



Note no8

Structural changes and transport challenges

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Within the last year the administrative structure of Denmark has undergone great change. On January 1st 2007 the Danish government introduced a new, long-awaited, administrative structure. Briefly, this reform created fewer, larger municipalities with greater administrative responsibility than previously; and fewer, larger regions with less administrative responsibility than previously. Therefore it is evident that such a great change must have had an impact throughout society. A structural reform such as this is something that many countries are considering, and therefore it is worth studying the Danish case, and what affects the structural reform expectedly will have in particular on the transport sector.

The changes which occurred via the structural reform in Denmark should be more thoroughly laid out. In geographic terms, 271 municipalities were reduced to just 98, and these tend to have more than 30000 inhabitants. The 14 counties, which existed previously, became 5 regions, each with between 0.6 and 1.6 million inhabitants. These geographic changes are best shown graphically, as with the municipalities in Figure 1.

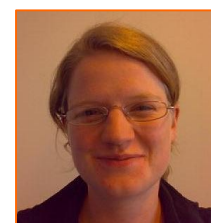
In administrative terms, the role of the state has been strengthened as it gained different tasks, which previously belonged to the counties. The role of the municipalities has also been

strengthened in this way. The number of administrative levels with the ability to impose taxes is reduced from three (the state, the counties and the municipalities) to two (the state and the municipalities). The new regions are now put in charge of hospitals, social care, specialist training of persons with severe learning problems, and coordination of regional development, all in all with a total budget of approximately 87 billion Danish Kroner.

Although a structural reform has evidently had far-reaching effects, the question in hand here is how it has affected the transport sector, in particular the goods transport sector. Other delimitation in this study is that the focus will be placed on the new regions' roles after the structural reform, and in particular on the new region of Northern Jutland, in the north of Denmark.

Changes relevant for the transport sector

Prior to the reform, the counties were in charge of the overall coordination of urban and environmental planning. Large parts of this



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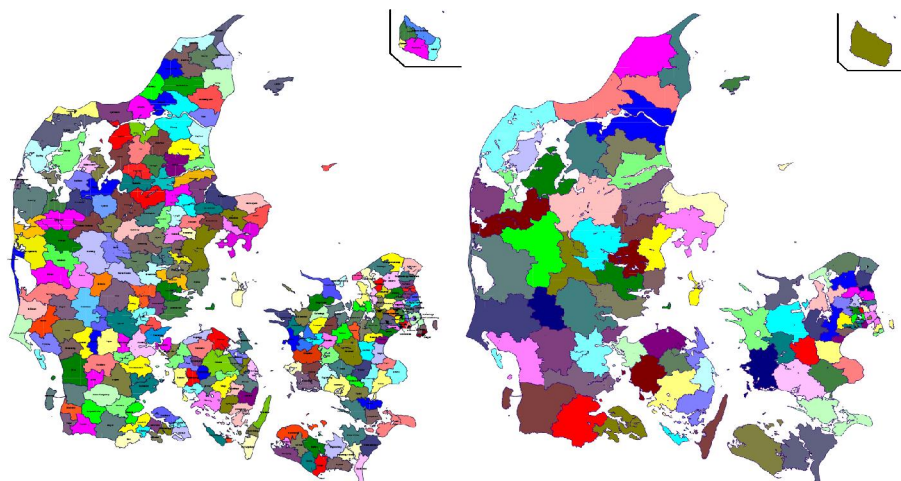


Figure 1: Administrative divisions of municipalities in Denmark until the end of 2006, and administrative divisions of municipalities from January 2007. [Source: www.byhistorie.dk]



responsibility have now moved to the municipalities, and also to the state. Therefore this leads to the question of what will happen with regard to coordinated planning, when the counties overall planning responsibility decreases significantly. There is also the risk that municipalities will plan in such a way that benefits would remain within their municipal boundaries.

There are three points worth highlighting, with respect to the structural reform, in terms of the goods transport sector on the regional level:

1. Lack of focus on the transport sector.

Transport does not have a separate section in the new Regional Development Plan, and should just be handled under the business section of this plan. This therefore allows the new regions to decide themselves how much emphasis to place upon the goods transport sector.

2. Transnational cooperation within the goods transport sector.

The counties were development dynamos for a number of initiatives within the goods transport and logistics sectors. Initiatives included transnational transport corridors with focus on regional development. As the new regions will not have tax-raising powers, there is a risk that some of the focus on these initiatives will disappear. In Northern Jutland, the former county was involved in a variety of such initiatives, two of which are: Nordic Transportpolitical Network (NTN) and Nordic Link. The intention is to continue with these initiatives in the new region, however it is evident that without the power to impose taxes, funding for these will have to come from elsewhere.

3. Ambiguous use of wording in the regions' future tasks.

The government's description of the tasks of the new regions is in places quite ambiguous, and hence does not give a solid foundation for the Regional Development Plan and how the new regions will be able to use this plan. The Regional Development Plan will describe but not dictate where development should take place, and hence its use at all could be questioned.

Possibilities and constraints in Northern Jutland

Perhaps the biggest constraint that all the new regions will face is, as aforementioned, their lack of ability to impose taxes. This means the new regions will have to depend on funding from national programmes and the EU for goods transport planning initiatives. If this kind of funding can be secured, then the new regions will be better able to continue with programmes such as the NTN and Nordic Link transport corridors.

A particular constraint that the new region of Northern Jutland will face is its somewhat peripheral location. This is a constraint for the transport companies situated in the region. The harbours of the region would have a pivotal role to play here, as there are no rail operators for goods transport in the region. Therefore in the region's Regional Development Plan it would be advisable to place some focus on harbours and logistics centres, so these can continue to develop. This would also contribute to a wider modal shift of goods transport, making it more sustainable.

A possibility for attracting greater investment to Northern Jutland lies in the potential of developing clusters. The regional council has already decided on four areas where it is felt Northern Jutland could have a competitive advantage:

- Information and Communication Technology (ICT);
- medical;
- building materials;
- and food products.

Therefore these areas could become an integral part of the new regional planning, having a positive impact on the transportation sector and also opening up new markets for the region.

Another possibility for Northern Jutland is to place some focus on the use of Intelligent Transport Systems (ITS) in the region. Experts state that ITS can decrease congestion by up to 10-15%, can shorten travelling times for commuters, and can decrease the number of traffic accidents¹. New technologies could also contribute to faster and more efficient transportation of goods. Northern Jutland is particularly well-equipped to undertake more development of ITS because of the creation of the

Centre for Intelligent Transport Systems (CITS) at Aalborg University and the location of ITS Denmark organisation's headquarters in Aalborg. In June 2007 the city of Aalborg and ITS Denmark were hosts of an ITS conference with participation of more than 1000 delegates.

Transferable knowledge

The experiences of Denmark in these early stages of instigating the structural reform can be of use to other countries considering similar reforms. Recommendations here include:

- Ensure all sectors are heard during the initiating phase of creating the structural reform.
- Ensure transport issues are a legally based part of the regional planning.
- Ensure clear wording in the Planning Act.
- Include municipalities and local businesses in making of plans on a regional level.
- Municipalities should place more thought on common development.
- Regions should emphasise creating correct framework conditions for transport corridors and hubs, in order to be part of a global network.
- Regions should find a knowledge area where they have a competitive advantage in the form of knowledge and skilled staff, and then try to promote this branch of knowledge through planning.
- Regions and municipalities should promote intermodal transport, ICT and ITS, in an attempt to decouple transport increases and environmental problems.

¹Source: MARFELT, BIRGITTE. Flemming Hansen kortlægger behovet for trafikstyring [Flemming Hansen outlines the need for traffic control]. 2006. *Ingeniøren* 06.11.2006 [online]. [Accessed 31.12.2006]. Available from <http://ing.dk/article/20061106/miljo/111100016>.



Further steps

This research took place in 2006, prior to the implementation of Denmark's structural reform. Now it is important to build on this foundation by doing further research into what effects the reform has had in reality. This will also shed light upon whether the possibilities and risks that have been hypothesised upon here have come to be, and whether new issues have arisen that were not predicted. It will hopefully create more knowledge about the links between the structural reform and the goods transport sector for the rest of the Baltic Sea Region and beyond.

About the author

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