Infrastructure Investments in a Shrinking Society

Dr. Weert Canzler

WZB, Projektgruppe Mobilität

6th STRC Swiss Transport Research Conference Monte Verità



Outline:

1. The ambivalence of the expansion of traffic infrastructure: **unintended effects of good accessibility**

2. Bundesland Brandenburg: **Precursor of shrinking**

3. Innovative offers in transport markets: some ideas

4. First results of preleminary studies: captured in the **dilemma of public aid**

5. Summary and outlook

Unintended effects of good accessebility

Expansion of infrastructure is part of state-aided strategy with the objective of adjustment of circumstances. Intended is:

- 1. Good accessibility even of remote places and regions
- 2. To encourage endogenous economic potential
- 3. Added settlement of industry and private households



Modern Transport Routes for Sustainable Industrial Locations (Moderne Verkehrswege für einen zukunftsfähigen Wirtschaftsstandort)

"Transport policy for East Germany has the primary goal of creating and developing an integrated, efficient, and environmentally sound transport system. Transport policy is also locational policy, for a functioning transport infrastructure is essential for the sustainability of the East Germany economy. It is important not only to enhance East Germany's attractiveness for business and industry but also to ensure mobility and promote sustainable spatial and settlement structures."



Unintended effects of good accessibility

Statement after 15 years of expansion of transportation infrastructure in the "new Bundesländer":

- Except for a few "islands of growth": large areas are emptying due to declining birthrates and selective migration
- Rates of mobility as well as long-distancecommuting have risen expecially in shrinking areas ("Entleerungsregionen") – last but not least due to dank an excellent transportation infrastructure



Dohnany-Kommission: 15 Jahre Aufbau-Ost (2004):

"Unemployment in the new states at an average rate of over 18 % has reached a catastrophic 40 % to 50 % in some regions; some 500,000 commuters to the West distort this figure; continuing outmigration, especially by young people, is typical of all the new states; overaging of the population threatens to become even more dramatic than in the West, as does a dangerous loss of well educated people and creative minds; this depopulation is causing growing per capita costs, particularly for maintaining the urban infrastructure."



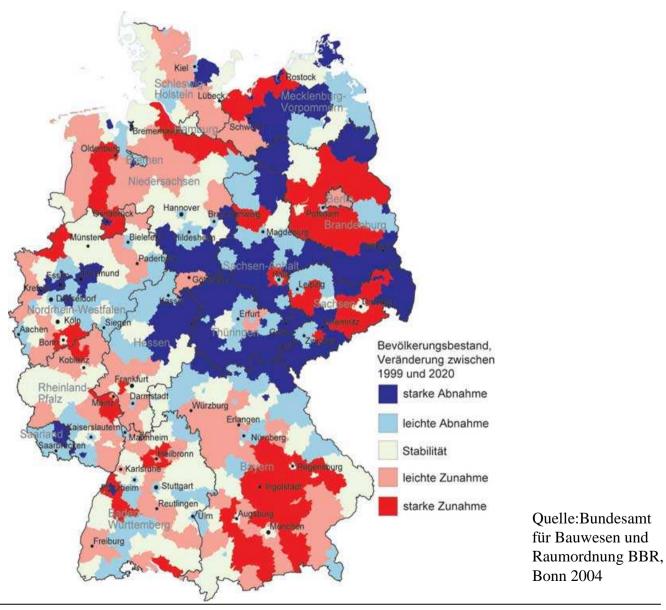
Unintended effects of good accessibility

Consequences of expansion of infrastructure in East-Germany: Indeed better accessibiliy – but hardly incentives for growth. Possible reasons:

- Highly level of accessibility in general prevents spezific comparative advantages.
- Other preconditions for economic clusters like assets, know-how, r+d-capacities are missing.
- Soft factors like non-attractive landscapes, xenophobia or military/industrial legacies are not favourable.



Unintended effects of good accessibility



Demografic change concretly: "Bundesland Brandenburg"



Capital: Potsdam Area: 29.477,16 km² Population: 2.567.220

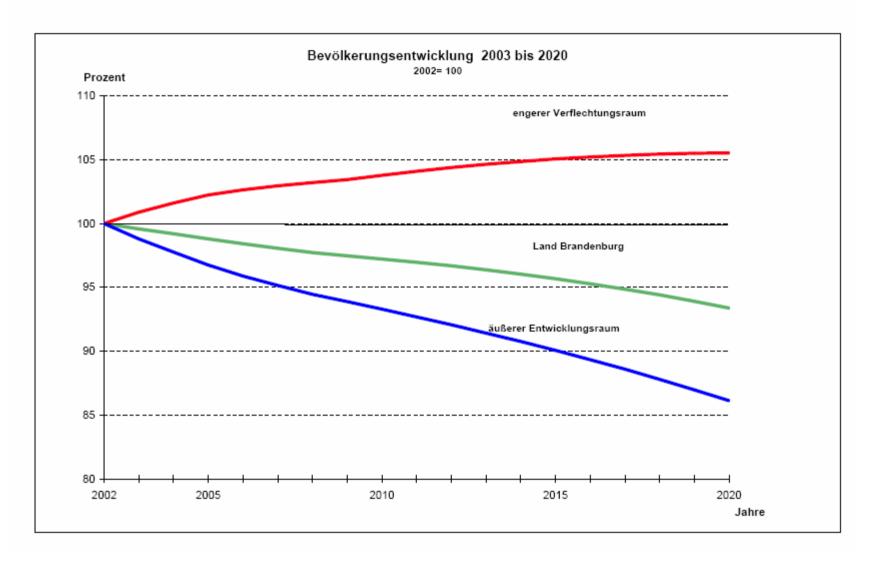
Special feature: Brandenburg surrounds the independent Bundesland Berlin



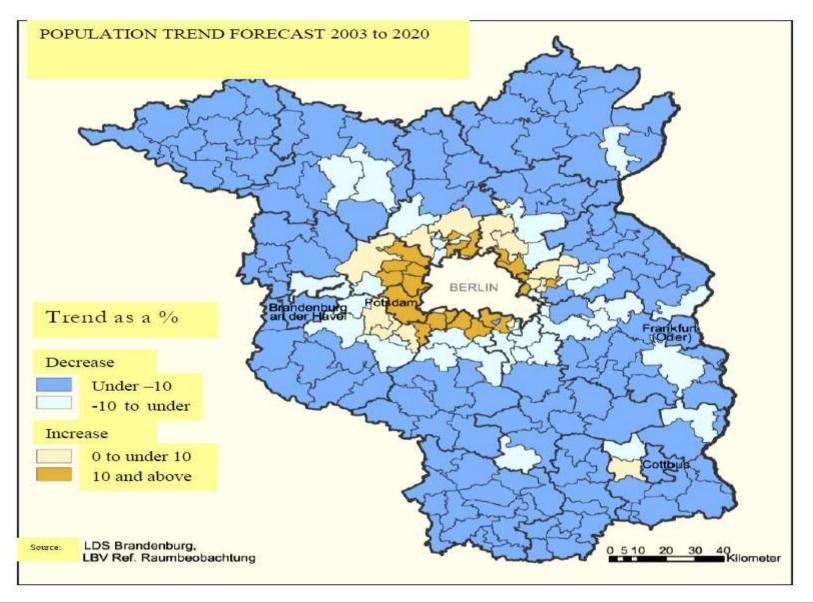
Dimensions of demografic development:

- Shrinking
- Ageing
- Internal migration

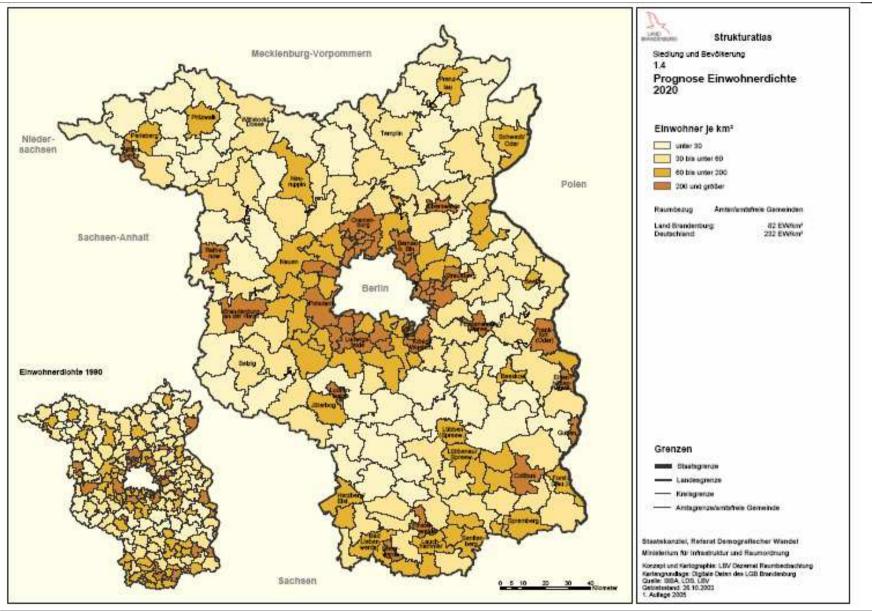




Quelle: Landesbetrieb für Datenverarbeitung und Statistik Brandenburg



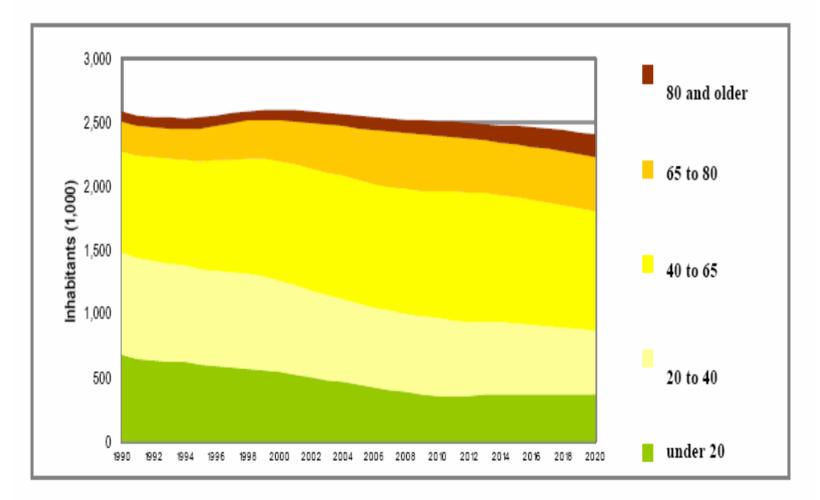




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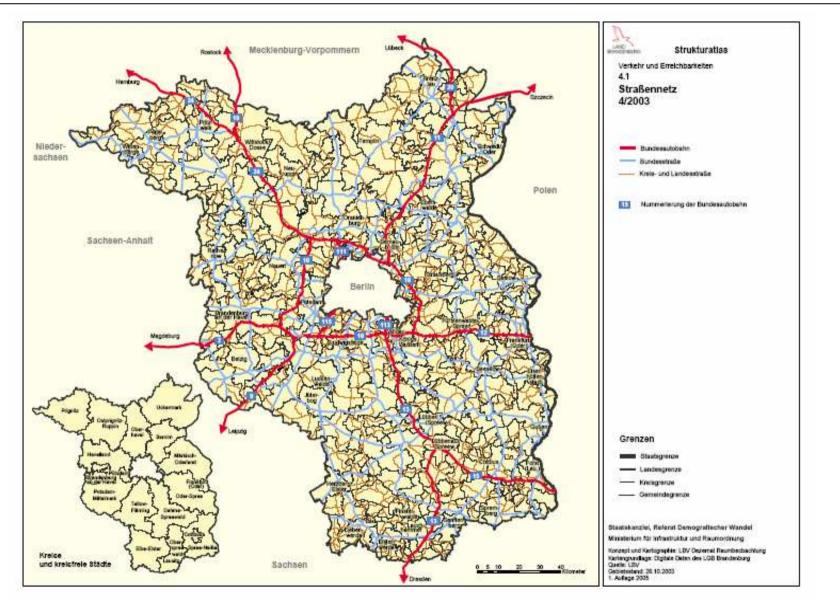
Change in population of Brandenburg according to main age groups

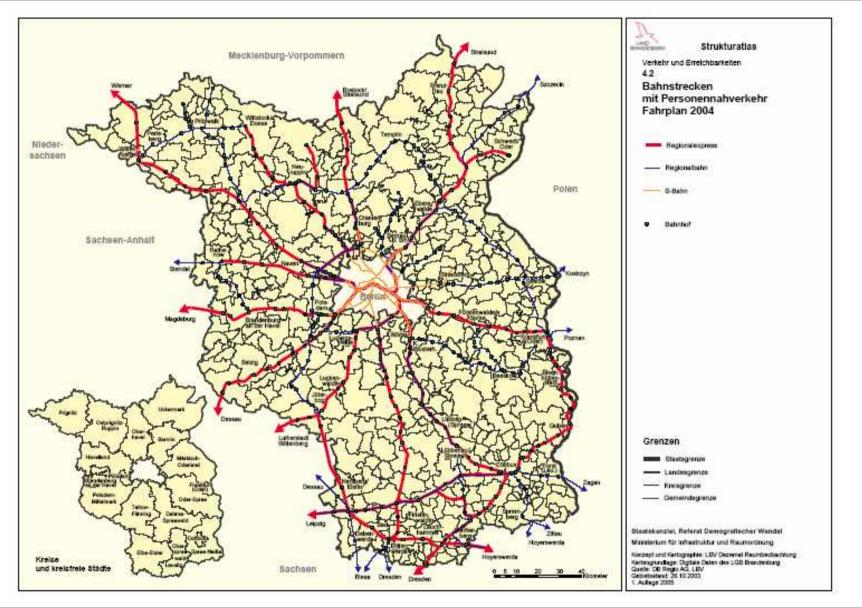


Quelle: Landesbetrieb für Datenverarbeitung und Statistik Brandenburg



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Innovative offers in transport markets

Transportation concepts for shrinking rural regions – in answer to the crisis of public transport:

- Beyond the classical public transport: flexible services – for instance taxi by phone ("Anruftaxi"), bus by phone ("Rufbus") etc.
- Based on engagement of civil society: small buses run by citizens ("Bürgerbus")
- Public and private car-pools



Innovative offers in transport markets

General framework for innovative offers in shrinking regions:

Better use of available infrastructures - little net investment

• Falling, in best case stagnating public aid

 Highly equipment with private cars, falling share of captives



Innovative offers in transport markets

Political and legal consequences:

• Deregulation

• Shift of competences to local authorities

• To accept unequally circumstances

Profile of a research project in Brandenburg:

- Identification of local authorities (esp. counties) as well as companies and citizens in Brandenburg who are up to innovate in public transport
- Design of model experiments in the sectors of transportation and water supply (resp. wastewater)
- determination of experimental fields (legal, financial, etc.) in common with "Bund" und "Land"



First results: Caught between pressure of problems and dilemma of public aid

- Several administrative districts, towns without district und special purpose associations ("Zweckverbände") ready für experiments
- Chances of promotion strategy of Land Brandenburg and shortening of federal ressources in transportation sector increases pressure on the one hand...
- ... fear of a loss of present promotion paralyses on the other hand.



Interim result:

- Conventional public transport in shrinking regions will not be held up in future due to the fact that the transport of learners ("Schülerverkehr") will decline
- Present infrastructure must be used much better net investments can not be expected
- Innovative offers in transportation sector need deregulation und dezentralised competences
- Local und private car-pools und "Bürgerbusse" require public-private-partnerships
- Precondition is an adjusted legal-political framework



Outlook and open questions:

- In general: It's unevoidable to overcome the growth-paradigm
- Local authorities and their enterprises have to come out of the "Förderdilemma"
- How to incite entrepeneurship?

• Which players of civil society can be involved?

