

### **What is it worth? Discounting job creation in nearshore wind power development – insights from five nearshore development locations**

Authors and affiliation: Jacob Ladenburg, Technical University of Denmark (DTU), Department of Technology, Management and Economics (DTU-MAN), Sustainability Division, Produktionstorvet 424, 024, 2800 Kgs. Lyngby, Denmark, email:jljad@dtu.dk

#### Abstract

Local job creation is argued to one of the tools to increase local acceptance of new wind farms. Job creation in relation to wind power development takes place in two distinct periods – the construction and operation phase. The first phase is characterized by a high demand for labour in a short period (few years), whereas the operational phase is associated with lower labour demand but for longer period (at least 20 years). However in wind power specifically and labour economics in general, we have very little knowledge about how people trade-off intensive short-term labour demand with extensive long-term demand. Using the stated preferences for local nearshore wind power development among 1,981 respondent at five Danish potential nearshore development sites, the preferences for intensive short term and extensive long-term labour demand are estimated. The results denote that per job created in the construction phase (year 0 -2) is valued approximately 1.5 times higher than the per job created in the operational phase (year 3-20). Estimation show that, the respondents discount jobs created in the future with 3.5 percentages/year. The models also point towards substantial preferences heterogeneity among people with permanent residence in the area and people having their summerhouse in the area and non-linearity in the discount rate.