
Where did London's jobs go?

Paul Convery

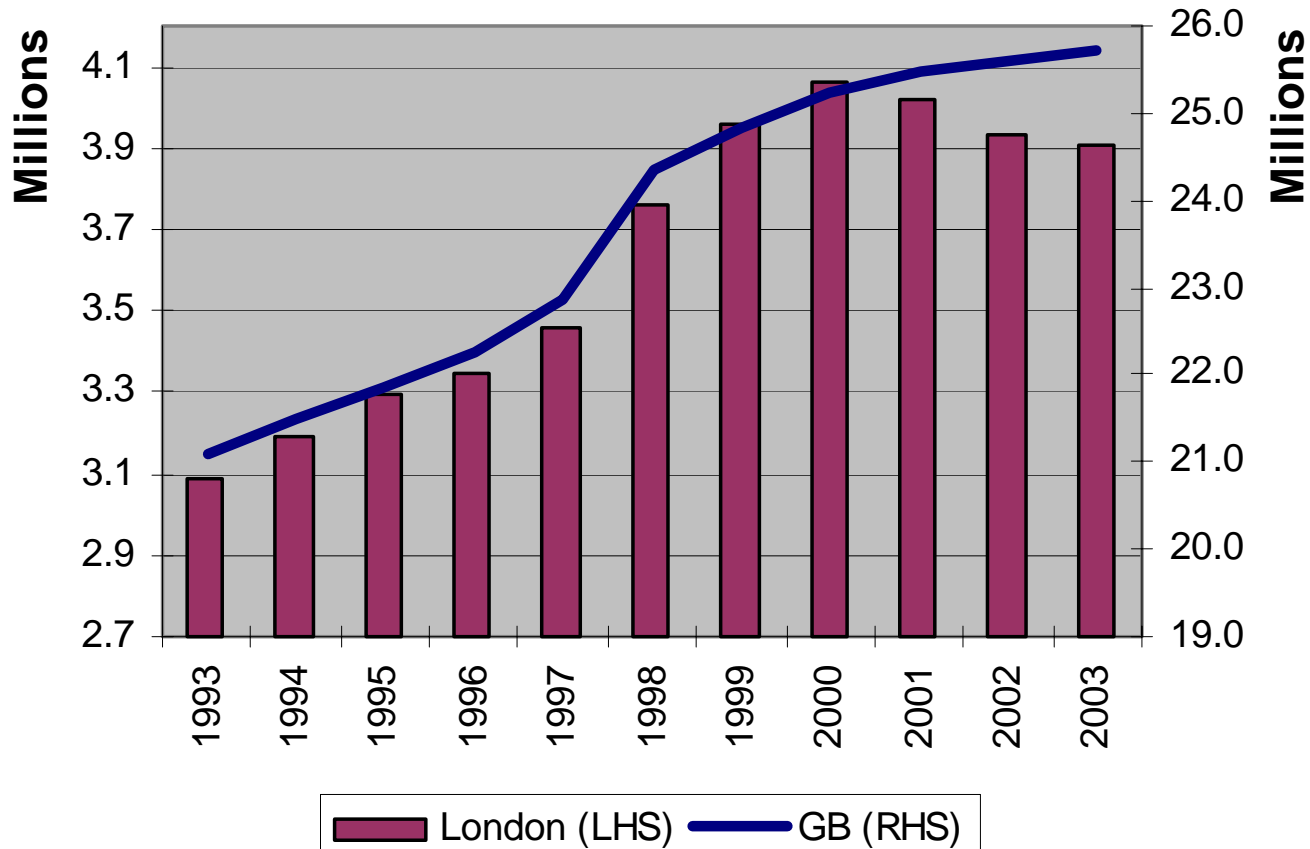
LEPU

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Summary

- Strong economic growth for most of decade
 - Jobs growth has turned down
 - Productivity outstripping labour supply
 - High value-added, high productivity industries dominant
 - Even service sector productivity improving
 - London's residents – low employment rates
 - Jobs growth expected in “core” Boroughs
 - How do Londoners benefit from economic growth?
 - Is the Economic Development Strategy right?
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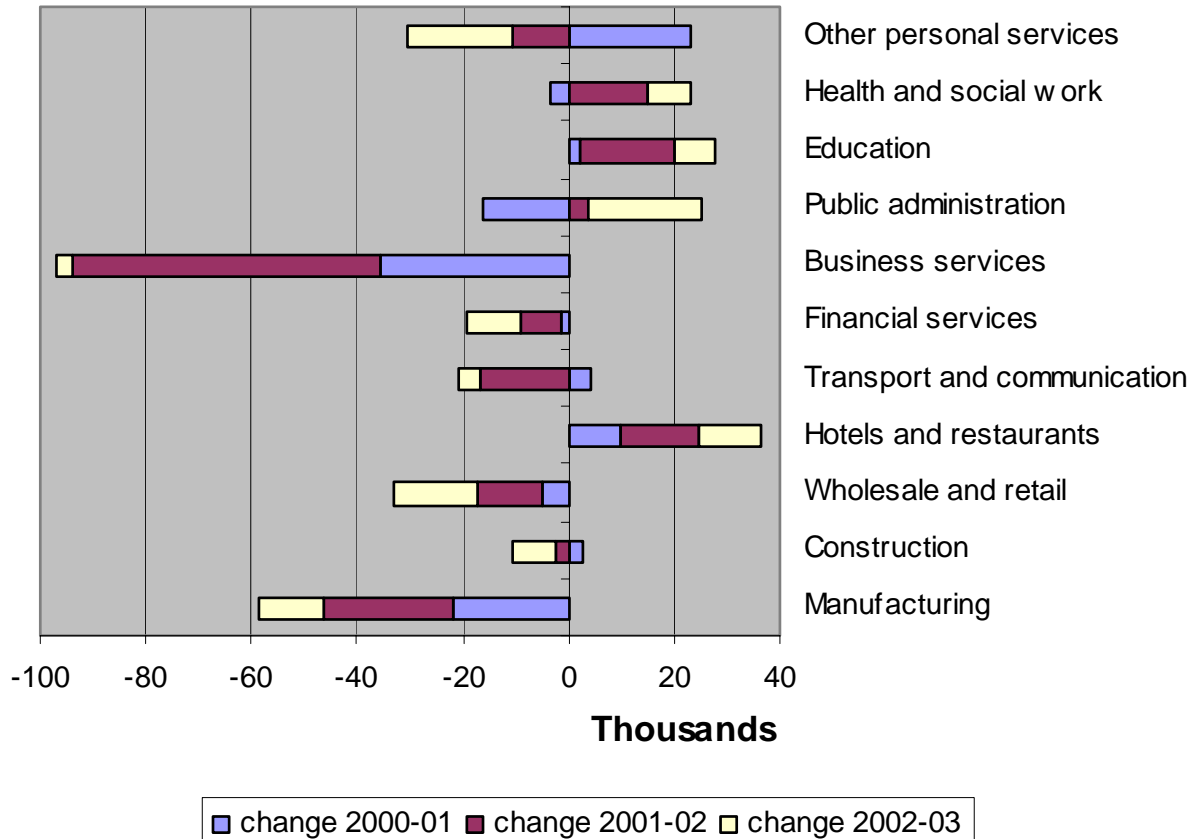
Employment - London, GB compared



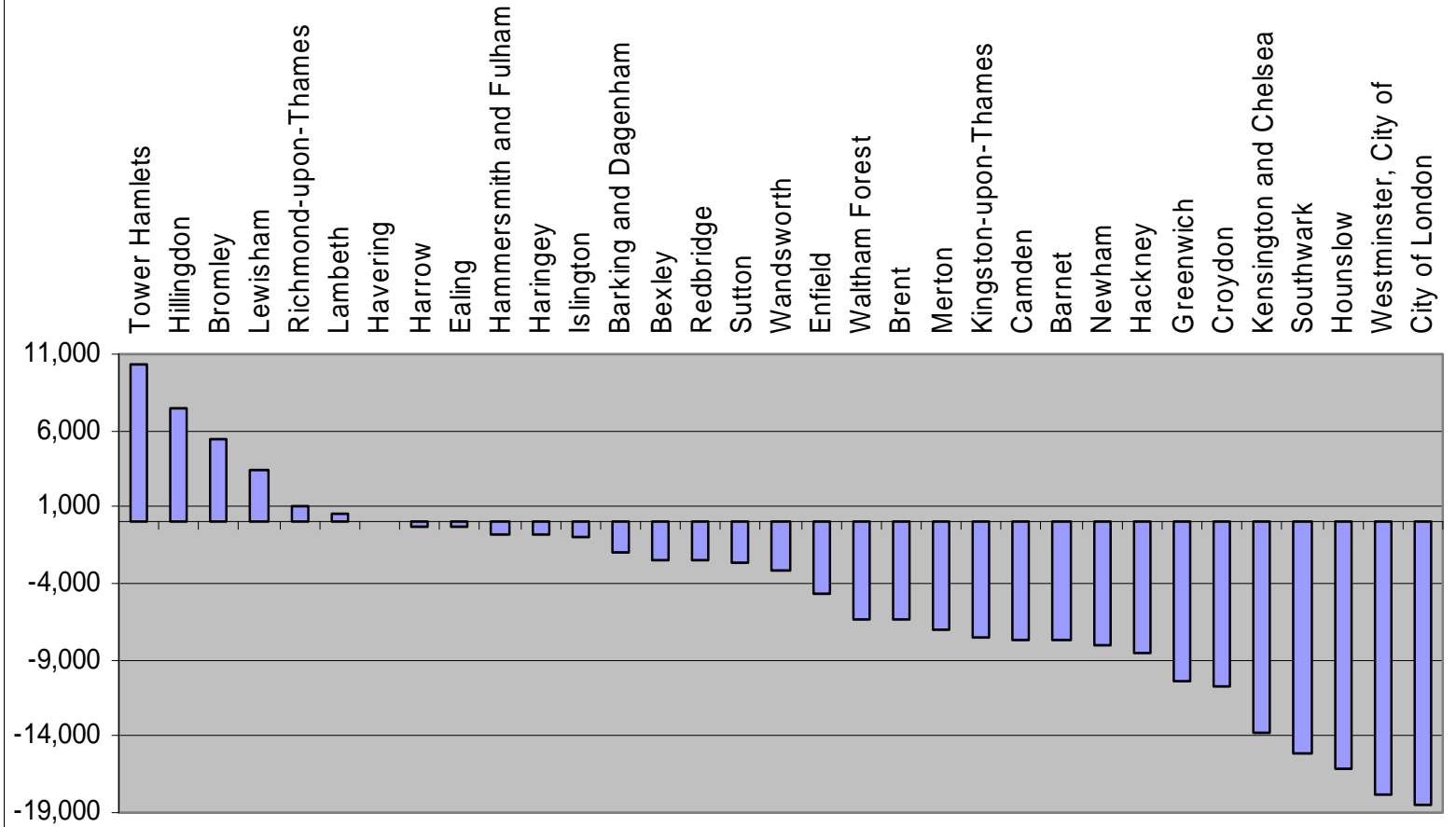
Employment in London 1998-2003

	1998	2000	2003	change 2000-2003		Percent of all jobs in 2003
Manufacturing	286,900	282,300	223,600	-58,700	-21%	6%
Construction	134,000	134,200	126,300	-7,900	-6%	3%
Wholesale and retail trade	588,900	623,000	590,100	-32,900	-5%	15%
Hotels and restaurants	245,100	264,800	301,000	+36,200	+14%	8%
Transport, storage, communication	303,100	317,900	301,700	-16,200	-5%	8%
Financial intermediation	313,600	342,600	323,300	-19,300	-6%	8%
Real estate and business services	871,400	1,017,700	920,900	-96,800	-10%	24%
Public administration	219,100	218,200	227,100	+8,900	+4%	6%
Education	238,000	254,200	282,100	+27,900	+11%	7%
Health and social work	308,700	326,200	346,000	+19,800	+6%	9%
Other community, social and personal services	238,800	261,100	253,600	-7,500	-3%	6%
Total	3,764,100	4,060,700	3,907,000	-153,700	-4%	100%

London employment - change by sector for each year 2000-2003



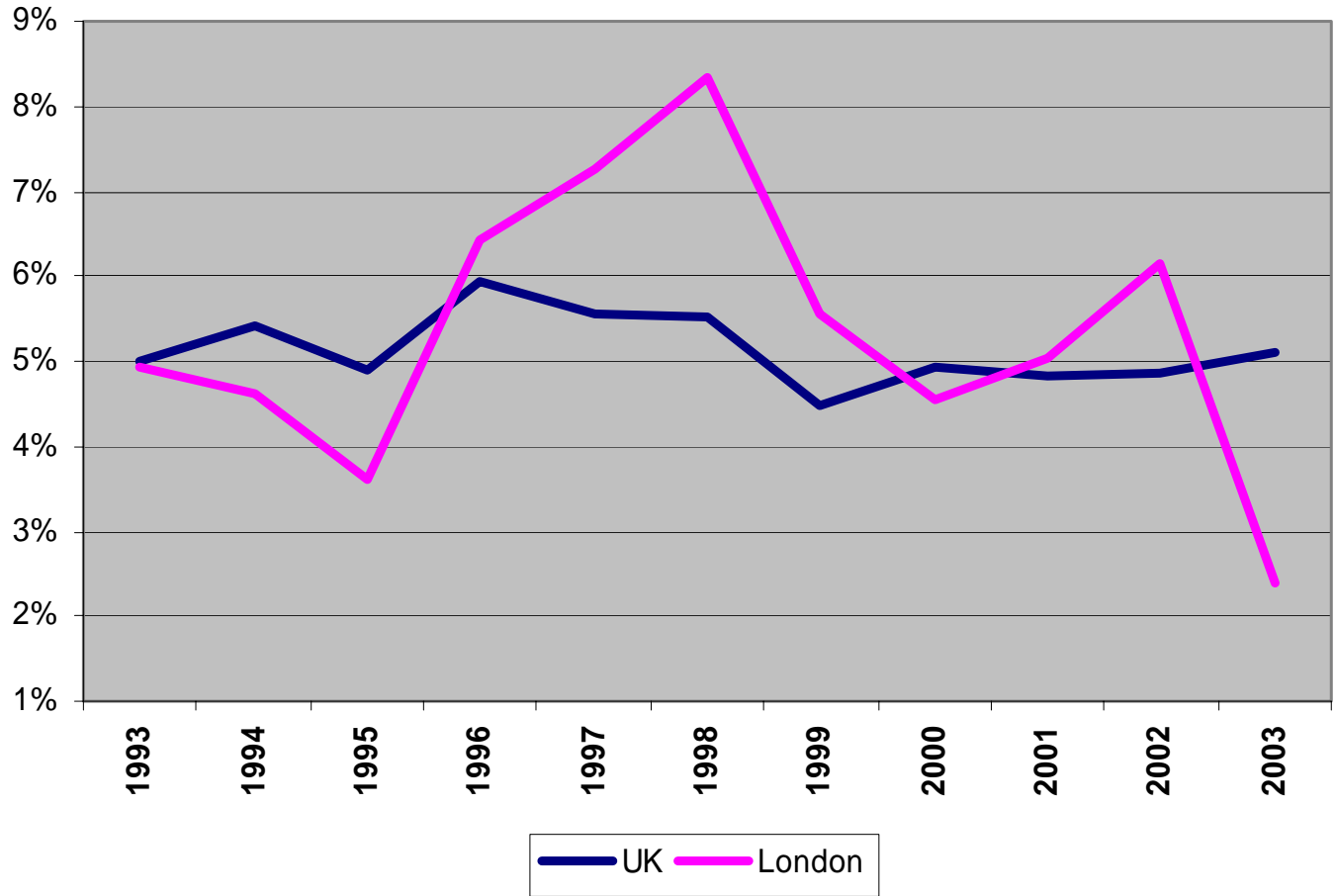
Employment change by Borough 2000-2003



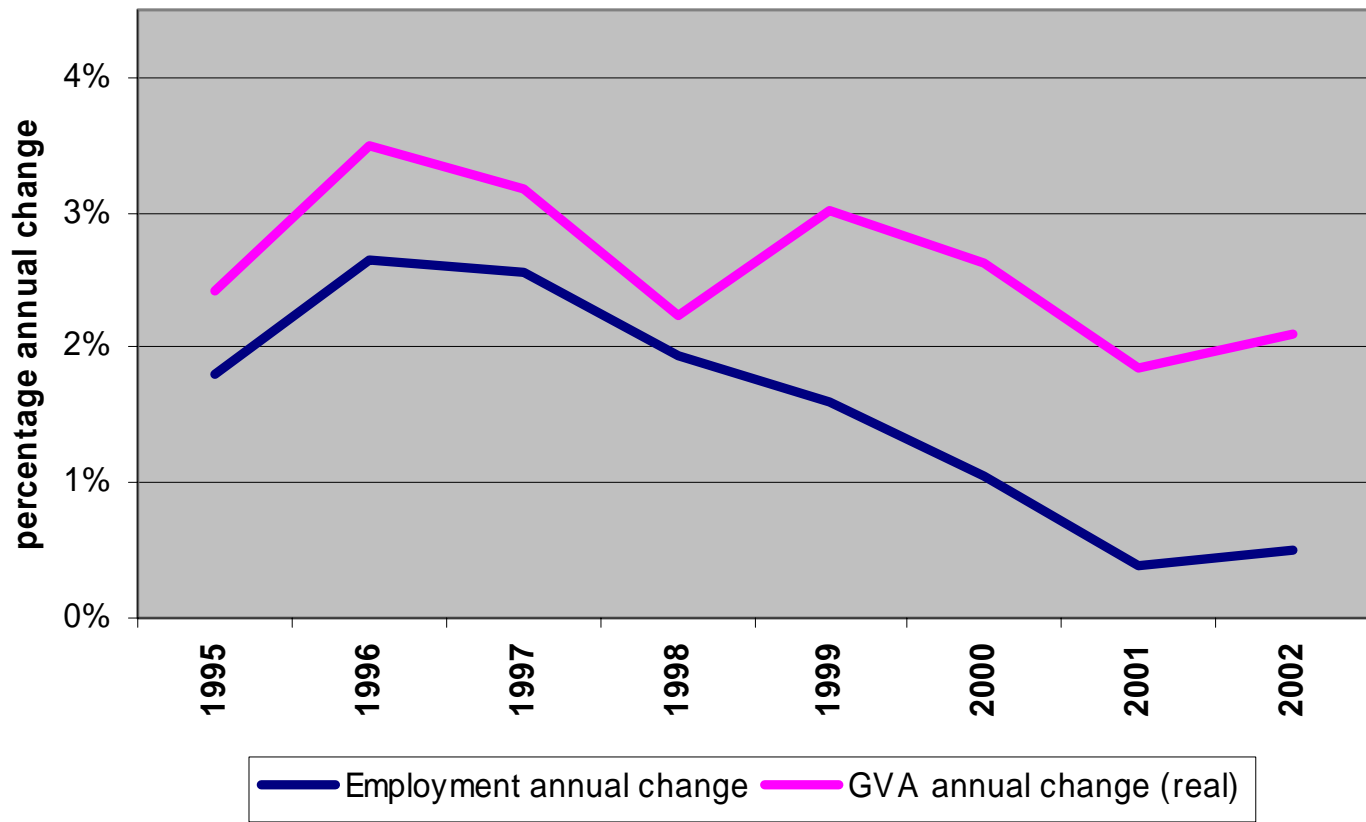
Sector analysis by London Borough: employment change 2000-2003

	D: Manufacturing	G: Wholesale and retail (incl motor vehicles)	H: Hotels and restaurants	I: Transport, storage and comms	J: Financial intermediation	K: Business services	L, M, N: Public sector, health, education	O: Other community, social & personal services
Barking & Dagenham	-3,400	+1,500	+500	-800	-100	-500	+2,100	-500
Barnet	-1,000	-1,300	-100	-1,200	0	-1,800	+800	-700
Bexley	-1,700	-700	-300	-300	+1,300	0	+1,100	-800
Brent	-3,400	-1,000	+4,700	-500	-100	-3,800	0	-1,000
Bromley	-1,200	-800	+900	-1,200	+1,300	-100	+7,400	-200
Camden	-600	-3,800	+4,200	-3,900	+3,000	-8,000	-1,100	-100
City of London	0	2,900	+2,300	-5,000	-13,400	-5,900	+2,600	-1,400
Croydon	-2,400	-2,800	-700	-1,000	+2,100	-3,500	-1,600	-1,000
Ealing	-1,600	-100	+1,000	+800	+100	-3,300	+2,900	-100
Enfield	-3,200	-300	+1,300	-600	-1,700	-1,600	+4,300	-700
Greenwich	-2,000	+400	+100	-600	-300	-8,400	+1,900	-700
Hackney	-2,300	-1,700	+700	0	-6,600	-1,600	+6,400	+500
Hammersmith & Fulham	-400	-100	+1,300	-600	-100	+600	-600	0
Haringey	-1,200	+100	+900	+500	-100	-500	-900	+700
Harrow	-700	-600	+800	-300	-900	-600	+2,200	-200
Havering	-1,900	+500	+1,500	+600	+900	+400	-2,000	-200
Hillingdon	-4,500	-8,500	+3,100	+12,000	-400	+1,800	+3,900	-300
Hounslow	-1,700	+800	+100	-1,100	-900	-10,400	-1,700	-200
Islington	-1,000	-300	+800	-2,300	-5,700	+1,100	+7,100	-800
Kensington & Chelsea	-800	-2,000	-800	-2,200	-1,900	-4,300	-1,000	-600
Kingston-upon-Thames	-1,900	-2,600	+700	+700	-400	-4,100	-700	+900
Lambeth	-1,400	-2,200	+1,200	-700	+100	-3,300	+11,400	-2,900
Lewisham	-900	+600	+600	+500	+600	-1,000	+2,500	-200
Merton	-4,400	+1,000	0	+300	+100	-7,100	+1,600	+200
Newham	-2,100	+200	+400	-1,000	-1,800	-3,900	-400	+200
Redbridge	-2,000	-1,500	+700	-1,700	-500	-1,200	+2,500	+100
Richmond-upon-Thames	-900	+200	+1,900	+300	-200	-1,100	+1,600	-500
Southwark	-1,500	-4,500	+800	-2,200	-1,100	-5,800	+800	-500
Sutton	-700	-2,300	+500	+1,000	-700	+900	-1,000	+100
Tower Hamlets	-1,900	-1,700	+1,600	-1,100	+10,100	+900	-1,100	+100
Waltham Forest	-2,500	-500	0	0	-300	-1,600	+500	-200
Wandsworth	100	-1,000	+1,300	-100	+100	-5,100	+2,800	-700
Westminster, City of	-3,800	-900	+4,400	-4,800	-2,000	-14,100	+2,400	+4,000
London	-58,700	-32,900	+36,200	-16,200	-19,300	-96,800	+56,600	-7,500

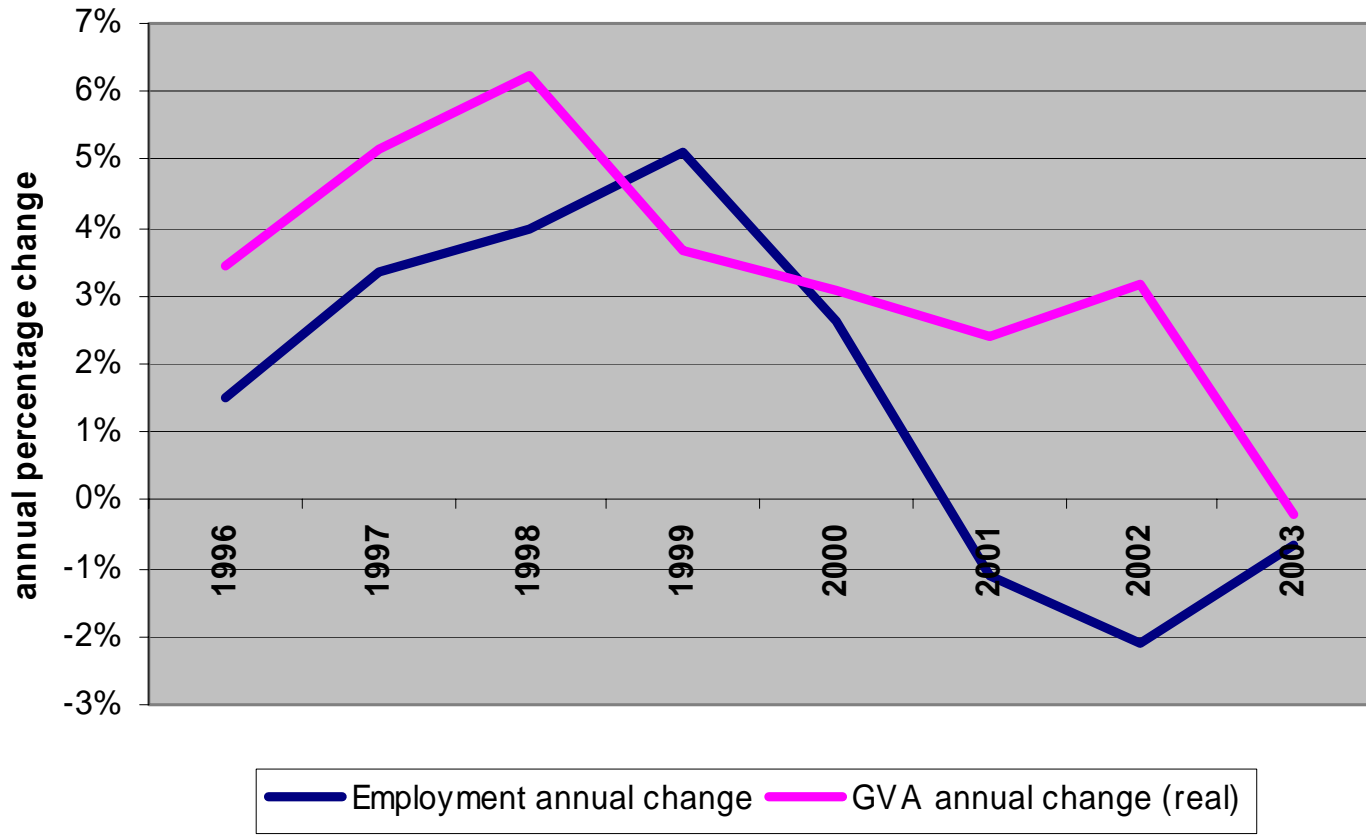
GVA annual growth 1993-2003 - UK and London



Annual change in GVA (deflated) and employment in GB 1993-2003



Annual change in GVA (deflated) and employment in London 1993-2003



Change in output (real GVA) and employment 1995-2002

	GVA change	Jobs change
Manufacturing	-4%	-16%
Construction	+45%	+36%
Wholesale and retail	+23%	+8%
Hotels and restaurants	+42%	+29%
Transport, storage and communication	+20%	+10%
Financial intermediation	+37%	+7%
Real estate, renting and business activities	+67%	+25%
Public administration	-13%	-9%
Education	+30%	+42%
Health and social work	+34%	+18%
Other community, social and personal services	+55%	+18%
Total	+32%	+14%

Output per London employee by sector

	Average GVA per employee in 2003 (London)	Change in output per employee 1995-2002	
		London	Rest of England (excluding London)
Manufacturing	£61,000	+14%	+2%
Construction	£50,700	+7%	+5%
Wholesale and retail trade (incl motor trade)	£29,500	+13%	+11%
Hotels and restaurants	£21,100	+10%	+21%
Transport, storage and communication	£50,700	+9%	+3%
Financial intermediation	£67,000	+28%	+18%
Real estate, renting and business activities	£59,700	+33%	+15%
Public administration and defence	£26,000	-4%	+9%
Education	£29,200	-8%	0%
Health and social work	£25,700	+13%	+12%
Other services	£46,600	+31%	+11%
Total	£39,500	+16%	+7%

Sector based trend assumptions (GLA Economics)

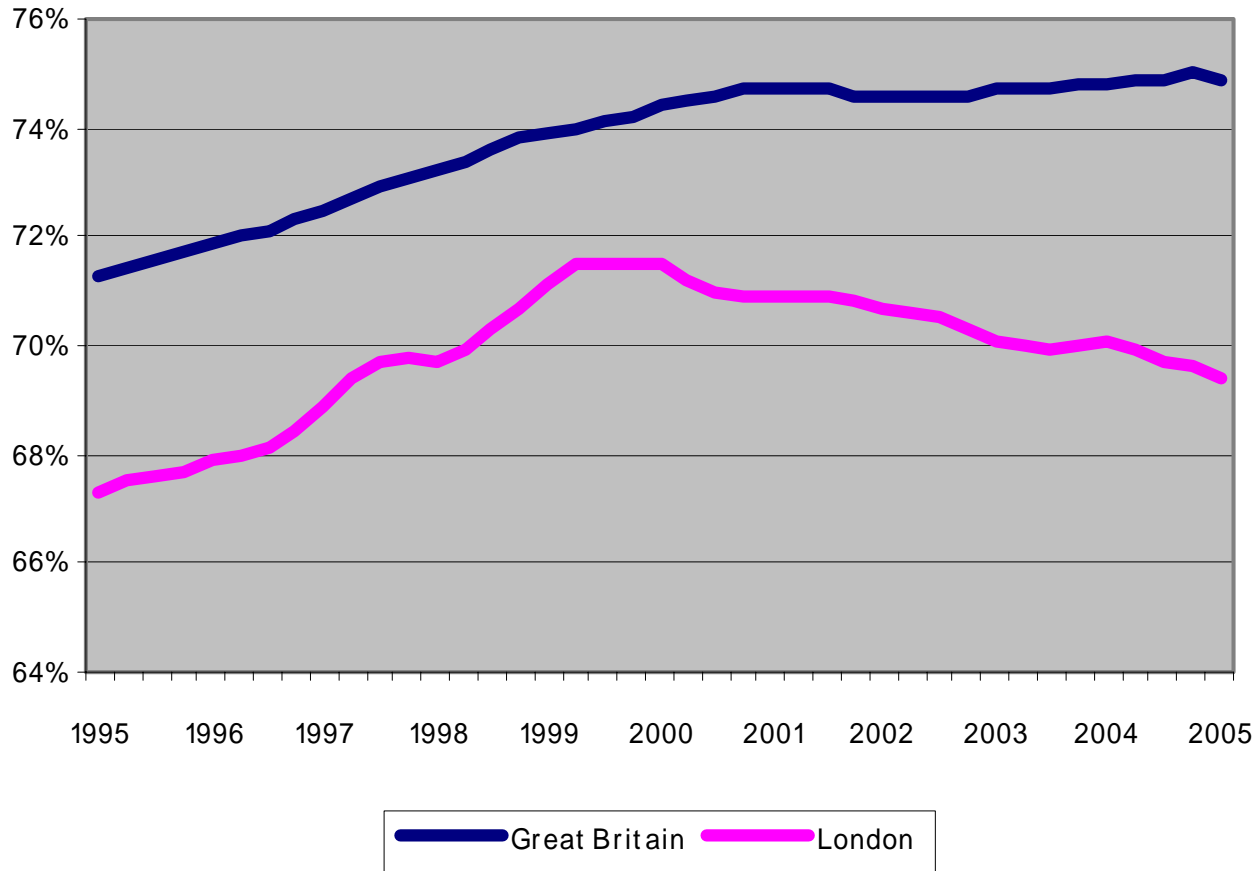
	Growth required for stable employment levels	Employment rise achieved by 2.5% output growth
Manufacturing	5.0%	-2.5%
Construction	5.0%	-2.7%
Wholesale	2.2%	0.3%
Retail	1.9%	0.6%
Hotels and restaurants	0.2%	2.3%
Transport, storage and communication	3.1%	-0.6%
Financial intermediation	1.8%	0.7%
Real estate, renting and business activities	0.8%	1.7%
Public administration and defence	4.3%	-1.8%
Health & education	2.0%	0.5%
Other services	-0.4%	2.9%
Total	1.7%	0.8%

Growth estimates by Borough

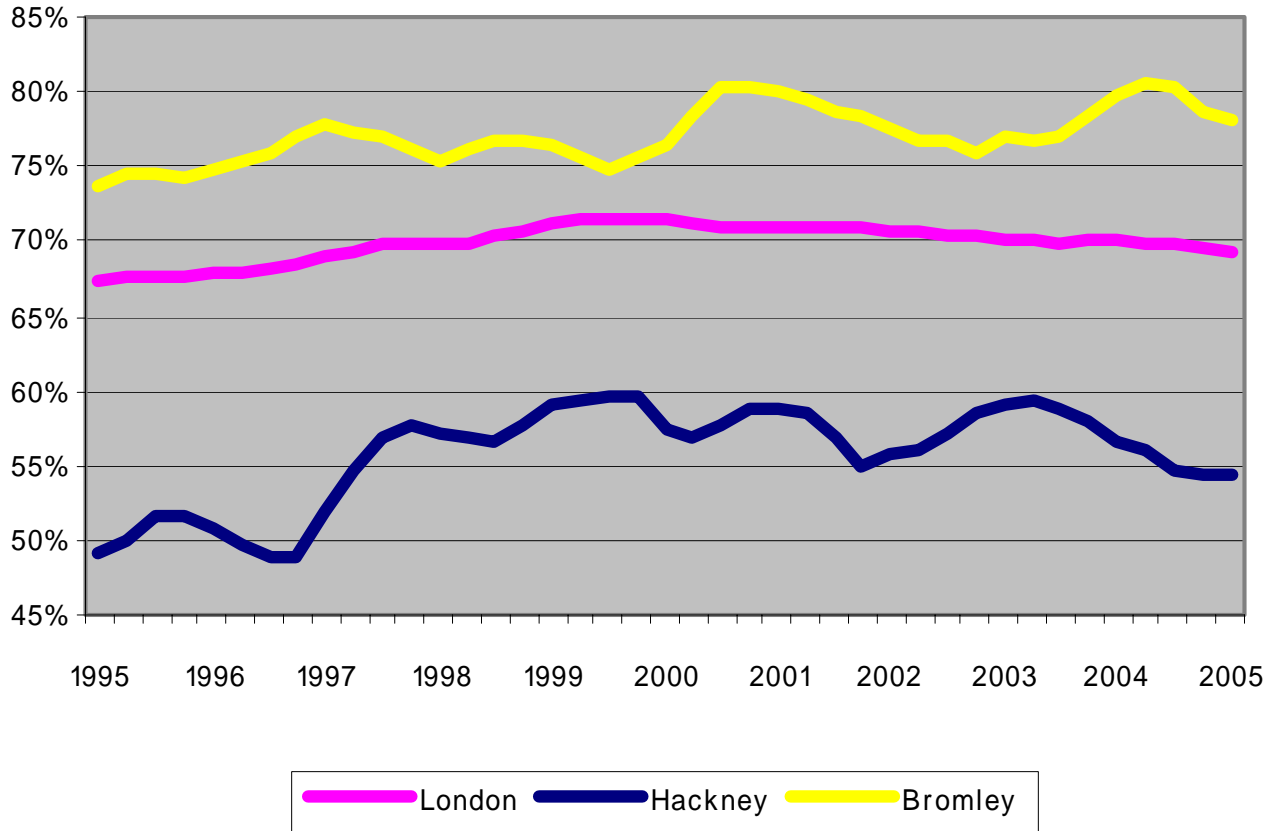
	2002	2011	Change
Tower Hamlets	157,000	231,000	+47%
City	312,000	373,000	+20%
Newham	78,000	93,000	+19%
Hammersmith & Fulham	129,000	146,000	+13%
Kensington & Chelsea	147,000	162,000	+10%
Barnet	134,000	147,000	+10%
Hounslow	137,000	149,000	+9%
Islington	173,000	188,000	+9%
Hillingdon	181,000	196,000	+8%
Wandsworth	136,000	147,000	+8%
Westminster	598,000	642,000	+7%
Southwark	173,000	185,000	+7%
Havering	88,000	94,000	+7%
Camden	293,000	312,000	+6%
Lewisham	78,000	82,000	+5%
Richmond upon Thames	80,000	84,000	+5%
Lambeth	141,000	147,000	+4%

	2002	2011	Change
Kingston upon Thames	76,000	79,000	+4%
Enfield	108,000	112,000	+4%
Harrow	81,000	84,000	+4%
Redbridge	84,000	87,000	+4%
Brent	114,000	118,000	+4%
Hackney	100,000	103,000	+3%
Sutton	72,000	74,000	+3%
Merton	78,000	79,000	+1%
Greenwich	77,000	77,000	0%
Bromley	114,000	112,000	-2%
Croydon	149,000	146,000	-2%
Bexley	76,000	74,000	-3%
Ealing	129,000	125,000	-3%
Barking and Dagenham	51,000	49,000	-4%
Haringey	71,000	68,000	-4%
Waltham Forest	64,000	59,000	-8%
London	4,480,000	4,825,000	8%

Employment rate: London & GB (residents)



Employment rate: London and lowest/highest Boroughs (residents)



Jobs gaps in London Boroughs

	Currently employed residents	"Full employment target"	"jobs gap"
Newham	81,000	124,000	43,000
Haringey	85,000	118,000	33,000
Tower Hamlets	73,000	106,000	33,000
Hackney	80,000	110,000	30,000
Lambeth	116,000	142,000	26,000
Southwark	103,000	129,000	26,000
Brent	113,000	138,000	25,000
Waltham Forest	88,000	110,000	22,000
Westminster, City of	85,000	107,000	22,000
Greenwich	91,000	110,000	19,000
Lewisham	113,000	132,000	19,000
Barnet	151,000	169,000	18,000
Islington	79,000	97,000	18,000
Ealing	147,000	163,000	16,000
Camden	97,000	112,000	15,000
Enfield	124,000	139,000	15,000
Harrow	95,000	110,000	15,000

	Currently employed residents	"Full employment target"	"jobs gap"
Barking and Dagenham	64,000	78,000	14,000
Kensington and Chelsea	80,000	94,000	14,000
Redbridge	110,000	122,000	12,000
Hounslow	100,000	111,000	11,000
Croydon	161,000	171,000	10,000
Hillingdon	116,000	126,000	10,000
Bromley	137,000	146,000	9,000
Hammersmith and Fulham	89,000	98,000	9,000
Richmond-upon-Thames	87,000	94,000	7,000
Wandsworth	141,000	148,000	7,000
Bexley	104,000	108,000	4,000
Merton	98,000	102,000	4,000
Sutton	87,000	91,000	4,000
Havering	108,000	109,000	1,000
Kingston-upon-Thames	80,000	81,000	1,000
City of London	4,000	4,000	0
Total	3,290,000	3,798,000	508,000

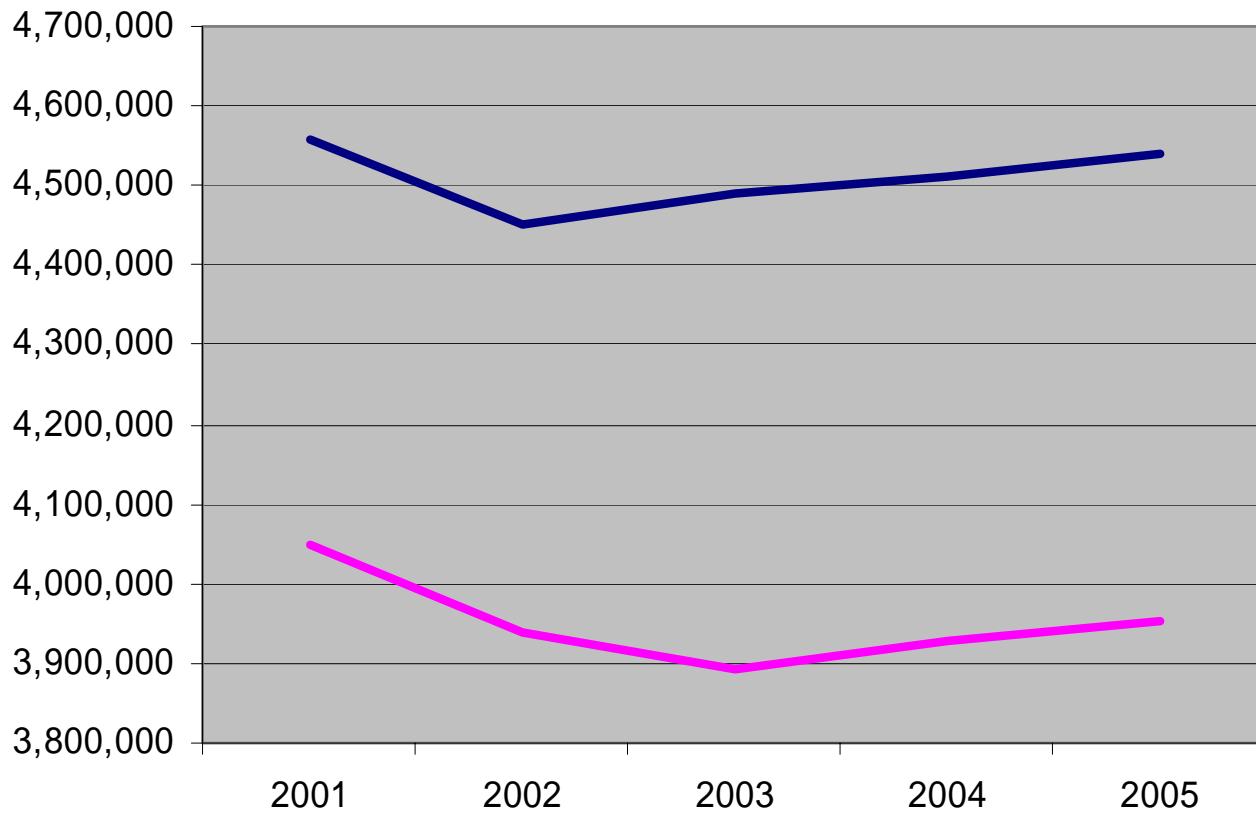
Some caveats and uncertainties

- Jobs growth *has* inched back upwards in recent quarters (see next slide)
 - Latest GVA and 2004 jobs data eagerly awaited
 - Significant variations across London – and the rest of South East
 - Impact of development stimulus not clear – e.g. CWH&BC, Stratford City, Wembley
 - Housing market changes – uncertain effects
 - In-migration balance may be changing – positive and negative effects
 - Unclear how significant is population growth – the London Plan paradigm
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Some conclusions: what's needed

- Accelerating growth rates: jobs, businesses and demand
 - Geographical dispersion – polycentric
 - Skills development
 - Welfare-to-work
 - Earnings
 - Affordable housing supply
 - Infrastructure blockages
 - How effective are all the regeneration interventions?
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Provisional employment totals (London)



— All employment — Employees only

Want more?

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