

## **Are infrastructure sectors under public scrutiny better off? Evidence from the Dutch railway infrastructure sector**

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Recently, a common believe caught on that the introduction of market mechanism such as privatization and liberalization in so-called public infrastructure sectors in the last two decades has realized some of the intended effects, but that this happened at the costs of other public interests. More specifically, cost-effectiveness as increased greatly, but the willingness to keep investing sufficiently ('sweating the assets'), to provide universal service or to meet or exceed environmental and safety requirements have suffered. Such believes are to the risk that we overrate the level to which publicly owned and managed infrastructures would meet the myriad of public interests.

In contrast to some other public sectors, the Dutch railway infrastructure sector is still by and large under public scrutiny. The railway network is state-owned and investment decisions, for example, are still made by public bodies. This situation makes the Dutch railway infrastructure an interesting counter-example for privatized or liberalized sectors. This position paper is based on an empirical study on the regulation of the Dutch railway infrastructure sector and its consequences. It shows that political interference on large infrastructural projects, as well as Key Performance Indicator (KPI) regulation has made this sector perform considerable less ideal than some might think of public sectors.