Transport Investments and Economic Growth

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Ground to cover

- European urban context
- Low impact of high level of road or rail accessibility
- Air accessibility and GDP
- Linking and leaking
- Building critical mass
A large number of mid-size cities and only two cities over 10 million
a few large cities on the coasts
Small number of megacities
Very few mid-sized cities
Low impact of road and rail accessibility
Access to flights and GDP per capita
GDP growth and increasing access to flights: What is the driver?
Linking and leaking

What helps:
- Invest in business environment
- Invest in human capital
- Move up the value chain
- Anticipate restructuring
- Diversify into related sectors and new ones
- Build strong links between education, public and private sector

What does not help:
- Rely only on transport investments
- Delaying restructuring
- Brain drain
- Poor access to services (IT, education, health care, banking services)
- Lack of entrepreneurship
- Low institutional quality
- Lack of critical mass
How to build critical mass

• In dense polycentric urban areas
  – Connect neighbouring cities
  – Cooperate both in public and private sector

• In monocentric urban areas
  – Connect to suburbs
  – Cooperate with surrounding areas
  – Connect with other more distant urban centres

• In sparsely populated areas
  – Identify regional centres
  – Invest in education
  – Specialise in specific centres
Access to services: IT

Household having access to broadband by degree of urbanisation, 2008

Bubble size is population with difficulty by area, as % of total population with difficulty

Source: EU SILC

Countries ranked by share of population with access to broadband
National context

- Flexible labour market policies
- Regional innovation strategies
- Decentralisation
- Location of research institutes
- Location of government offices
- Access to services
- Differences in cost of living and quality of life
- X-factor