

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills Committee

Masnachfaint Rheilffyrdd a chyflwyno Metro / Rail Franchise and the Metro

Ymateb gan Dr Mark Lang / Evidence from Dr Mark Lang

## **Introduction**

This short paper provides a summary version of '[On the Right Track?](#)' (Lang, 2016), which was a report prepared with the support of the Federation of Small Businesses Wales to consider the potential local economic impacts of the Cardiff Capital Region Metro.

The Report considered the broader economic context and debates within which the Metro proposals fall, the international evidence around the impact of large-scale transport investments, the socio-economic context in South East Wales, as well as the arguments proposed in support of the Metro. It offered some tentative analysis of the case for the Metro investment, and sought to raise a series of concerns rather than prescriptive conclusions.

The concerns related to the economic rationale; the lack of international evidence to support the view that transport investment *necessarily* leads to positive economic or social outcomes; and, the lack of a detailed spatial understanding of South East Wales against which to plan an integrated transport network.

The key points of the Report were:

- Many of the arguments and justification put forward in support of the public investment for the Metro appear to derive from a belief that it will make the Cardiff city region more 'competitive', and therefore more prosperous. Debate and discussion about the Metro has so far failed to question the 'collaborate to compete' perspective on local economic development, nor to fully consider the alternatives such as foundational

economics. Should the Metro investment proceed, its manifestation is therefore likely to follow the priorities of its dominant rationale and it may miss important opportunities to support local and distributed economies across South East Wales for a more 'inclusive' economy.

- There is little international evidence concerning the non-transport benefits associated with transport infrastructure investments, and there is a real lack of robust methodological approaches to establish the investment, or planned investment, and social or economic outcomes. Despite this, much of the justification for the Metro proposals appears to be based on the likely economic benefit to the Cardiff city region. The spatial context appears to be critical to determine who benefits from investment, yet there has been little spatial analysis forthcoming, and what analysis has been undertaken has some major shortcomings. The question of who will benefit from the Metro investment – centre of periphery – remains unanswered. Metro hubs appear to offer a potential aid to hyper local economic uplift, but the context is critical, and internationally, such transport hubs have had negative and indifferent, as well as positive effects.
- There is very little evidence available on the spatial interconnectedness of places in South East Wales. Without this understanding it is unclear how a truly effective and integrated transport network can be created, as it is not possible to conclusively say what the network is seeking to connect. If delivered inaccurately, the network could cut across existing local economies and weaken them even further. The Metro consortium in its reports and recent Welsh Government statements have indicated that they believe future economic opportunity for South East Wales lies in Cardiff. Without a full spatial understanding, however, it is not possible to determine whether the proposed Metro will benefit the city of Cardiff at the expense of other towns and communities across South East Wales, boost local economies in locations outside of the City, or simply have no impact at all.

## **The Potential Impact of the Cardiff Capital Region Metro**

There is no doubt that the Cardiff Capital Region Metro proposals offer a significant scheme for improved public transport connectivity throughout South East Wales. It is also clear that the region suffers from poor internal connectivity resulting from a weak and fragmented transport system. The case presented offers a range of measures that are likely to lead to improved reliability, integration, travel-times and network planning. From a service user perspective new rolling stock is likely to lead to an improved passenger experience and therefore may boost the numbers of commuters that utilise public transport as a means to travel and commute. The focus of the 'On the Right Track?' report, however, was to consider the potential economic and social impacts of the Metro. In this respect, the evidence is mixed.

The Metro has the potential to offer a scheme that garners widespread political support, and help to build the architecture for the city region experiment and City Deal programme. This approach fits with an emphasis on internationally competitive cities, the rationale that has come to dominate economic priorities in Wales. Placing an overriding emphasis on securing foreign direct investment, however, risks overlooking opportunities to support Wales' existing and small businesses. It also risks overlooking the existing spatial interconnectedness in a quest to impose city region architecture on the socio-economic landscape of South East Wales, which is little understood. In the context of the Metro, it is important to understand that the economic rationale for the investment is based on a particular view of how to grow the Welsh economy.

The international evidence about the impact of major transport investment is mixed. There are a range of potential unintended consequences, which have been seen to have negative effects on poorer communities. It may actually become more difficult and more expensive for the very poor to access public transport. The idea of the 'Metro hub', which was introduced in the second Metro report to illustrate how the Metro might aid development across parts of

the network outside of Cardiff, may have unintended consequences. The Report also showed that the spatial planning evidence presented by advocates of the Metro contains some significant shortcomings.

There is little robust international evidence around the measurement of non-transport impacts arising from major transport investments. Part of the reason appears to be the existence of too many variables to assess impact accurately, and the most commonly ignored factor is equitable outcomes. This can lead to inaccurate assumptions around the impacts of investment and the confusion of cause and effect in post-investment evaluations. The international evidence of who benefits from investment, centre or periphery, is mixed. It cannot be assumed that the wider city region will benefit, as it may actually suffer. This is part of a much wider debate about city regions. Distance is also a key socio-economic consideration. Those living closest to the core of a planned transport investment may benefit far more from the investment than those at the periphery. The overwhelming balance of international evidence shows that understanding the context to major transport investment is critical to determining its likely success. Context appears to be critical. This work has not adequately been undertaken in the case of the Cardiff Capital Region Metro.

That said, the extremely poor transport network in South East Wales cannot be ignored. Nor can the ignorance of the extremely poor economic performance of the region, or its social consequences, be acceptable. The reality is that transport, or any other form of infrastructural investment, will not of itself address the underlying economic problems of South East Wales or the social consequences. Perhaps, just perhaps, if steered toward the best approach to equitable outcomes, it could form part of a broader answer. The balance of international evidence suggests that transport investment is not, as some would argue, an economic 'silver bullet'. Context is critical, and in that respect South East Wales, and Wales more generally, needs to have a more open and honest debate about what sort of country we want to be and what is important to us.

*Dr Mark Lang, February 2017*