

Book Review:

Priemus, H., Flyvbjerg, B. and Van Wee, B. (eds.) Decision-Making on Mega-Projects – Cost-Benefit Analysis, Planning and Innovation

Peter Nijkamp

Faculty of Economics and Business Administration, Free University Amsterdam¹

Mega-projects take place in many domains of public policy. Examples are airports, artificial islands, new underground systems, river front developments, new motorways or railways, and so forth. Such mega-projects are not only characterized by large sums of (often public) money spent, but also by complexity, uncertainty, long duration, spatial spillovers and multiple actors or stakeholders. A particularly intriguing feature of mega-projects is that normally the actual costs are far higher than the anticipated or estimated costs. This creates always some suspicion on the solidity of the planning and implementation of such projects, in particular because it is at the end the taxpayer who is the victim.

It is therefore of great relevance that more solid scientific research is undertaken on the foundations, the mechanisms and the operational processes involved with the planning and implementation of such large projects. This volume on 'Decision-Making on Mega-Projects' serves to increase our insights into the complexities of decision-making on mega-projects. The book offers a wealth of ideas on how to make this planning more effective, efficient and subject to democratic control. This volume contains both expositions on the planning and management of mega-projects and a great many empirical illustrations from which important strategic lessons can be drawn to avoid past failures.

A book of this caliber has clearly a strong economic orientation, and hence cost-benefit analysis and other prior assessment methods receive due attention, including various caveats in using these methods for decision-making on large-scale planning. I would personally have preferred a separate chapter on accounting principles for mega-projects, as financial experts and accountants might be able to offer a more satisfactory explanation for the frequent cost overviews.

Another strong element of this volume is its emphasis on planning and decision-making principles and mechanisms. A solid and balanced preparation is obviously a sine qua non for a reliable planning of large-scale projects. This also implies a timely consultation of all relevant stakeholders, as unexpected opposition after decisions have been taken will create delays and additional costs. Various contributions in this volume illustrate the need for a broad preparation and consultation in the initial stages of a project.

¹ De Boelelaan 1105, 1081 HV Amsterdam, The Netherlands, T: +31205986090, F: +31205986004, E: pnijkamp@feweb.vu.nl

The book also pays attention to the question which innovative lessons can be learnt from various empirical cases (such as the San Francisco-Oakland Bay Bridge, airports and railway systems). It is not so easy to draw transparent and unambiguous conclusions from these various findings, but in general it seems plausible that uncritical beliefs in mega-projects increase the probability of disappointments in a later stage. Against this background, I regret that the editors have not provided a good practice guide for mega-project planning, so that decision-makers could be served with do's and don'ts on the planning of large-scale projects.

All in all, this book offers a refreshing and fascinating look at meta-projects from the perspective of public evaluation and planning. With the changing role of the public sector in planning and implementing large-scale projects and a subsequent strong emergence of private-public models of operation mega-projects have prompted much debate and even resistance. This book is a major source of information and reference and it provides the reader (hopefully also decision-makers) with original insights and caveats in mega-projects planning.