the established

³ Further information on the role of cities in developing inland ports and regional logistics centres can be found in [Bergqvist \(2008\)](#) and [Witte, Wiegman, van Oort, and Spit \(2014\)](#).

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