



# Spatial Economics Research Centre

Wednesday, 3 July 2013

## Mandelson and HS2

Three things I found particularly interesting about [Peter Mandelson's conversion on HS2](#)

1. He's changed his mind.
2. His description about how and why Labour decided to support the project (costs far in the future and we get to announce a big scheme) - very depressing for those of us who favour evidence based policy making
3. The fact that he highlights the [opportunity cost of the spending](#) and the [uncertainty over costs and benefits](#), including the [impact on the North-South divide](#). Precisely (I won't repeat the arguments here - you can follow the links)

One thing on opportunity costs: Every time I ask someone from 'the north' whether they would rather have, say, £5bn spent in each of 8 cities outside London or one HS2 line they (nearly) always prefer the former to the latter. Unfortunately, they don't think the money would be invested if HS2 scheme abolished so they continue to support the scheme even though they don't believe it represents good value for money. Again, very depressing.

Anyhow, let's hope that Mandelson's intervention the thin end of a very big wedge. We need a much more sensible debate on whether HS2 is the right way to spend money.

Posted by [Prof Henry G. Overman](#) on [Wednesday, July 03, 2013](#)

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