

HS2

By Holly and Nisha

What is HS2?

- A high speed rail link from London to Yorkshire
- Phase 1 is from London to Birmingham
- Phase 2 is to Manchester and Leeds
- The Institute of Economic Affairs estimates that it will cost more than £80 billion



What would it achieve?	How does this lead to growth?
Connect big cities	<ul style="list-style-type: none"> ○ Businesses will be more connected and able to exploit external EoS. <ul style="list-style-type: none"> • Costs reduced ○ Encourages city centre regeneration <ul style="list-style-type: none"> • This will attract new industries • Diversifies the economy away from London • Helps rebalance the north/south divide ○ Easier for people to commute to jobs <ul style="list-style-type: none"> • More geographical labour mobility
<p>400,000 jobs will be created, including 22,000 construction jobs during the project. 70% of these will be outside London</p>	<ul style="list-style-type: none"> ○ Reduces unemployment <ul style="list-style-type: none"> • Improves LRAS by being efficient with scarce resource of labour • Means fewer benefits need to be paid out, and more is received in taxation.

What would it achieve?	How does this lead to growth?
Shorter journey times	<ul style="list-style-type: none"> ○ Extra commuter carrying potential <ul style="list-style-type: none"> • More capacity on local journeys • Old rail has higher capacity for freight • Less freight on the roads • Less road congestion • Therefore even easier to transport people and materials • Firms costs reduced ○ Reduces air pollution from vehicles <ul style="list-style-type: none"> • Proven to be good for economy as the workforce are healthier and more productive
Returns £2.30 per £1 spent, leading to £15bn benefit per year once operational	<ul style="list-style-type: none"> ○ Significant infrastructure investment <ul style="list-style-type: none"> • Injection into the economy, leading to a multiplier and then accelerator effect

Issues arising from HS2

- **The uncertainty of cost**

- Until this summer HS2 was priced at around £32.7bn
- However this June the cost of HS2 increased around £10bn to £42.6bn
- Other arguments also state that HS2 is an opportunity cost

- **Demolition of homes and damage to rural areas**

- HS2 may end up being very costly
- 600 homes will be bulldozed, a further 340 will be cut off from wider neighbourhoods
- Special Scientific Sites of Interest will be destroyed
- Will cause noise and disruption
- A lot of people will be affected in areas such as Camden

Issues arising from HS2

- **HS2 will not ease logjam**

- In areas such as Waterloo, Paddington, London Bridge etc, they will still remain busy
- Being built in Euston

- **High speed is not necessary**

- May result in loss of money eg Barcelona to Madrid

