# Frukostseminarium om cykling, samhällsekonomi och finansiering

Sjöfartshuset, Gamla stan 16 maj 2018



# Program

- Välkommen Moderator Pelle Envall, VD på Trafikutredningsbyrån
- Så ser behoven ut Henrik Oretorp, ordförande Svenska Cykelstäder
- Cykling en vinst f
   ör samh
   ället?
  Stefan G
   össling, professor vid Linn
   éuniversitetet, School of
   Business and Economics.
- Panelsamtal Nina Lundström (L), Meeri Wasberg (S), Lorentz Tovatt (Mp) och Gustav Hemming (C)



## The cost of cycling

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SVENSKA DAGBLADET Nyheter Näringsliv Kultur Ledare Debatt Tidningen

## "Snabba tåg stöds varken av klimat eller ekonomi"

Höghastighetsbanor i Sverige kan komma att framstå som klimatbovar om de byggs, på grund av projektets gigantiska kostnader och osäkerheten om de verkligen leder till minskade utsläpp. Det skriver professor emeritus Per-Olov Johansson och professor Bengt Kriström.



#### Ökad cykling en strategisk framtidsfråga

Dagens Industri, 18 januari 2017

Regeringen tar nu beslut om kraftig medfinansieringen av cykelinfrastruktur i Sverige genom stadsmiljöavtal.



#### Guide to Cost-Benefit Analysis of Investment Projects

Economic appraisal tool for Cohesion Policy 2014-2020

100

December 2014



2006 – 2010: Borgmästare Köpenhamn (miljö & bygg)

Cost of cycle infrastructure – too high for communities?

- Cost-benefit analysis standard tool for assessment of new infrastructure;
- Focus almost always on car, with predictable outcomes;
- Why Copenhagen sparked a revolution:
  - 1. Comparison of car and bicycle (per pkm)
  - 2. <u>Consensus of political parties</u> regarding parameters and factor costs

#### Parameters in Copenhagen:

- Operational costs
- Travel time costs
- Accident costs
- Air pollution
- Health effects

CBA parameter	Methodology to quantify effect
Vehicle operating costs	Change in vehicle kilometre by mode, i.e., for different motorized vehicles, public transportation and bicycles.
Time costs	Change in transport time by transport mode.
Accident costs	Change in the number of accidents with and without bicycles involved.
Pollution and related externalities	Change in vehicle kilometres for each mode of transportation.
Recreational value <sup>a</sup>	Change in cycle kilometres and cyclists' statements.
Health benefits	Change in cycle kilometres.
Safety <sup>a</sup>	Change in the number of accidents, cyclist statements and change
	in cycle kilometres.
Discomfort <sup>a</sup>	Change in cycle kilometres.
Branding, tourism, and open land value <sup>a</sup>	Not considered to be traffic effects

<sup>a</sup> Not included/measured in the CBA.

#### **Results:**

Social and private costs:

Costs car: 50 Cent/pkm, costs bicycle: 8 Cent/pkm

Social costs:

#### Costs car: 15 Cent/pkm, benefit bicycle: 16 Cent/pkm

Average cost per kilometre for cycling/car, summary for 2008 (Euro). Source: COWI and Københavns Kommune (2009).

	Cycling (16 kn	Cycling (16 km/h)			Car (50 km/h)		
	Private	Social	Total	Private	Social	Duties	Total
Time costs (travel time)	0.672	0	0.672	0.215	0	0	0.215
Vehicle operating costs	0.044	0	0.044	0.296	0	-0.159	0.137
Prolonged life	-0.358	0.008	-0.348	0	0	0	0
Health	-0.149	- 0.242	-0.391	0	0	0	0
Accidents	0.034	0.073	0.105	0	0.030	0	0.030
Perceived safety	+ (?)	0	+ (?)	?	?	0	?
Discomfort	?	0	+ (?)	?	?	0	?
Branding/tourism	0	- 0.003	-0.003	?	?	0	?
Air pollution	0	0	0	0	0.004	0	0.004
Climate change	0	0	0	0	0.005	0	0.005
Noise	0	0	0	0	0.048	0	0.048
Road deterioration	0	0	0	0	0.001	0	0.001
Congestion	0	0	0	0	0.062	0	0.062
Total	0.243	- 0.164	0.081	0.511	0.152	-0.159	0.503

Note: Car occupancy is 154 persons per car (DTU Transport and COWI, 2010); external values for cars are reported for gasoline cars in the city during off-peak hours. Cycling's health benefits are split into private and social benefits, it is assumed that 50% of the gain is own consumption and thus internalized. The rest is taxes, etc. In cases where unit prices cannot be estimated as yet, the table contains question marks (7). Plusses indicate where these are expected to entail a cost.

#### Use of results in Copenhagen:

28 bicycle highways; DKK 1 miljard Expected social benefit: DKK 7.3 miljarder

Investments Copenhagen: ca: SEK400 per capita per year, now over 10 years





CYCLE SUPER HIGHWAYS ARE GOOD VALUE In the spring of 2012, Albertslundruten, Copenhagen's first Cycle Super Highway was inaugurated as a test route of 17.5 km passing through the municipalities of Albertslund, Glostrup, Redovre, Frederiksberg and Copenhagen. In total 28 Cycle Super Highways are planned, which together form a network of high-class bicycle commuter noutes across 22 municipalities in the Capital Region.

An analysis of the socio-economic impact of the overall network of 28 Cycle Super Highways shows that over a S0-year period with an investment of just under DKK 1010inon, there is an expected economic gain to society of DKK 7.3 billion. This is equivalent to an internal rate of return on investment of 19%. The ministry of finance's minimum requimemt is 5% for infrastructure projects and compared with other investments in infrastructure, this a very high return.

Especially the health benefits of the extra cycling are beneficial, as the people who cycle daily are expected to have a longer life expectancy on average. In addition, the increase in the number of people engaged in a more active form of transportation is expected to result in 34,000 less sick days per year.

#### **Review CBA parameters**

(EC 2014, CPH 2009, ECF 2016, VTPI 2017)

- 1. Climate change
- 2. Air pollution
- 3. Noise pollution
- 4. Land use and infrastructure
- 5. Traffic infrastructure maintenance
- 6. Soil and water quality
- 7. Resource requirements (LCA)
- 8. Vehicle operation
- 9. Travel time
- 10. Congestion
- 11. Health benefits
- 12. Accidents
- 13. Perceived safety & discomfort
- 14. Quality of life, branding and tourism

## Unit costs

- Update of the Handbook on External Costs of Transport (European Commission 2014)
- Center for Transport Analytics, Denmark (2017)
- Viktoria Transport Policy Institute, Canada (2017)

#### $\Rightarrow$ Assessment for the European Union!

Assessment Cars	Cost social	Cost private	Reference
Social cost of CO <sub>2</sub>	€ <sub>2017</sub> 0.011/pkm	0	Korzhenevych et al. 2014; VTPI 2017
Fossil fuel subsidies	€ <sub>2017</sub> 0.003/pkm	0	Coady et al. 2017
Assessment Bicycles	Cost		Reference
Social cost of CO2	<€ <sub>2017</sub> 0.001 pkm	0	VTPI 2017
Fossil fuel subsidies	<€ <sub>2017</sub> 0.001/pkm	0	Coady et al. 2017
Assessment Walking	Cost		Reference
Social cost of CO <sub>2</sub>	<€ <sub>2017</sub> 0.001 pkm	0	VTPI 2017
Fossil fuel subsidies	<€ <sub>2017</sub> 0.001/pkm	0	Coady et al. 2017

#### Climate change

## Air pollution

- Global cost of air pollution: €3.9 trillion/year (Lancet Commission 2017)
- 6% of mortality in Europe
- Traffic: 39% of NO<sub>x</sub>, 11% PM<sub>2.5</sub>/PM<sub>10</sub>, 10% NMVOCs, 20% CO, 29% BC, 1-16% heavy metals (EU28)

Assessment Cars	Cost social	Cost private	Reference
CO, PM <sub>2.5</sub> , O <sub>3</sub> , PM <sub>10</sub> , NO <sub>x</sub> , VOC	€ <sub>2017</sub> 0.006/pkm	0	VTPI 2017
Assessment Bicycles	Cost social	Cost private	Reference
Air pollution	0	0	VTPI 2017
Assessment Walking	Cost social	Cost private	Reference
Air pollution	0	0	VTPI 2017

#### Noise

- EU28: 16,000 premature deaths/year (EEA 2017)
- Furthermore: Health costs, lost working time, real estate value

Assessment Cars	Cost social	Cost private	Reference
Noise, general	€ <sub>2017</sub> 0.007/pkm	0	VTPI 2017
Assessment Bicycles	Cost social	Cost private	Reference
Noise, general	0	0	VTPI 2017
Assessment Walking	Cost social	Cost private	Reference
Noise, general	0	0	VTPI 2017

## Land use and infrastructure

Assessment Cars	Cost social	Cost private	Reference
New infrastructure construction	€ <sub>2017</sub> 0.030/pkm	0	IEA 2013
(roads/parking)			
Roadway land use	€ <sub>2017</sub> 0.011/pkm	0	VTPI 2017
Parking land use	€ <sub>2017</sub> 0.021/pkm	€ <sub>2017</sub> 0.022/pkm	VTPI 2017
Lost ecosystem services	?	0	-
Assessment Bicycles	Cost social	Cost private	Reference
Bicycle track construction	€ <sub>2017</sub> 0.002/pkm	0	Erznoznik et al. 2014
Roadway land use	<€ <sub>2017</sub> 0.001/pkm	0	VTPI 2017
Parking	<€ <sub>2017</sub> 0.001/pkm	<€ <sub>2017</sub> 0.001/pkm	VTPI 2017
Lost ecosystem services	?	0	-
Assessment Walking	Cost social	Cost private	Reference
Boardwalk construction	€ <sub>2017</sub> 0.002/pkm	0	Authors
Boardwalk land use	<€ <sub>2017</sub> 0.001/pkm	0	Authors
Lost ecosystem services	?	0	-

## Traffic infrastructure maintenance

Assessment Cars	Cost social	Cost private	Reference
Maintenance costs	€ <sub>2017</sub> 0.004/pkm	0	Korzhenevych et al. 2014
Assessment Bicycles	Cost social	Cost private	Reference
Maintenance costs	$< \in_{2017} 0.001 / pkm$	0	Authors
Assessment Walking	Cost social	Cost private	Reference
Maintenance costs	<€ <sub>2017</sub> 0.001/pkm	0	Authors

## Soil and water quality

Assessment Cars	Cost social	Cost private	Reference
Pollutants to soil and water	€ <sub>2017</sub> 0.005/pkm	0	VTPI 2017
Assessment Bicycles	Cost social	Cost private	Reference
Pollutants to soil and water	<€ <sub>2017</sub> 0.001/pkm	0	Authors
Assessment Walking	Cost social	Cost private	Reference
Pollutants to soil and water	<€ <sub>2017</sub> 0.001/pkm	0	Authors

## **Resource requirements**

Assessment Cars	Cost social	Cost private	Reference
Resource requirements	€ <sub>2017</sub> 0.007/pkm	0	Korzhenevych et al. 2014
Assessment Bicycles	Cost social	Cost private	Reference
Energy requirements lifecycle	$< \in_{2017} 0.001 / pkm$	0	Dave 2010
Assessment Walking	Cost social	Cost private	Reference
Resource requirements	$< \in_{2017} 0.001 / pkm$	0	Authors

## Vehicle operation costs

Vehicle aspect	Cost (€ <sub>2017</sub> /pkm)	Taxes and duties (€ <sub>2017</sub> /pkm)
Fuel	0.028	0.038
Tires	0.006	0.002
Repair and maintenance	0.076	0.022
Owner tax	-	0.017
Depreciation	0.030	0.045
Total	0.140	0.141

Source:	Center	for	Transport	Analytics	2017
			1		

Assessment Cars	Cost social	Cost private	Reference
Vehicle operation costs	0	€ <sub>2017</sub> 0.250/pkm	Authors
Assessment Bicycles	Cost social	Cost private	Reference
Bicycle operation costs	0	€ <sub>2017</sub> 0.047/pkm	Center for Transport Analytics 2017
Assessment Walking	Cost social	Cost private	Reference
Walking cost	0	€ <sub>2017</sub> 0.041/pkm	VTPI 2017

## Travel time

Assessment Cars	Cost social	Cost private	Reference
Travel time value	0	€ <sub>2017</sub> 0.253/pkm	VTPI 2017
Assessment Bicycles	Cost social	Cost private	Reference
Travel time value	0	€ <sub>2017</sub> 0.474/pkm	VTPI 2017
Assessment Bicycles	Cost social	Cost private	Reference
Travel time value	0	$\epsilon_{2017}$ 1.264/pkm Center for Transport Analytic	
			2017, Realise 2018

## Congestion

Assessment Cars	Cost social	Cost private	Reference
Congestion	0	€ <sub>2017</sub> 0.355/pkm	VTPI 2017
Barrier effects	0	€ <sub>2017</sub> 0.005/pkm	VTPI 2017
Assessment Bicycles	Cost social	Cost private	Reference
Congestion	0	<€ <sub>2017</sub> 0.001/pkm	VTPI 2017
Barrier effects	0	<€ <sub>2017</sub> 0.001/pkm	VTPI 2017
Assessment Walking	Cost social	Cost private	Reference
Congestion	0	<€ <sub>2017</sub> 0.001/pkm	VTPI 2017
Barrier effects	0	<€ <sub>2017</sub> 0.001/pkm	VTPI 2017

## Health benefits bicycle

Assessment Bicycle	Cost social	Cost private	Reference	
Improved health	€-0.193/pkm	€-0.134/pkm	Center for Transport	
			Analytics 2017; VTPI 2017	
Prolonged life	€0.007/pkm	€-0.320/pkm	Center for Transport	
			Analytics 2017	
A concornent Walking		Cost we but	Deference	
Assessment warking	Cost social	Cost private	Reference	
Improved health	€-0.386/pkm	€-0.268/pkm	Center for Transport	
Improved health	€-0.386/pkm	€-0.268/pkm	Center for Transport Analytics 2017; VTPI 2017	
Improved health Prolonged life	€-0.386/pkm €0.014/pkm	€-0.268/pkm €-0.640/pkm	Center for Transport Analytics 2017; VTPI 2017 Center for Transport	

## Accidents

Police, first aid, medical treatment, lost productivity, premature death. Not included: Grief, trauma, pain.

Assessment Car	Cost social	Cost private	Reference
Collisions/crashes	€ <sub>2017</sub> 0.002/pkm	?	Korzhenevych et al. 2014
Assessment Bicycle	Cost social	Cost private	Reference
Collisions/crashes	$< \in_{2017} 0.001 / pkm$	€ <sub>2017</sub> 0.066/pkm	VTPI 2017
Assessment Walking	Cost social	Cost private	Reference
Collisions/crashes	<€ <sub>2017</sub> 0.001/pkm	€ <sub>2017</sub> 0.066/pkm	Authors

## Perceived safety and comfort

- Study in cooperation with ADFC (Germany) and VCÖ (Austria), February/March 2018 (n=493)
- Respondents cycle on average 11 km per day (work/leisure)
- 76% cycle detours to avoid traffic risks, noise and air pollution
- 6.5% of all distances cycled are detours
- Cyclists WTA: €0.23/pkm, WTP €0.11/pkm

Assessment Car	Cost social	Cost private	Reference
Perceived safety and	?	?	-
discomfort			
Assessment Bicycle	Cost social	Cost private	Reference
Perceived safety and	-	€ <sub>2017</sub> 0.014/pkm	Gössling et al. 2018
discomfort			
Assessment Walking	Cost social	Cost private	Reference
Perceived safety and	-	€ <sub>2017</sub> 0.036/pkm	Authors
discomfort			

#### Quality of life, branding and tourism



Summary

Parameter	Car,€ <sub>2017</sub> /pkm		Bicycle, € <sub>2017</sub> /pkm		Walking, € <sub>2017</sub> /pkm	
	Social	Private	Social	Private	Social	Private
Climate change	0.011	0	<0.001	0	<0.001	0
Subsidies	0.003	0	<0.001	0	<0.001	0
Air pollution	0.007	0	0	0	0	0
Noise pollution	0.007	0	0	0	0	0
Infrastructure Construction	0.030	0	0.002	0	0.002	0
Roadway land use	0.011	0	<0.001	0	<0.001	0
Parking land use	0.021	0.022	<0.001	<0.001	-	-
Ecosystem services	?	0	?	0	?	0
Traffic infrastructure maintenance	0.004	0	<0.001	0	<0.001	0
Soil and water quality	0.005	0	<0.001	0	<0.001	0
Resource requirements	0.007	0	<0.001	0	<0.001	0
Cycle/vehicle operation	0	0.250	0	0.047	0	0.041
Travel time	0	0.253	0	0.474	0	1.264
Congestion	0	0.355	0	<0.001	0	<0.001
Barrier effects	0	0.005	0	<0.001	0	<0.001
Health benefits	0	0	-0.193	-0.134	-0.386	-0.268
Prolonged life	0	0	0.007	-0.320	0.014	-0.640
Accidents	0.002	?	<0.001	0.066	<0.001	0.066
Perceived safety & Discomfort	?	?	-	0.014	-	0.036
Quality of life, branding and tourism	0	0	?	?	?	?
Total	0.108	0.885	-0.184	0.147	-0.370	0.499

## Conclusions

- Throughout the EU, a car entails a social cost of 11 Cent/pkm, only part of which is "covered" by taxes and duties.
- Cycling and walking generate social benefits, at 18 Cent/pkm and 37 Cent/pkm.
- Cars are consequently subsidised, while cycling and walking can be considered underfinanced.
- To make a car driver use a bicycle (or walk) is worth 29 Cents/pkm (48 Cents/pkm).
- These differences are higher in countries with higher GDP (e.g. Sweden, Denmark, Germany) as well as in cities.

# Example: Space distribution





#### Space allocation in Freiburg, Germany

#### Table 4. Summary space allocation, four city quarters.

	Range (%)	Average (%)
Road	40.3-55.6	48.6
Public parking	3.8-11.9	6.6
Road and parking	44.2-59.4	55.2 🛑
Pedestrian area	15.0–33.0	24.8
Mixed use bicycle and walking	1.0–16.8	8.3
Public transport	1.4–16.3	6.5
Bicycle	1.3–4.1	2.4
Mixed uses	1.2–4.4	2.7

In comparison: Share of cars of trips: 21% Share of cyclists of trips: 34%

Gössling, S., Schröder, M., Späth, P., and Freytag, T. 2016. Urban space distribution and sustainable transport. Transport Reviews, <u>http://dx.doi.org/10.1080/01441647.2016.1147101</u>

### Distribution of infrastructure

#### Stuttgart



http://michael.szell.net/whatthestreet/posterstuttgart.pdf



