Infrastructure projects

The great train robbery

High-speed rail lines rarely pay their way. Britain's government should ditch its plan to build one

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AT THE launch of the Liverpool-Manchester railway in 1830, a statesman was killed when he failed to spot an approaching train. That was not the last time a new train line has had unintended consequences. Victorian railways ushered in a golden age of prosperity; these days politicians across the developed world hope new rapid trains, which barrel along at over 250mph (400kph), can do the same. But high-speed rail rarely delivers the widespread economic benefits its boosters predict. The British government—the latest to be beguiled by this vision of modernity—should think again (see article (http://www.economist.com/node/21528294)).

High-speed talk is everywhere at the moment. Six countries have put large sums into "bullet" trains: Japan, France, Germany, Spain, and, more recently, Italy and China. Australia, Portugal and Indonesia are all considering new lines. And the British government is pondering plans for a £32 billion ($52 billion) link from London to the north of England. Ventures elsewhere have stumbled: China suspended new projects after a fatal collision of two high-speed trains in July; Brazil delayed plans for a rapid Rio de Janeiro-São Paulo link, after lack of interest from construction firms. Yet governments remain susceptible to the idea that such projects can help to diminish regional inequalities and promote growth.

In fact, in most developed economies high-speed railways fail to bridge regional divides and sometimes exacerbate them. Better connections strengthen the advantages of a rich city at the network's hub: firms in wealthy regions can reach a bigger area, harming the prospects of poorer places. Even in Japan, home to the most commercially successful line, Tokyo continues to grow faster than Osaka. New Spanish rail lines have swelled Madrid's business population to Seville's loss. The trend in France has been for headquarters to move up the line to Paris and for fewer overnight stays elsewhere.

Even if some cities benefit, other places beyond the rail network may suffer: speed is attained partly at the cost of stops, so areas well served by existing services may find new lines bypass them. Parts of Britain, for example, fear that a new zippy railway will create a second tier of cities

supplied by fewer and slower trains. High-speed lines, like other regeneration projects, often displace economic activity rather than create it.

The advantages, meanwhile, mostly accrue to business travellers. In China ticket prices are beyond the reach of most people, so new trains yawn with empty seats. Yet because high-speed lines require huge investments, usually by governments, ordinary taxpayers end up paying. So instead of redistributing wealth and opportunities, rich regions and individuals benefit at the expense of poorer ones.

Full steam ahead

Ultra-fast railways will have their day. They are a good way to cut air travel and carbon emissions, particularly where, as in China, they connect dense but distant population clusters. On shorter routes, their advantages dwindle: they can neither transform a region nor replicate the advantages of wider networks. And there is not yet such a thing as a cheap high-speed link: China's safety failures have shown the perils of skimping in any way. At present, for most places, the marginal benefits of these fantastic feats of engineering, in terms of reduced journey times, are outweighed by the high costs.

And those costs sap funding from humbler but more efficient schemes. Especially in smaller countries, upgrading existing, slower networks often makes more sense. Capacity can be increased with longer trains and extended platforms. Some spacious first-class carriages could be converted to more compressed second-class ones; pricing may ration demand more effectively at busy times. Better signalling can increase the average speed of journeys. Britain's non-high-speed trains, for example, are already quicker than most other countries' equivalents. Some trains that currently run at 125mph could go faster if signals were upgraded—even if unveiling a new signal box might appeal less to politicians than inaugurating a futuristic new service.

Britain still has time to ditch this grand infrastructure project—and should. Other countries should also reconsider plans to expand or introduce such lines. A good infrastructure scheme has a long life. But a bad one can derail both the public finances and a country's development ambitions.

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