8 Transport Infrastructure Policies

This chapter investigates the link between transport infrastructure policy within EU regional policy, non-spatial EU transport policy (‘EU transport policy proper’) and national transport infrastructure policy. Section 8.1 reviews theoretical considerations on the link between transport infrastructure and economic performance, followed by quantitative assessments of infrastructure endowment differences in EU regions. Section 8.3 investigates the national and regional distribution of member states’ transport infrastructure investments and Section 8.4 focuses on the different elements of EU Transport Policy.

8.1 INFRASTRUCTURE, PRODUCTIVITY AND CONVERGENCE – A REVIEW

Before investigating the various aspects of the link between (transport) infrastructure, productivity and convergence it is necessary to define what is meant by the term infrastructure and to review some of its economic particularities.

The definition that makes the most sense from an economics standpoint consists of large, capital-intensive, natural monopolies such as highways, other transportation facilities, water and sewerage, and communications systems (Gramlich, 1994: 1177).

According to the terminology of Munnell (1993: 24), these facilities are called ‘core infrastructure’. A wider definition of ‘infrastructure’ would include additional facilities such as schools, hospitals, nursing homes and theatres. Core infrastructure, however, constitutes not only the largest part of total infrastructure, it is also the economic impact of core infrastructure that has attracted the most academic interest. Henceforth, this chapter focuses on core infrastructure and in particular on transport infrastructure.

What are the economic particularities of transport infrastructure?

- Transport infrastructure cannot be separated from transport services, although the degree of complementarity is weaker for transport modes such as cars which are predominantly used on an individual basis. It is particularly strong, however, for railways and...
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air services but also for road haulage and freight transport on inland waterways.

- There are some public goods characteristics to transport infrastructure (Vickerman, 1994). The use of uncongested roads for example is non-rival. The public goods aspect is weaker for other modes. Air transport services to major airports, for example, face limitations in the form of take-off and landing slots.

- Transport infrastructure frequently causes significant positive and negative external effects. A transit route like the Swiss Gotthard Pass, for example, has significant positive external effects for Switzerland’s neighbouring countries. Within Switzerland, however, substantial negative external effects due to environmental problems and congestion on the approach routes will occur. As a result, infrastructure links are a frequent cause for intra- and international negotiations.

With regard to the EU, it is important to note that positive spillover effects of infrastructure can provide an economic rationale for European involvement in certain areas of transport policy. EU support for the construction of cross-border transport infrastructure, for example, can be justified if positive international external effects of such infrastructures are not taken into account in national transport infrastructure investment plans. These considerations are related to a fourth economic characteristic of most forms of transport infrastructure, namely their network character. A number of recent infrastructure projects in the EU illustrate this aspect.

The commercial viability as well as the development impact of the Spanish high-speed rail link between Madrid and Seville have been regarded rather critically (Ross, 1994: 203). This is largely due to the absence of links between the Madrid-Seville line and the rest of the Spanish and European rail system. The second example is the UK Channel Tunnel link. Due to poor connections with the rest of the UK rail network, the positive effects of through rail services to continental Europe for rail traffic in the UK and regional development in the south-east of England are significantly reduced (Simmons, 1991).

Having established the key economic particularities of transport infrastructure, its various economic effects will now be disentangled.

8.1.1 Direct Effects of Infrastructure

Direct effects of transport infrastructure are primarily the economic consequences of the construction, servicing and maintenance of infra-