

# “Economic benefits of cycling in the EU-27 – ECF’s political messages”



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When talking to decision-makers, economic arguments are often the strongest; this is no different with cycling. ECF has therefore looked into the economic benefits of cycling in the EU-27. The numbers we have found are between € 205.2 – 217.3 bn. This is a significant economic impact, larger than the GDP of several EU countries so it cannot be ignored.

This creates a powerful set of tools and arguments that can be used not only by cycling advocates. Within government and municipal structures these arguments enable officials and political supporters of cycling to make the widest possible case for investment in cycling.

Therefore, ECF calls on European Commission, national, regional and local governments to:

## 1. Cooperate across departments on cycling policy

Given the broad range of the benefits of cycling, in particular in the fields of transport, health, economic development and environment, high level political leadership and cross-departmental cooperation is essential. Aside from the aforementioned four departments, ministries such as urban affairs/ city planning, education, tourism and finance should also be part of the discussion. A cross-departmental cycling action plan should lead to one integrated cycling policy, in particular regarding the exploration of coordinated and synergic funding streams for cycle infrastructure and promotion.

## 2. Include health benefits of cycling in ‘Internalisation of externalities’ policy

The World Health Organisation (WHO) recommends to adults to have “at least 150 minutes of moderate-intensity physical activity throughout the week or at least 75 minutes of vigorous activity or an equivalent combination of moderate and vigorous activity”<sup>i</sup> for a number of physical and mental health reasons. However, there is strong evidence from national reports that a substantial part of the population does not meet the minimum requirement.<sup>ii</sup> Motorized (=passive) mobility is a main reason why minimum levels of physical activity are not met by a substantial part of the population.

The health costs caused by passive mobility are difficult to internalize at an individual level as passive transport users can still meet the minimum requirements of physical activity by doing exercise at a different time of the day. In order to take the health dimension into account, active mobility should be stimulated and rewarded by including it in the ‘internalization of externalities’ policy. It’s been shown that incorporating physical activities in daily routines such as walking and cycling to school and work have the highest rates of success.<sup>iii</sup>

In order to find the right equilibrium in the use of different transport modes, the full costs *and benefits* of consuming transport goods and services, i.e. the private costs and benefits plus the social costs and benefits, should be included in the 'internalisation of externalities' policy. If transport users do not reap all of the benefits, too few of these transport services will be consumed in terms of overall benefits to society.

#### **Examples of how to internalize the health benefits in practice:**

- Companies and public organizations paying their employees a tax-free distance-based allowance;
- Reduced health insurance costs for active commuters.

### **3. Include Health impact assessment in transport appraisal**

Related to the 'internalisation of externalities' approach, the evaluation of health impacts should consistently and systematically be taken into account through health impact assessment in the allocation of European, national, regional and local transport infrastructure and promotion funds. To some extent this is already standard procedure for the environmental impacts.<sup>iv</sup>

#### **ECF calls in particular on the *health sector*:**

1. As the main economic benefit of cycling is public health, a special pledge from the health sector is appropriate. To start with, the health sector at national level should acknowledge more strongly the benefits that come with regular physical activity, in particular in combatting noncommunicable diseases. ECF welcomes in this context the extensive work that has been done by the WHO.<sup>vi</sup>
2. Consequently, the health sector should put stronger focus on health prevention. Prevention is cheaper than treatment!
3. At this moment, the national health care systems must foot the bill created by the barriers to physical activity within the transport sector, but conversely reap at the same time the health benefits of (often local) investments in cycling.

#### **Examples of measures on how the health sector can promote active mobility:**

- Regional and national health departments should in particular actively reach out to the transport and environment sector in building cross-departmental cooperation and coordination between various policy fields (see above);
- The health insurance should offer discounts to those members who maintain a healthy life-style (see above);
- Alternatively/ additionally, health insurance and departments should invest in cycling infrastructure and promotion projects. This could take the form of a nationwide investment fund which nationally administered is being used to co-fund local and regional cycle projects. In this way local and regional investors would get a higher return of their investments. Currently, these benefits are primarily for the national health care sectors.

## Conclusion

ECF's central objective is to double cycling by 2020, compared to 2010. This has the potential to raise an additional € 200 bn for the European economy – and this every year from 2020 onwards. For this to be achieved, the course has to be set today.

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<sup>i</sup> <http://www.euro.who.int/en/what-we-do/health-topics/disease-prevention/physical-activity/facts-and-figures/physical-activity-to-stay-healthy>

<sup>ii</sup> E.g. Techniker Krankenkasse, *Beweg Dich, Deutschland*, 2013. <http://www.tk.de/tk/aktionen/jahr-der-gesundheit/tk-bewegungsstudie/571006>;

<sup>iii</sup> The German health study showed that for those that are physically active, cycling is the most popular form of moving (39 %).

<sup>iv</sup> See also <http://www.euro.who.int/en/what-we-do/health-topics/environment-and-health/health-impact-assessment>

<sup>v</sup> Who is 'the health sector'? medical personnel, health insurance, health departments.

<sup>vi</sup> See WHO "Action Plan for implementation of the European Strategy for the Prevention and Control of Noncommunicable Diseases 2012-2016" (<http://www.euro.who.int/en/what-we-do/health-topics/noncommunicable-diseases/cancer/publications/2011/eurrc6112-action-plan-for-implementation-of-the-european-strategy-for-the-prevention-and-control-of-noncommunicable-diseases-20122016>)