

Calculation of Dynamic Effects in the Socio-Economic Method of Construction Projects in Transport Sector in Denmark

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Denmark is a small country in Scandinavia in the northern Europe, which since 1998 has implemented a number of major infrastructure investments, including 2 fixed links connecting Denmark internally and connecting Denmark with our neighboring country Sweden:

- A fixed link across the Great Belt (between Zealand and Funen)
- A fixed link across the Sound (between Denmark and Sweden)

There is also political decision between Denmark and Germany on the realization of the next and third fixed link.:

- A fixed link across the Fehmarn Belt - expected opening 2020

In recent years, the Government and relevant transportation authorities in Denmark have focused on the inclusion of socio-economic assessments in a wider context when opting for major new public infrastructure investments. This has been the case both for decisions on bridges, roads and railways. Gradually a model for inclusion of socio-economic aspects is being developed. A model that will complement more traditional cost – benefit analysis, to see if and how socio-economic gains or losses will be added or subtracted to the overall assessment of new infrastructure investments.

One of the major issues in Denmark in this connection is whether the socioeconomic model, to be applied for political decision making, takes into account the dynamic effects on the labor market, real estate improvement with respect to settlements and business development of major projects within transport sector. As of today, the current cost-benefit model only recognizes (only) the negative effect on employment, which is a result of the tax financing of projects (where tax financing is assumed). Any positive effects on employment or productivity in companies are typically excluded.

Themes that will be addressed in the paper are:

- What are the lessons with respect to socio-economic assessments of major infrastructure projects within the transport sector in Denmark?
- What are the experiences when evaluating / assessing the dynamic effects of major infrastructure projects within the transport sector in Denmark?
- What is the current status of work with respect to the assessment of dynamic effects on the labor and real estate markets and business development of major infrastructure (construction) projects within the transport sector in Denmark?