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# GERMANY

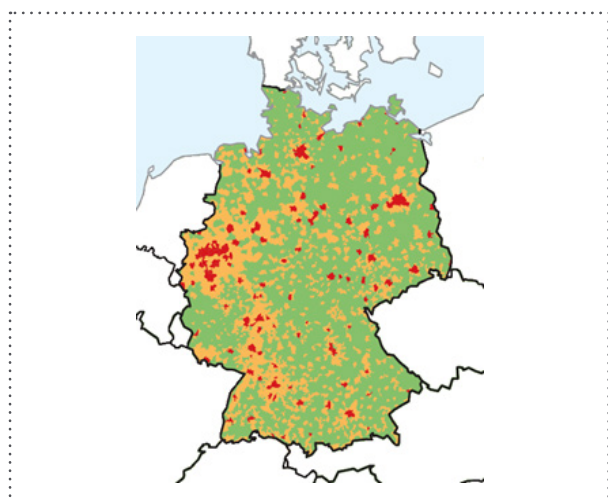
## INSIGHT PAPER

**Authors:** Bruno Van Zeebroeck, Wouter Florizoone  
*Transport & Mobility Leuven (TML)*

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## RURALITY (1)

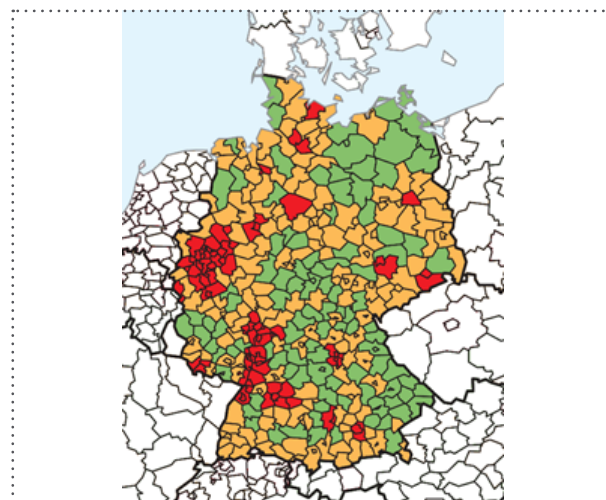
Degree of urbanisation for local administrative units level 2 (LAU2)



- Cities
- Towns and suburbs
- Rural Areas

Source: Eurostat, JRC and European Commission Directorate-General for Regional Policy, May 2016

Urban-rural typology for NUTS level 3 regions



- **Predominantly urban regions**  
 (rural population is less than 20% of the total population)
- **Intermediate regions**  
 (rural population is between 20% and 50% of the total population)
- **Predominantly rural regions**  
 (rural population is 50% or more of the total population)

Source: Eurostat, JRC, EFGS, REGIO-GIS, December 2016

## DISTRIBUTION OF POPULATION

36,6%

Share of people living in cities

40,4%

Share of people living in towns and suburbs

23%

Share of people living in rural areas

Source: Eurostat, 2017

## GEOGRAPHY

Germany is a country in west-central Europe, that stretches from the Alps, across the North European Plain to the North Sea and the Baltic Sea. Germany has the second largest population in Europe (after the European part of Russia) and is the seventh largest in area. The territory of Germany covers 357,021 km<sup>2</sup> consisting of 349,223 km<sup>2</sup> of land and 7,798 km<sup>2</sup> of waters.

Elevation ranges from the mountains of the Alps (highest point: the Zugspitze at 2,962 metres) in the south to the shores of the North Sea in the northwest and the Baltic Sea in the northeast. Between lie the forested uplands of central Germany and the low-lying lands of northern Germany, traversed by some of Europe's major rivers such as the Rhine, Danube and Elbe.

Germany shares borders with nine European countries, second only to Russia: Denmark in the north, Poland and the Czech Republic in the east, Switzerland (its only non-EU neighbour) and Austria in the south, France in the southwest and Belgium, Luxembourg and the Netherlands in the west.

A significant share of Germany's territory is rural, but (by definition) these areas are thinly populated. Nearly 80% of Germans live in urban or suburban areas. Slightly more than 20% of Germans live in rural areas. The rural population is decreasing. The decrease is sharp in some regions (see below).

Germany is the economic engine of Europe and it is the fourth or fifth economy in the world. These strong economic figures translate also in relatively good indicators for the rural challenges (some figures below). 16.8% of Germans in rural areas are at risk of social exclusion. This is less than the EU average of 23.9% and less than the German city average which is at 22.3%.

Unemployment rates in rural Germany are extremely low at 3.7%. This is once again significantly lower than the % in German cities or in EU rural areas as a whole.

Despite these good indicators, Germany has a big challenge: ageing. It is in this topic that Germany is at the European top. This year, 2019, there will be more Germans over 60 than Germans under 30. The median German age in 2017 was 45.9 years (EU average at 42.8). This shouldn't be a surprise with a birth rate at around 1.5.

Furthermore, the negative demographic evolution is not equally distributed among rural areas and cities. *"The Future of Germany's villages"* observes how between 2000 and 2010, villages more than 40 to 60 minutes away from a larger city are deserted, especially in former Eastern Germany. Villages face at the same time increasing costs for all kinds of environmental and safety legislation, while its population and tax income are decreasing. Some villages are threatened in their existence.

Sometimes, renewable energy generation can provide an opportunity for economic development for local communities.

## RURALITY (2)

16,8%

Share of people at risk of poverty or social exclusion in rural areas, **2017**

0,2%

Share of people aged 16 and over who reported unmet needs for health care in the previous 12 months due to expense, distance to travel or length of waiting list in rural areas, **2017**

2,8%

Unemployment rate, persons aged 15–64, in rural areas, **2017**

7,2%

Share of young people aged 18–24 neither in employment nor in education or training (NEETs) in rural areas, **2017**

Source: Eurostat

## NATIONAL POLICIES RELATING TO RURAL MOBILITY AND PUBLIC TRANSPORT

The German national transport framework differentiates between local transport (less than 50 km or 1 hour travel for the majority of passengers) and long distance travel. The local public transport is furthermore subdivided into rail transport and road transport. Road traffic includes buses, tramways and underground light rail - metro.

There is **no particular mention of rural mobility** in the national framework and no policy on rural transport is foreseen. In addition, projects can get some exceptional and not structural national financing. Most of the time it concerns big infrastructural projects in cities. A current example is a national budget envelope available to get rid of diesel buses.

The national framework foresees financing for local transport via the law on regionalisation "*Regionalisierungsgesetz*"; mainly for local rail transport (see the Financial framework section). Until 1996, the financing of public rail transport was organised and financed by the national state. In 1996, the public transport competence for railway has been given to the federal states.

The money comes in still at the national level but is transferred via the law with a regional budget to the federal states. This money can be used for rail or other public transport. Public road transport was traditionally financed by the federal and local level.

The law on passenger transport (*personbeförderungsgesetz*) sets the conditional framework to get a licence for operating public transport.

The rail traffic legal framework is set by the General Rail law (*Allgemeine Eisenbahngesetz*). The supervising authority is in general the Federal Railway Office for the railway companies.

Health related transport is paid for via health insurance.

## INSTITUTIONAL FRAMEWORK

Germany has 3 **layers of government**. The national German level, the 'Land' or regional level and the local, district or city, level. **The national level provides financing** and lays the responsibility for **organising local transport at the federal state and local level**. Transport Ministries at national and federal state level are of most importance.

Federal state level organises most of the time local rail transport, districts and cities organise local road transport, including tramways and metro.

Subsequently, main responsibilities lie at the region or 'Land' level within the transport Ministry.

Transport of disabled people is organised at National and federal state level via the **Ministries of Social affairs** depending on the ownership structure of the transport operator.

Nationally owned companies like the national railways, get national money, federal state owned companies get federal state money.

## ORGANISATIONAL FRAMEWORK

The basic rule concerning organisational frameworks is that it is different in each of the 16 federal states.

Often local rail traffic is organised at the **federal state by one agency**. This is however not the case in Nordrhein–Westphalen where 3 agencies organise local train transport: Saxony with 2 agencies and Berlin and Brandenburg having one agency together.

**The districts** (Kreis) and cities organise local non-rail public transport (mostly bus, but also tramways and metro).

There is always a transport provider ("*Aufgabenträger*"). This will be very often the administration itself, but it can also be a separate agency ("*Verbund*"). In the federal state of Hessen, a separate agency on the local level is mandated to organise public transport.

*Photo: Wikimedia Commons*

The "*Verbund*" can represent different private operators, different public authorities or a mixture of both. The "*Verbund*" will, most of the time, set up a public transport (PT) plan, organise timetables and integrate tariffs and fares of different operators. The Verbund can also cover a geographical area that spreads over different federal states. This is for example the case for MDV, Mitteldeutscher Verbund, that covers parts of Sachsen Anhalt, Thuringen and Sachsen.

The **PT operation** itself is carried out by a public or private operator that gets a concession via a public tendering process. Different tendering process are in use. However, there are still a lot of publicly-owned

companies active, especially in urban areas and more so in Eastern parts of Germany. The main framework for organising the procurement process is EU directive 1370/2007.

The main PT services operated in rural areas are regular bus lines and a wide variety of demand responsive transport like call bus, call taxi, shared taxi. In some places, buses are operated by a local community (*Bürgerbusse*) in the form of a registered voluntary association ("*e.v. eingetragener Verein*"). DRT exists in Germany for over 40 years.

Other forms of shared mobility like shared cars or shared bicycles can be organised in a more flexible and informal way. These do not fall under the PT regulation.

By far the most important **target group** for local public transport are schoolchildren (*Ausbildungsverkehr*). The public subsidy (from federal state -Land) for school transport is nearly as important as the subsidy for operations and investments in other bus services.

Another important target group are people with a disability. The national and federal state level spend around 500 million EUR/year on it. People with reduced mobility can opt for a monthly fee of 6 EUR to use PT for free all over Germany OR a tax exemption for their car. By 2022, all PT stops will need to be able to provide the necessary comfort for people with reduced mobility.



## REGULATORY FRAMEWORK

There is **no particular regulatory instrument** for passenger transport in rural areas.

(Financing of) Passenger transport – mostly for rail – is regulated by the “**Regionalisierungsgesetz**” (RegG federal law).

The law on passenger transport (Personenbeförderungsgesetz) sets the conditions and framework under which operators are allowed to operate. Operators need to get an authorisation by the federal state (Land), while districts describe the level of required PT services (lines) in the PT plan.

Besides this national regulation, **each federal state has its own regulatory framework**. This is different from one federal state to another. Sometimes a federal state

can have a particular framework for passenger transport in rural areas. Brandenburg in Eastern Germany has for example a particular framework for demand responsive transport (“*Rufbus*”).

When fulfilling the conditions of the law on passenger transport and when no other subsidized operator is active, market entry will be free in most cases and a licence will be delivered without difficulties. However, providing PT without a subsidy is not easy. Note also that “*BürgerBusse*”, bus services operated by volunteers, need a licence. “*BürgerBusse*” can then get a further subsidy for transport of people with a disability and pupils. The BürgerBusse volunteers are organised in a local membership cooperation.



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## FINANCIAL FRAMEWORK

Local public transport is financed via different financing sources from national, federal state and local level, besides the user contribution.

The biggest financing source is the national level via the RegG, the law for the regionalisation of local public transport. It administers approximately **8,2 billion EUR/year of national money** for the regions since 2016, increasing by 1.8%/year till 2030 reaching more than 10 billion in 2030. The initial objective of the budget was to organise local rail transport. However federal states are not obliged to use the money for rail. It can be used for

bus or other PT services. Federal states are only obliged to report on the use of the money. In reality, the budget is on average for 75% spent on local railways of which 95% is spent on its operation. Nearly 5% is spent on bus operation and infrastructure, slightly more than 4% is spent on transport for pupils and students. The rules for spending the money are different in each federal state. Most of the time, part of the money goes to the districts (Kreis) and cities. The subsidy for transport of pupils is paid to transport providers or transport operators, depending on the regional law.



## FINANCIAL FRAMEWORK

Transport of **disabled people** is subsidized from the budget of social affairs Ministry at national or federal state level depending on the owning structure. Approximately 40% comes from the federal state, the remaining 60% from different regions. It concerns approximately 500 million EUR.

From 2020 on, federal states will get money from a turnover tax. This replaces another source of national state money that was used to finance local road and PT investments, bus lanes, stops, buses, tracks, trains, etc. Until the end of 2019 this budget is 1.3 billion EUR. The average allocation is 60% for local road investments and 40% to PT investments. In future, federal states will no longer be obliged to use the money for transport.

Further **specific budgets** can be available. For the period 2017-2020, the Ministries of Environment, Transport and Economy €400m is available for electrification of traffic in general, €500m for digitalisation and €107m for retrofit of diesel buses.

The national state provides for the moment also subsidies for renewal of the bus fleet (electric bus, gas bus, hybrid bus, etc.)

Also, some specific national budgets for climate initiatives and intermodal transport are available.

Subsidies can be paid directly to the operator or indirectly via the provider or the provider grouping depending on the federal state law.



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## OTHER INFORMATION

The law on regionalisation calls mobility a **basic right** for German citizens. However, this is not a hard obligation and only two federal states mention this basic right in their regulatory framework. Quality of PT does not depend on this obligation but rather on the motivation of local decision makers to provide good PT.

**Shared mobility** initiatives like care and bike sharing can be set up out of any framework of PT.

In the federal state of Brandenburg, a Kombi bus is active. **The Kombi bus combines transport of goods and persons**. The transport of goods is mainly seen as

a service to the region and as a marketing instrument. It is also particular interesting for bicycle tourists as their luggage can be transported by the Kombi bus. The transport of goods is also a kind of marketing tool, since people who are not PT users, using the bus as a goods transport service discover the bus service. <http://kombibus.de/news>

PT, especially in rural areas, is often better developed in the **Eastern parts of Germany**. The PT is more often operated by the public sector which makes communication channels between local decision makers and operators shorter.

## OTHER INFORMATION

Eastern Germany also had more of a tradition of providing PT until 1990. The offer is often provided during the whole day in Eastern parts, while in Western parts, services are often limited to peak hours in the morning and the evening.

DB, the national railway operator, has a good [journey planner](#). All different local transport providers have also a journey planner. The VDV, the umbrella organisation of PT companies, is working on an integrated journey planner that has an integrated tariff system.

After being a car sharing success story in the Northern German harbour city of Bremen, '[mobil.punkt](#)' has just been rolled out in Belgium and Norway. Well visible with nice blue and green pillars, the stations have become a landmark for sustainable mobility in smaller cities and more rural context. As most users used to walk or cycle to the 'mobil.punkt', they have all been equipped with convenient and safe bike racks. Proximity to the stations and reliability of the station-based car sharing service have been key elements to establishing car sharing as an alternative to owning a car.



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## KEY STAKEHOLDERS AND MINISTRIES ADDRESSING RURAL AREAS

TITLE	ROLE
DVS	Deutsche Vernetzungsstelle Ländliche Räume = National Rural Network Germany
VDV	Umbrella organisation of all the companies in the public transport sector
BMVI	Federal Ministry of Transport and Digital Infrastructure
EBA	German Federal Railway Authority
DLT	Deutscher Landkreistag = Germany County Association
DVL	Deutscher Verband für Landschaftspflege = Germany Association for Landcare

## LINKS TO WEBSITES

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- [https://enrd.ec.europa.eu/country/germany\\_en](https://enrd.ec.europa.eu/country/germany_en)
- [www.netzwerk-laendlicher-raum.de](http://www.netzwerk-laendlicher-raum.de)
- [www.forschungsinformationssystem.de/servlet/is/1](http://www.forschungsinformationssystem.de/servlet/is/1)
- [www.pendlernetz.de](http://www.pendlernetz.de)
- [www.netzwerk-laendlicher-raum.de/fileadmin/sites/ELER/Dateien/04\\_Partner/Daseinsvorsorge/Daseinsvorsorge\\_unter\\_Druck\\_BLE-SG-Infra\\_01\\_2013\\_Web.pdf](http://www.netzwerk-laendlicher-raum.de/fileadmin/sites/ELER/Dateien/04_Partner/Daseinsvorsorge/Daseinsvorsorge_unter_Druck_BLE-SG-Infra_01_2013_Web.pdf)
- <https://nachhaltigkeit.bvng.org/en/fields-of-action/revitalization-rural-areas/>
- [www.landkreistag.de/ueber-den-dlt/16-dlt-portrait/der-verband/544-verbandportrait.html](http://www.landkreistag.de/ueber-den-dlt/16-dlt-portrait/der-verband/544-verbandportrait.html)
- [https://en.wikipedia.org/wiki/Economy\\_of\\_Germany](https://en.wikipedia.org/wiki/Economy_of_Germany)
- [https://ec.europa.eu/eurostat/statistics-explained/index.php/Population\\_structure\\_and\\_ageing#Median\\_age\\_is\\_highest\\_in\\_Germany\\_and\\_Italy](https://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing#Median_age_is_highest_in_Germany_and_Italy)
- [www.weforum.org/agenda/2018/01/germany-will-hit-a-significant-demographic-milestone-over-the-next-year](http://www.weforum.org/agenda/2018/01/germany-will-hit-a-significant-demographic-milestone-over-the-next-year)

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- [www.bmvi.de/SharedDocs/DE/Anlage/VerkehrUndMobilitaet/versorgung-und-mobilitaet-in-laendlichen-raeumen.pdf?\\_\\_blob=publicationFile](http://www.bmvi.de/SharedDocs/DE/Anlage/VerkehrUndMobilitaet/versorgung-und-mobilitaet-in-laendlichen-raeumen.pdf?__blob=publicationFile)

Bundesanstalt für Landwirtschaft und Ernährung, Daseinsvorsorge in ländlichen Räumen unter Druck, 2013.

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Bundesanstalt für Landwirtschaft und Ernährung, Planspiel Mobilität, 2017

- [www.netzwerk-laendlicher-raum.de/fileadmin/sites/ELER/Dateien/05\\_Service/Publikationen/Planspiel/planspiel\\_DVS\\_dokumentation\\_mobilitaet\\_druck.pdf](http://www.netzwerk-laendlicher-raum.de/fileadmin/sites/ELER/Dateien/05_Service/Publikationen/Planspiel/planspiel_DVS_dokumentation_mobilitaet_druck.pdf)

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