



Spatial Economics Research Centre

Friday, 29 August 2008

Building Bridges

What role might a new [Thames Gateway Bridge](#) play in the regeneration of that area? [GLA Economics' latest research](#) to answer this question looks back to the building of bridges across the Thames in the medieval period. The report makes for an interesting read and reminds us that the impacts of infrastructure projects are complex and long term. But I'm not sure that it brings us much closer to providing an answer to the specific policy question. [An observation that could be made about much academic work - so no particular criticism implied.]

Generally speaking, the economics literature is pretty sceptical about the role of infrastructure in boosting local economic activity in struggling areas. After all, as population in these places is historically declining, they likely have plenty of infrastructure relative to people. How is adding more going to help? (You can make a similar argument about net increases in the supply of housing).

Thames Gateway might be a little different given that [growth in employment and population](#) are projected if regeneration is successful. But even if this happens, standard cost benefit analysis (which would look at the gains in travel time) almost certainly wouldn't justify building. So supporters of the bridge need to point to the wider economic (regeneration) benefits that might materialise.

The problem is, that we have very little idea how important these are in practice. DfT is about to propose some guidance on how these might be [incorporated in appraisal](#) but these will be based on best *estimates* of what the gains might be. What is needed is some evaluation of projects to see what actually happened. SERC is hoping to undertake some of these shortly, although I think we'll be looking at projects from the 1990's not the 1290's

Posted by [Prof Henry G. Overman](#) on [Friday, August 29, 2008](#)

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