



## Mobility in Urban Economics

Prof. Dr. Jan Werner

Professor of Economics at the Cologne Business School, University of Applied Sciences, Hardefuststraße 1, 50677 Köln and Lead Economist at the Institute of Local Public Finance, Friedrich-Ebert Straße 79, 63225 Langen, Germany, [jan.werner@ilpf.de](mailto:jan.werner@ilpf.de)

The term mobility has different meanings in various scientific disciplines. In economics, mobility is the ability of an individual or a group to improve their economic status in relation to income and wealth within their lifetime or between generations. However, a definition restricted to socio-economic mobility or labour mobility is rather too short-sighted to describe all aspects of mobility in economics, because mobility can of course also be used in relation to capital mobility or factor mobility. For example, the free movement of goods, services, capital and persons within the European Union (the so-called “four freedoms”) is another important issue of mobility in economics. Capital mobility and tax competition are pressing matters for tax authorities as well as politicians in modern economies, especially under conditions where there are a huge number of supporters<sup>1</sup> and adversaries<sup>2</sup> of tax competition in economic literature<sup>3</sup>.

Urban economics refers to the economic analysis of cities, and touches on a broad range of topics, such as housing, transportation, land use, the cost and benefit of cities and urbanisation, or the provision of local public goods like education, health or safety.

The diversity of mobility aspects in the field of urban economics is highlighted by the first contribution, entitled *Local Public Finance in Libya: Learn to Walk before You Run* by Jan Werner. This article discusses the fact that Libya is a unitary state, with the central government in the capital Tripoli, 22 districts, and 121 municipalities. The legal framework in Libya delegates a huge number of expenditure areas to the municipalities, but in reality the municipalities do not offer this huge number of public services to the people due to capacity deficits in local administration (both skills and equipment), fiscal deficits (low volume of revenues as well as unpredictable rev-

<sup>1</sup> See Tiebout, 1956.

<sup>2</sup> See Oates, 1972.

<sup>3</sup> See Wilson, 1996.

enue flows) and a lack of political willpower. For this reason, the contribution provides six detailed recommendations for the future concept of the local public finance system in Libya.

The second contribution, by Christian Lucas, entitled *Diffussion einer disruptiven Innovation – am Beispiel der E-Mobilität in Deutschland* uses the concept of Joseph Schumpeter as well as a classification of consumer in innovators, early adopters, early majority, late majority and laggards. Based on these two concepts the author observes the current development of e-mobility for private cars in Germany. Moreover, the author presents his idea of the Mobility Compass, which is an annual online survey with first-year students between 18 and 25 years on the subject of electric mobility. The aim of the Mobility Compass is thus the dedicated consideration of the “next” customers, which will decide in the next 5 to 10 years for a new car.

The huge economic potential of the trade between Brazil and Germany is presented in the third contribution by Mariana Fleischhauer Corrêa da Costa and Jan Werner, entitled *The Internationalisation Process of German Enterprises in Brazil*. The exchange between Germany and Brazil encompasses social, economic and cultural aspects. These countries have created strategic ties over the years promoting new business and developing opportunities that benefit both economies. However, there is still a great economic potential to be leveraged from this partnership. The new Brazilian government is searching for international investors to boost the economy and take the country out of recession. In return, it promises to fight the main obstacles to international business: high bureaucracy and corruption. With one of the world’s largest consumer markets, an abundance of natural resources and cheap labour, the country offers attractive conditions, especially for enterprises undergoing an internationalisation process. This contribution will analyse the recent economic history of Brazil, explaining the major macroeconomic indicators and the social conditions of the country. With the collaboration of diverse German enterprises, which expanded their business to Brazil and reported their experiences, relevant empirical cases will be provided and new investment perspectives will be discussed. Finally, the paper demonstrated that the future outlook for German ventures in Brazil is very promising. These three contributions discuss important and very different aspects of mobility within urban economics.

## References

- Oates, W. (1972): Fiscal Federalism, New York, Harcourt Brace Jovanovic.
- Tiebout, C. (1956): A Pure Theory of Local Expenditures in *Journal of Political Economy*, Volume 64, Issue 5, 416–24.
- Wilson, J. (1999): Theories of Tax Competition in *National Tax Journal*, Volume 52, 269–304.