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DENMARK

INSIGHT PAPER

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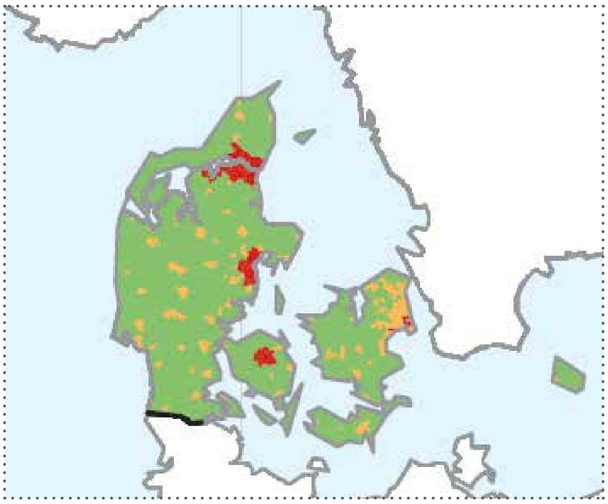
RURALITY (1)

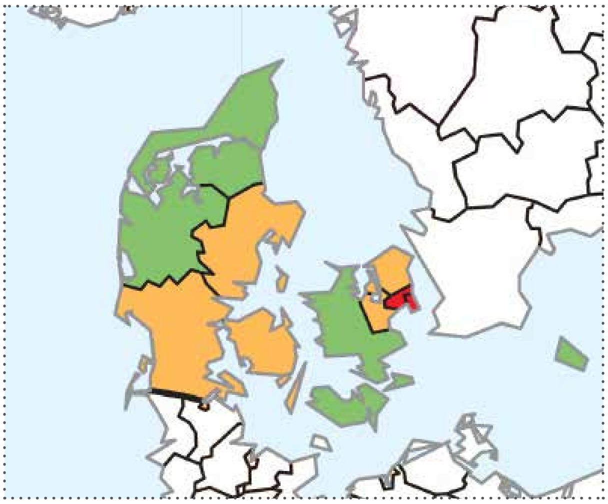
Map of the degree of urbanization



- Cities
- Towns and suburbs
- Rural Areas
- Data not available

Source: *Eurostat, JRC and European Commission Directorate-General for Regional Policy, May 2016*

Map of the Urban-Rural typology for NUTS level 3 Regions



- Predominantly urban regions
  (rural population is less than 20% of the total population)
- Intermediate regions
  (rural population is between 20% and 50% of the total population)
- Predominantly rural regions
  (rural population is 50% or more of the total population)
- Data not available

Source: *Eurostat, JRC, EFGS, REGIO-GIS, December 2016*

DISTRIBUTION OF POPULATION

32.3% Cities | 33.1% Towns and suburbs | 34.6% Rural areas

Source: *Eurostat, 2018*

GEOGRAPHY

Denmark has a population of 5.8 million of which 29% live in rural areas. Denmark covers 42.924 km² of which 61% is agricultural land and 15% are forests. Generally speaking, Denmark succeeds in combining an extensive welfare state with a well-functioning economy. The country has a large amount of social capital, which means that there is trust between different actors and societal groups. This social capital is one of the elements that enabled recent reforms to ensure the financial viability of the welfare state despite an ageing population. Another Danish characteristic is low inequality and high social cohesion, although the integration of immigrants and other marginalised groups is challenging.

Rural and peripheral areas get rather negative consideration. These rural and peripheral regions are challenged due to losses of inhabitants and job opportunities, growing expenses for elderly and aging population with reduced income from taxes due to more out-movers than in-movers. Rural municipalities lack therefore money to provide services which adds to the negative circle.

RURALITY (2)

15.0 %

Share of people at risk of poverty or social exclusion in rural areas. ***2018***

1.1 %

Share of people aged 16 and over who reported unmet needs for health care in the previous 12 months due to expense, distance to travel or length of waiting list in rural areas. ***2018***

4.4 %

Unemployment rate, persons aged 15–64, in rural areas. ***2018***

11.3 %

Share of young people aged 18–24 neither in employment nor in education or training (NEETs) in rural areas. ***2018***

Source: *Eurostat*

NATIONAL POLICIES RELATING TO RURAL MOBILITY AND PUBLIC TRANSPORT

The Danish Transport Authority takes care of regulating and organising the rail network and its operations.
Access to health care is funded from the health budget at the regional level, not the national level. The regions do not levy any tax, they are financed by national and municipal level.

There is no national policy on rural mobility, there are no specific or dedicated budgets for rural mobility, and there is no specified rural mobility offer.

However, until the early nineties, there had been a specific policy with plans and funds for rural development and national authorities aimed at a balanced polycentric growth. From the nineties on, this shifted to a policy of deregulation and a metropolitan-centred growth with investment concentrated in the Copenhagen region. This and other factors had negative impacts on development of rural areas (Norgaard, 2011).

INSTITUTIONAL FRAMEWORK

The Danish Transport, Construction and Housing Authority at the national state level sets the frameworks for public transport. It also organises rail transport at national and local level. Railway services are subcontracted to railway operators, mainly the public national operator DBS. 1% is operated by Arriva.

Concerning public transport (buses), the Authority is responsible for the regulation, planning and the safety issues.

The Regions are the layer between the national state and the Municipalities. The Regions are responsible for the operation of regional buses. The Municipality is responsible for local buses. Together, the Regions and Municipalities form public transport authorities in which they collaborate (see organizational framework).

Regions get their budget from the national state, and also from municipalities to a lesser extent. Regions cannot levy taxes.

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ORGANISATIONAL FRAMEWORK

The Danish Transport, Construction and Housing Authority, at the national state level, sets the framework for the organisation of (public) transport. Regions and municipalities work together in the Regional Public Transport Authorities. Municipalities have the majority in the Boards of these Authorities. The Regional Public Transport Authorities coordinate public transport, plan timetables, decide on fare levels, levels of service and tender the bus contracts. In Denmark, 100% of bus contracts are tendered.

Denmark has a performant system of DRT transport. It is operated and developed by FlexDanmark. FlexDanmark is owned by public transport organisations Movia, Midtraffik, Fynbus, NT and Sydtrafik. Previously also the Region of Central Denmark was among the owners. It is used by many municipalities and all five regions. This system bundles two large systems of transport flows; the legally-required transport flows and traditional public transport. The legally-required flows are transport to healthcare, transport of patients, transport of disabled citizens and institution and school transport. Traditional public transport is in rural areas often already replaced by demand responsive bus lines, and other forms of demand responsive transport like tele-taxi's.

The mixing of those flows enables the transport organiser to increase the available volume for the transport offer. The challenge for FlexDanmark lies in the fact that trips are paid by different parties (authorities and citizens) and that the needs of users are often different. Providing an acceptable service at an acceptable price for the community is the challenge.

The different steps in the process of providing mobility are, "evaluation", booking, optimization, execution, accounting and reporting are as much as possible digitized and optimised. "Evaluation" stands for deciding whether the person fulfils conditions to use the service. Optimization largely deals with mixing the different transport flows in a resource-efficient way.
A single procurement model for the DRT services is set up with a high level of competition. There is one unique system for all DRT provision in Denmark. In 2014, approximately 500 transport providers competed for trips. Each provider provides, in the yearly bidding procedure, a price/hour and a number of vehicles. Providers include individually-owned taxi companies, major shared taxi centrals, individually-owned minibus companies. The allocation procedures allow easy access for small companies and are very transparent.

Further success factors, besides the large transport volume that enable a reduction of costs and optimization of flows are the acceptance by customers of a large service window and flexible customer space requirements.


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REGULATORY FRAMEWORK

The national state sets the framework for the common fare system. It also sets limits to possible fare increases.

There is not a different regulatory framework for rural transport.

There is no minimum standard for mobility service defined by law. However, every municipality has an incentive to avoid depopulation. One of the methods is to secure some level of mobility and public transportation.

There are no limitations of entry to the market. Franchising was already introduced in the 1980's and had three main motivations: (i) Improve service quality and customer friendliness; (ii) cut costs; and (iii) drive continuous improvement.

Arriva is the main operator with one third of the market followed by Keolis, 13%. 17% of the market is operated by companies with less than 50 buses.

In total, more than 500 operators are active in the public transport market, especially in the flexible transport market. This market is particularly well developed at the countryside. FlexDanmark pays particular attention to the fact that tendering procedures do not consist of too large areas. In that way also, very small transport providers can take part in tendering.

Among tendering conditions are often specified: the extent of procurement, bus fleet, transfer of bus fleet, environment, IT systems and equipment, information, advertisement, and other services, requirements regarding operations management, quality management, incentives for patronage growth, staff conditions, facilities for drivers, and others.

Price is a primary criterion among other criteria. Quality of performance is also important. Environmental and vehicle specifications are included among the specifications.

FINANCIAL FRAMEWORK

Regions finance regional transport; Municipalities finance local transport. The national state controls however the regional budgets. Regions work with a close transport budget for public transport. Regions have no freedom to switch means from public transport to other attributions or vice versa.

There are no particular or dedicated funds for rural mobility.

In rural regions, a DRT service (FlexDenmark) is organised that combines specific health and rehabilitations transport and general mobility transport. Concerning health and rehabilitations, the ordering authority pays the transport. Thus, there is an incentive to choose transport in a cost-effective way.

The annual budget of the FlexDanmark is around €150 million for the 6 million trips. FlexDenmark employs 100 employees of which 60 are permanent staff.
Cost coverage for the self-paid trips is around 50%. The average self-payment (as last-mile solution) is nearly €6. The majority of the trips are however 100% paid by taxpayers. These trips cover on average longer distances. The average trip (shorter self-paid and longer taxpayer-paid trips) is €25.

The FlexDanmark budget is rather low compared to the whole PT budget. Total public funding of Public Transport in Zealand the most populated of the 5 Danish regions (the Copenhagen Island) is 2000 M DKK or €260 million. The global cost coverage rate is slightly below 50%.

OTHER INFORMATION

A journey planner app, "MinRejseplan" was launched in Nord Denmark in April 2018 and covers the whole country this winter. It covers public transport, GoMore, a ride sharing Regcarpooling company, Plustur and Flextur DRT services, plus long distance buses and taxis, trains and planes.
https://goexplorer.org/revolutionizing-mobility-in-northern-jutland/

Flextur is the previous elderly transport service that is now also open for other people.

Plustur is a service covering the last mile and first mile between home and public transport stop. Plustur is only available in designated areas to keep number of users within the designated budget limits.

GoMore, provides ride sharing (BlaBla car like) and car sharing services, including car leasing.
https://gomore.dk/

The development of the app costs 10 M DKK or approximately €1.25 million. The cost is shared by the different regional transport authorities. The aim is to include the possibility to pay the mobility service via the app and to create a data hub with all the available transport data. This is however not easy to arrange as it implies that different operators share "sensible" client data. Currently, the app does not support ticket payment.

Further community initiatives in the domain of rural mobility are possible in theory, but as of now there are no visible community initiatives in practice.

- FlexDanmark started in 1993 in a few municipalities in the North and really took off around the year 2000. By 2013 FlexDanmark covered nearly the whole country. In 2016, FlexDanmark made 6 000 000 journeys
  https://flexdanmark.dk/hvad-er-flextrafik/#page-content

- NT, the Northern Denmark transport operator has developed a mobility index. It encompasses subjective and objective indicators like sense of mobility, access to car, bike, bus,… . The main aim is to monitor how citizens perceive mobility in the province.
  https://www.nordjyllandstrafikselskab.dk/Om-NT/Mobilitetsindeks

- Every municipality can decide the cost of ticket. Normal range of a ticket with FlexDanmark is between €0.5 and €1.5 per kilometer.

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KEY STAKEHOLDERS AND MINISTRIES ADDRESSING RURAL AREAS

TITLE	ROLE
The Danish Transport Authority	Regulating and planning public transport (and other transport)
FlexDanmark	Operating and Organising DRT
The 5 Regions of Denmark	Regions organise public transport and are on the Board of FlexDanmark
The Cities	Municipalities organise local public transport and are on the Board of FlexDanmark

LINKS TO WEBSITES

- The Danish Transport Authority https://www.trafikstyrelsen.dk/EN.aspx
- FlexDanmark, provider of DRT https://www.flexdanmark.dk/
- Study on FlexDanmark (Deloitte, 2012 in Danish) https://www.fm.dk/~/media/files/nyheder/pressemeddelelser/2012/04/kortlaegning-og-analyse-af- befordringsordninger_2012.ashx?la=da

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- Sorensen Finn Kock, Mobiliteitscongres, op naar een toegankelijk vervoerssysteem in Vlaanderen, FlexDanmark's modularization of its Flexible transport system, 2014 https://www.meermobiel.be/sites/default/files/iedereen_op_weg.pdf (page 40 and forward)
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- Norgaard, Futures of rural and peripheral areas, challenges, strategies and policies, 2011 https://www.livogland.dk/files/dokumenter/publikationer/futures_of_rural_and_peripheral_areas.pdf
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