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London's labour market in the recent recession

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Executive summary

Compared to the experience of recent recessions, London's, and particularly the UK's, labour market has shown surprising resilience to the recent economic downturn so far. The recent decline in output has been steeper, and for the UK larger, than that experienced in both the 1990's and 1980's recessions; however, unemployment has risen, and employment fallen, by less this time around.

Initial analysis would seem to suggest that reductions in wages, continued employment growth in the public sector and strong levels of corporate profitability moving into the recession (and correspondingly low rates of business failures during the recession) are the main factors that can explain this surprisingly strong labour market performance to date.

Looking forward, low relative unit wage costs growth and strong corporate profitability should continue to provide support to the labour market in the short to medium term. However the outlook remains uncertain and there are some downside risks to the labour market, including cuts in public sector employment and factors that pose wider risks to GDP growth and therefore the labour market.

Introduction

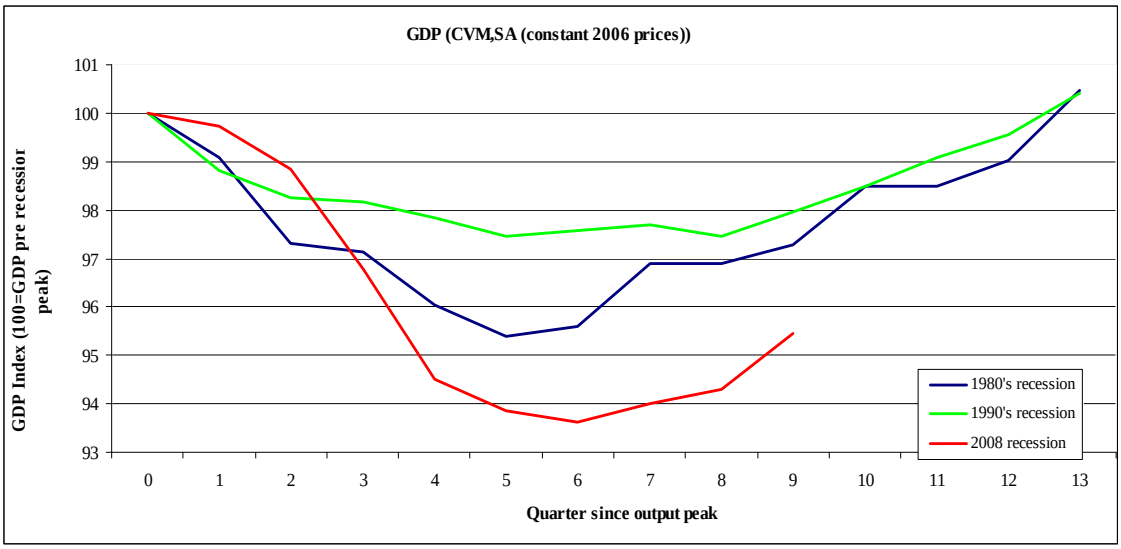
This paper compares initial data on the 2008 recession to the recessions of the 1980s and 1990s; it is not presumed that the full impact of the recession on the labour market has necessarily been experienced yet. The paper begins by looking at how output has moved in the UK and London during the 1980's, 1990's and 2008 recessions and the corresponding labour market effects. For the UK it looks at how the ILO unemployment rate, claimant count rate, ILO employment rate and employee jobs numbers moved during these three recessions. For London, where time series data is more limited, it looks at the claimant count rate and employee jobs numbers. It then assesses evidence around possible explanations as to why the UK's and London's labour market has thus far shown greater resilience during the 2008 recession when compared to the recessions of the 1980s and 1990s.

In all, seven possible explanations as to why the labour market has, to date, shown greater resilience during the 2008 recession are assessed. These include: reduced working hours; lower wages; structural changes in the labour market; sectoral composition (growth in public sector employment); corporate profitability and business failure; measurement errors; and less economic structural change. Finally, the paper considers what these possible explanations may mean for the labour market going forward.

Labour market experience in recent recessions

From peak to trough[1] UK GDP fell 4.7 per cent in the 1980's recession, 2.5 per cent in the 1990's recession and 6.4 per cent in the 2008/9 recession (see Figure 1).

Figure 1: Percentage change from peak in UK GDP[a] over recessions

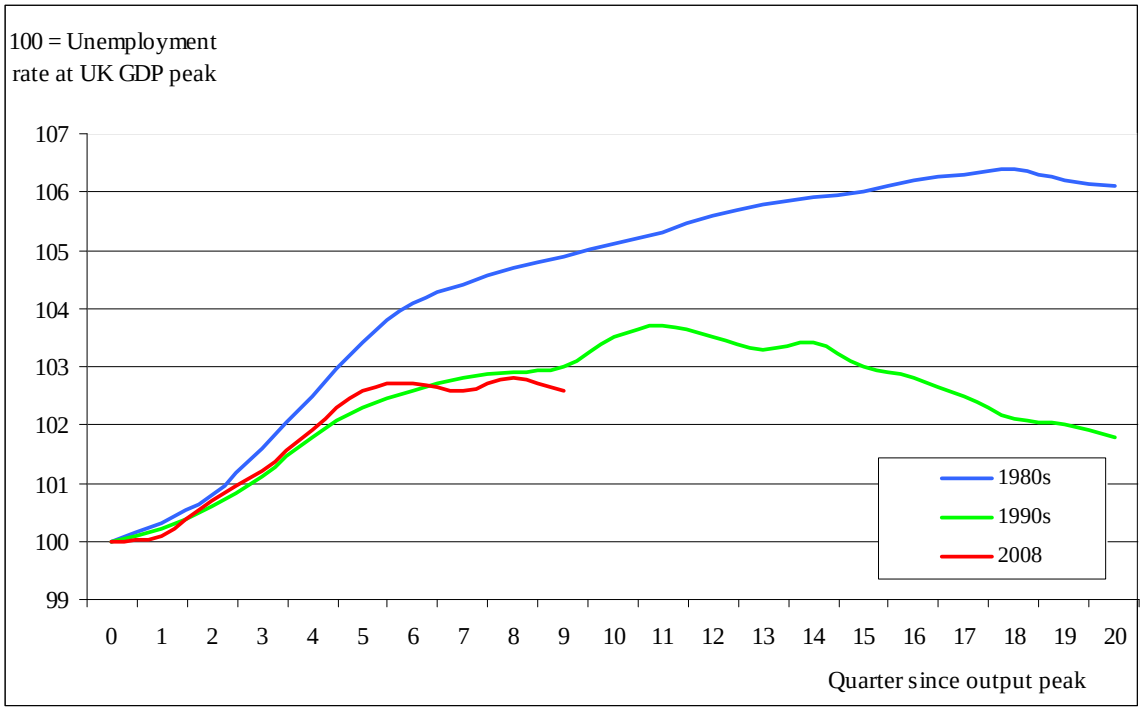


[a] *Seasonally adjusted (SA), CVM, constant 2006 prices.*
Source: ONS (code: ABMI)

Whilst historically a larger decline in output has resulted in greater unemployment, this trend does not appear to have continued in the 2008 recession. The Labour Force Survey (LFS) 16+ unemployment rate has so far risen by only 2.6 percentage points in this recession (i.e. after nine quarters from UK GDP peak) compared to an increase of 4.9 and 3.0 percentage points in the 1980's and 1990's recessions respectively (see Figure 2).

[1] Peak to trough is defined as the quarter prior to the first decline in output to the quarter prior to output recovery. For the 1980's recession this is 1979 Q4-1981 Q1; for the 1990's recession this is 1990 Q2-1991 Q3; for the 2008 recession this is 2008 Q1-2009 Q3.

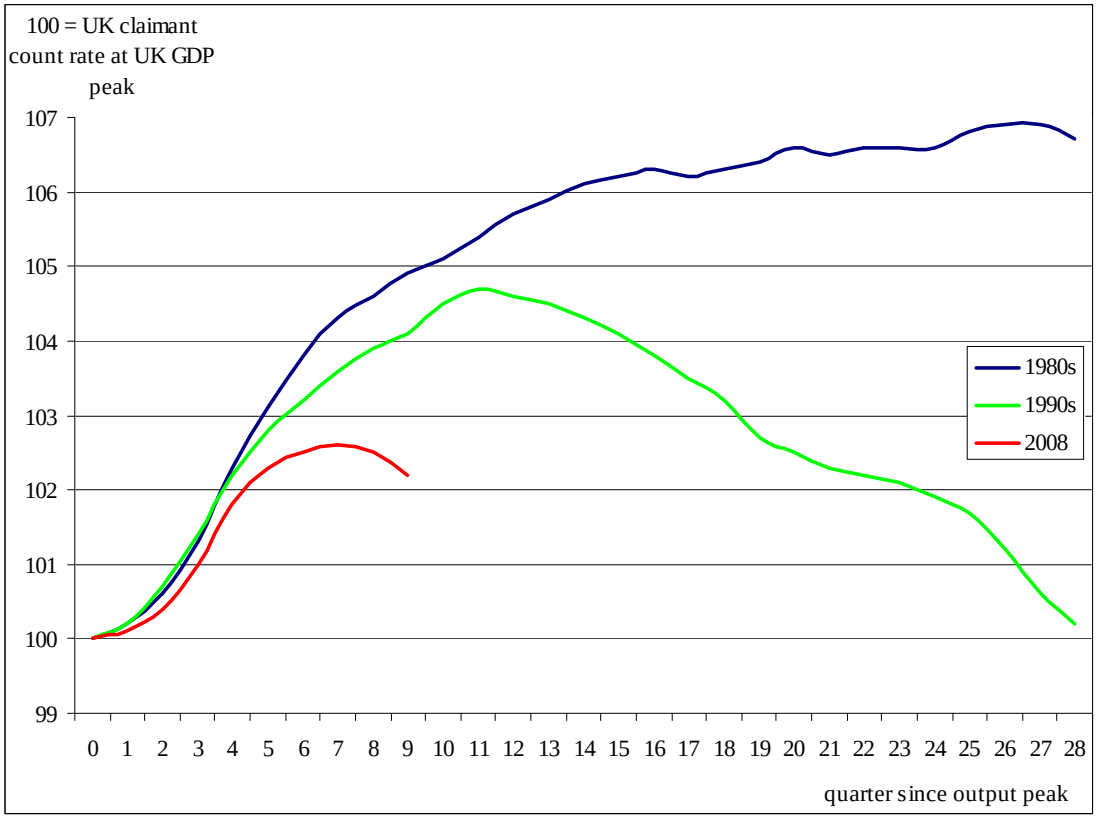
Figure 2: Percentage point change from UK output peak in UK unemployment rate (16+)



Source: LFS, ONS (code: MGSX)

Similarly, the UK claimant count rate has so far only increased by 2.2 percentage points since output peak (although it had reached a high of 2.6 percentage points before this), whereas, over the same period, it rose by 4.1 and 4.9 percentage points in the 1990s and 1980s respectively and was still increasing before peaking at an increase of 4.7 and 6.9 percentage points respectively (see Figure 3).

Figure 3: Percentage point change from UK output peak in UK claimant count rate[a]

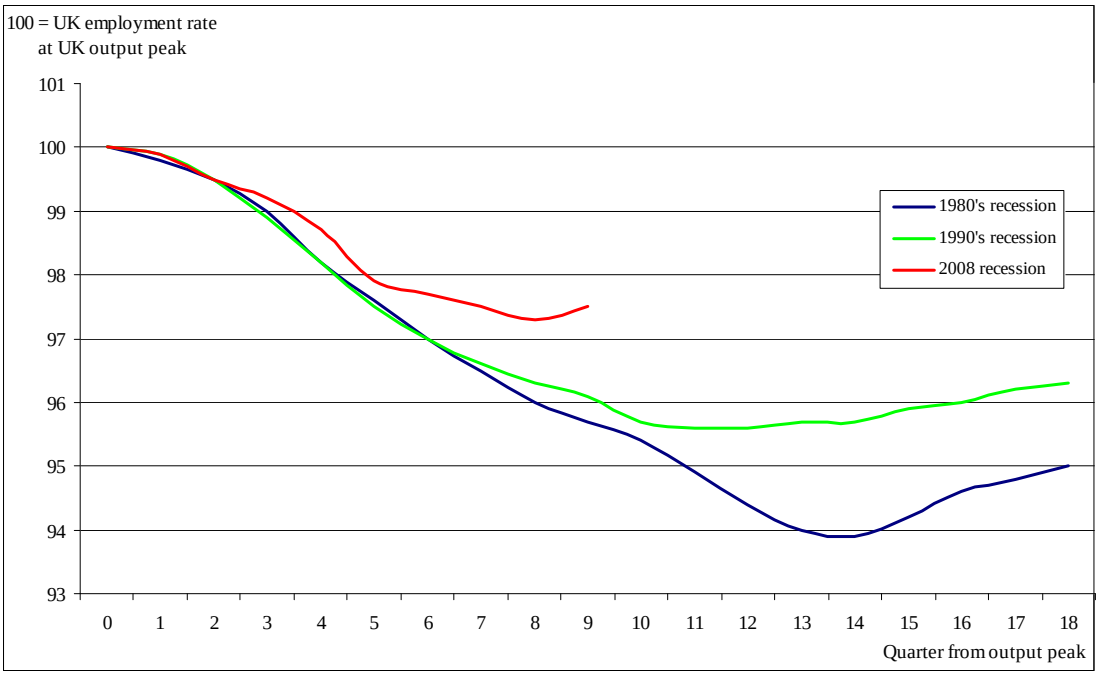


[a] *Denominator = claimant count + workforce jobs, SA.*
Source: ONS

This recession has also seen a more modest fall in the employment rate and employee jobs than in previous recessions. Between 2008 Q1 and 2010 Q2 the UK employment rate fell by 2.5 percentage points but had fallen, over the same length of time, by 4.3 and 3.9 percentage points in the 1980's and 1990's recessions respectively. Similarly, employee jobs has contracted by 3.9 per cent thus far having declined by 4.3 per cent over a similar period in the 1990's recession[2] (see Figures 4 and 5).

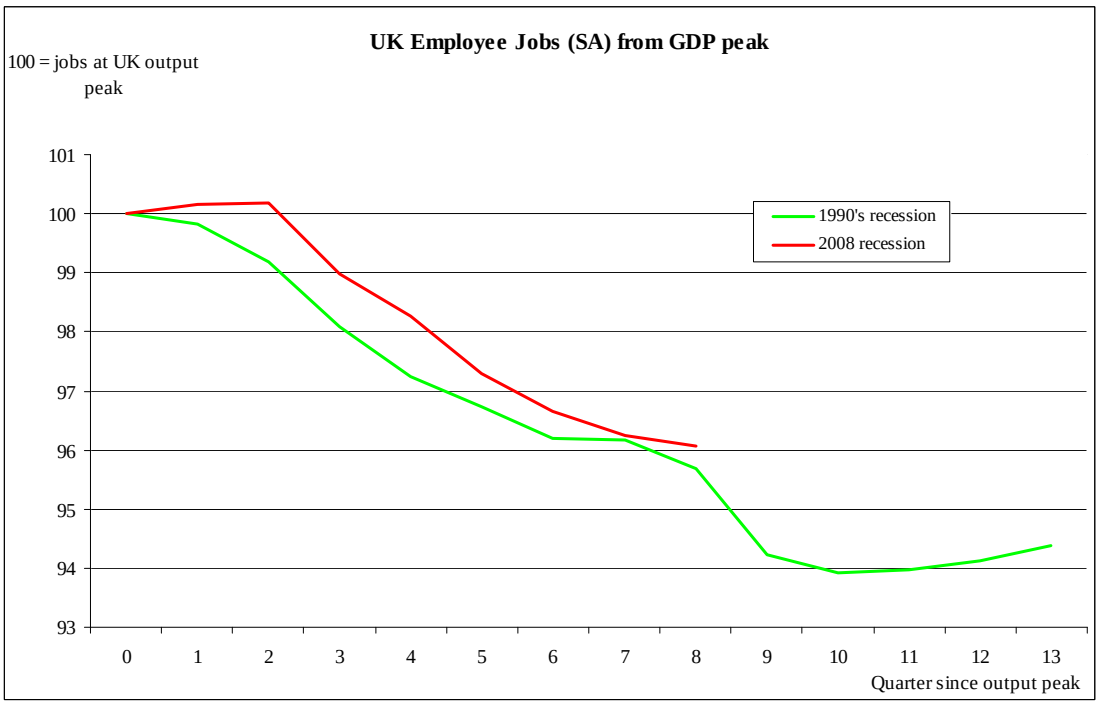
[2] The ONS employee jobs series are not available for the 1980's recession period.

Figure 4: Percentage point change from UK output peak in UK employment rate[a]



[a] *16-64 years, SA.*
Source: LFS, ONS (code: LF24)

Figure 5: Percentage change from UK output peak in UK employee jobs

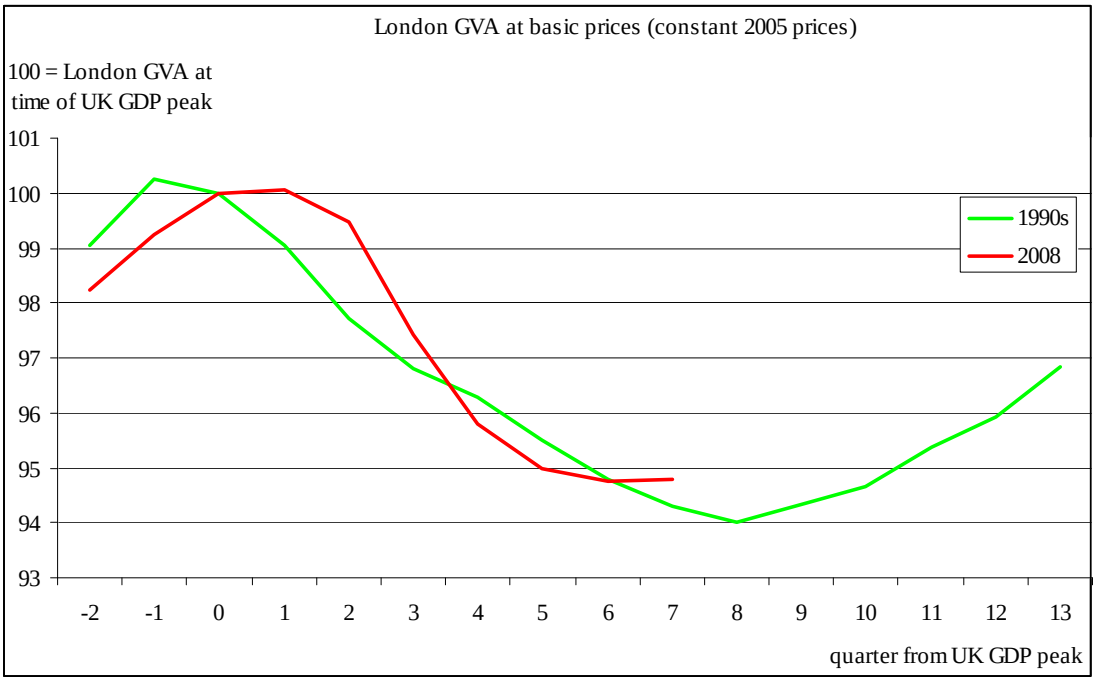


Source: LFS ONS (code: BCAJ)

Looking at London, Experian's estimates of real GVA suggest that the region has, unlike the UK, not deteriorated by as much or over as long a period as had occurred in the 1990s.

Indeed, London's GVA fell by 5.3 per cent over five quarters during this recession compared to a 6.2 per cent decline over nine quarters in the 1990s[3] (see Figure 6).

Figure 6: Percentage change in London GVA[a] from UK GDP peak



[a] *At basic prices, constant 2005 prices.*
Source: Experian

Although output in the UK has declined by significantly more during the 2008 recession than it had during the 1990s, so far London's output has fallen by less in the 2008 recession than in the 1990s. Further, whilst in the UK both recessions lasted for around the same amount of time, in London the 2008 recession was just around half as long as in the 1990s[4]. These two differences combined mean that both the UK and London have experienced a far steeper decline in output in the 2008 recession than in the 1990s. Indeed, the peak-to-trough compound annual growth rates (CAGR) for both were significantly larger in 2008 than in the 1990s (see Table 1). That is, whilst the overall loss in output in the 1990's recession in London was, to date, greater than that experienced in the 2008 recession (as shown in Figure 6), the speed at which output fell in 2008 means the annual growth rate in the 2008 recession was more negative than that experienced in the 1990's recession.

[3] The corresponding GVA numbers for the UK – based on Experian estimates, which are an unrevised version of the latest ONS estimates – show a 5.9 per cent GVA fall over six quarters during this recession but only a 1.7 per cent GVA decline over five quarters in the 1990s. Note that the fall in GVA in the UK during the 1990s recession is smaller than the GDP fall of 2.5 per cent shown in Figure 1. When compiling the National Accounts the ONS ensure that these two measures (ABMI measuring GDP and ABMM measuring GVA) have an equal growth rate in the latest quarter and differ by no more than 0.2 in the back series when looking at quarter-on-quarter growth. However, these tolerances do not seem to have always been in place, and the 0.8 per cent difference in output decline during the 1990s recession is likely to be a cumulative effect of differences along the quarterly path.

[4] In the UK during the 1990's recession, output declined consecutively for five quarters and for six quarters during the 2008 recession. In comparison, in London during the 1990's recession output declined for nine consecutive quarters and only five consecutive quarters in the 2008 recession.

Table 1: Peak-to-trough compound annual growth rate in output in London and UK over recession:

CAGR (peak-to-trough)	London (GVA, Experian estimates)	UK (GVA, Experian estimates equal to pre-revised ONS estimates)	UK (GDP, ONS latest/revised estimates)
2008	-4.2%	-4.0%	-4.3%
1990s	-2.8%	-1.4%	-2.0%
1980s	-	-	-3.7%

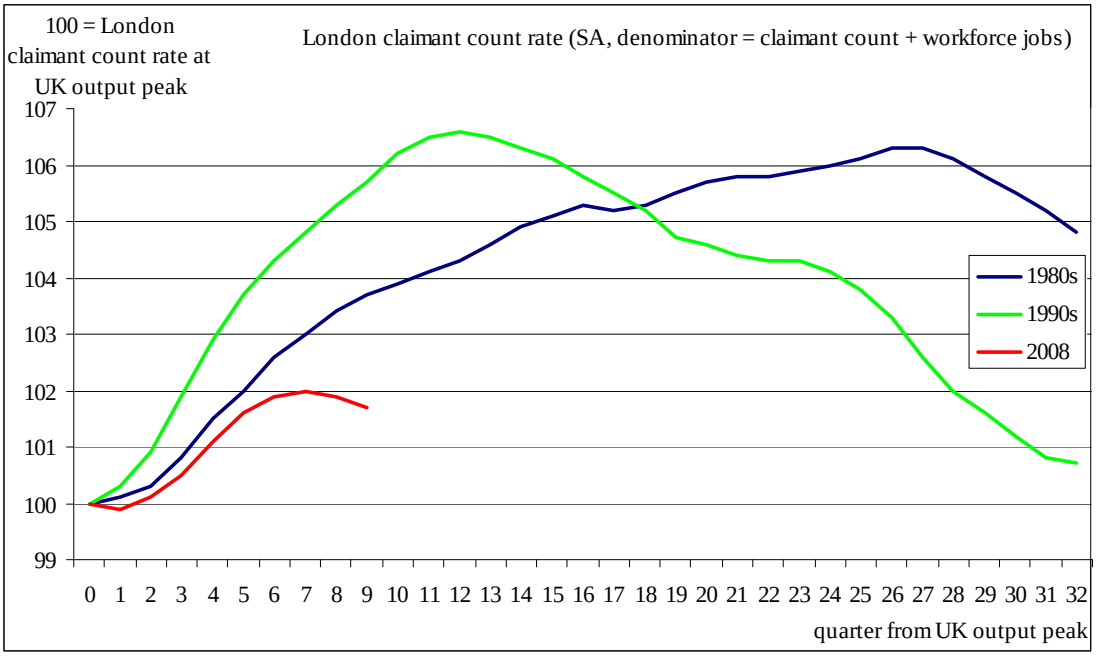
However, it is important that too much weight is not placed on Experian's regional GVA estimates as there are causality issues between labour market performance and GVA, where Experian's GVA estimates are derived from ONS labour market statistics. Indeed, the relationship between the labour market and GVA experienced in the past is used along with the latest ONS labour market statistics (as well as other variables) to estimate regional GVA. It is, therefore, not surprising that a stronger labour market performance during the 2008 recession goes hand in hand with a smaller output decline – this conclusion is pre-built into Experian's model. In addition, Experian's estimates are often subject to significant revisions.

Nevertheless, use is made of the Experian estimates because ONS do not produce timely estimates of regional GVA and do not produce inflation-adjusted estimates at all. The Experian numbers are therefore used here to provide some indication of how London's economy is likely to have performed over the recession. To try and overcome the lack of timely regional output data, ONS recently produced Regional Short Term Indicators[5] of regional performance. However, this pilot work by the ONS did not cover the whole regional economy, are not updated on an on-going basis (such that they are currently a year out of date) and the data series does not go back far enough to cover the 1990's recession (currently this data spans from 2005 Q4 to 2009 Q2).

Given that London's output during this latest recession has not fallen by as much (in total), or lasted as long, as in the 1990s (according to Experian's estimates – see caveat around these noted above) it is perhaps not too surprising that London's labour market has also been less impacted. London's claimant count rate[6], has risen by only 1.7 percentage points to date in this recession, compared to 5.7 and 3.7 percentage points in the 1990's and 1980's recessions respectively. Further, whilst it may be too early to say definitively, London's claimant count rate seems to have peaked at 2 percentage points above its rate when UK output peaked. In the 1990's and 1980's recessions the claimant count unemployment rate increased by 6.6 and 6.3 percentage points respectively before declining (see Figure 7).

[5] http://www.statistics.gov.uk/downloads/theme_economy/WebRSTIarticlefinal.pdf
[6] Note that ILO unemployment figures for London do not start until 1992 and cannot therefore be used to assess labour market performance over the 1990's recession.

Figure 7: Percentage point change in London claimant count rate[a] from UK output peaks



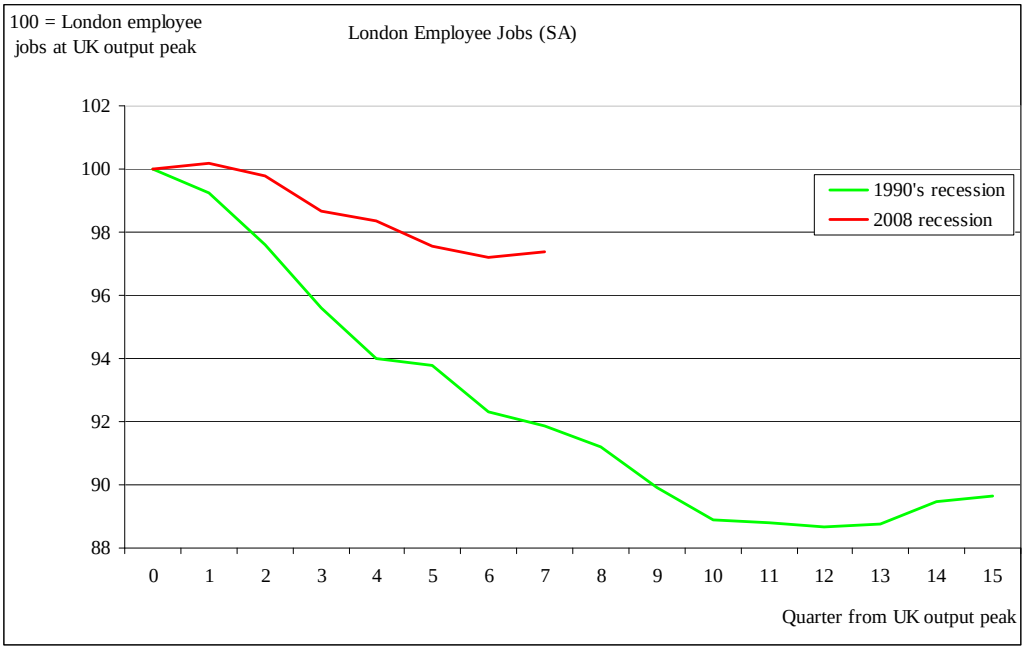
[a] *Denominator = workforce jobs + claimant count, SA.*
Source: ONS (DPDQ)

Similar to the UK trend, the claimant count rise in London during the 2008 recession was less than in both the 1990's and 1980's recessions.

Employee jobs[7] in London in this recession have also been less affected than previously and perhaps less so than the GVA declines would have suggested. In the two years from the UK GDP peak, employee jobs fell by 2.6 per cent in London in 2008/9 but fell by 8.1 per cent in the 1990s.

[7] Note that ILO employment rate figures for London do not start until 1992 and do not therefore cover the 1990's recession.

Figure 8: Percentage change in London employee jobs from UK output peaks



Source: LFS, Nomis

The difference in the percentage fall in employee jobs during the 1990s and 2008 in London (5.5 percentage points) is significantly larger than that for the UK (0.4 percentage points). This is more to do with London experiencing a much greater decline than the UK in employee jobs during the 1990's recession.

In summary, estimates from Experian suggest that London, unlike the UK, did not experience as great a decline in output during the 2008 recession as it had during the 1990s. Nevertheless, the shorter period over which output declined in London in 2008 means that the rate of decline was significantly faster, as it was for the UK when compared to the recessions of the 1990s and 1980s. At the same time, both the UK's and London's labour market have held up relatively well and, although London's labour market deteriorated by more than the UK during the 1990's recession, it has performed better than the UK's labour market during the 2008 recession (see Table 2).

Table 2: Summary of output and labour market indicator performances for London and the UK over recessions

		London	UK
Peak-to-trough output decline (%)[1]	2008	5.3	6.2
	1990s	6.2	2.5
	1980s	-	4.7
CAGR (over peak-to-trough period) (%)[1]	2008	-4.2	-4.3
	1990s	-2.8	-2.0
	1980s	-	-3.7
Percentage point change in claimant count rate[2]	2008	1.7	2.2
	1990s	5.7	4.1
	1980s	3.7	4.9
Change in employee jobs numbers (%)[3]	2008	-2.6	-3.9
	1990s	-8.1	-4.3
	1980s	-	-

1 London figures are derived from Experian's regional GVA estimates. UK figures are derived from ONS GDP estimates.
2 From UK output peak to nine quarters after.
3 For the UK this is over the period from UK output peak to eight quarters after. For London this is over the period from UK output peak to seven quarters after.

International Comparisons

An economic downturn in 2008/09 was experienced in many countries across the world. Some countries, such as France, have experienced a relatively modest GDP decline but with unemployment rises similar to the UK's. Others, such as the US, Spain and Ireland, have experienced a rise in unemployment much larger than their fall in output in contrast to the experience of the UK (see Table 3).

Table 3: The percentage point change in GDP and unemployment across selected countries over the 2008 recession:

	% Change in GDP 2008 Q1-2009 Q2	% point change in unemployment 2008 Q1 — 2009 Q4
Countries with small unemployment rise relative to fall in GDP		
UK	-5.9	2.7
Sweden	-6.1	2.9
Countries with small unemployment rise relative to GDP and with employment subsidies		
Italy	-6.5	1.8
Germany	-6.3	-0.1
Netherlands	-5.8	1.2
Japan	-7.1	1.3
Countries with similar sized unemployment rise and GDP falls		
France	-3.1	2.4
Countries with larger unemployment rises than GDP falls		
US	-3.5	5.0
Spain	-4.3	9.7
Ireland	-9.6	8.2
Countries with little or no GDP fall		
Australia	+1.5	1.5

Source: OECD.

The UK and Sweden are one of a small number of countries to have experienced a relatively small unemployment rise (given their GDP falls) without the use of a government funded employment subsidy.

Possible explanations for the resilience of the labour market

In this section seven possible reasons are examined as to why the labour market impact in London and the UK has, to date, been less severe during this recession than might otherwise have been expected given the experience of past recessions. We look at available data to assess how large the impact of different factors may have been, and what these may mean for the labour market going forward. Initial analysis would seem to suggest that reductions in wages, continued employment growth in the public sector and strong levels of corporate profitability moving into the recession (and correspondingly low rates of business failures during the recession) are the main factors that can explain this surprisingly strong labour market performance to date. Looking forward, low relative unit wage costs growth and strong corporate profitability should provide support to the labour market in the short to medium term, although there are downside risks from cuts in public sector employment as well as factors that pose wider risks to GDP growth and therefore the labour market.

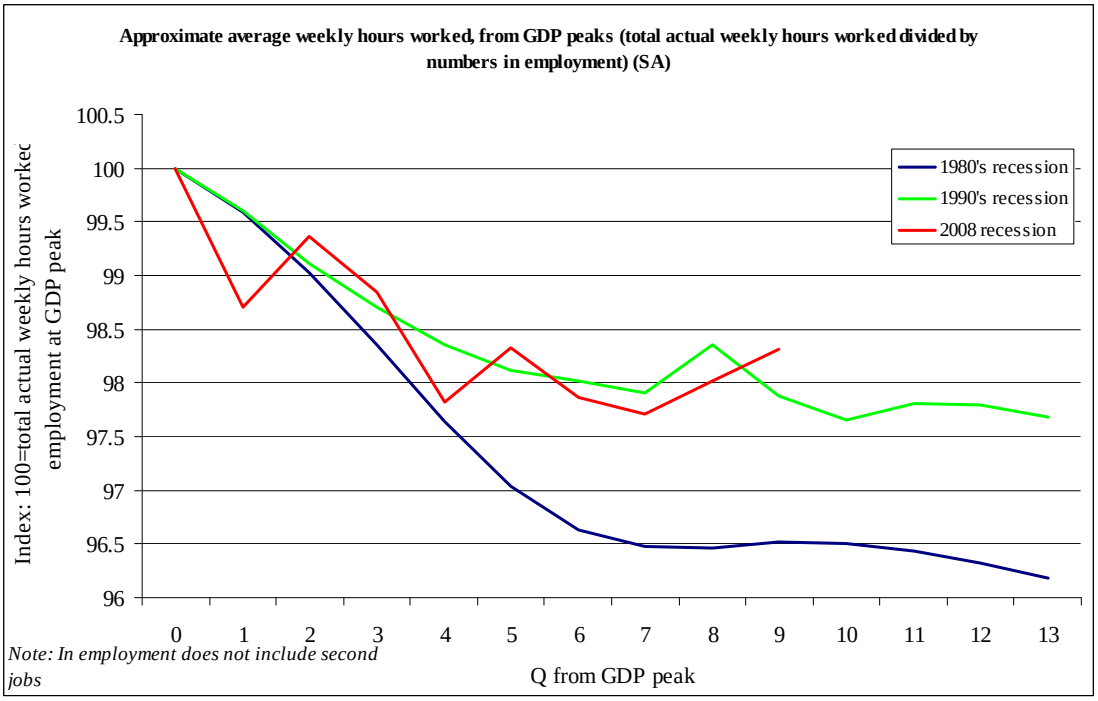
Reduced working hours

One possible explanation as to why the labour market has so far been less affected during this recession than may have been predicted is that firms have adjusted their labour input by reducing employee hours rather than total head count. Looking at a proxy of average weekly hours worked (total actual weekly hours worked divided by the numbers in employment)[8] shows that in the 1980's recession average hours worked in the UK fell by 3.5 per cent in the nine quarters from GDP peak, 2.1 per cent in the 1990's recession, and only 1.7 per cent in the 2008 recession[9]. Therefore, whilst average weekly hours have fallen during this recession, the fall is less than that experienced in the recessions of the 1980s and 1990s.

[8] A proxy measure is required to be able to look over the recessions of 1980s and 1990s (as data on average actual weekly hours does not go back this far).

[9] Nonetheless, the ONS has calculated that had hours worked remained at their pre-crisis peak the UK would have shed between 450,000-630,000 more jobs (Fathom Consulting, Feb 2010).

Figure 9: Approximate average weekly hours worked[a] from UK output peaks



[a] *Taken as total actual weekly hours worked divided by numbers in employment.*
Source: LFS, ONS (code: YBUS, MGRZ)

Data for London is considerably scarcer than that for the UK and it is only possible to look at average weekly hours worked for the 2008 recession alone and on an annual basis (rather than quarterly). Using the same measure as above (i.e. a proxy of average weekly hours worked by total actual weekly hours worked divided by the numbers in employment), London experienced a 2 per cent fall from 2007 to 2009; average weekly hours worked fell by 1 per cent in the first year of the recession and a further 1 per cent on top of that in the second year. In comparison, the UK, having seen a 2 per cent fall in the first year of the recession, experienced an increase in 2009 so that by the end of the year it had almost fully recovered to its pre-recession (or 2007) levels.

Looking forward, as GDP grows we are likely to see a pick up in the average weekly hours of work as workers are employed to their maximum capacity before employment is increased. In the near-term, therefore, we may expect to see little employment growth and unemployment remaining high until demand is sufficient for firms to be back at full capacity.

Lower wages

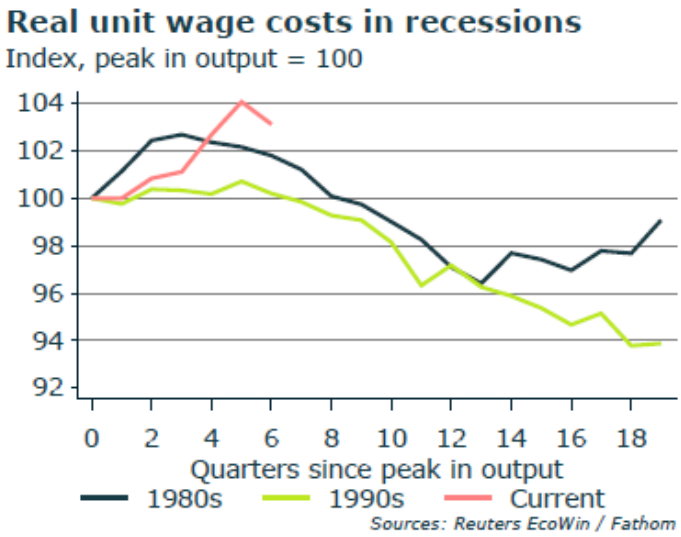
It has also been proposed that workers have accepted larger pay cuts/smaller pay rises during this recession, easing financial pressure on employers and thus mitigating employees' unemployment risks.

From UK GDP peak-to-trough, in the 1980s and 1990s UK real hourly wages[10] rose by 2.7 per cent and 7.3 per cent respectively, compared to a marginal 0.1 per cent rise in the 2008 recession[11]. There are two most likely reasons as to why the real hourly wage has risen by less in this recession when compared to earlier recessions. The first is the differing responses of labour supply, where, with regard to the participation rate (the proportion of adults who are either in work or actively seeking work), there has only been a small fall since the start of this recession compared with a sharp fall in the early 1990s, so that employees had a relatively stronger bargaining position in the 1990s. Second, the rapid growth of both nominal wages and prices (or inflation) prior to the 1990s recession was followed by a much steeper fall in inflation than in nominal wages when the recession hit (possibly due to the lower frequency with which wages changed relative to prices, e.g. because of employment contracts) thus pushing up real wages in the short term.

Nevertheless, real hourly wages may not be the most appropriate measure to assess whether wage changes have resulted in materially different labour market outcomes over the recessions. Rather, it is preferable to consider wages in relation to real output to assess how labour input costs may have changed compared to firms profits over time.

Looking at how real unit wage costs[12] have moved since the GDP peak it does not seem immediately apparent that labour costs have fallen further, and sufficiently to compensate for lower output, in this recession when compared to earlier recessions - see note i in Appendix A - (see Figure 10).

Figure 10: Real unit wage costs over recessions from UK output peaks

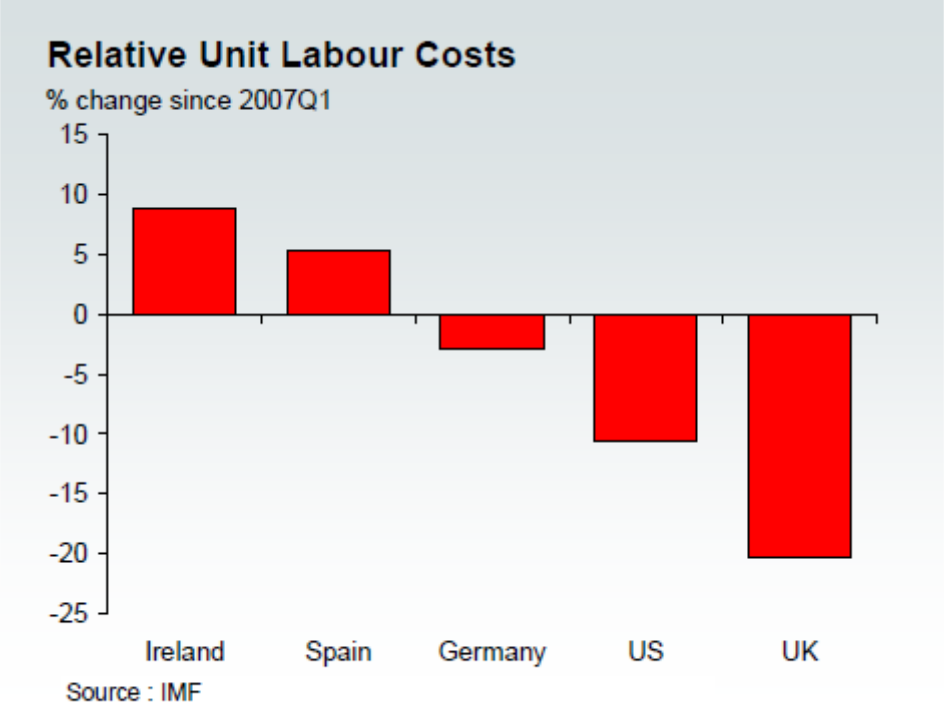


Source: "The UK Labour Market Puzzle – Is Immigration the Answer?", Fathom Consulting, 26 February 2010

[10] Real hourly wages are calculated using the National Accounts measure of compensation of employees and adjusted using LFS total hours worked and a GVA deflator.
[11] 'Changes in output, employment and wages during recessions in the United Kingdom', R.Faccini and C.Hackworth, Bank of England.
[12] Real unit wage costs are calculated as the ratio of average wages and salaries for employees to output per worker and adjusted using the GDP deflator.

However, at the same time, the sterling depreciation has meant that the UK's relative unit labour costs have fallen significantly during this recession (see Figure 11).

Figure 11: Percentage change in relative unit labour costs from 2007 Q1 for selected countries



Whilst the early 1990s also saw a significant fall in sterling, that fall did not occur until after the GDP trough. In addition, the peak to trough fall in relative unit labour costs in the 1990s recession was only around half of that realised in this recession[13].

In an increasingly globalised world, with greater cross-border business integration, relative unit labour costs hold more significance on firm decisions. For instance, multinational corporations (MNCs) with UK operations may well have considered savings from cutting their UK workforce as inefficient given the weakness of pound sterling and the consequential decline in relative unit labour costs. For example, if a US MNC had an employee in the US and the UK on the same wage prior to sterling depreciation they would be able to make greater savings by cutting the US headcount than the UK headcount post the fall in sterling. Equally, for UK firms facing international competition their relative costs would have improved in the face of a weaker pound placing them under less pressure to reduce staff numbers (see note ii in Appendix A).

As long as real wage growth and the exchange rate remain weak, then relative unit labour costs in the UK should remain favourable. Subdued employment growth during the recovery, as is widely predicted, should maintain the low pressure on wages[14] (although, without

[13] Oxford Economics, Economic Outlook, Jan 2010.
[14] Despite the high levels of inflation both currently and expected following, for example, the VAT rise in 2011.

further analysis it is not clear how this will compare with wage pressures internationally). Moreover, there are some forecasts that Sterling may well appreciate slightly in the short to medium term. For example, RBS Group Economics predict a modest appreciation against the euro and stability against the dollar in the medium-term. As a result, it seems likely that the relative unit labour cost declines in the UK will not continue but UK unemployment may still be protected by the declines already experienced.

Structural changes in the labour market

Since the 1990s there has been an increase in the proportion of skilled jobs in the UK. These specialist jobs often require greater effort on the part of the employer to search for, and/or train, the right candidates, meaning that recruitment costs are likely to be higher than for unskilled jobs (such as those prevalent in the 1980s and 1990s). These greater hiring costs may account for some of the reluctance of employers to cut workforce numbers[15]. This argument seems particularly convincing in the London economy where the length of the recession, compared to that in the 1990s, means that firms are only holding onto 'excess' labour for a short period of time.

Whilst firms may be willing to tolerate a temporary decline in productivity (due to lower output without proportional headcount reductions), if the economic recovery turns out to be sluggish (as some analysts are predicting) then firms may eventually be forced to make further layoffs. At the least, it will take much longer than usual for them to hire additional workers, so employment growth during the recovery is likely to be sluggish.

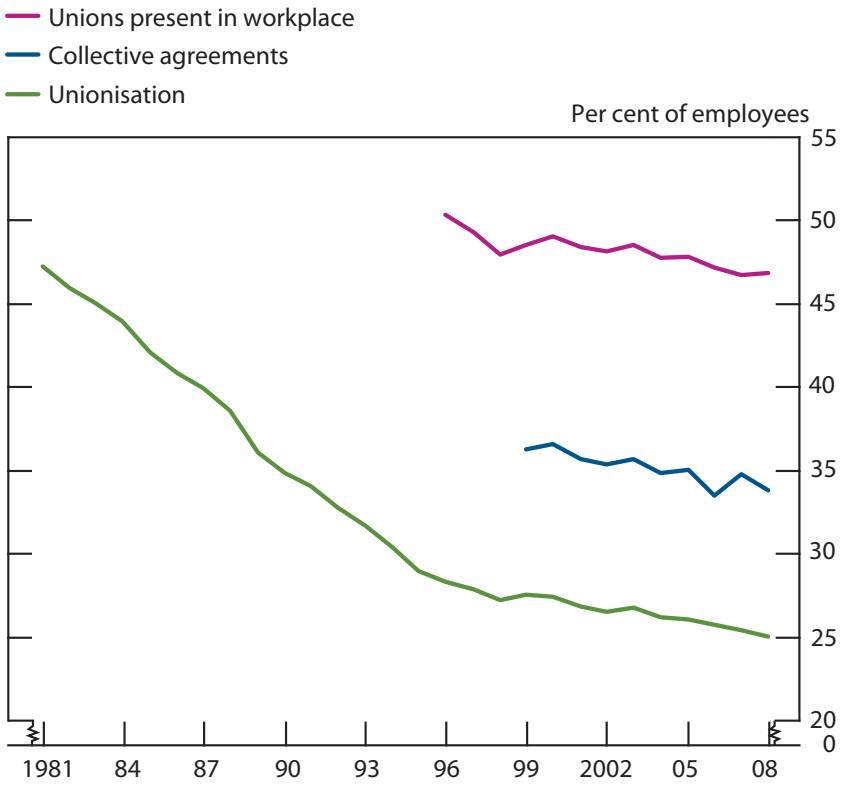
Another structural change that may have mitigated the labour market impact of this recession is the degree of unionisation and collective agreements, which have been shown to increase the volatility of unemployment rises as the numbers of workers covered increases[16].

Looking at the evidence (Figure 12) it is clear that the degree of unionisation was lower during the 2008 recession than during the 1980's and 1990's recessions. Nevertheless, most of the decline in unionisation actually occurred during the late 1980s and early 1990s so we can not say conclusively whether its role in supporting the labour market was more significant during this recession than in the previous two.

[15] Although it may appear that firing costs have increased as well there has actually been little change for the UK in the OECD's employment protection legislation index (which covers a wide range of labour market institutions including dismissal costs). As such, firing costs are unlikely to have affected the response of the labour market differently in this recession.

[16] See for example "Do labour market rigidities matter for business cycles? Yes they do", Gnocchi and Pappa, 2009.

Figure 12: Percentage of employees in collective agreements and unionisation in the UK over time

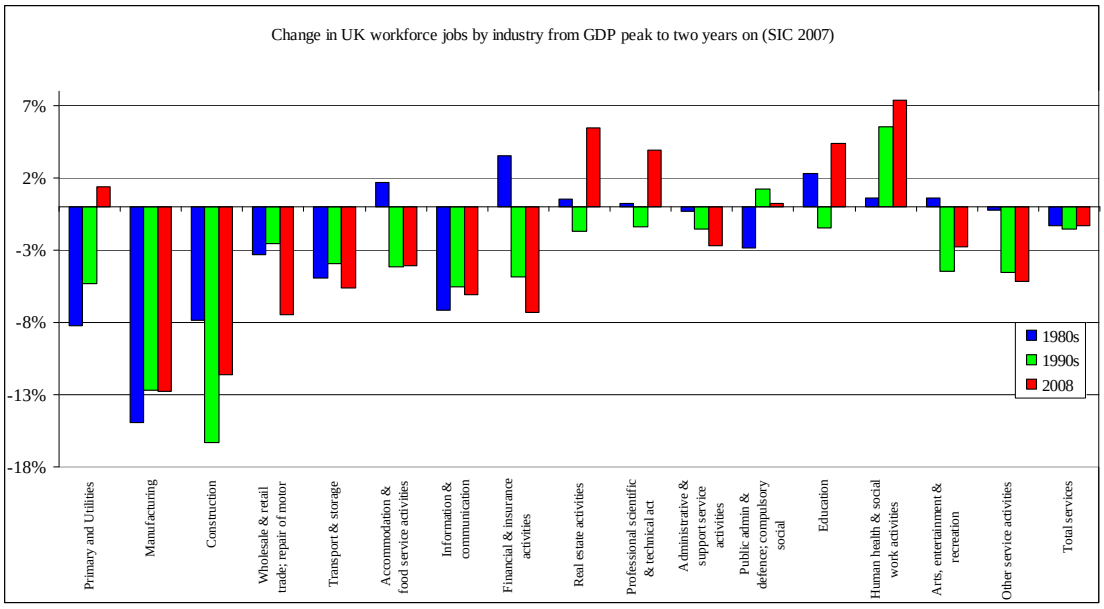


Sectoral composition (growth in public sector employment)

Some sectors, especially education, and health & social work activities have played a significant role in mitigating the GDP impact on employment and unemployment, whilst others, such as finance and insurance activities, have moved in line with what one would have expected given the output falls[17] (see Figure 13).

[17] See also Appendix B for a more detailed look at the movement of workforce jobs by industry.

Figure 13: Percentage change in UK workforce jobs by industry, from UK output peak to two years on (SIC 2007)

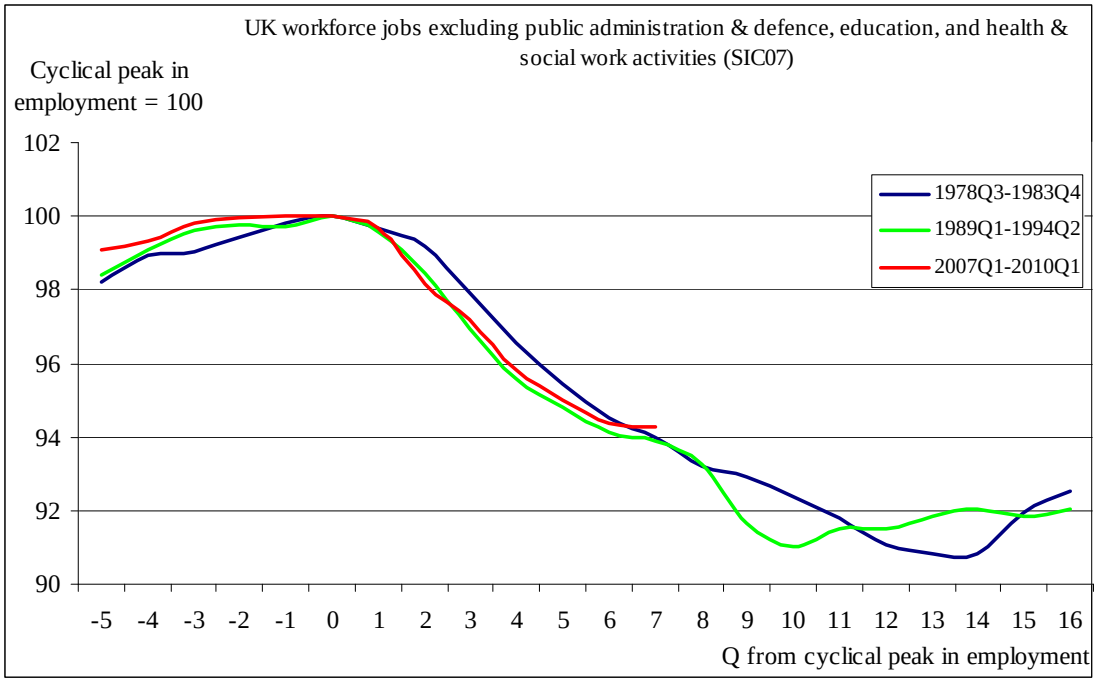


Source: ONS

Public administration, education, and health are often taken as a proxy to the public sector. If one excludes public administration, education and health, the movement of workforce jobs in this recession is not too different from that experienced in the early 1980s and 1990s (see Figure 14), although given the size of the UK's GDP decline during this recession we would still have expected these job numbers to have contracted further[18].

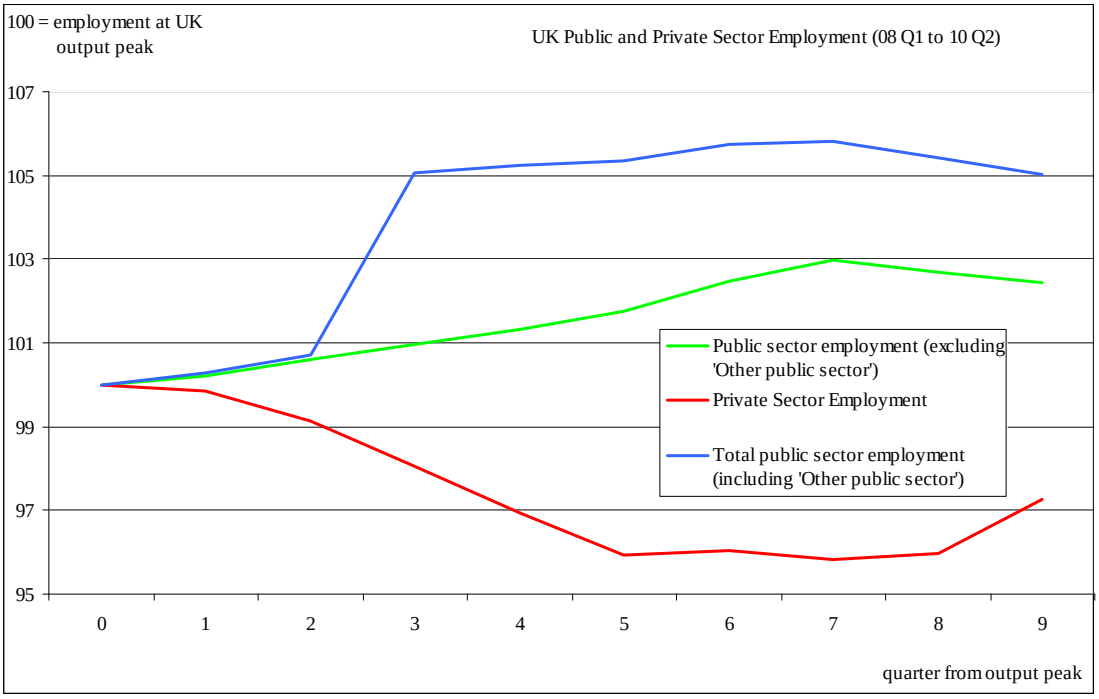
[18] Public sector employment has also been quite buoyant in some other countries, including Spain and Ireland (and the US if private education and health are included) so the strength in the UK public sector employment does not necessarily provide an explanation to the relative strength of the UK labour market when international comparisons are made (Oxford Economics, Economic Outlook, Jan 2010).

Figure 14: Percentage change in UK workforce jobs excl. administration & defence, education, and health & social work, from UK cyclical peaks in employment



Whilst the workforce jobs figures give a good approximation of changes in public sector employment, ONS have recently released data on actual changes in public and private sector employment (note that these series do not go back far enough to make comparisons over previous recessions). This data shows that the public sector has played a significant role in mitigating unemployment rises in the UK since the onset of the 2008 recession. Whilst a large part of the increase in total public sector employment is simply due to the incorporation of financial institutions (such as RBoS and Lloyds) into the sector (due to governments' rescue packages), even excluding the 'other public sector' (into which the financial institutions fall) shows there has been growth in public sector employment - see note iii in Appendix A - (see Figure 15).

Figure 15: Percentage change in UK public and private sector employment from 2008 Q1 to 2010 Q2



Note: 'Other public sector' includes financial corporations. In the timeframe above, RBoS and Lloyds were included in Q3 from peak (2008 Q4). Northern Rock was included prior to the GDP peak in Dec 2007.
Source: ONS (code: G7AU, G7K5, G7FM)

There has been a large increase in total public sector employment (as measured above) between the beginning of 2008 and 2010 – with London accounting for 25 per cent (68,000) of the increase in total public sector employment in England between 2008 Q1 and 2010 Q1. However, a significant proportion of this is due to the reclassification of financial institutions into the public sector (many of whom will be employed in London). By 2010 16 per cent of England's public sector worked in London, of which around 4 per cent are employed in finance organisations[19], and this accounts for 17 per cent of London's total jobs.

In November the Office for Budget Responsibility (OBR) calculated that by 2015/16 public sector employment will shrink by around 400,000 (roughly 7 per cent)[20]. This would mean that jobs in the public sector decline at a compound annual growth rate (CAGR) of 1.5 per cent over the 5 years to 2015/16, which is close to the -2 per cent CAGR that the private sector experienced over the two years from GDP peak.

Given that public sector employment has increased significantly in London recently (with roughly 40 per cent due to the reclassification of financial institutions), when the

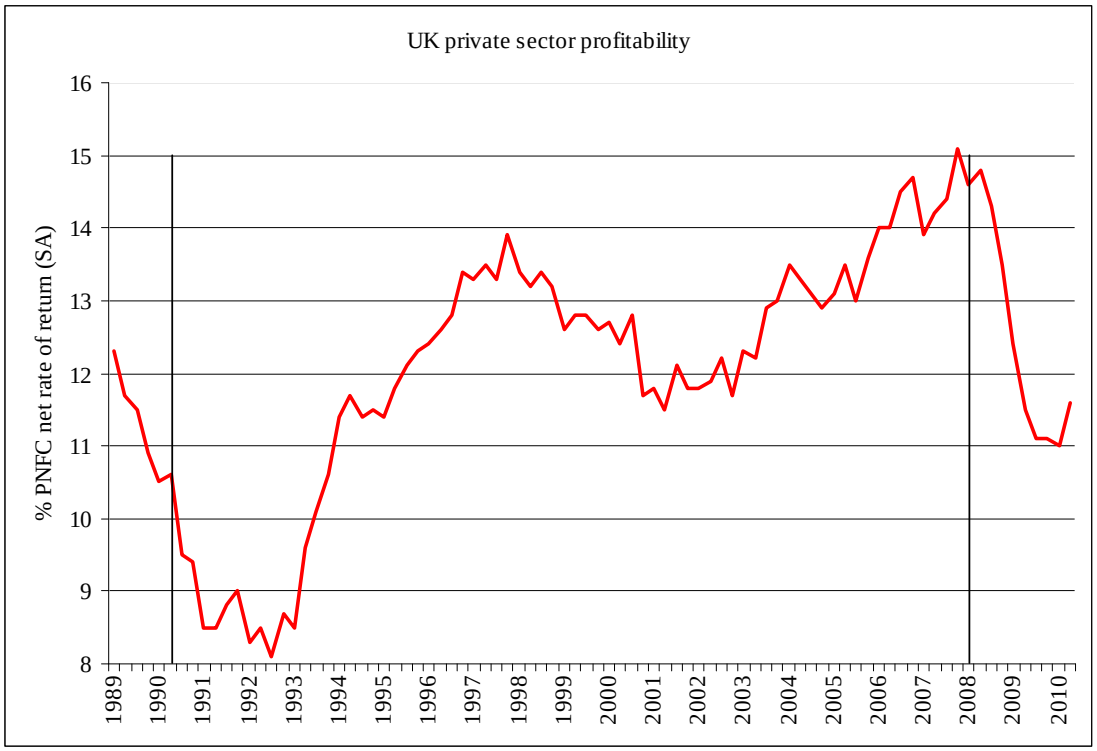
[19] Using the 2009 IDBR. Public sector financial organisations include the Bank of England, Northern Rock, Bradford and Bingley plc, Lloyds Banking Group, and the Royal Bank of Scotland.
[20] Note that these estimates focus on a narrower definition of the ONS measure of public sector employment, and excludes 550,000 employees in areas such as Royal Mail, London Underground and the financial institutions that have been taken into the public sector.

Government eventually privatises these financial institutions total public sector employment in London will show a marked decline. However, this is largely an exercise in statistical reclassification (from private to public and then back again) rather than a net impact on London's labour market overall. More substantively, London has a relatively low reliance on public sector employment (see note iv in Appendix A) so the impact from the likely cuts in public sector employment are likely to be less costly than for other parts of the country.

Corporate profitability and business failure

Although UK corporate profitability has fallen in this recession it remains at levels close to historical averages as many businesses entered this recession with much stronger profitability than in previous recessions. In the 1990s, profitability was already being squeezed ahead of the recession (see Figure 16) so that when GDP began to decline there was immediate pressure on firms to cut jobs.

Figure 16: UK private sector profitability over time



Note: Vertical lines are positioned at GDP peaks.
Source: ONS (code: LRWW)

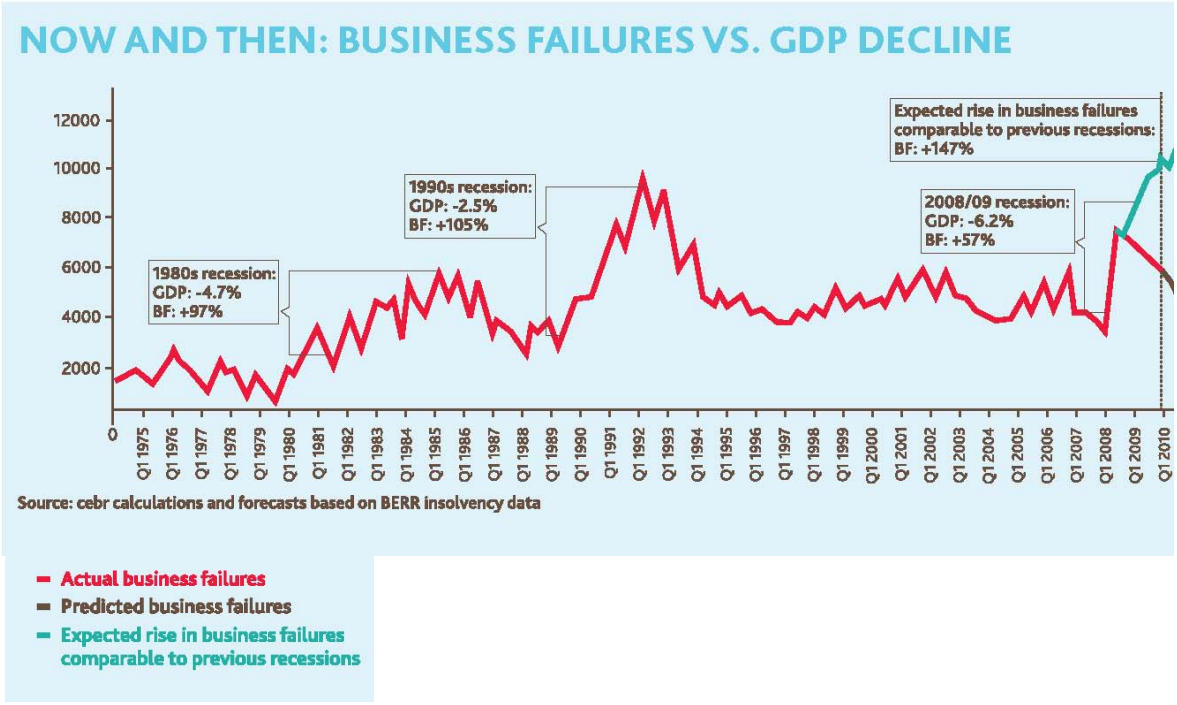
The decline in corporate profits during this recession has also been more modest compared to previous recessions; UK trading profits at non-oil, non-financial firms has declined around 10 per cent in real terms from their peak, compared to a 20 per cent fall during the early 1990s and a 30 per cent drop in the early 1980s[21]. This is likely to have supported unemployment in two ways. Firstly, it is likely to have afforded firms time to rely on natural wastage rather than redundancies to reduce headcount, and secondly, it is likely to have

[21] 'UK corporate profits and employment: Resilient – but can it last', RBS, 30 April 2010, using ONS data.

limited the number of firms going bankrupt and therefore the number of compulsory redundancies.

Indeed, the rise in company liquidations in England has been modest in this recession relative to the fall in output; in the 1980's recession business failures rose by 97 per cent, 105 per cent in the 1990's recession and only 57 per cent in this recession (see Figure 17).

Figure 17: UK levels of business failure over time



Note: Historic business failures are based on data for compulsory liquidations, creditors' voluntary liquidations, administrative receiverships, administrative orders and company voluntary arrangements from The Insolvency Service.
Source: BDO, 'Industry Watch Special Edition, Spring 2010'.

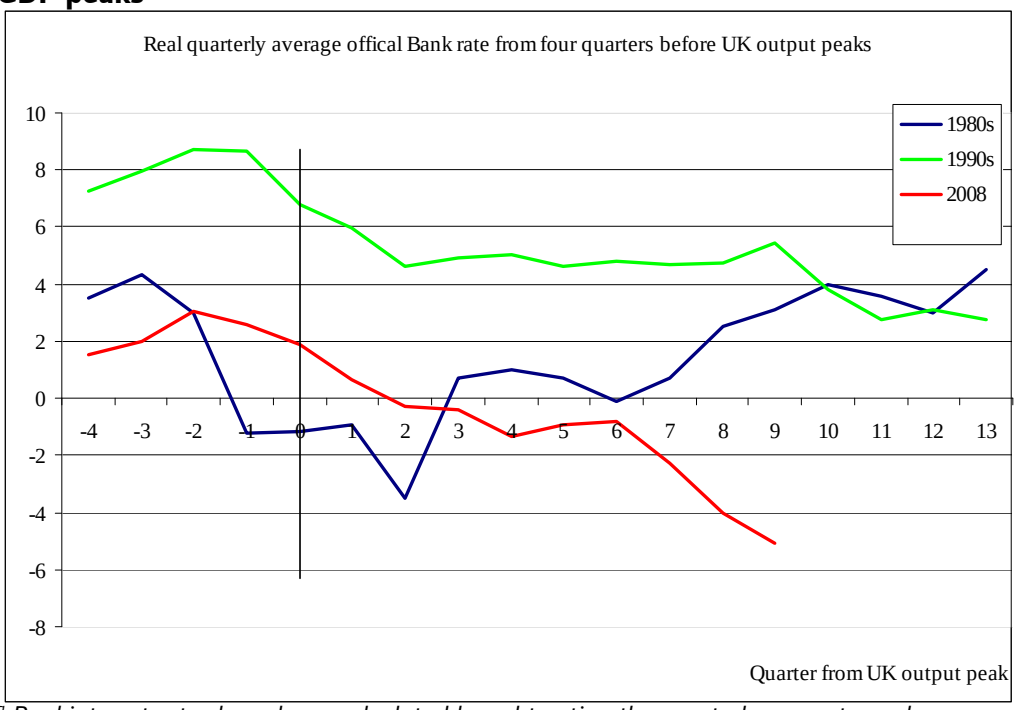
Potential reasons for the strength and survival of business in this recession compared to those previously include the Bank of England and Government policy responses.

Interest rates

Monetary policy in this recession has reacted much faster and been bolder than in previous recessions, with real interest rates[22] falling faster and to lower real rates in this recession. In fact, since 2008 Q3 (or for two years from UK output peak) the real interest rate has been negative. Whilst negative real interest rate also existed in the 1980s they did so only for about a year before moving on an upward trend. The real interest rate did not turn negative during the 1990s recession although it did decline following the output peak (see Figures 18 & 19).

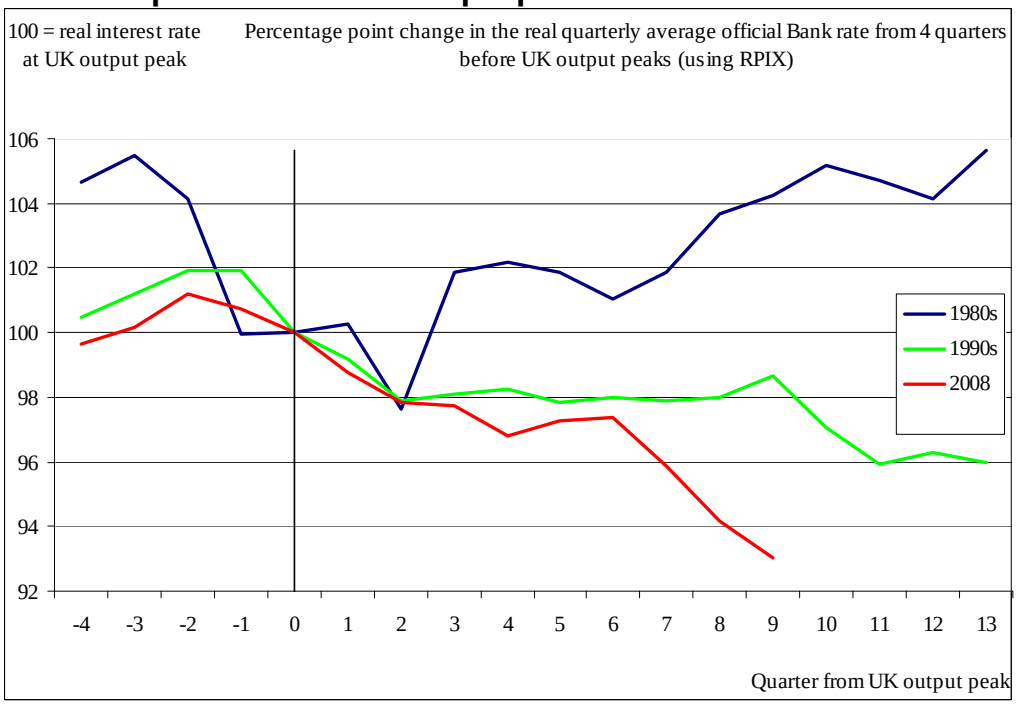
[22] Real interest rates have been calculated by subtracting the quarterly percentage change over 12 months in the RPIX from the quarterly average official Bank rate (Source: ONS and Bank of England)

Figure 18: Real[a] quarterly average official Bank rate from four quarters before UK GDP peaks



[a] *Real interest rates have been calculated by subtracting the quarterly percentage change over 12 months in the RPIX from the quarterly average official Bank rate.*
Source: ONS (CDKQ), Bank of England (IUQABEDR).

Figure 19: Percentage point change in the real[a] quarterly average official Bank rate from four quarters before UK output peaks



[a] Real interest rates have been calculated by subtracting the quarterly percentage change over 12 months in the RPIX from the quarterly average official Bank rate.
Source: ONS (CDKQ), Bank of England (IUQABEDR).

With an estimated £508 billion in outstanding corporate loans, the 5.25 per cent Bank of England nominal interest rate reductions will have saved business around £18bn in interest costs, preventing 1,600-2,000 UK business failures (BDO Stoy Hayward[23])[24]. Further, with rates for household mortgages falling from 5.7 per cent in 2008 to an average of 3.7 per cent in 2009 (see note v in Appendix A) , consumers had nearly £20bn more in disposable income, keeping a further 2,000-2,700 businesses, which would have otherwise failed, afloat.

Government 'Time to Pay' business support

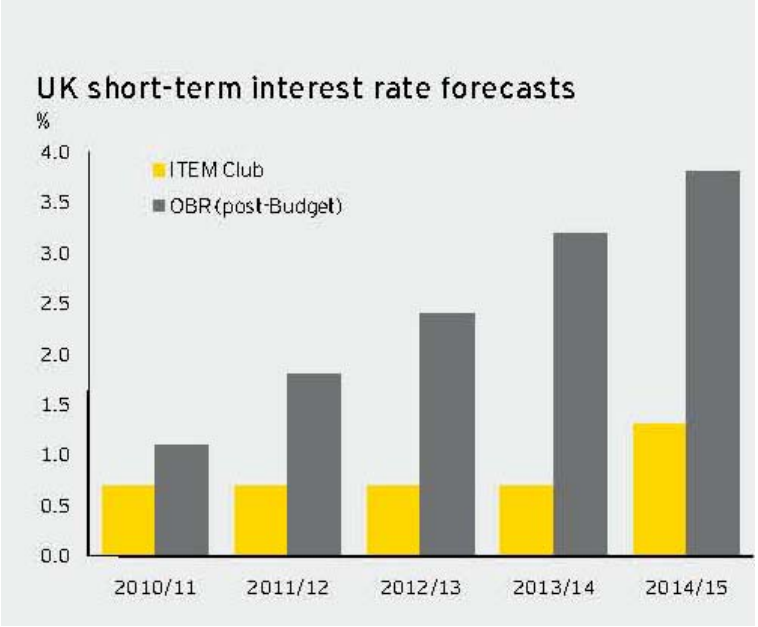
In the 2008 Pre-Budget Report (PBR) the Government introduced a scheme which allowed firms to defer PAYE and VAT payments for up to 12 months (or longer in exceptional circumstances). So far, the scheme has been used by around 160,000 businesses, with about 300,000 claims to the value of over £5 billion. In effect, this scheme allows HMRC to provide a service where the free market has temporarily failed to do so; the tax deferment essentially acts in a similar way to a bank loan by easing the recipient business' cash flow in the short term. Where bank lending has been restricted in order for these institutions to build up their own reserves following the recent financial crisis (and, arguably, not due to fundamental long term weaknesses in the businesses requesting credit or extensions on existing credit lines) then this temporary role of HMRC is not economically inefficient. BDO estimate that the value of the business claims made translates into a cash flow boost of 1.3 per cent for UK business, preventing between 1,600-2,000 business failures.

Whilst the strength of business profitability entering the recession and the muted decline in profits during the recession means that businesses are going into the recovery period stronger than in the 1980s and 1990s, there are several reasons to believe that (a) this may not last, and (b) even if it did, they would be cautious in adding significantly to their headcount.

By historical standards, firms remain relatively highly leveraged, with a significant proportion of debt contracted on floating or on short-term fixes, so that higher interest rates could place firms under pressure to cut staff numbers soon after rate rises. Currently (nominal) interest rates are not expected to rise significantly in the near-term. The Ernst & Young ITEM Club (which bases its forecasts on the Treasury's own model of the economy) forecasts that interest rates will remain on hold until 2014 in order to counter-balance the Government's austerity measures, although the Office for Budget Responsibility forecast that rates will start to rise next year (see Figure 20).

[23] "Industry Watch Special Edition", BDO Stoy Hayward, Spring 2010.
[24] To calculate the expected rise in business failures comparable to previous recessions (i.e. prevented business failures) the BDO Industry Watch model was used to stimulate the impact of changes in corporate profitability, interest rates, disposable income, consumer spending and GDP caused by the monetary and fiscal policy measures that were put in place to counteract the recession. Changes in these economic indicators were then fed through into an econometric model to give new projections of business failures. These were then compared with the projections that would have resulted without the policy measures.

Figure 20: UK short-term interest rate forecasts from the OBR and E&Y ITEM club



Source: Ernst & Young ITEM Club

Both interest rate forecasts still predict only a modest and slow nominal increase which should support business and thus employment.

In addition, although the Government's time-to-pay scheme was extended for five years in the 2010 March Budget businesses now require an Independent Business Review (IBR) if its tax bill is greater than £1 million, which automatically makes it a costlier option for many firms. The Government strategy and timescale for recouping the debt currently outstanding is not entirely clear at the moment, but there is a risk that businesses helped by the scheme during the recession will be placed under financial pressures again during what may be a fragile and slow recovery. This is an increasingly likely outcome if HMRC crack down hard and with little leniency when payments are due and if private finance is still tight; particularly when increased economic activity places demand for working capital. According to independent finance providers Syscap, HMRC has rejected more than twice as many VAT time-to-pay applications in the first quarter of 2010 than the same time a year ago, which suggests that businesses (a) entering financial difficulties and applying for a deferment, and (b) continuing with cash flow difficulties and applying for an extension to an existing deferment are at increasing risk of going out of business with their workforce entering unemployment.

Overall, whilst business growth remains below its long-run trend the withdrawal of fiscal and, in time, monetary support to the economy (in the form of special measures – like the time-to-pay initiative and future tightening of monetary policy) could make future liquidations a risk. As a result, whilst current levels of corporate profitability should continue to provide

support for the London and UK labour markets, employment may be unlikely to rise particularly fast until the outlook is more certain.

Measurement errors

There are two potential error sources in the official data: an exaggeration of the fall in GDP and/or an underestimation of the fall in employment.

GDP

Initial estimates of the 1990s peak-to-trough (1990 Q2-1992 Q2) fall in GDP suggested a fall of 4.1 per cent; subsequent revisions bring the latest estimates at just 2.5 per cent. It is therefore possible that a similar adjustment be made to GDP during this recession, bringing it more in line with the employment/unemployment changes. However, the UK's GDP fall is not too dissimilar to comparable countries which may provide more confidence that the current ONS estimates are accurate (see earlier section on international comparisons).

Employment

LFS survey results are converted into levels by grossing them up in line with official population projections, which means that any inaccuracies in the population projections will be repeated in the employment and hours data. This could be a particular problem for this recession period, where official population projections incorporate an extrapolation of recent high levels of net migration in to the UK but anecdotal evidence suggests that immigration may have fallen off sharply for some groups of central Europeans and that some previous migrants may have returned home. If this is the case, the LFS employment and hours estimates will be overstated and the productivity fall exaggerated (it would also imply that real unit wages have been underestimated). On the unemployment front, this decline in immigration and resulting slowing of labour force growth may provide some explanation as to why unemployment has not risen as much as one may have expected.

On the other hand, the workforce jobs series, which derives employment data based on surveys of firms, shows a similar pattern to that given by the LFS. Moreover, whilst the number of new migrants did fall back after 2006, until 2009 the stock of migrants in the workforce was still rising, suggesting that the duration of stay was also rising.

According to the CEPR[25] the number of jobs saved in the UK thus far in the recession relative to what may be expected given the GDP fall, is around 1 million (3.5 per cent of employment). If these jobs had been lost but hidden by immigration the scale of hidden migration would have had to be extremely large and this seems unlikely (for example, a 10 per cent job loss centred solely on immigrants would require 10 million hidden immigrants to generate a 1 million fall in employment).

Less economic structural change

During the 1980's, and to a lesser extent the 1990's, recessions, the UK economy was going through a structural transition; there was a shift in focus from manufacturing to service industries. It is perhaps unsurprising therefore that unemployment has been less impacted in

[25] "The UK Labour Market and the 2008-2009 Recession", P.Gregg and J.Wadsworth, CEPR June 2010.

this recession; firms in declining industries (of which there were far more in previous recessions) are likely to expect that demand would not recover post-recession and therefore aware that staff numbers would eventually need to be cut. In other words, labour hoarding is not rational for firms facing a long term trend of output decline.

If this factor has mitigated unemployment falls during this recession then it is possible that employment will pick up more slowly during this recovery period than it did in the 1980s and 1990s. On the other hand, structural transition in an economy is a lengthy process so employment may begin to pick up relatively faster during this recovery, and this is the far more likely scenario. In fact, the evidence seems to suggest that this may already be the case, not least because, for example, the GVA decline in London was much shorter than in the 1990s.

Conclusion

Estimates from Experian suggest that London, unlike the UK, did not experience as great a decline in output during the 2008 recession as it had during the 1990s. Nevertheless, the shorter period over which output declined in London in 2008 means that the rate of decline was significantly faster, as it was for the UK. At the same time, both the UK's and London's labour market have held up relatively well so far compared to the 1980's and 1990's recessions.

Our initial analysis suggests that some factors, such as strong levels of corporate profits, have played a large role in the relatively subdued reaction of the labour market during the recent downturn so far and seem likely to continue to provide support during the recovery. Other factors, such as reduced working hours, appear to have merely delayed deteriorations in the labour market (see Table 4).

Table 4: Summary of analysis

Possible explanations	Likely contribution to labour market strength
Reduction in hours worked	Medium
Reduction in relative wages	High
Labour market structural change	Medium
Growth in public sector employment	High
Strong corporate profitability and low rate of business failures	High
Measurement error	Low
Less economic structural change[a]	Medium

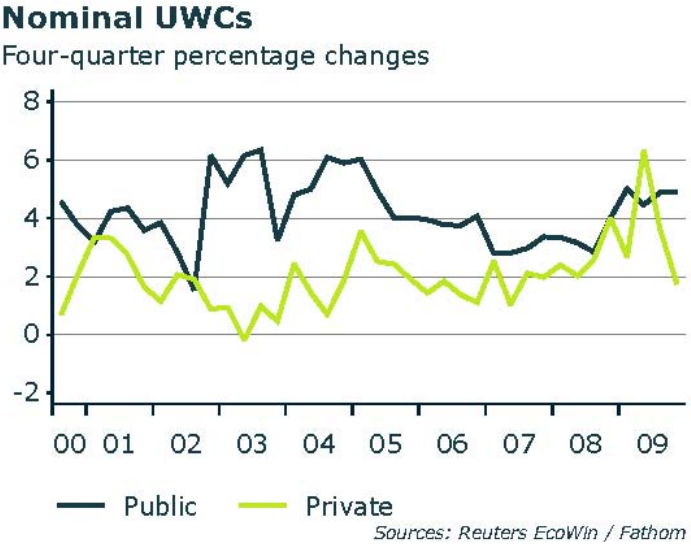
[a] *Arguably, the evidence underlying this factor is weaker than for the other explanations and the conclusions are therefore more questionable*

Perhaps the biggest concern for the labour market during the recovery is cuts to public sector jobs. However, the OBR calculate that the private sector will be more than able to absorb this employment and as such total employment in the UK will still rise. The consensus forecast, based on forward looking economic indicators, is that during the initial stages of the recovery, unemployment should not worsen significantly beyond its current position but employment growth is likely to be sluggish. Perhaps more importantly, risks to GDP growth also pose a risk to the UK and London's labour market.

Appendix A

[i] Looking at nominal unit wages in the 2008 recession alone, although private sector workers had accepted greater wage rates than that in the public sector (where education, health & social work and public administration & defence sectors are used as a proxy for the public sector), there had not been sufficient restraint during the recession to offset the different rates of productivity growth. The result was a sharp pick up in the private sector unit wage costs relative to the public sector. Nevertheless, the growth in private sector nominal unit wage costs has dropped back from a high of over 6 per cent to less than 2 per cent, whilst growth in public sector unit wage costs has remained steadily around 5 per cent.

Figure A1: Nominal unit wage costs

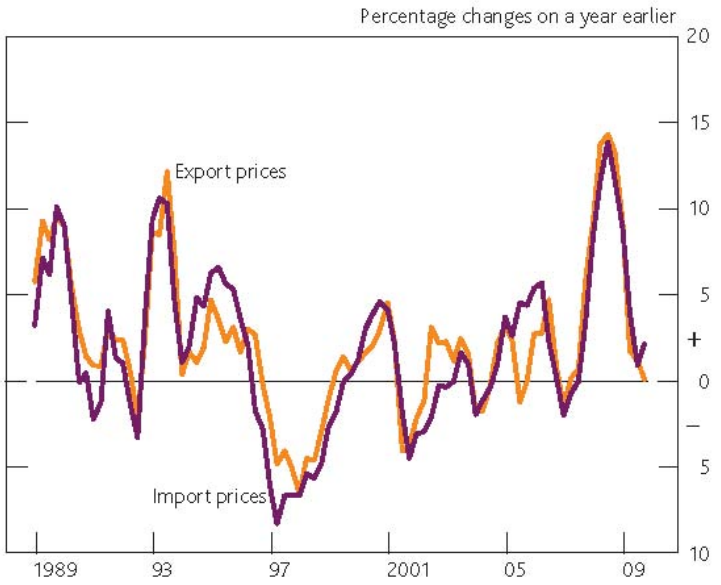


Source: "The UK labour market puzzle – is immigration the answer?" Fathom, February 2010.

As can be seen in Figure A1, the trend in public and private sector nominal unit wage growth from 2008 to date suggests taking public sector unit wage cost growth out of the equation would not have a significant impact on the overall, economy-wide, trend observed. Further, taking public sector unit wage costs out is unlikely to change the relative picture across recessions shown in Figure 10.

[ii] On the other hand, UK businesses exposed to high import costs would face significant pressure on profit margins due to sterling's depreciation and this could outweigh gains amongst MNCs and UK exporters. However, the Bank of England show that, so far at least, much of the depreciation appears to have resulted in higher sterling export prices (see Figure A2).

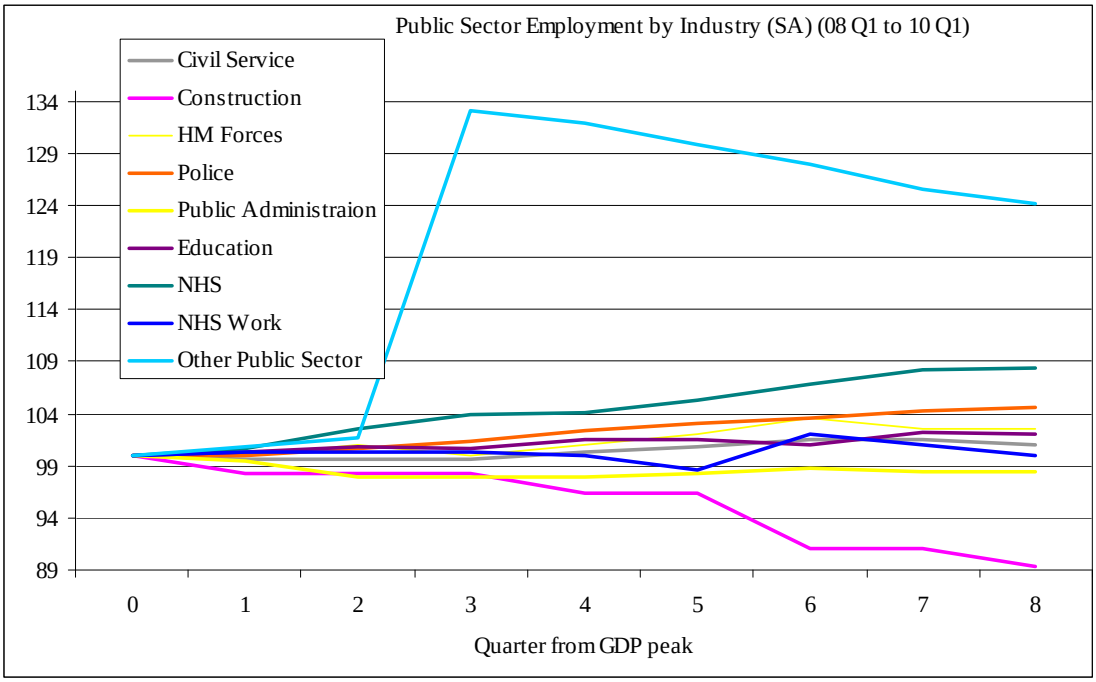
Figure A2: Sterling export and import prices



Thus, whilst sterling's depreciation places additional pressure on the importing sectors in the UK to reduce costs, it may have mitigated the need for job losses in the exporting sector.

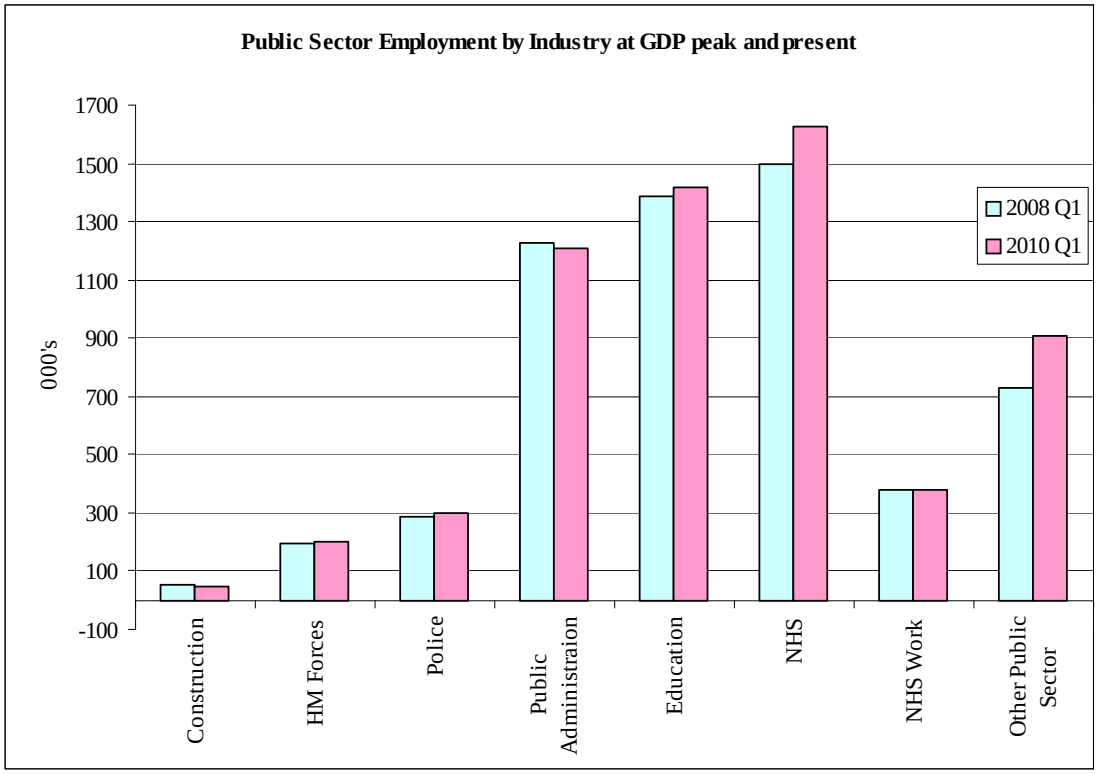
[iii] Within public sector employment all but those in construction and public administration have supported the rise (see Figures A3-A5).

Figure A3: Public sector employment by industry (SA) (08 Q1 to 10 Q1)



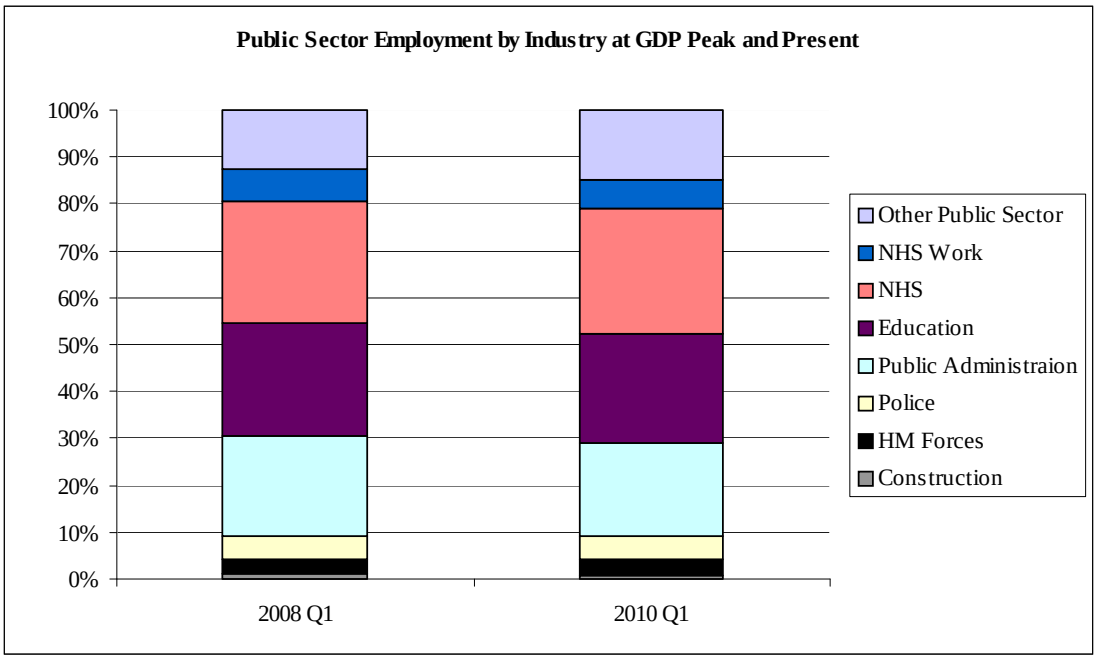
Source: ONS (code:G7D6, G7ER, G7EU, G7EX, G7F2, G7F5, G7FG, G7FJ, G7FM)
Note: 'Other public sector' includes financial corporations. In the timeframe above, RBoS and Lloyds were included in Q3 from peak (2008 Q4). Northern Rock was included prior to the GDP peak in Dec 2007.

Figure A4: Public sector employment by industry at GDP peak and present



Source: ONS (code:G7D6, G7ER, G7EU, G7EX, G7F2, G7F5, G7FG, G7FJ, G7FM

Figure A5: Public sector employment by industry at GDP peak and present



[iv] Although London has the highest share of public sector jobs these only make up a relatively small proportion of its total workforce jobs (see Figures A6-A7).

Figure A6: Split of public sector employment across regions, 2010 Q1

Figure A7: Public sector employment by region as a share of total workforce jobs in 2010 Q1

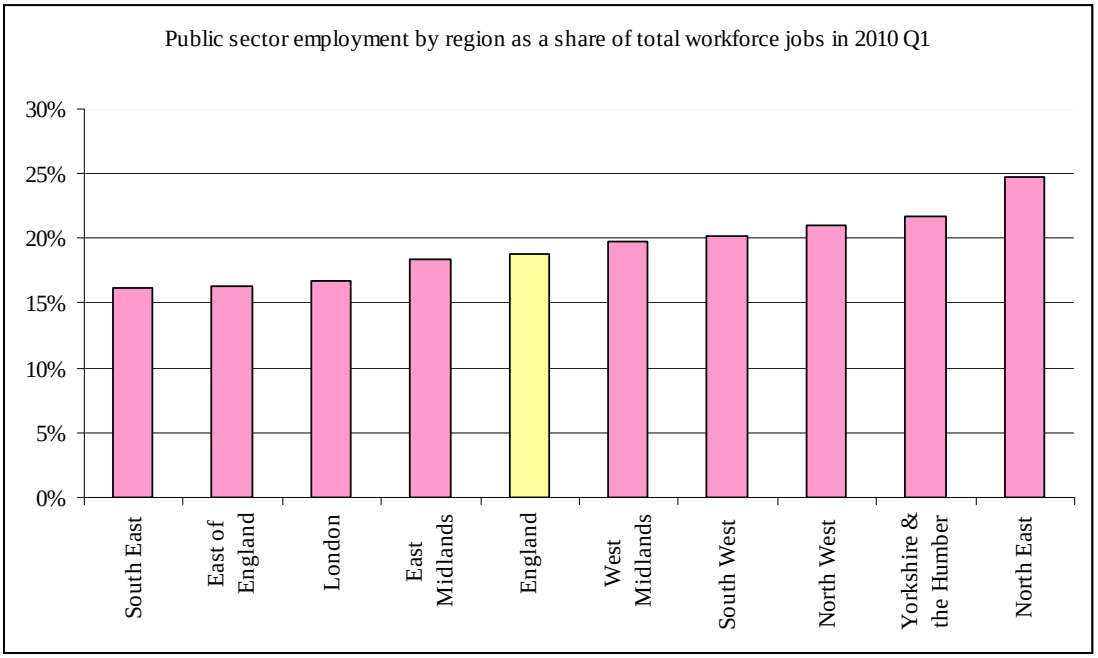


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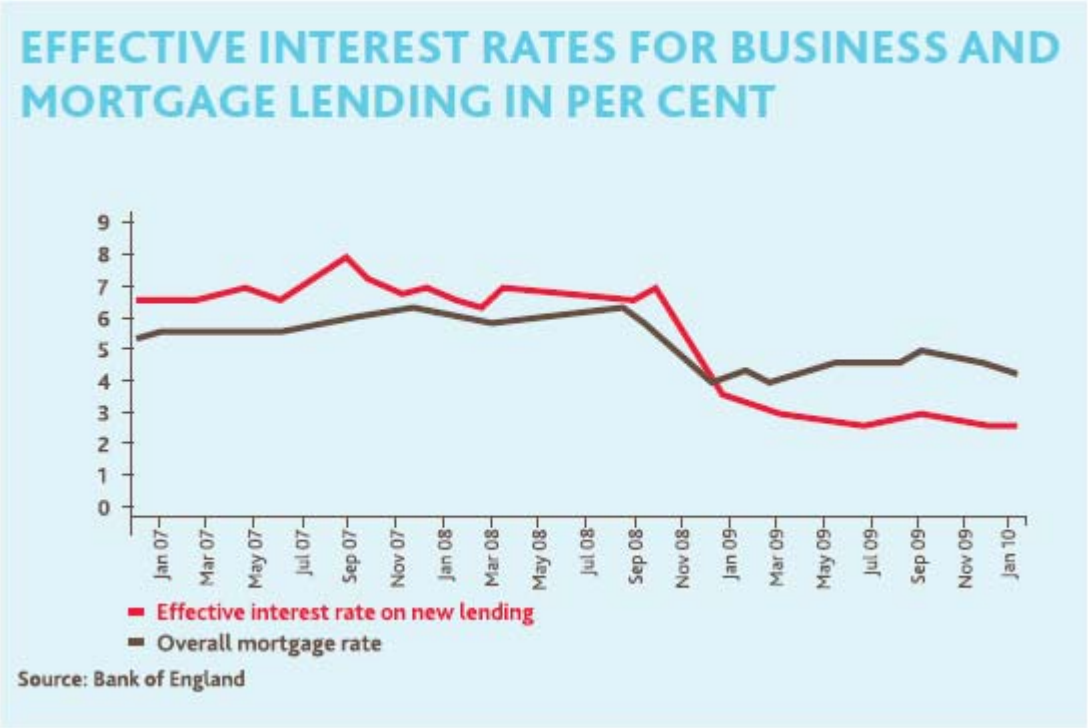
Figure A8: Effective interest rates for business and mortgage lending in per cent



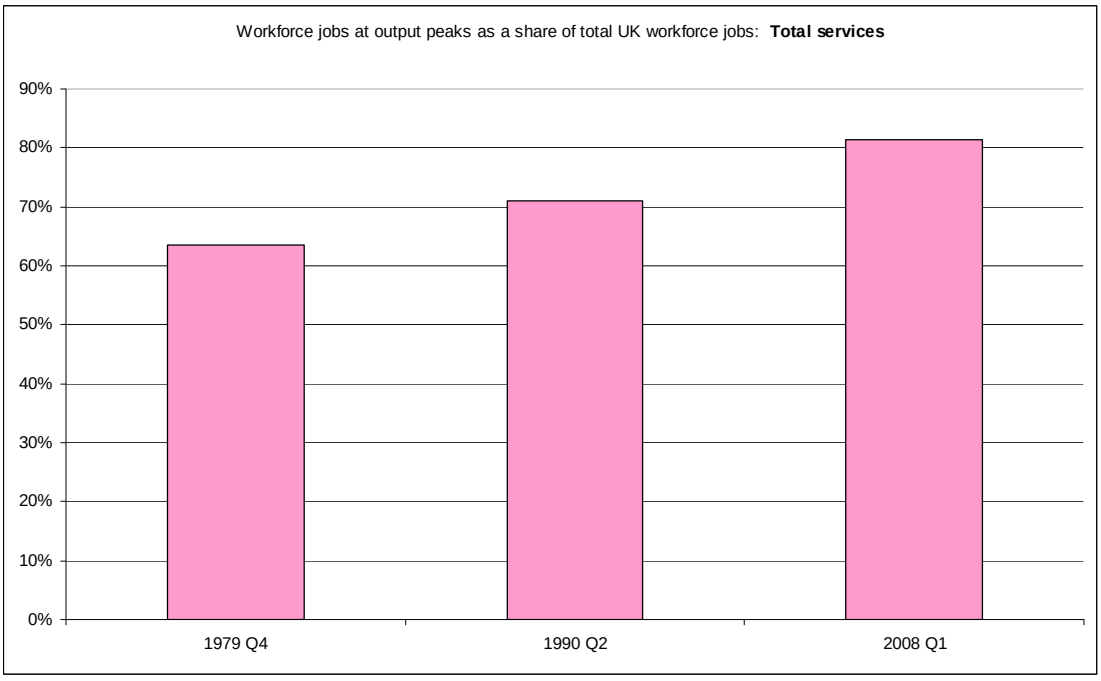
Appendix B

This appendix extends on the sectoral composition section in the main document. It looks in more details at workforce jobs across sectors and over past recession and highlights how some have contributed to the relative strength of the labour market so far during this recession. Workforce jobs by sector are examined in descending order of their share of total UK workforce jobs at UK GDP peak in 2008.

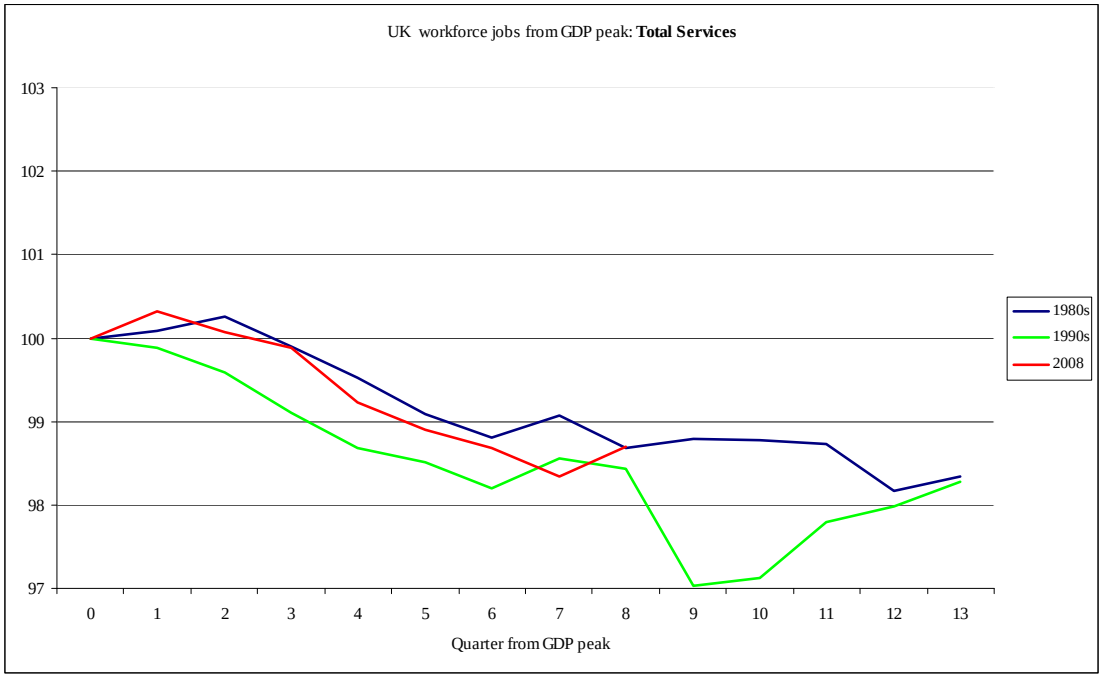
Total services

The service sector has been a growing industry since the 1980s and has risen from a share of 64 per cent of UK workforce jobs in 1979 Q4 to 81 per cent in 2008 Q1. Following the GDP peak in 2008 jobs in the service sector began declining immediately, this was not the case in the 1980s and 1990s when it took three and two quarters from GDP peak respectively for jobs to decline. Further, whilst it took only six quarters for jobs to fall back to the level they were at a year before the GDP peak in 2008, in the 1980s service sector jobs remained above their levels in the year before GDP peaked and in the 1990s it was only nine quarters after GDP peak when they fell below their levels in the year prior to GDP peak and returned back to those levels after only a further three quarters.

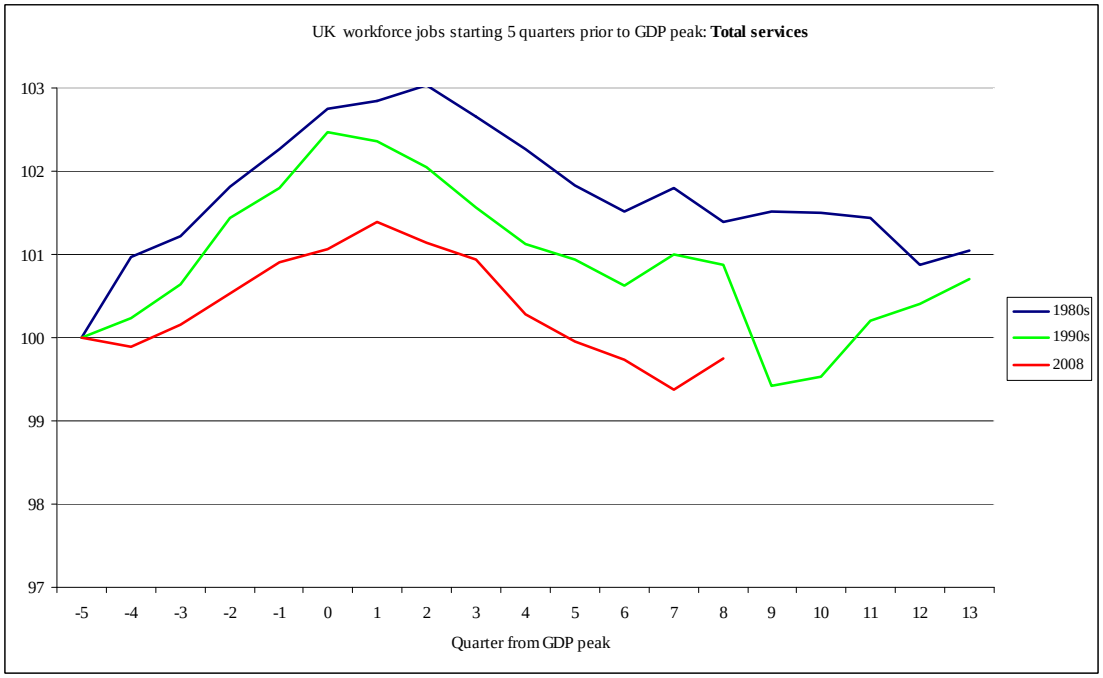
Workforce jobs as a share of total UK workforce jobs: Total services



UK workforce jobs from GDP peak: Total Services



UK workforce jobs starting 5 quarters prior to GDP peak: Total Services



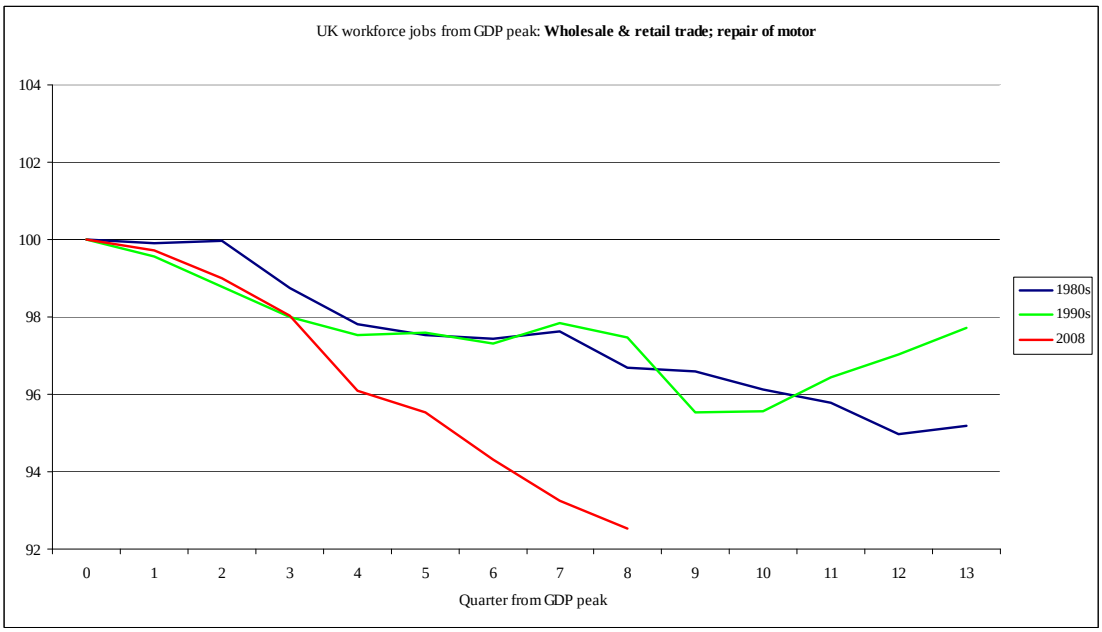
Source: WFJ, ONS (JWT8)

Wholesale and retail trade; repair of motor

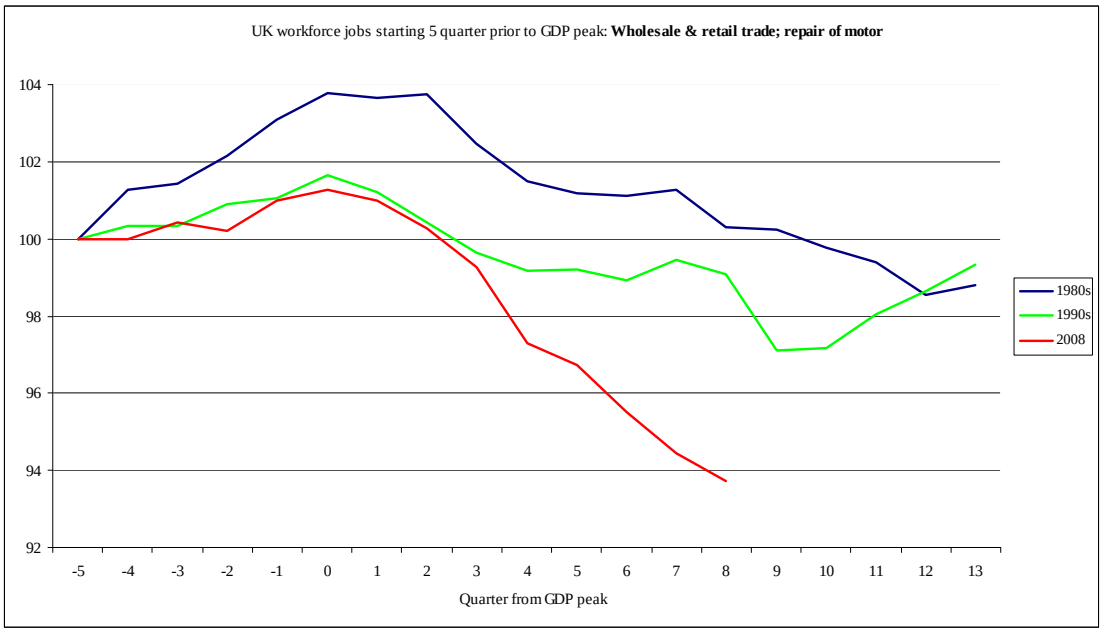
Since the 1980s this sectors share of workforce jobs has remained relatively stable at around 16 per cent. Compared to previous recessions this sector has been hard hit in the 2008 recession having fallen by 7 per cent since GDP peaked but only 3 per cent in the 1980's and 1990's recessions.

Workforce jobs as a share of total UK workforce jobs: Wholesale and retail trade; repair of motor

UK workforce jobs from GDP peak: Wholesale and retail trade; repair of motor



UK workforce jobs starting 5 quarters prior to GDP peak: Wholesale and retail trade; repair of motor



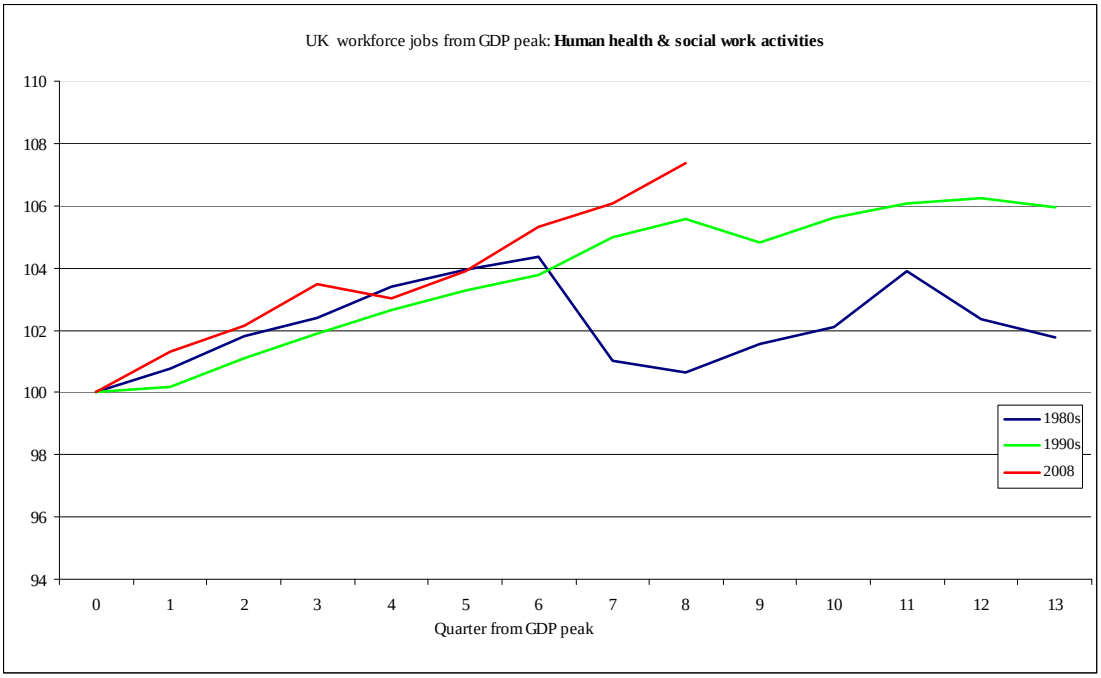
Source: WFJ, ONS (JWS3)

Human health & social work activities

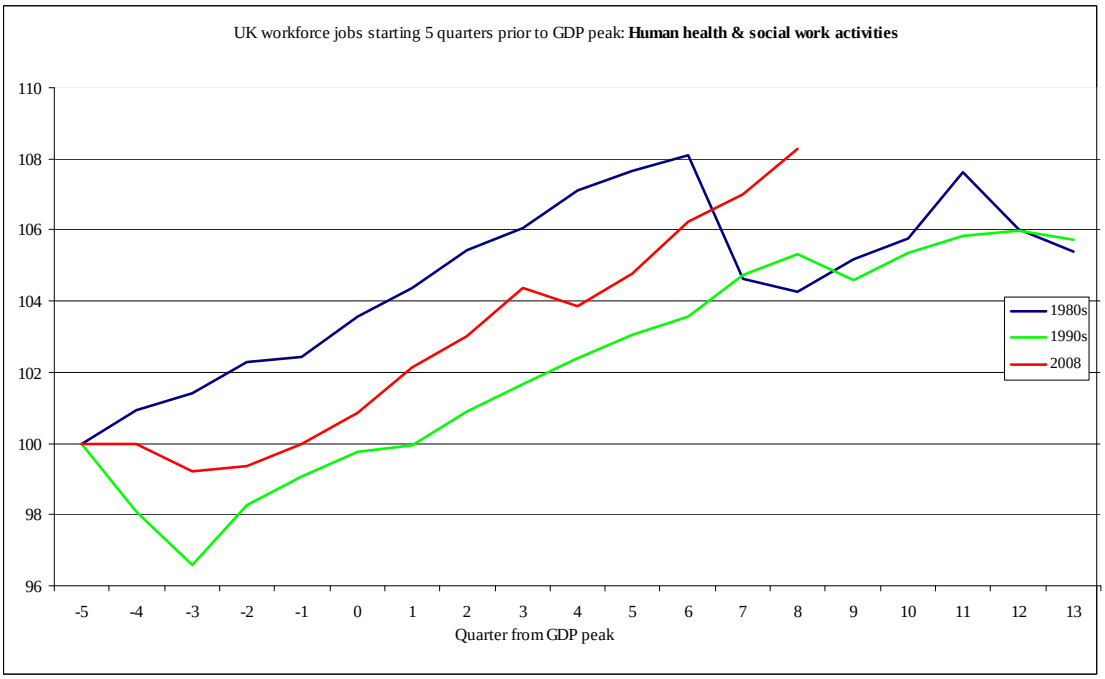
From 7 per cent in the 1980s health and social work jobs as a share of total workforce jobs rose to 12 per cent in 2008. During all three recessions jobs in this sector rose increased, however, the 7 per cent rise thus far since the 2008 GDP peak is larger than the 6 per cent rise in the 1990s and significantly larger than the 1 per cent rise in the 1980s.

Workforce jobs as a share of total UK workforce jobs: Human health & social work activities

UK workforce jobs from GDP peak: Human health & social work activities



UK workforce jobs starting 5 quarters prior to GDP peak: Human health & social work activities



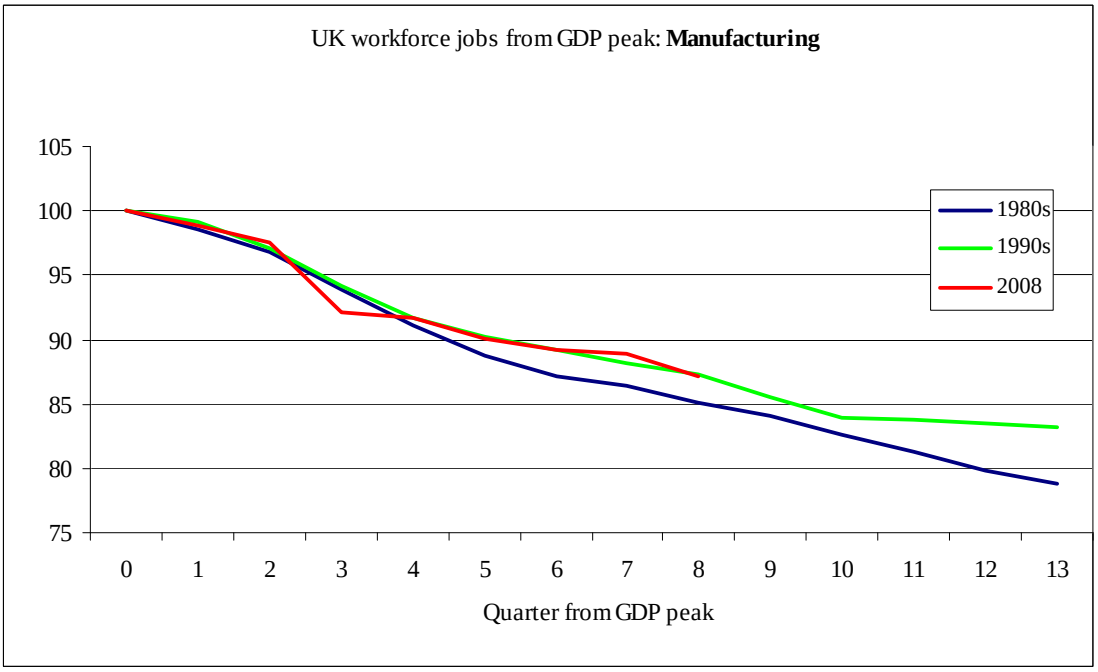
Source: WFJ, ONS (JWT5)

Manufacturing

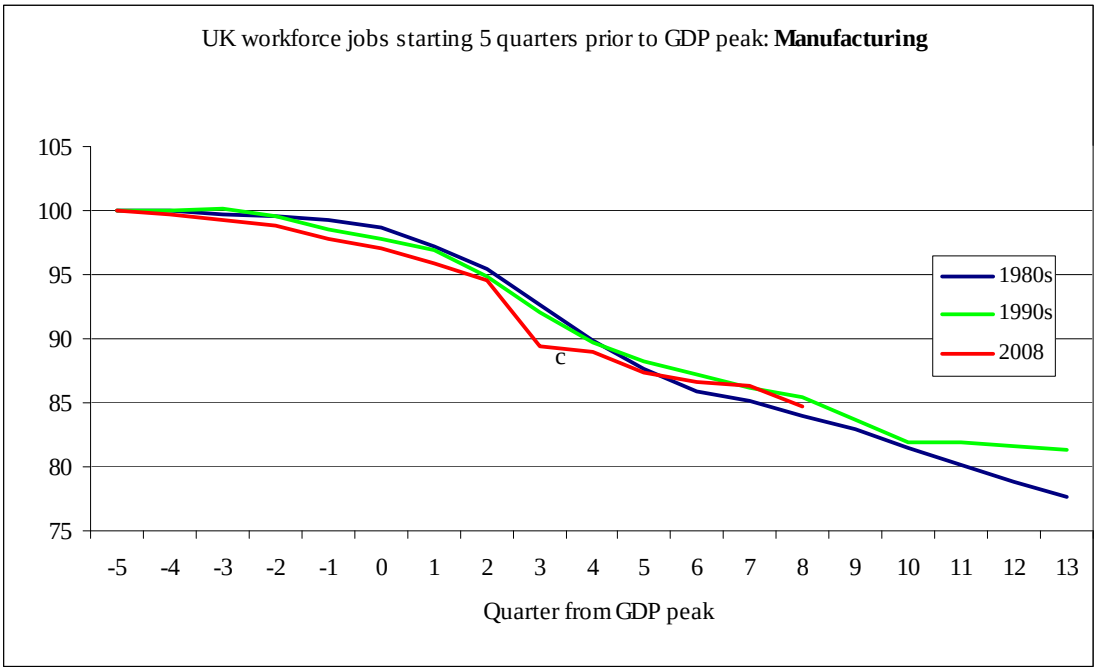
Having accounted for 24 per cent of workforce jobs in 1979 Q4 manufacturing has declined to account for only 9 per cent by 2008 Q1. During the recessions and indeed entering into the recessions jobs in this industry has declined at a similar pace.

Workforce jobs as a share of total UK workforce jobs: Manufacturing

UK workforce jobs from GDP peak: Manufacturing



UK workforce jobs starting 5 quarters prior to GDP peak: Manufacturing

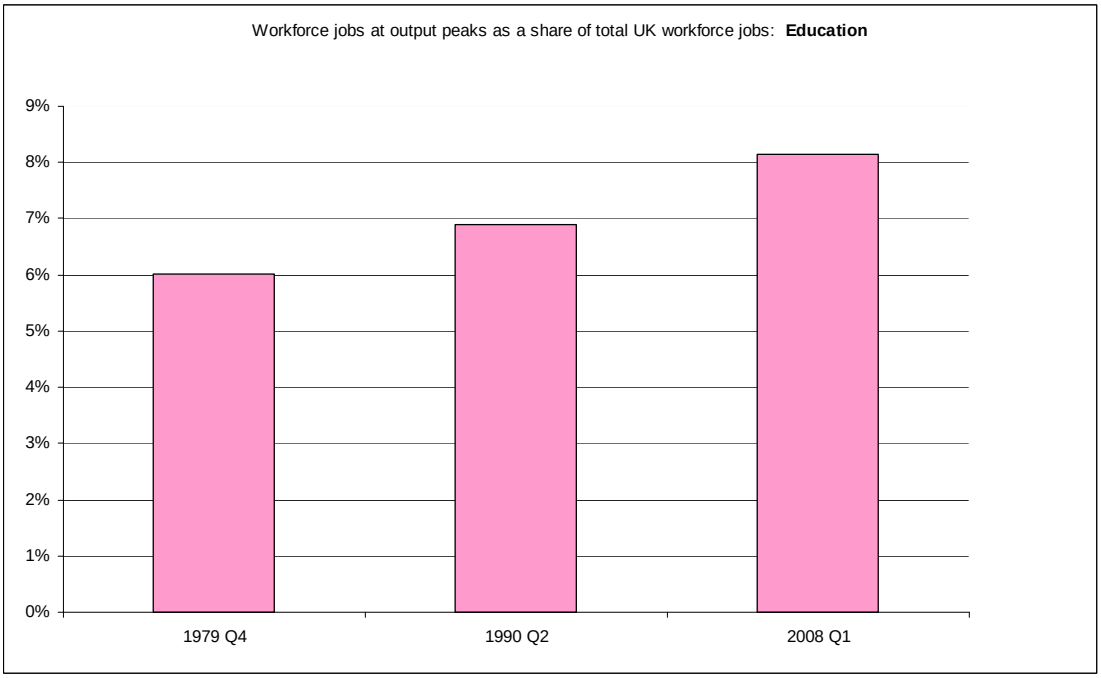


Source: WFJ, ONS (JWR7)

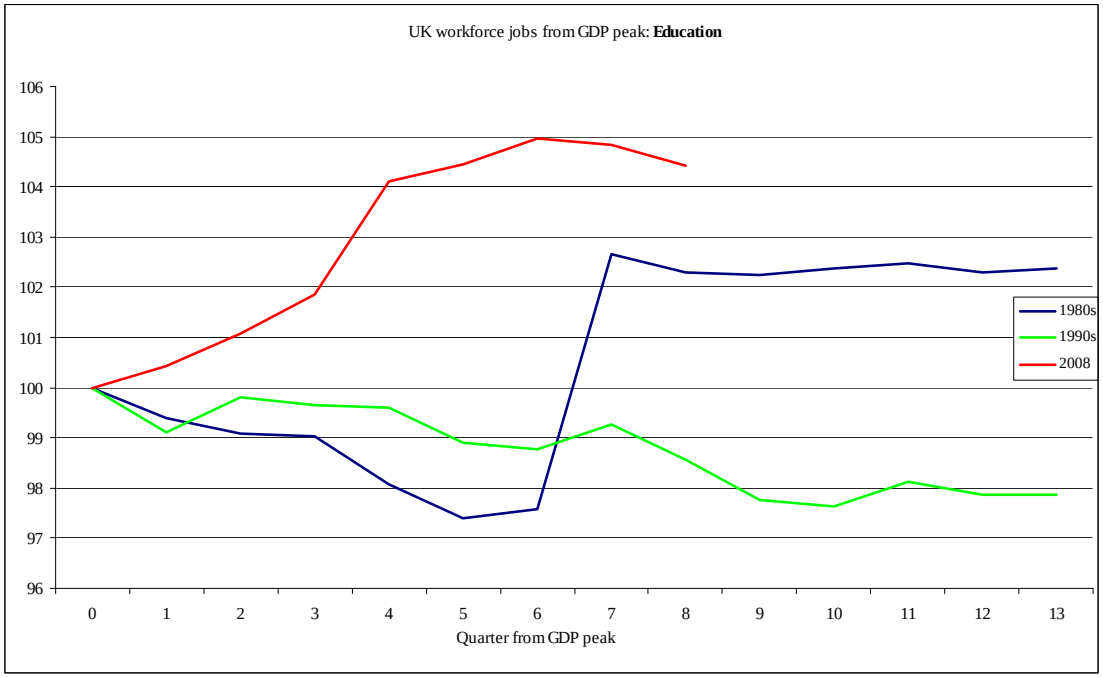
Education

Education is another sector that has seen an increase in its share of total workforce jobs and by 2008 Q1 accounted for 8 per cent. Since the GDP peak this recession has seen a 4 per cent increase in jobs in this sector (having peaked at 5 per cent) compared to 2 per cent in the 1980s and a 1 per cent decline in the 1990s, despite increasing at a faster pace before the 1980's and 1990's recessions.

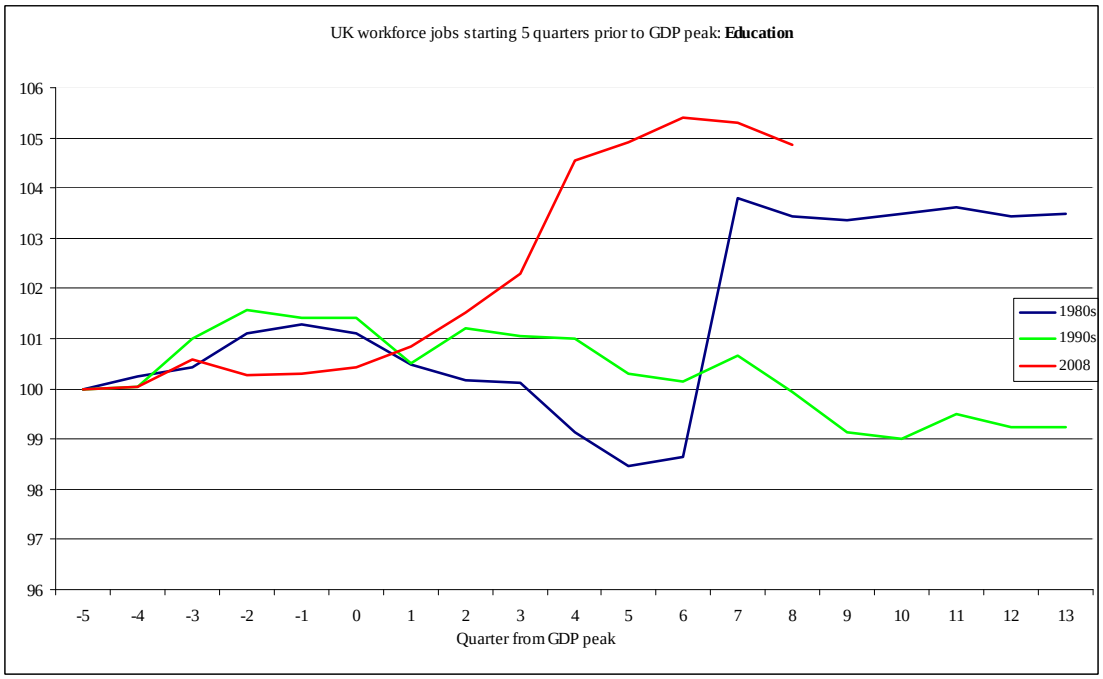
Workforce jobs as a share of total UK workforce jobs: Education



UK workforce jobs from GDP peak: Education



UK workforce jobs starting 5 quarters prior to GDP peak: Education

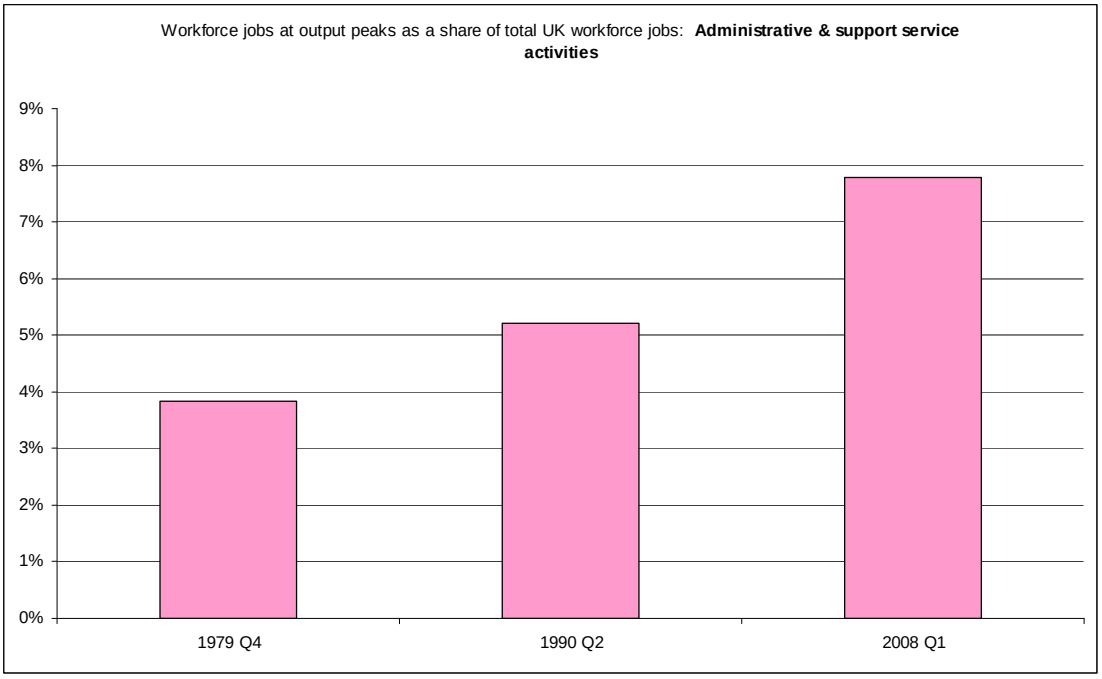


Source: WFJ, ONS (JWT4)

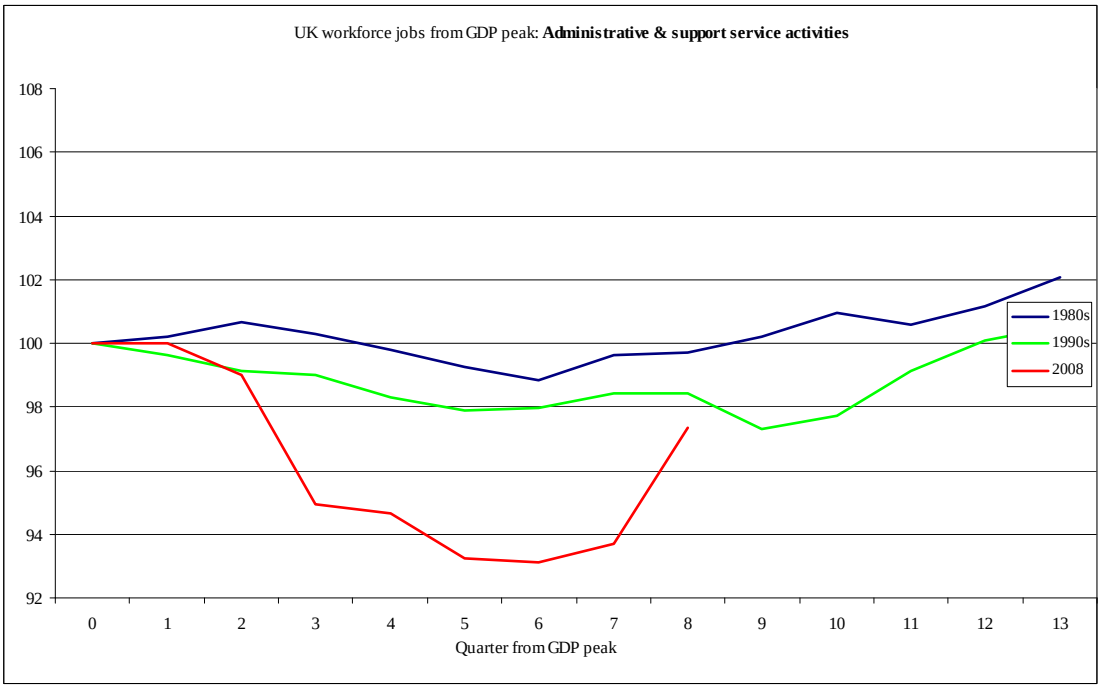
Administration & support service activities

This sector has doubled in its percentage point representation of total workforce jobs since 1979 to around 8 per cent in 2008. Despite having been on an upward trend before the 2008 recession, as it had been before the 1980's and 1990's recessions, administration and support service jobs experienced a large decline of 7 per cent over the 6 quarters from GDP peak (compared to only 2 per cent in the 1990s and 1 per cent in the 1980s).

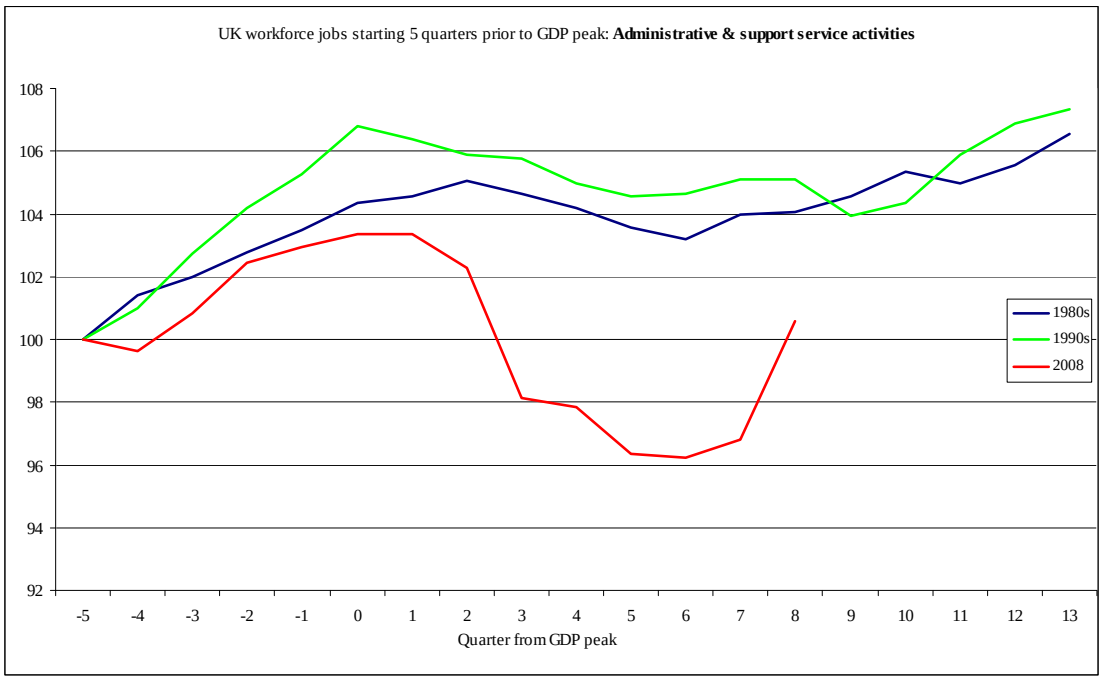
Workforce jobs as a share of total UK workforce jobs: Administration & support service activities



UK workforce jobs from GDP peak: Administration & support service activities



UK workforce jobs starting 5 quarters prior to GDP peak: Administration & support service activities

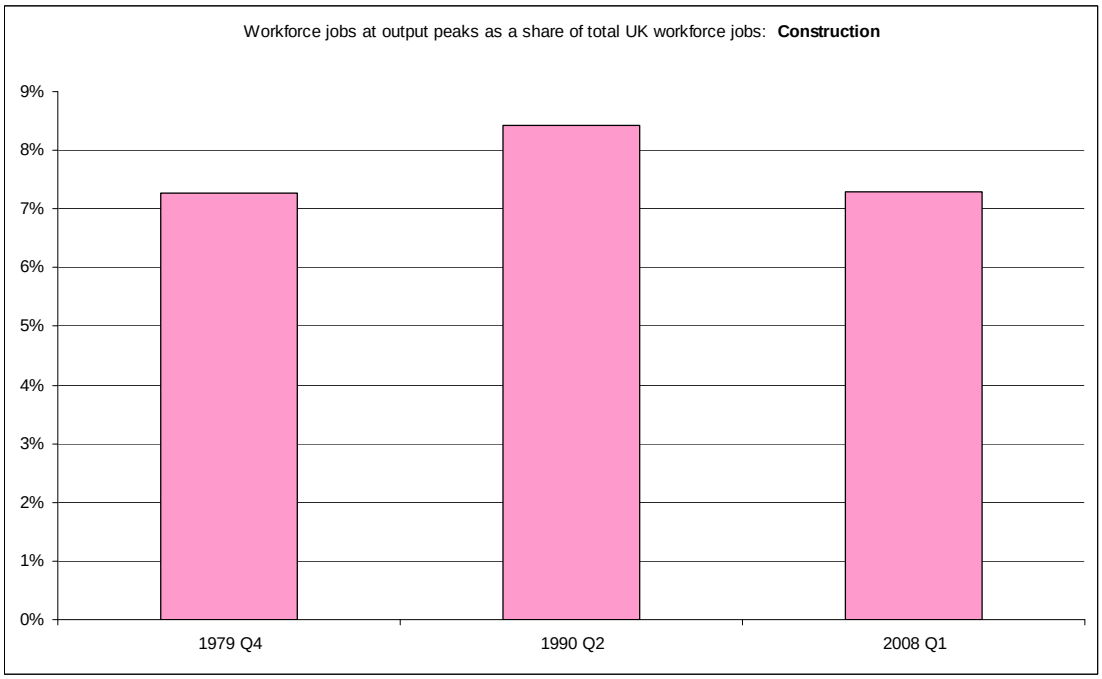


Source: WFJ, ONS (JWT2)

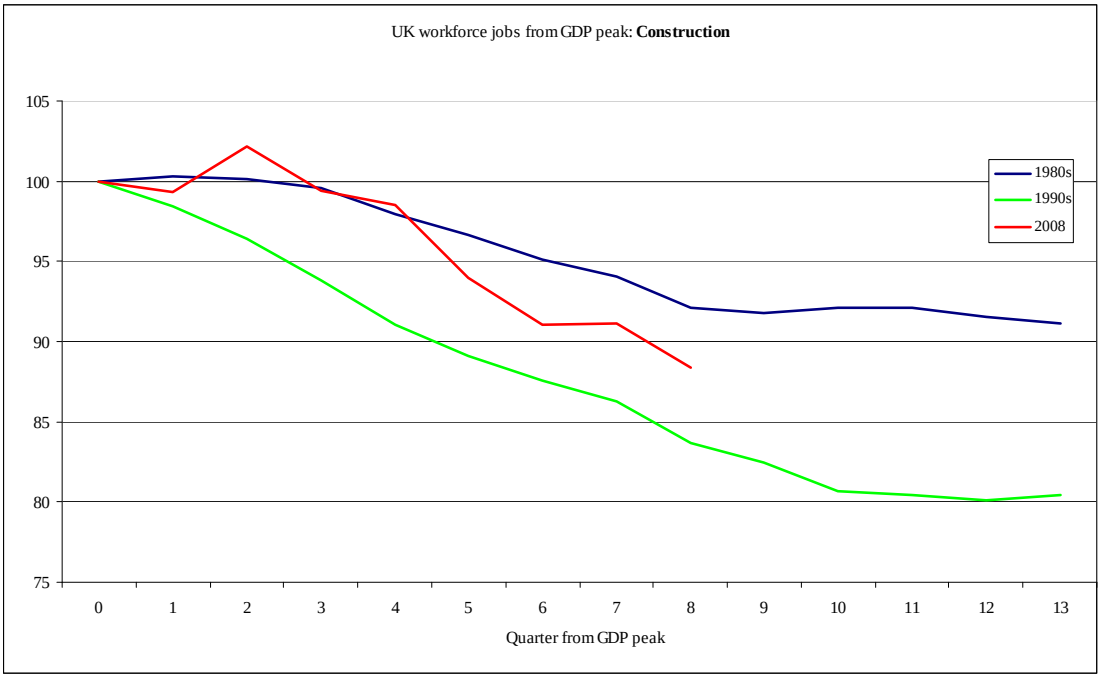
Construction

Since the 2008 GDP peak jobs in the construction sector have been hit hard, declining by a significant 12 per cent, greater than the 8 per cent decline in the 1980s but smaller than the 16 per cent fall in the 1990s.

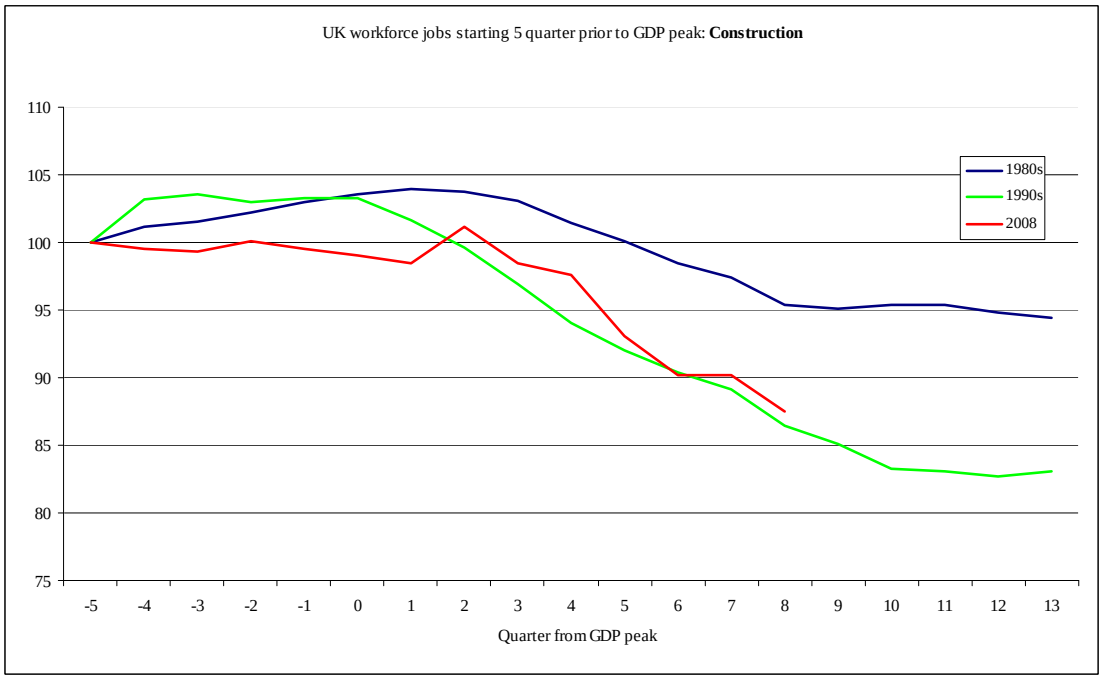
Workforce jobs as a share of total UK workforce jobs: Construction



UK workforce jobs from GDP peak: Construction



UK workforce jobs starting 5 quarters prior to GDP peak: Construction

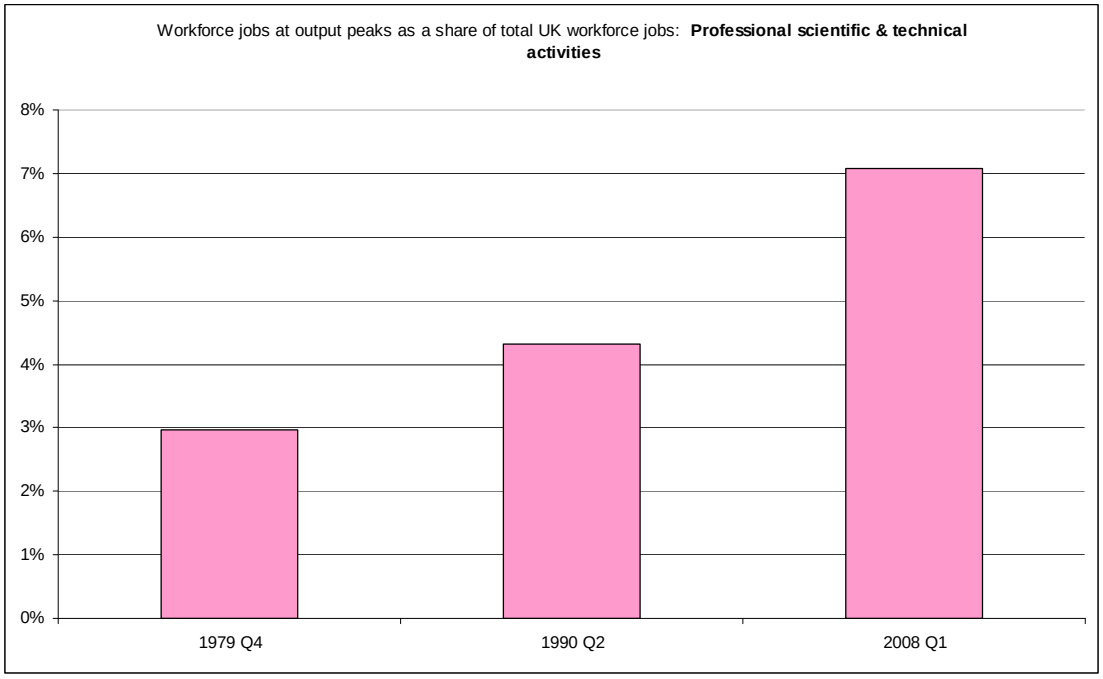


Source: WFJ, ONS (JWS2)

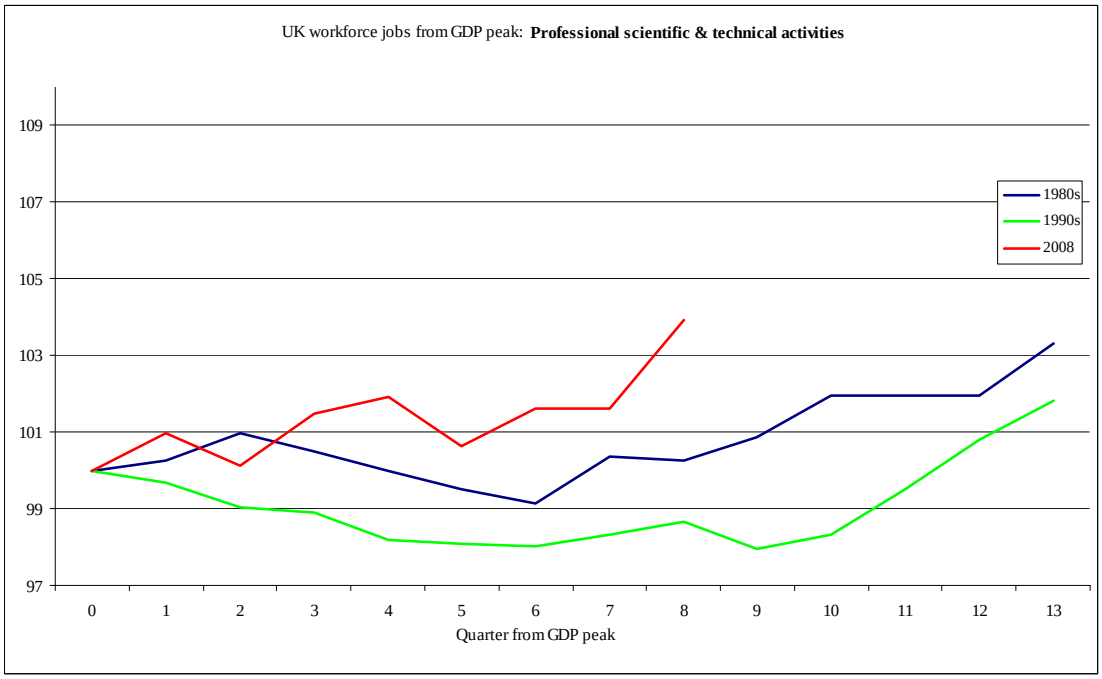
Professional scientific & technical activities

This sector has also seen growth in its share of total workforce jobs from 3 per cent in 1979 Q4 to 7 per cent in 2008 Q1. In all three recessions, the number of jobs in this sector rose on their levels in the year prior to GDP peaks. Nevertheless, since the 1990s GDP peak jobs in the industry fell by just over 1 per cent in the 8 quarters after, stayed roughly level in the same period during the 1980s but rose 4 per cent in the 2008 recession.

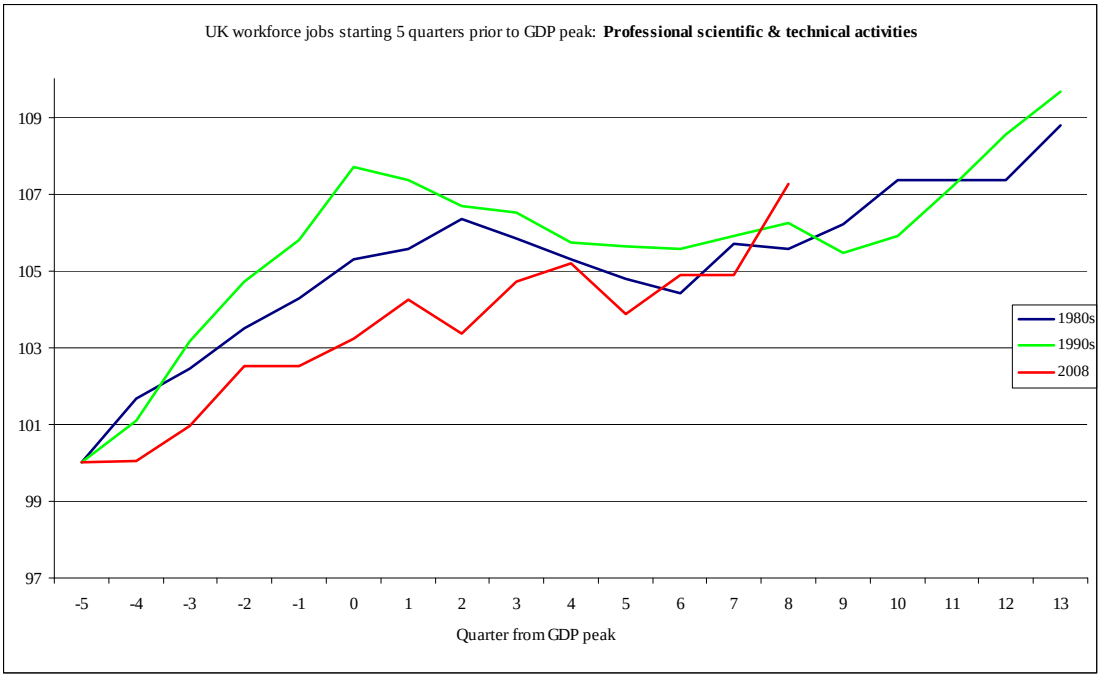
Workforce jobs as a share of total UK workforce jobs: Professional scientific & technical activities



UK workforce jobs from GDP peak: Professional scientific & technical activities



UK workforce jobs starting 5 quarters prior to GDP peak: Professional scientific & technical activities

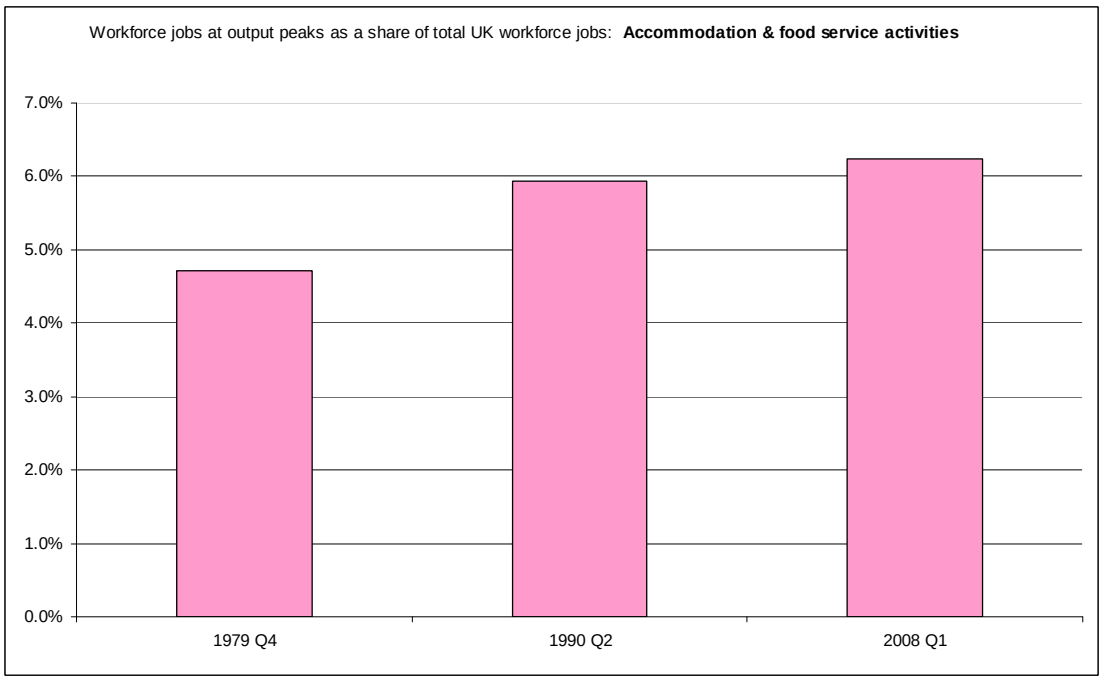


Source: WFJ, ONS (JWS9)

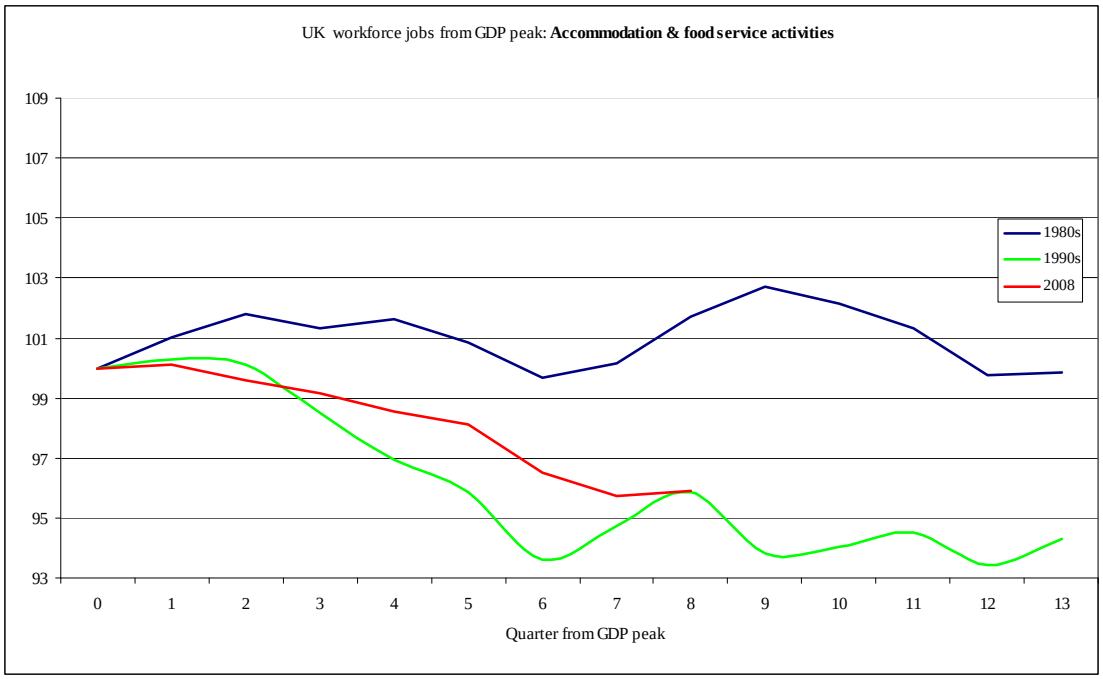
Accommodation & food service activities

Between 1979 Q4 and 2008 Q1 this sector increased in its share of total workforce jobs by 1.5 percentage points, and whilst in the 1980s there was only one quarter were jobs fell marginally below the levels at GDP peak in the 1990s and most recent recession jobs fell by 4 per cent.

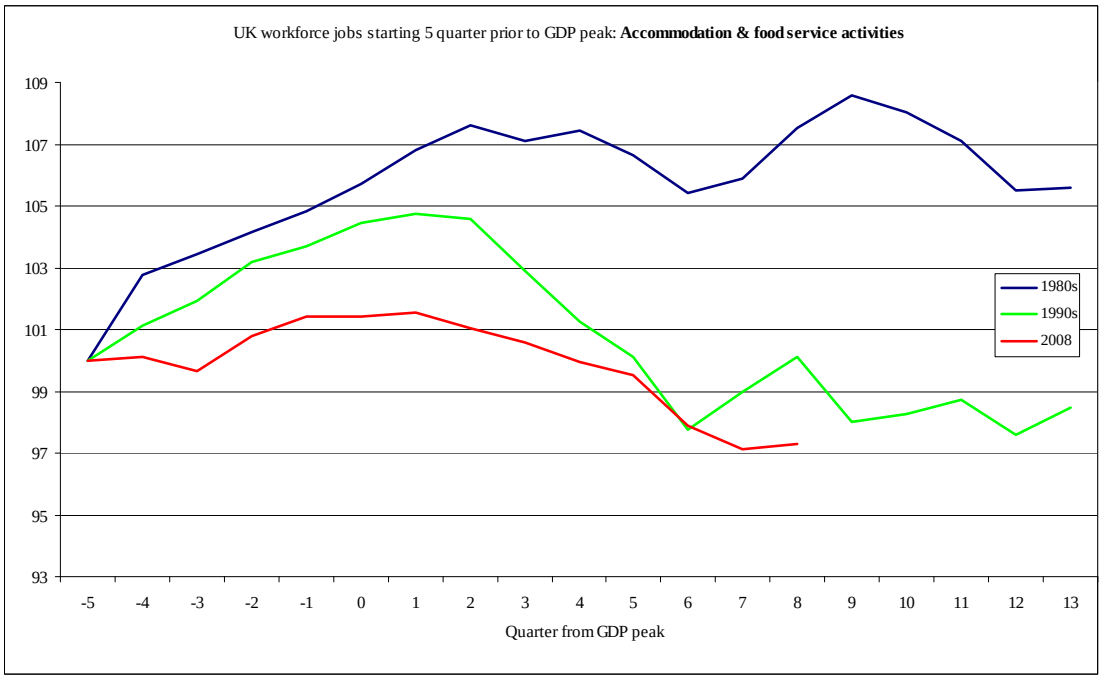
Workforce jobs as a share of total UK workforce jobs: Accommodation & food service activities



UK workforce jobs from GDP peak: Accommodation & food service activities



UK workforce jobs starting 5 quarters prior to GDP peak: Accommodation & food service activities

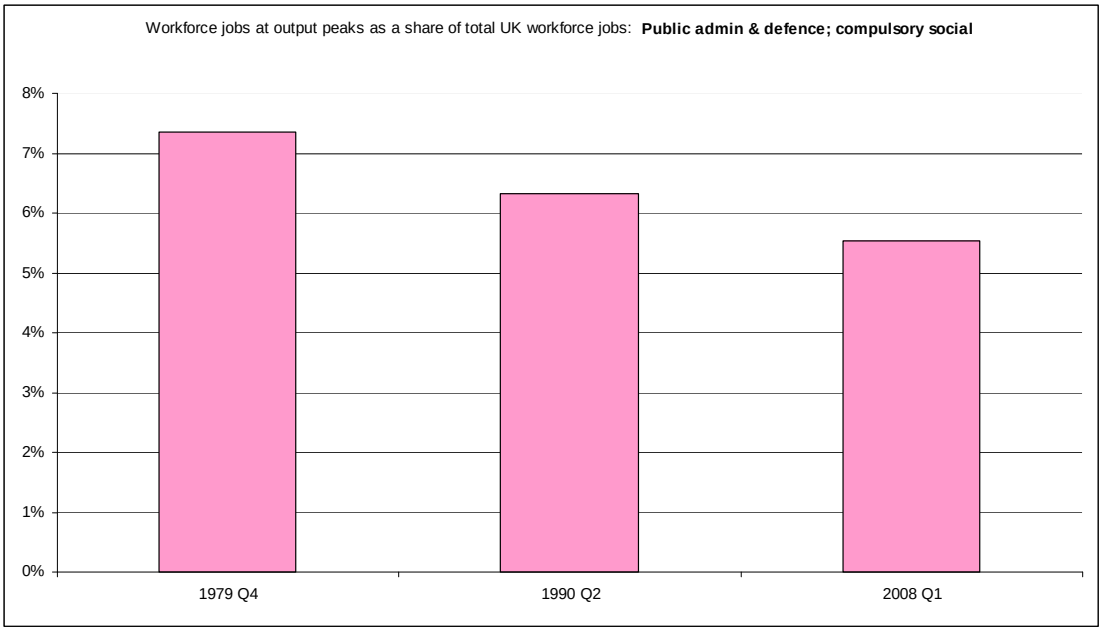


Source: WFJ, ONS (JWS5)

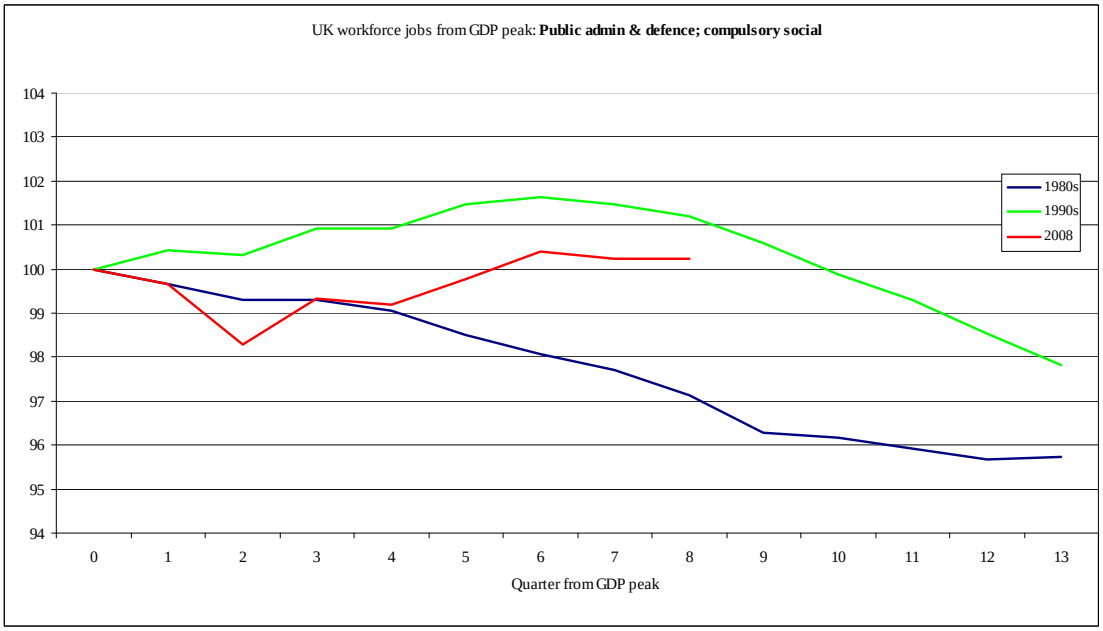
Public administration & defence

This sector has seen a decline in its share of total workforce jobs over the last two decades but has moved very differently during all three recession. Over the two years from the 1980s GDP peak jobs fell by around 3 per cent, compared to a 2 per cent rise over the same period in the 1990s (although they began falling steadily after a year and a half from GDP peak). In comparison, in the latest recession whilst jobs fell initially after 6 months they began to rise again so that overall in the two years from GDP peak they experienced no real change.

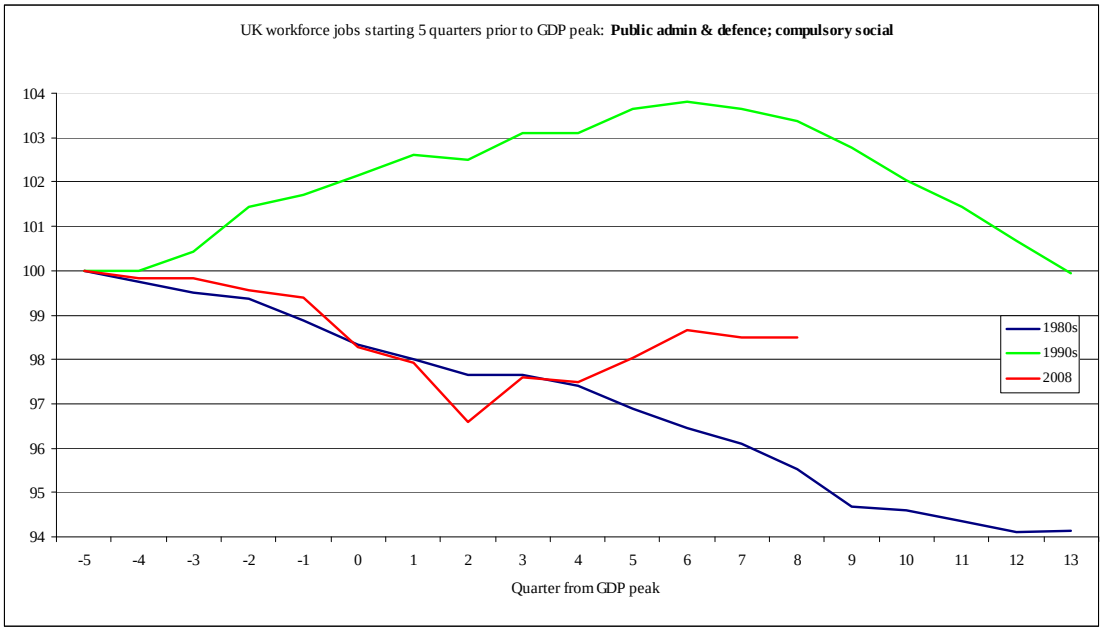
Workforce jobs as a share of total UK workforce jobs: Public administration & defence



UK workforce jobs from GDP peak: Public administration & defence



UK workforce jobs starting 5 quarters prior to GDP peak: Public administration & defence

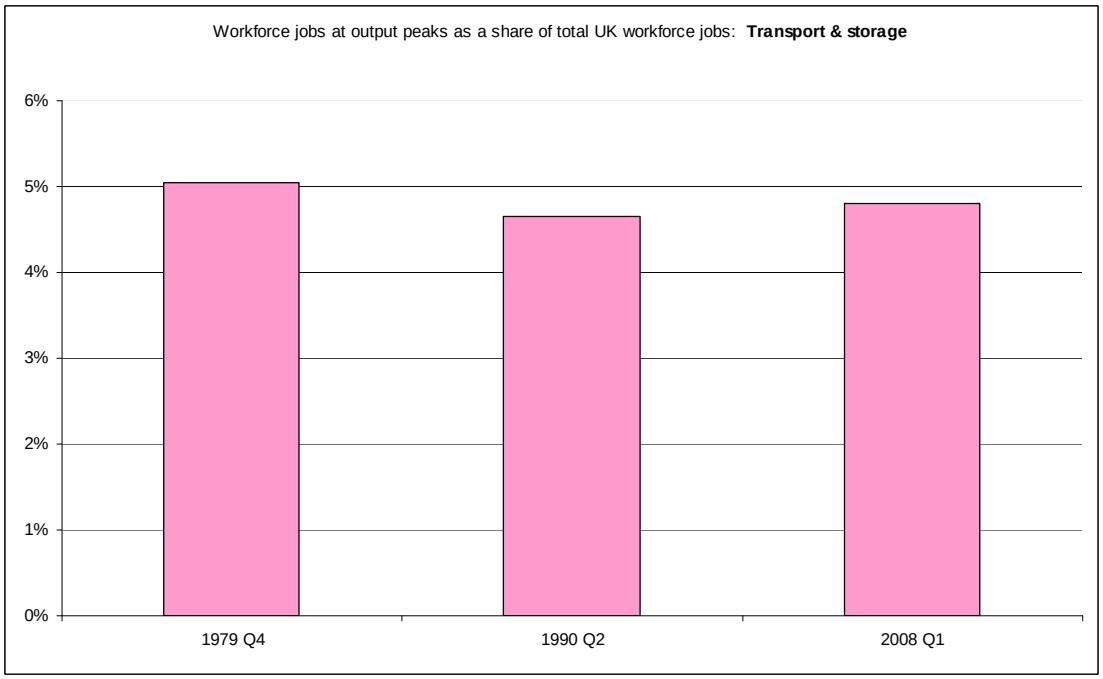


Source: WFJ, ONS (JWT3)

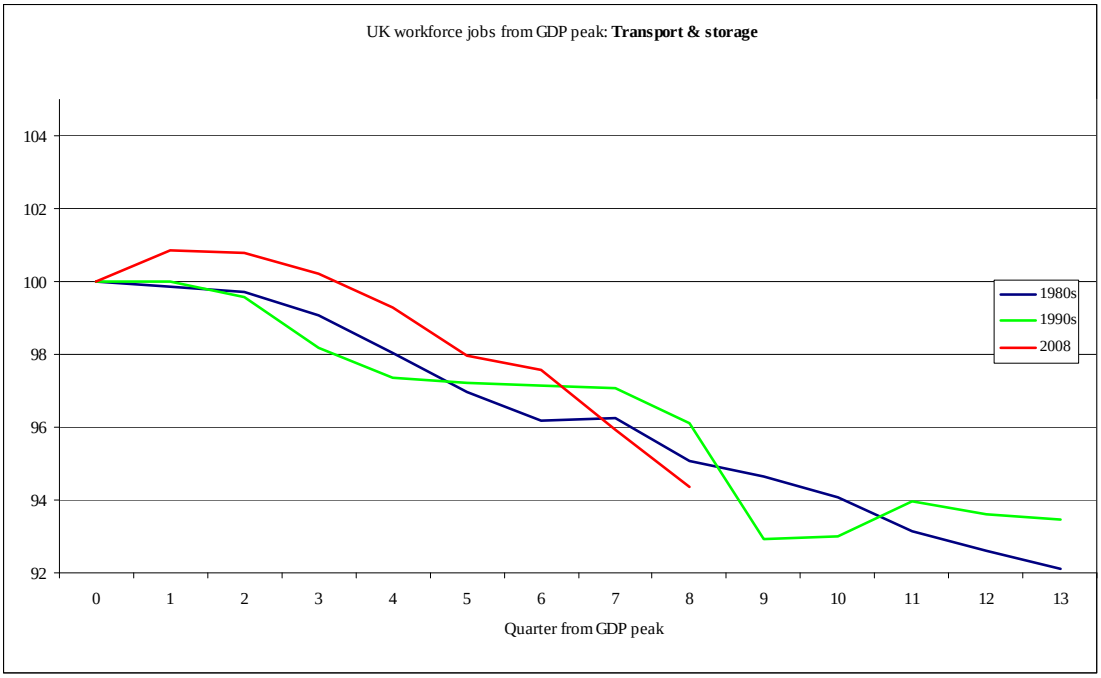
Transport and storage

This sector's share of all jobs has been relatively stable over the last twenty years and has, since the GDP peak, declined by slightly more than in the 1990s but less than in the 1980s. Nevertheless, jobs in this sector were growing in the year before the 1980s and 1990s GDP peaks so that on the levels a year earlier the 2008 recession has seen the greatest fall in jobs in the sector.

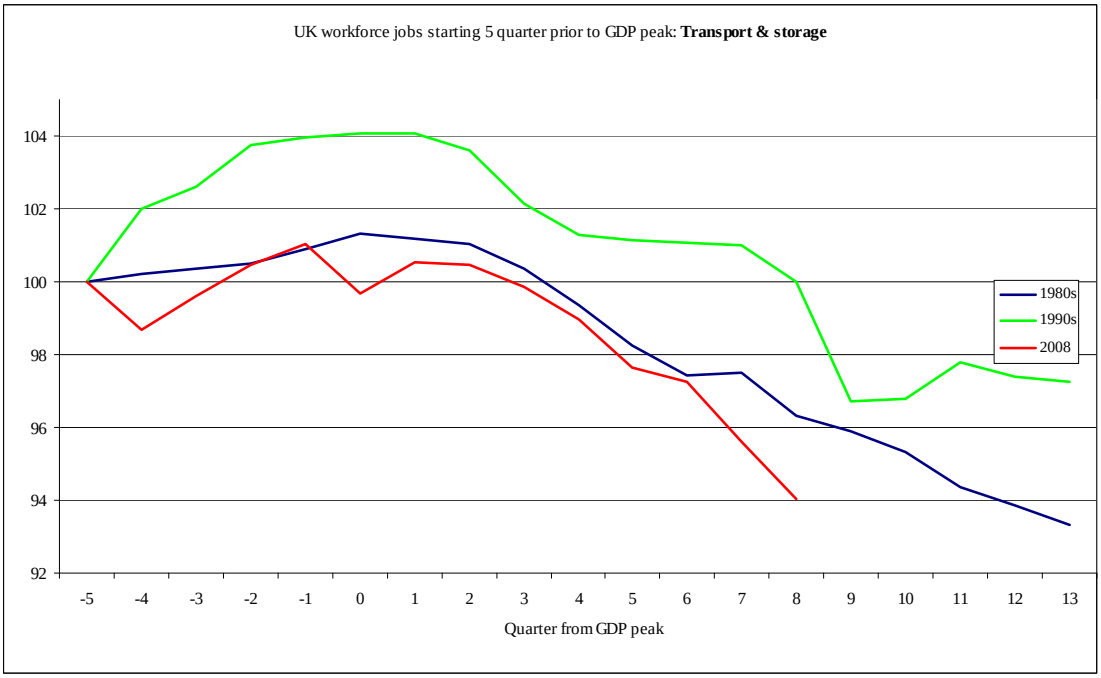
Workforce jobs as a share of total UK workforce jobs: Transport and storage



UK workforce jobs from GDP peak: Transport and storage



UK workforce jobs starting 5 quarters prior to GDP peak: Transport and storage



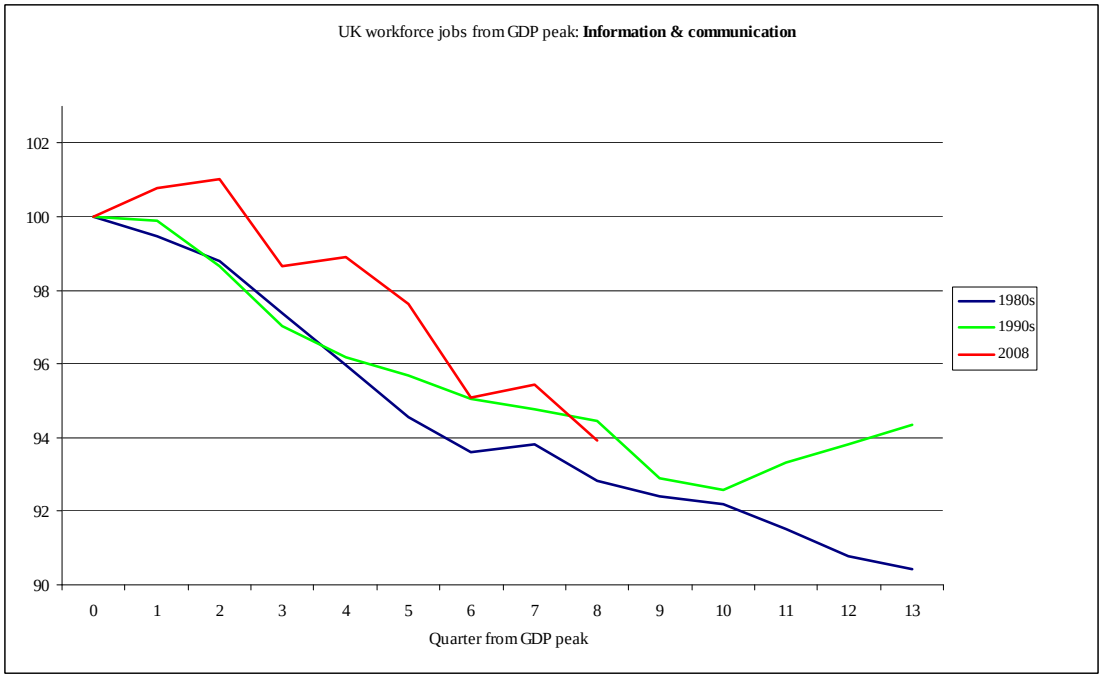
Source: WFJ, ONS (JWS4)

Information and communication

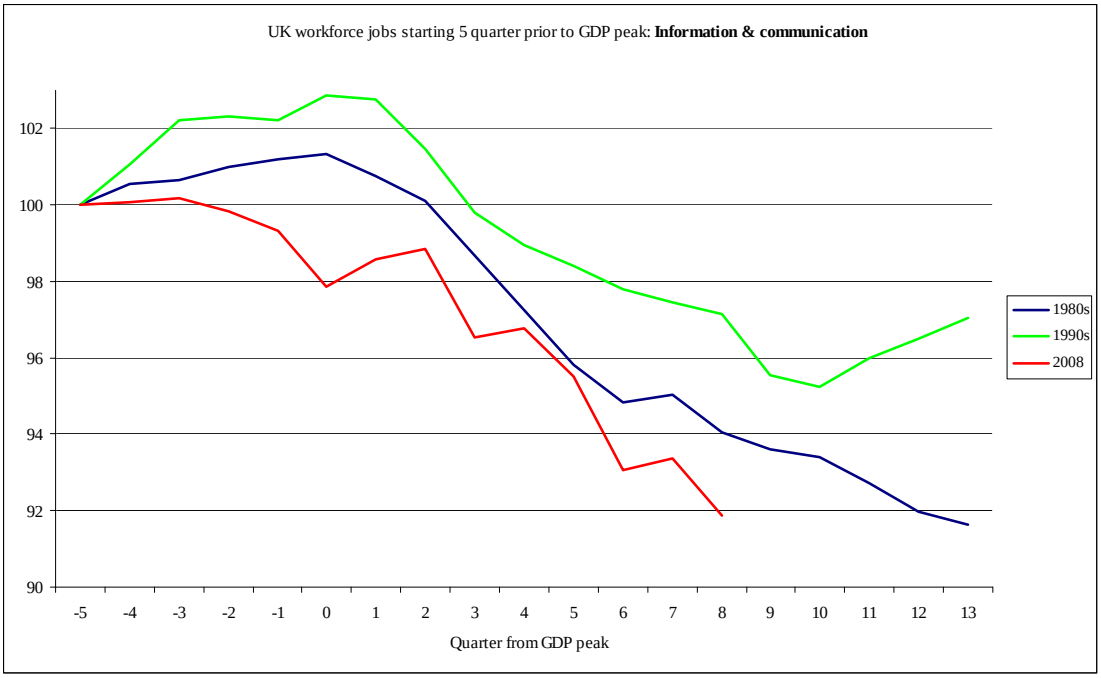
Prior to the 1980's and 1990's recessions jobs in this sector were growing but entered a period of decline during the recession. In contrast, before GDP began declining in 2008 this industry was already experiencing declines in job number, which merely continued when the recession began.

Workforce jobs as a share of total UK workforce jobs: Information and Communication

UK workforce jobs from GDP peak: Information and Communication



UK workforce jobs starting 5 quarters prior to GDP peak: Information and Communication

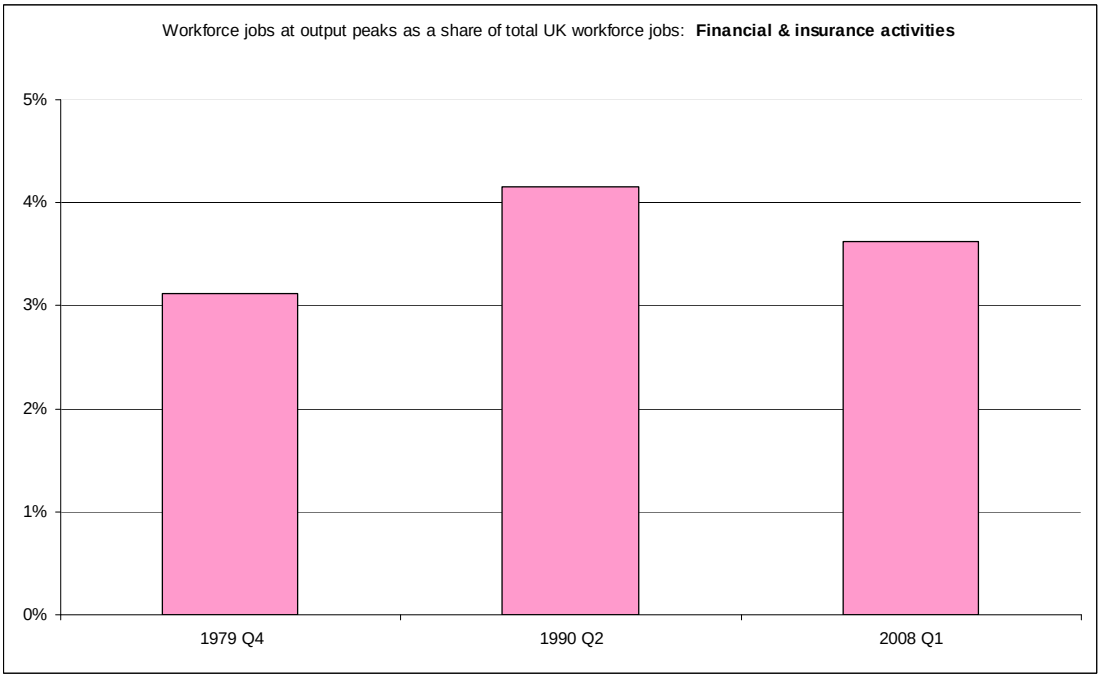


Source: WFJ, ONS (JWS6)

Finance and insurance activities

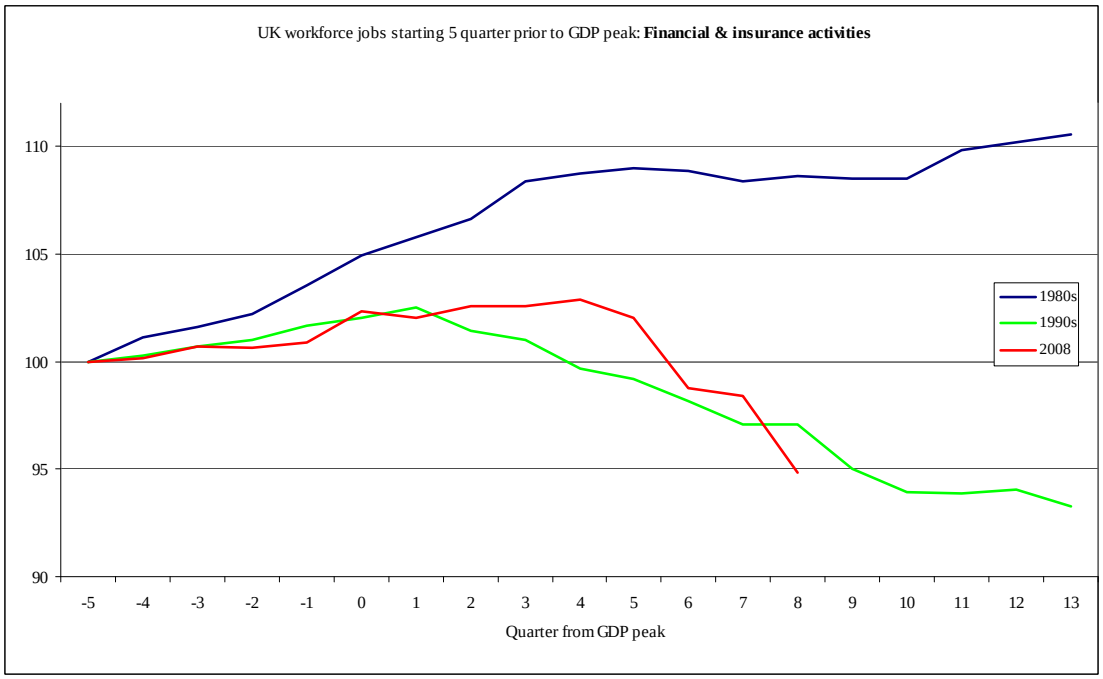
During the 1980's recession jobs in this sector grew by around 4 per cent in the two years following the GDP peak. In contrast, over the two years from GDP peak in the 1990s and 2008 5 per cent and 7 per cent of jobs were lost in this sector respectively.

Workforce jobs as a share of total UK workforce jobs: Finance and insurance activities



UK workforce jobs from GDP peak: Finance and insurance activities

UK workforce jobs starting 5 quarters prior to GDP peak: Finance and insurance activities

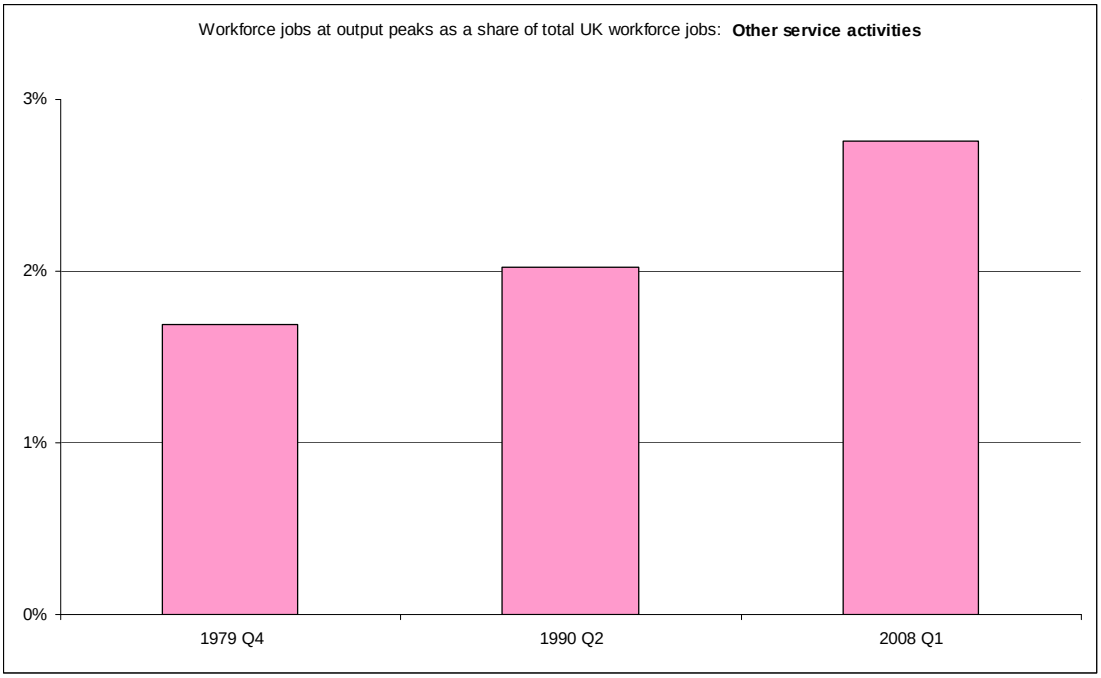


Source: WFJ, ONS (JWS7)

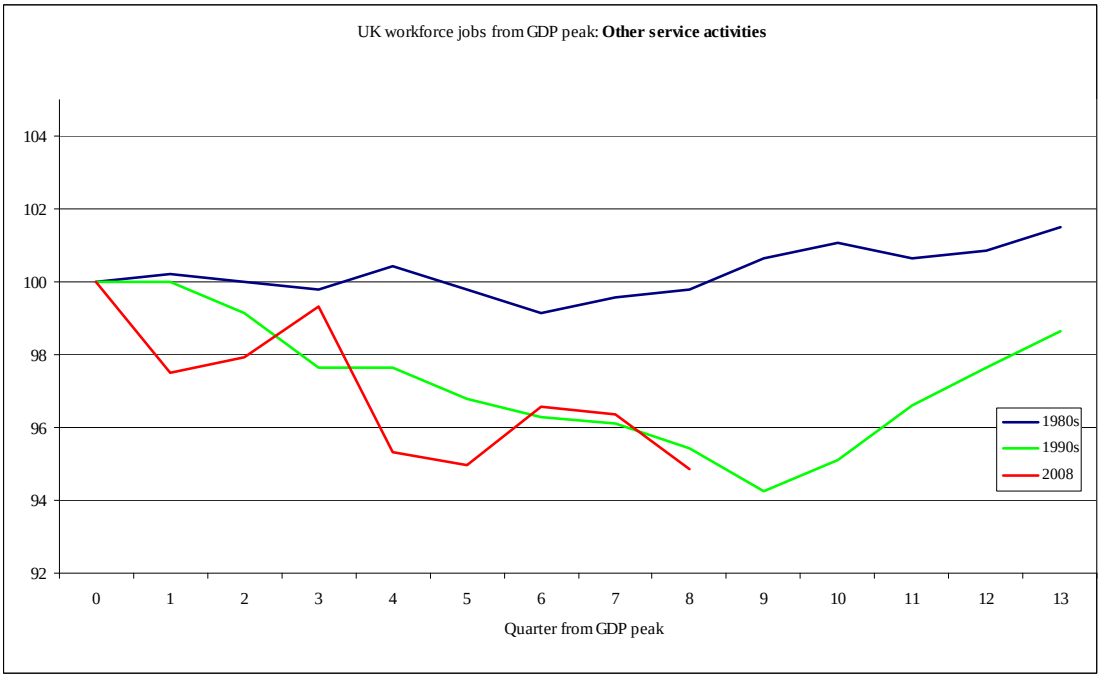
Other service activities

Jobs in this sector (which includes activities of membership organisations and repair of computers and household goods) have been in decline both entering and in the two years following the GDP peaks of the 1990s and 2008. In contrast, from the levels just over a year before the 1980s GDP peak jobs continued to grow in this sector.

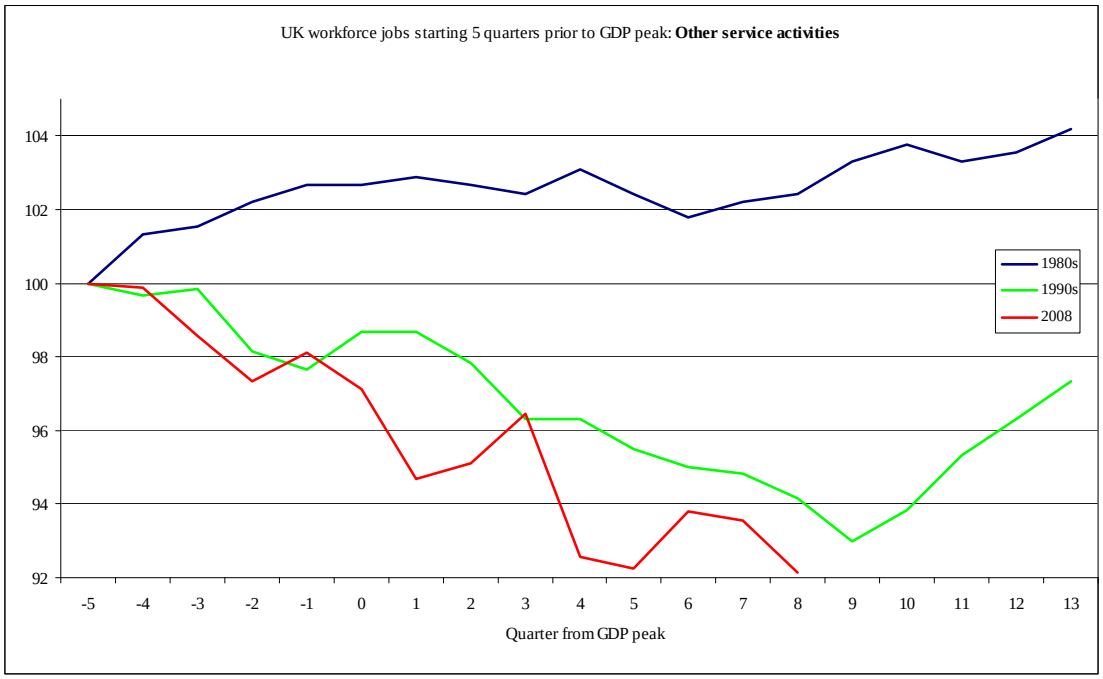
Workforce jobs as a share of total UK workforce jobs: Other service activities



UK workforce jobs from GDP peak: Other service activities



UK workforce jobs starting 5 quarters prior to GDP peak: Other service activities

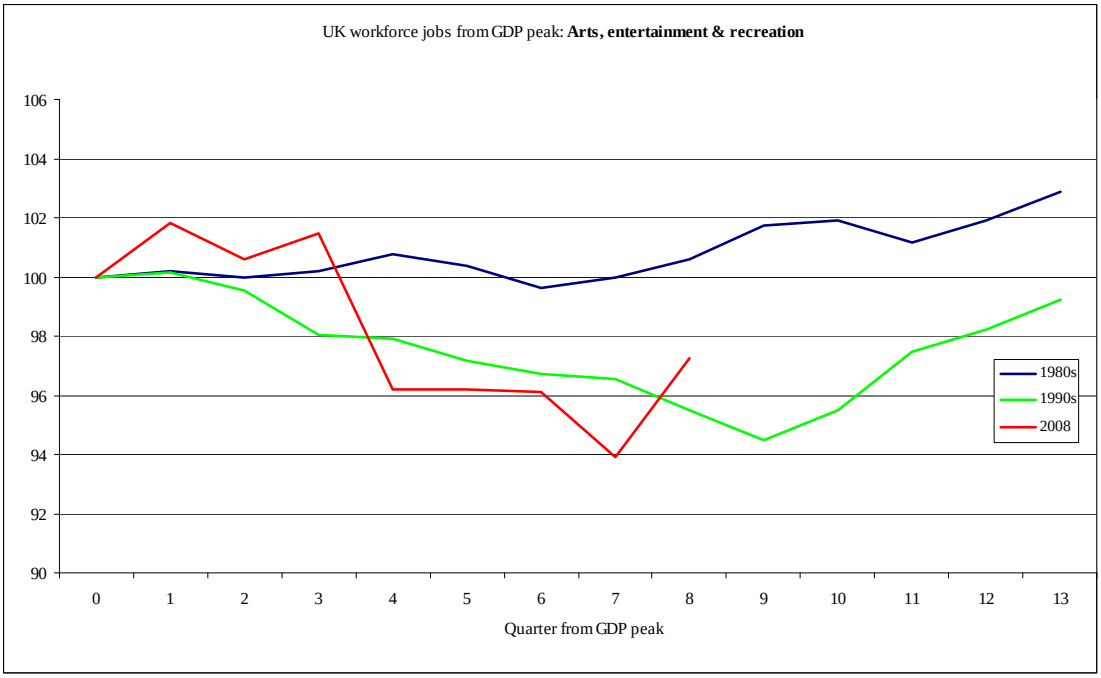


Source: WFJ, ONS (JWT7)

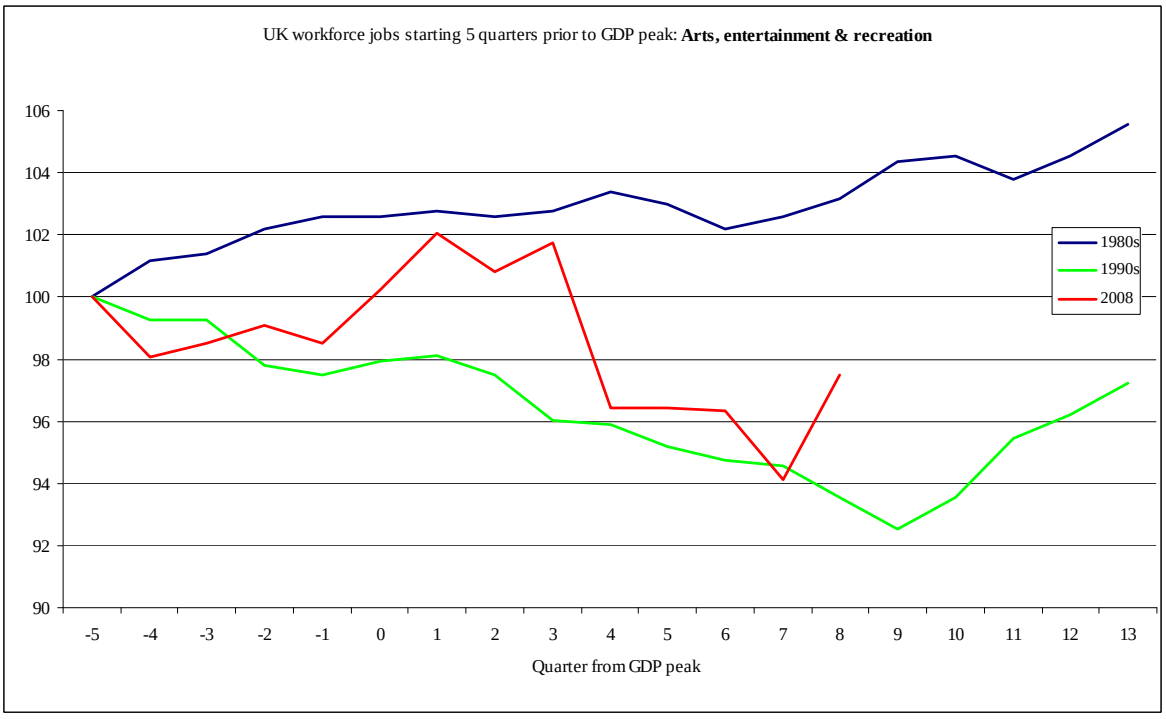
Arts, entertainment & recreation

Workforce jobs as a share of total UK workforce jobs: Arts, entertainment & recreation

UK workforce jobs from GDP peak: Arts, entertainment & recreation



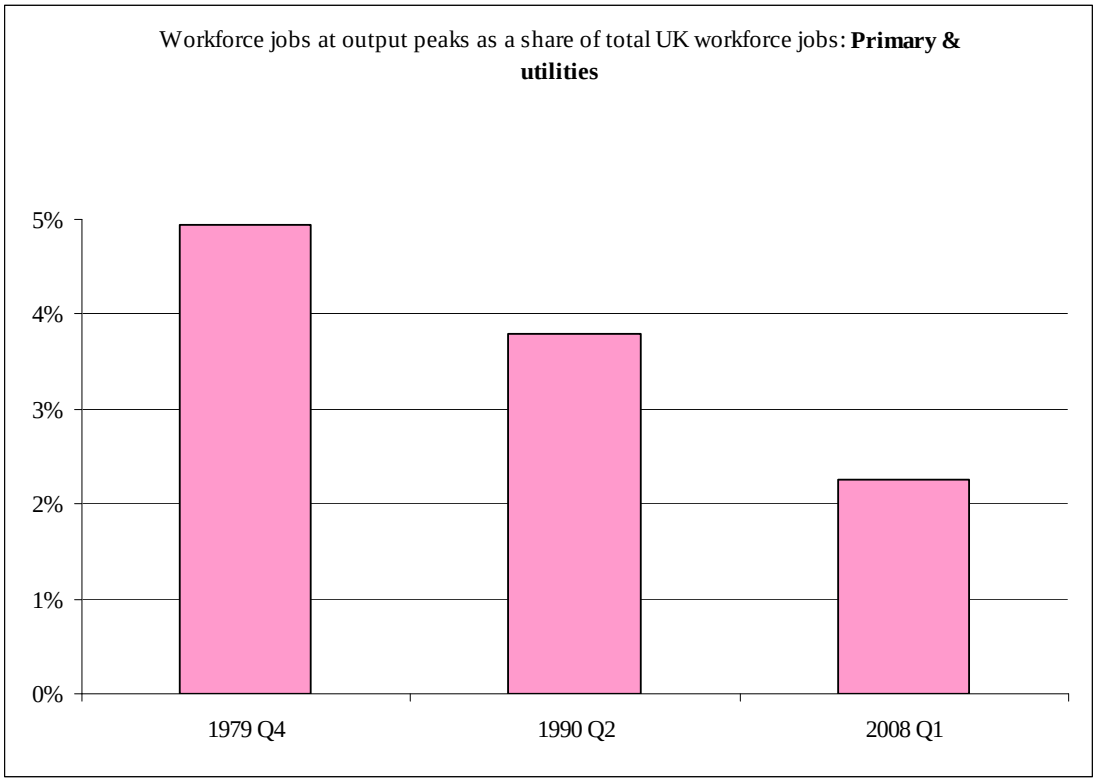
UK workforce jobs starting 5 quarters prior to GDP peak: Arts, entertainment & recreation



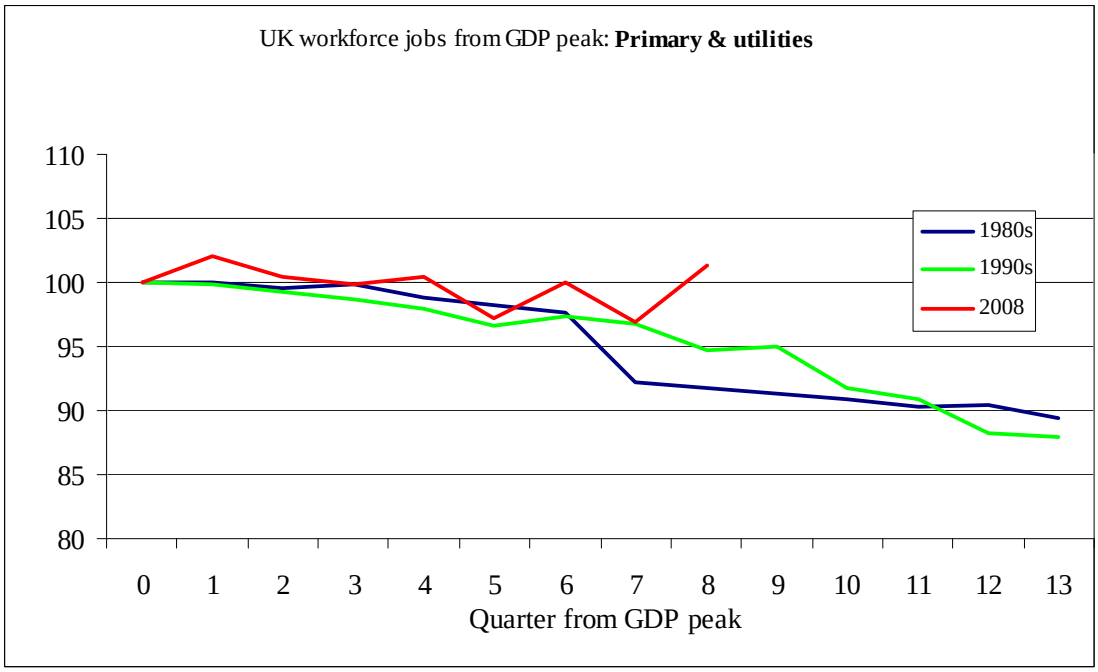
Source: WFJONS (JWT6)

Primary & utilities

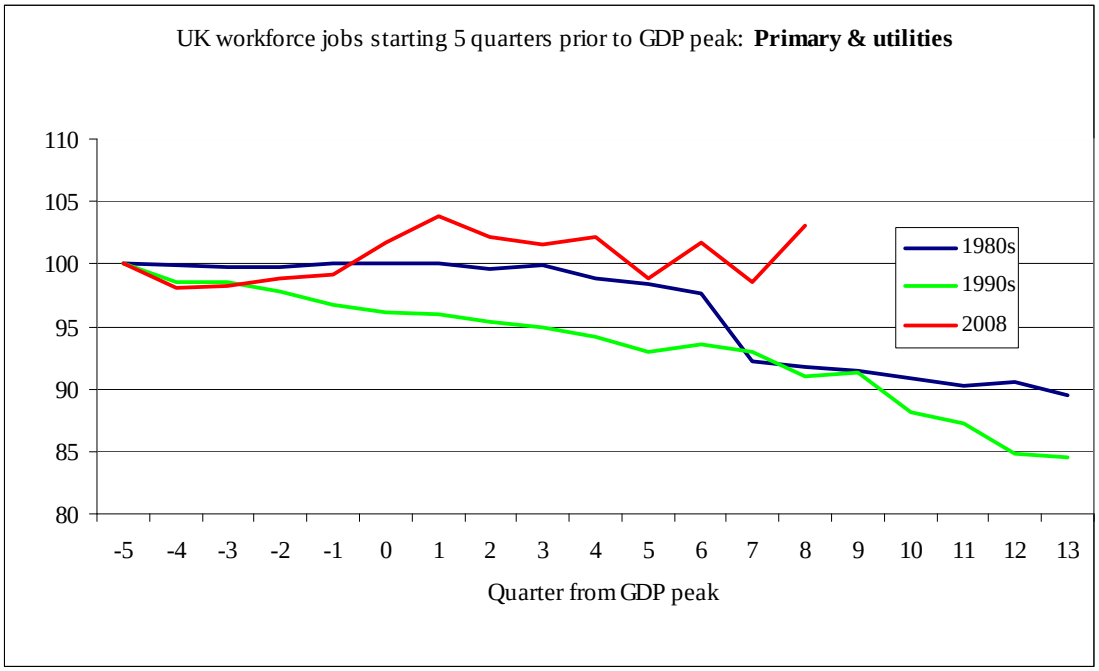
Workforce jobs as a share of total UK workforce jobs: Primary & utilities



UK workforce jobs from GDP peak: Primary & utilities



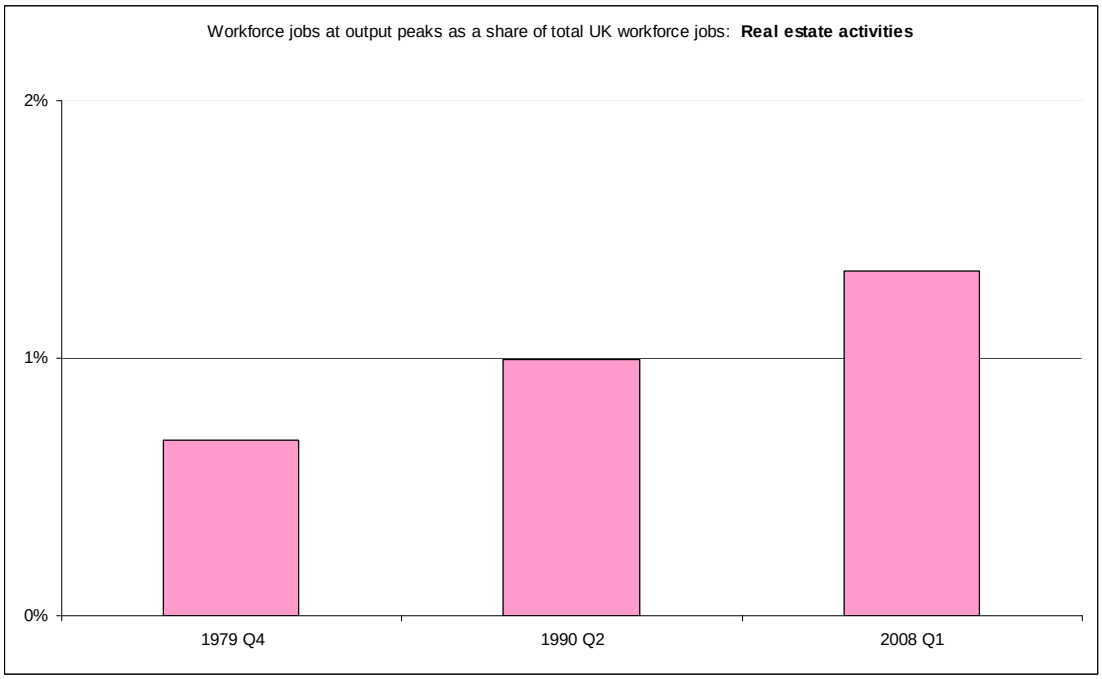
UK workforce jobs starting 5 quarters prior to GDP peak: Primary & utilities



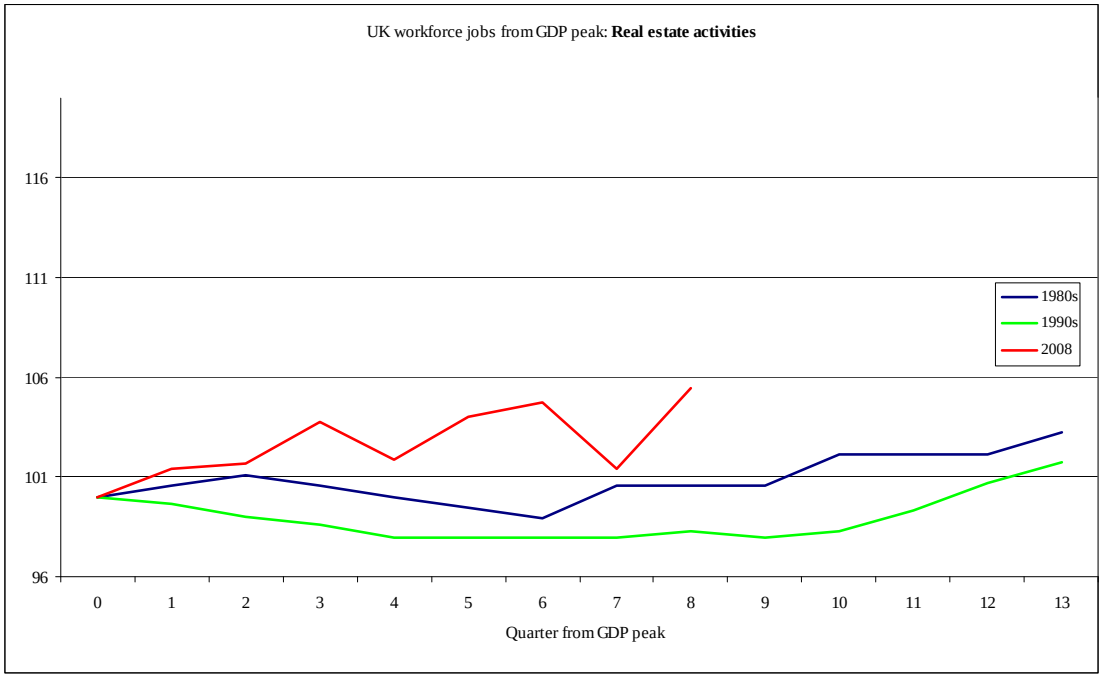
Source: WFJ, ONS (JWR, JWR6, JWR8, JWR9)

Real estate activities

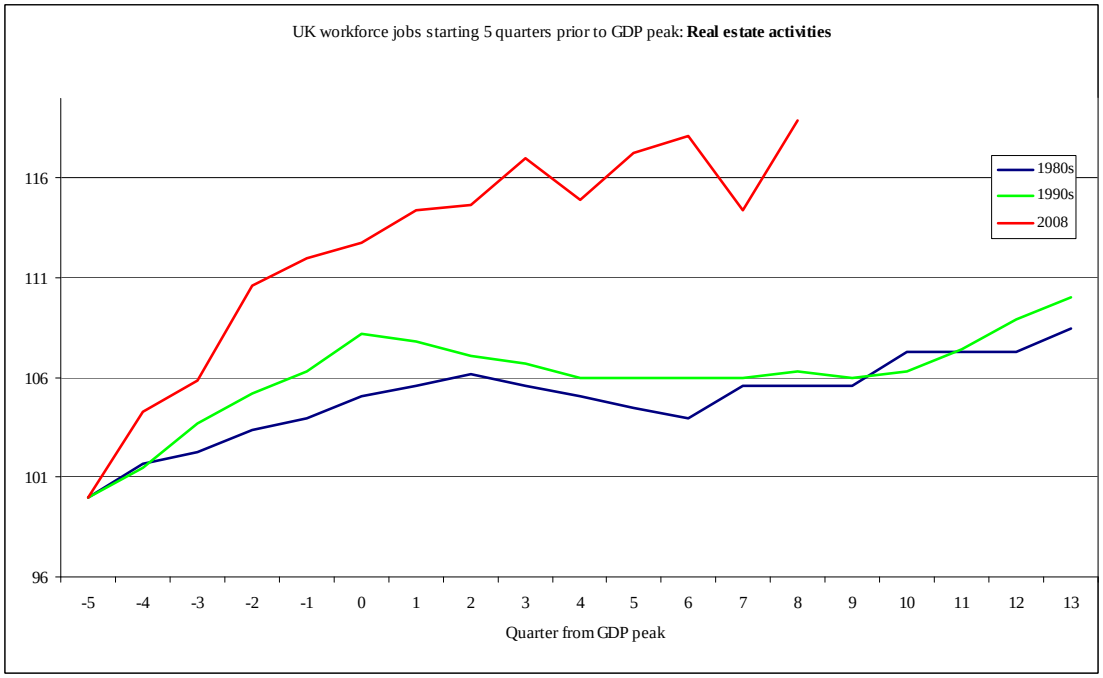
Workforce jobs as a share of total UK workforce jobs: Real estate activities



UK workforce jobs from GDP peak: Real estate activities



UK workforce jobs starting 5 quarters prior to GDP peak: Real estate activities



Source: WFJ, ONS (JWS8)

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Chinese

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Vietnamese

Nếu bạn muốn có văn bản tài liệu
này bằng ngôn ngữ của mình, hãy
liên hệ theo số điện thoại hoặc địa
chỉ dưới đây.

Greek

Αν θέλετε να αποκτήσετε αντίγραφο του παρόντος εγγράφου στη δική σας γλώσσα, παρακαλείστε να επικοινωνήσετε τηλεφωνικά στον αριθμό αυτό ή ταχυδρομικά στην παρακάτω διεύθυνση.

Turkish

Bu belgenin kendi dilinizde
hazırlanmış bir nüshasını
edinmek için, lütfen aşağıdaki
telefon numarasını arayınız
veya adrese başvurunuz.

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Hindi

यदि आप इस दस्तावेज की प्रति अपनी
भाषा में चाहते हैं, तो कृपया निम्नलिखित
नंबर पर फोन करें अथवा नीचे दिये गये
पते पर संपर्क करें

Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি
(কপি) চান, তা হলে নীচের ফোন্ নম্বরে
বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Urdu

اگر آپ اِس دستاویز کی نقل اپنی زبان میں
چاھتے ھیں، تو براہ کرم نیچے دئے گئے نمبر
پر فون کریں یا دیئے گئے پتے پر رابطہ کریں

Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى
الاتصال برقم الهاتف أو مراسلة العنوان
أدناه

Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં
જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર
ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

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LONDON DEVELOPMENT AGENCY

MAYOR OF LONDON