

# The post-crisis recovery and inequality

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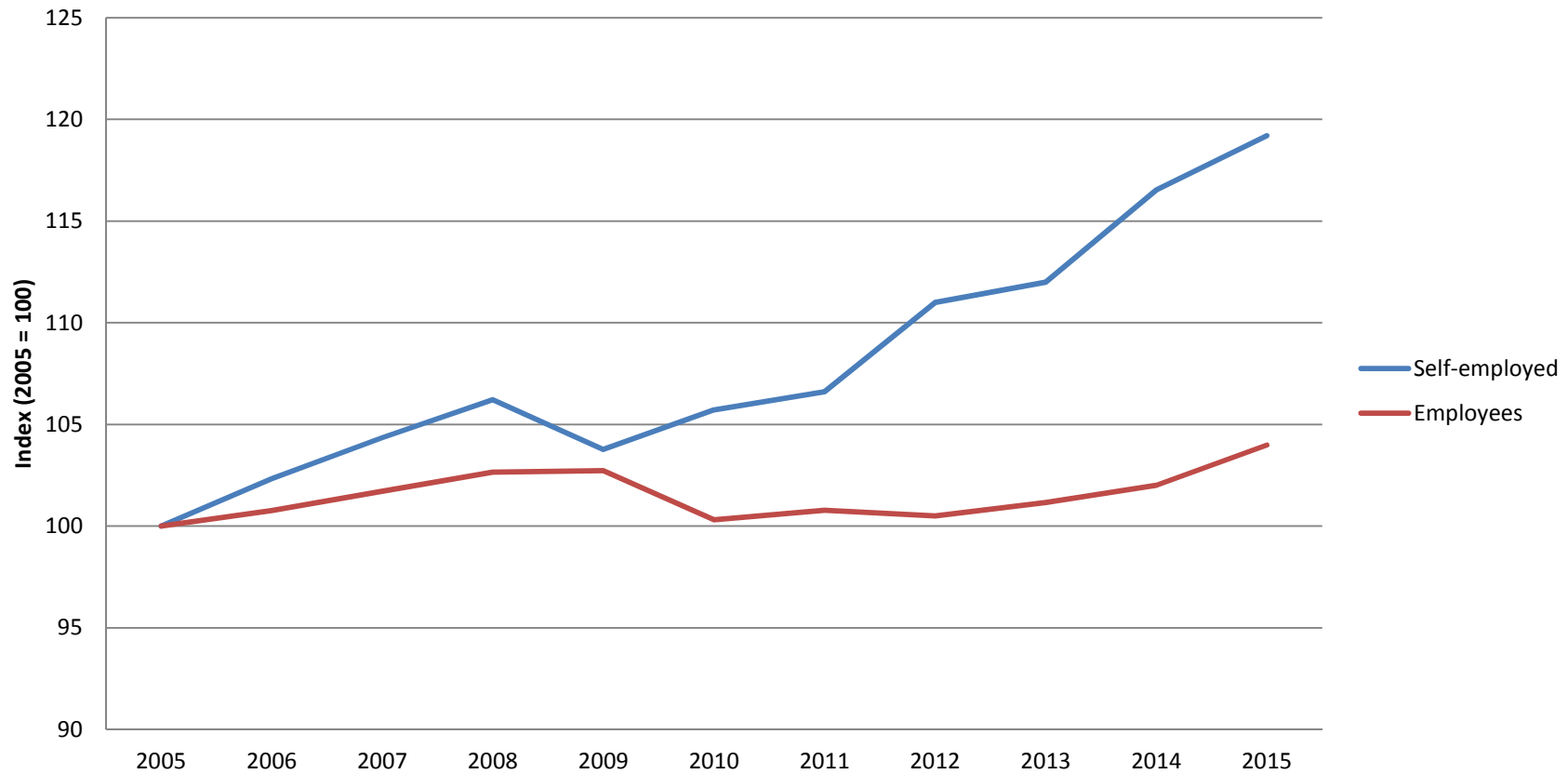
# Aims of talk

- Provide example of type of work in 'City, Housing and Economic Systems' Research Group
- Outline key recent national labour market trends across the boom, crisis and recovery
- Assess spatial inequalities between UK, London and metropolitan counties

# A financial and economic recession – labour market remained relatively strong

Employment Growth, UK, 2005-15

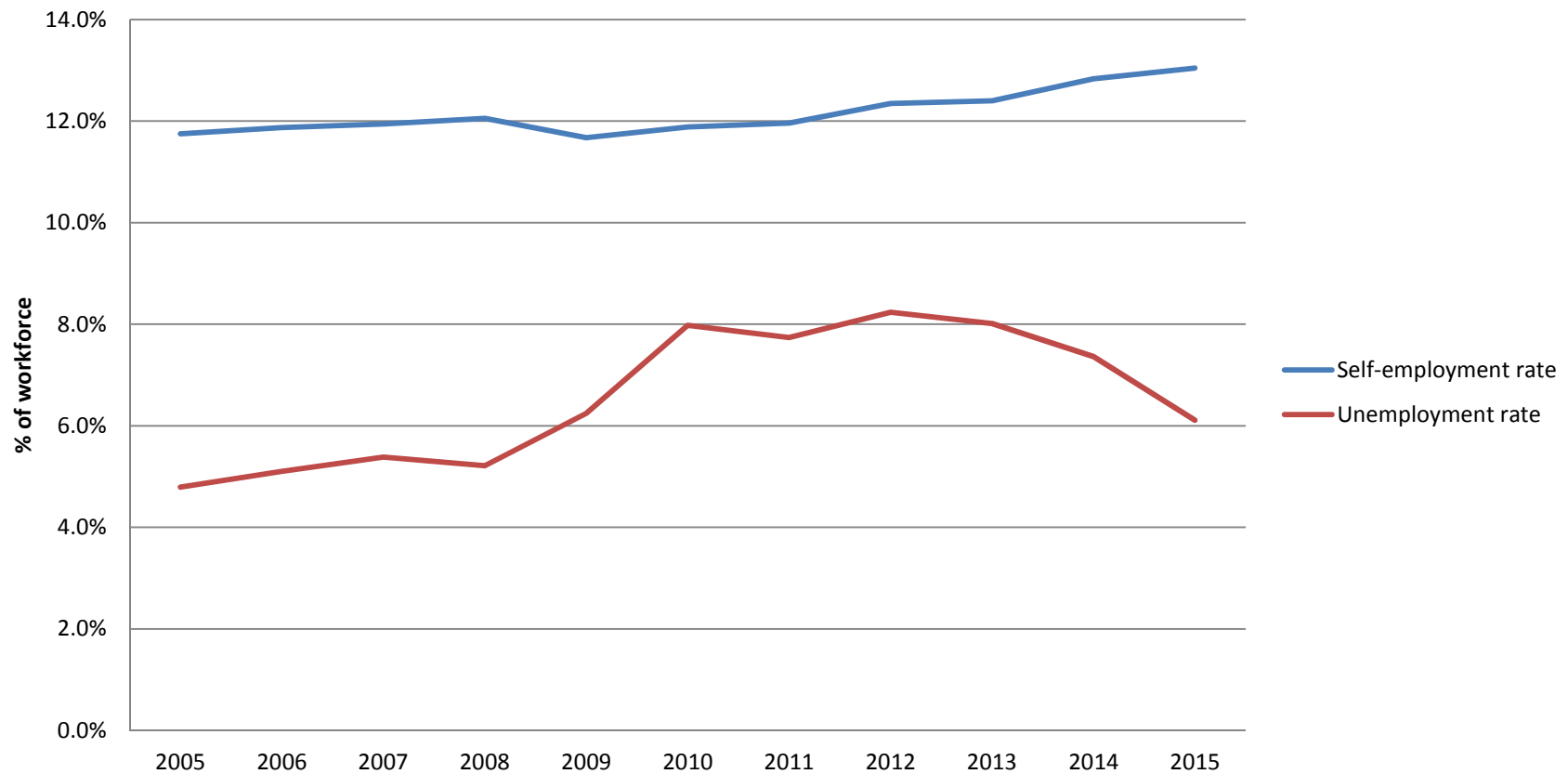
Source: APS via Nomis (own calculations)



# Unemployment follows economic cycle – self-employment does not

Self-employment and unemployment, UK, 2005-15

Source: APS via Nomis (own calculations)



# Under-employment and Non-Standard Employment both follow the economic cycle

- P/T workers who could not find F/T job:
  - 16.7% in 2014
  - 7.6% in 2004
  - Lowest: 7.6% in 2004
  - Highest: 14.0% in 1994(LFS via Nomis)
- Temporary contracts:
  - 6.4% in 2014
  - 6.1% in 2004
  - Lowest at 5.5% in 2008
  - Highest at 7.8% in 1997

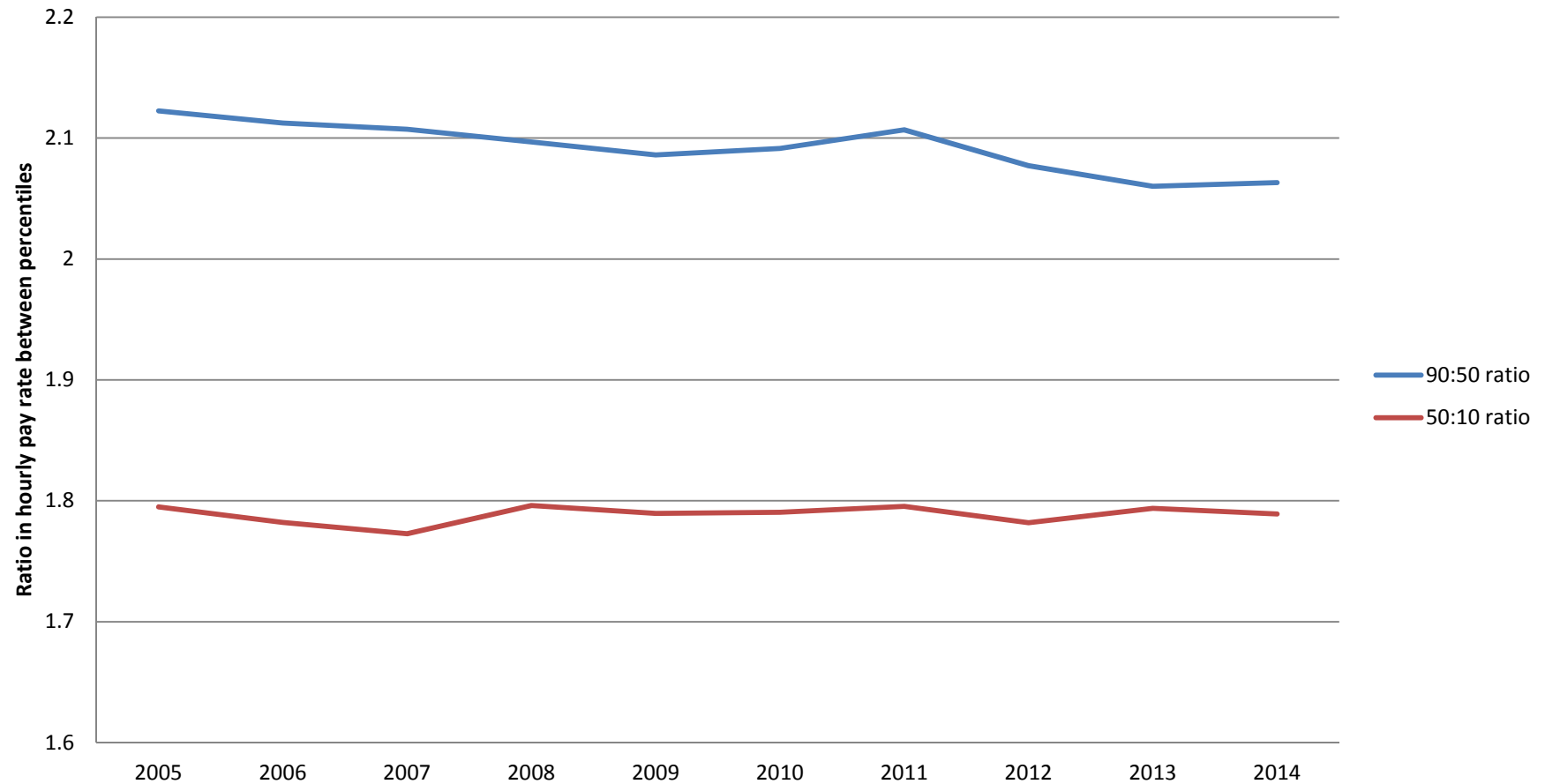
# Income inequality

- Earnings growth slower at the bottom since the 1980s
- Earnings growth not faster at the top  
(Perrons, 2007)
- Pay rates at the bottom have grown faster than at the top 2005-14 - equally true everywhere
- Problem is low hours of work at the bottom

# Highest pay rates rising slower than median...lowest pay rates keeping pace with median

Inequalities in pay rates, full-time employees, UK, 2005-14

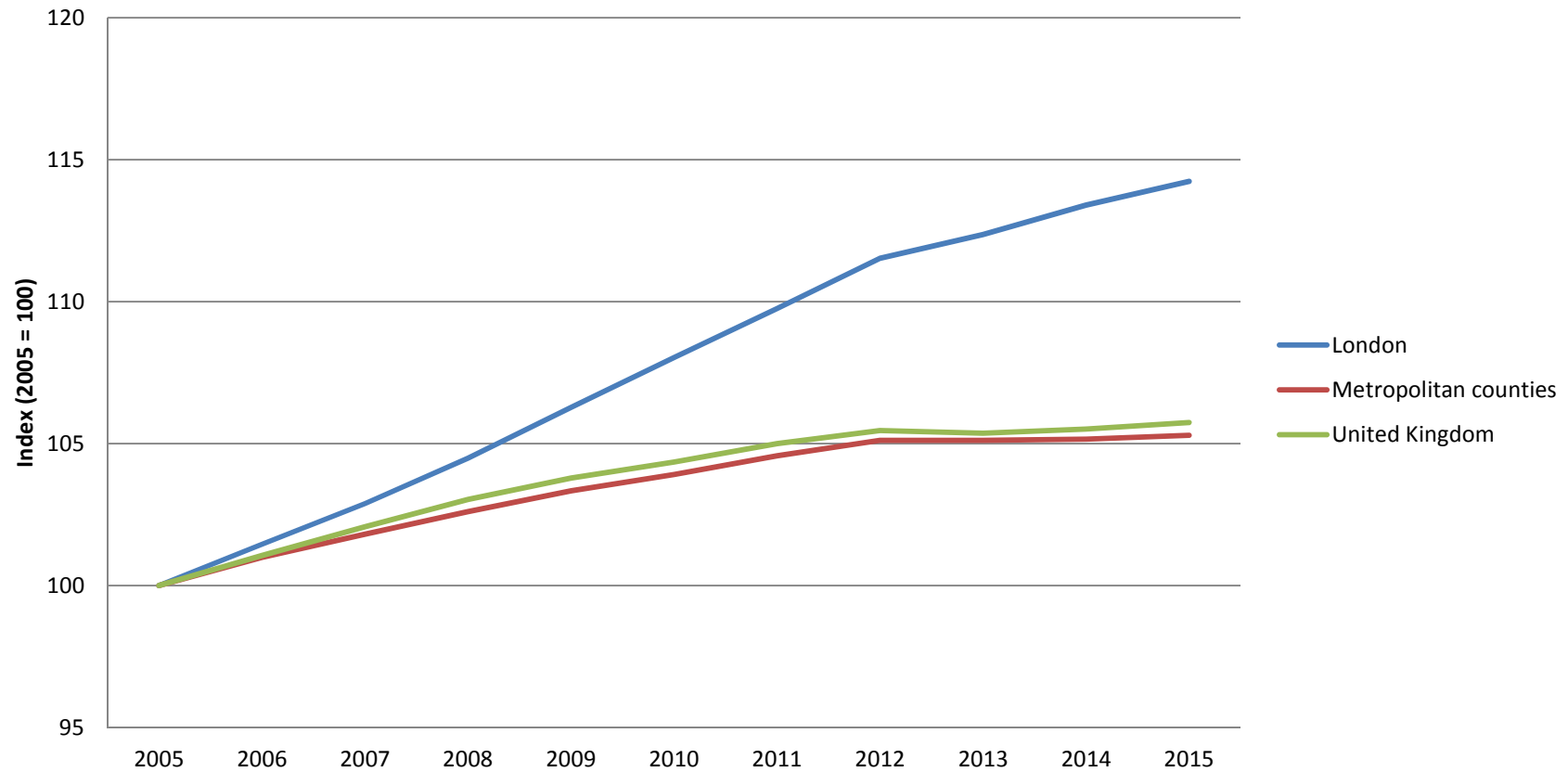
Source: ASHE via Nomis (own calculations)



# London is 'the engine of economic growth'...

Employees in London, metro counties and UK, 2005-15

Source: APS via Nomis (own calculations)

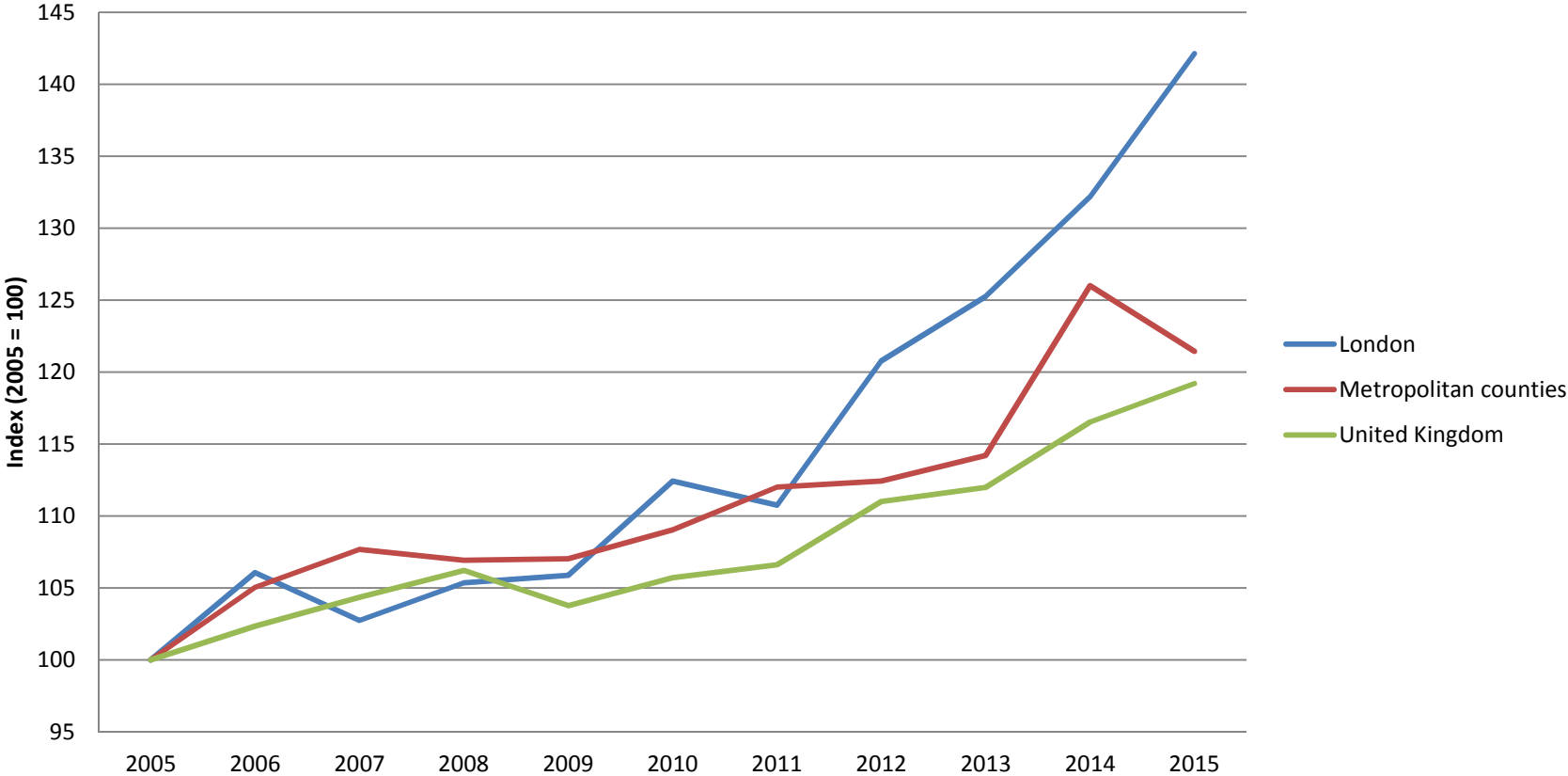




# Self-employment growth strongest in cities...

Self-employed in London, metro counties & UK, 2005-15

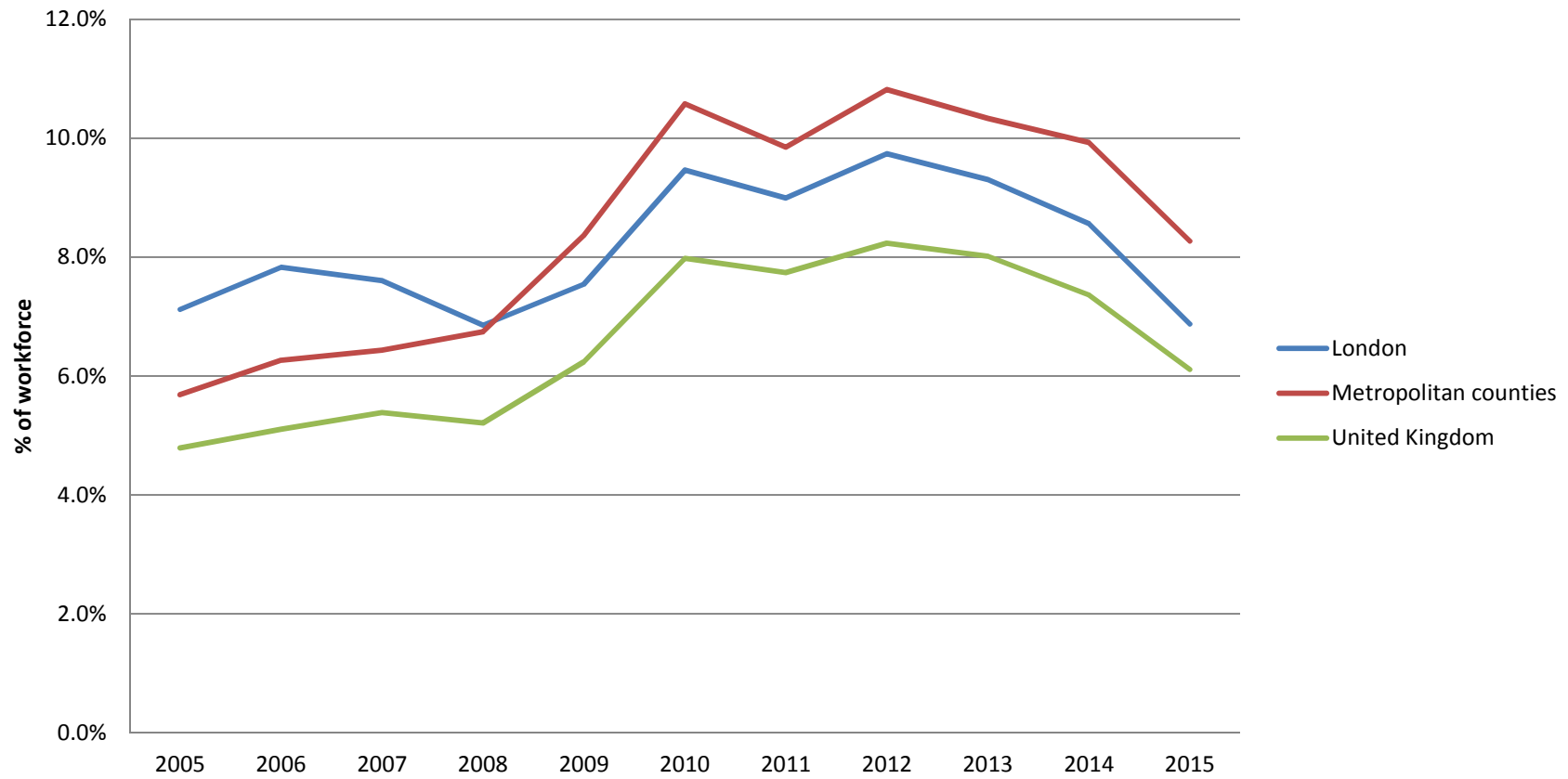
Source: APS via Nomis (own calculations)



# Unemployment higher in cities, but London improving

Unemployment in London, metro counties & UK, 2005-15

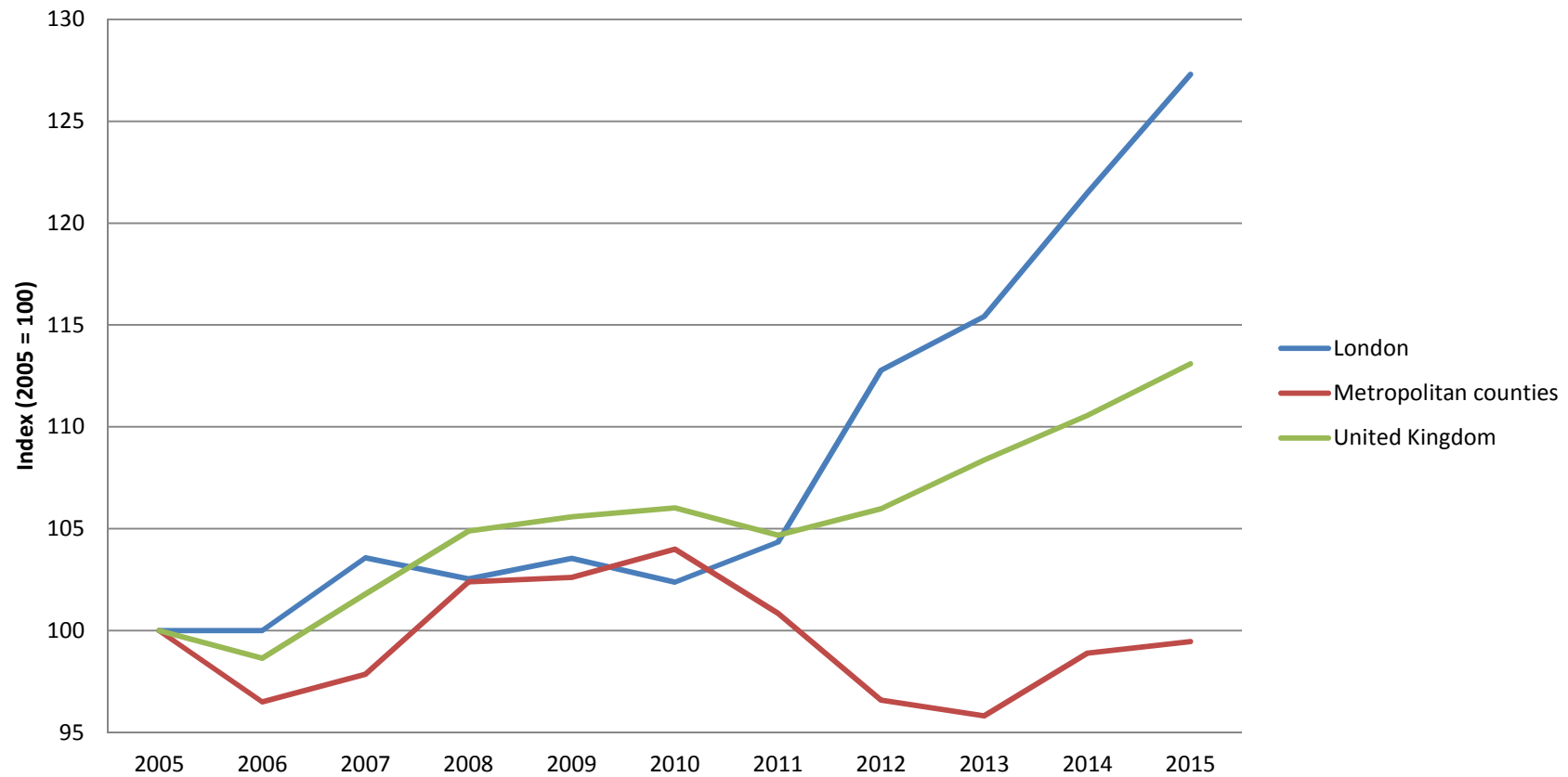
Source: APS via Nomis (own calculations)



# Senior Managers – London pulling away from metros

Senior Managers in London, metro counties & UK, 2005-15

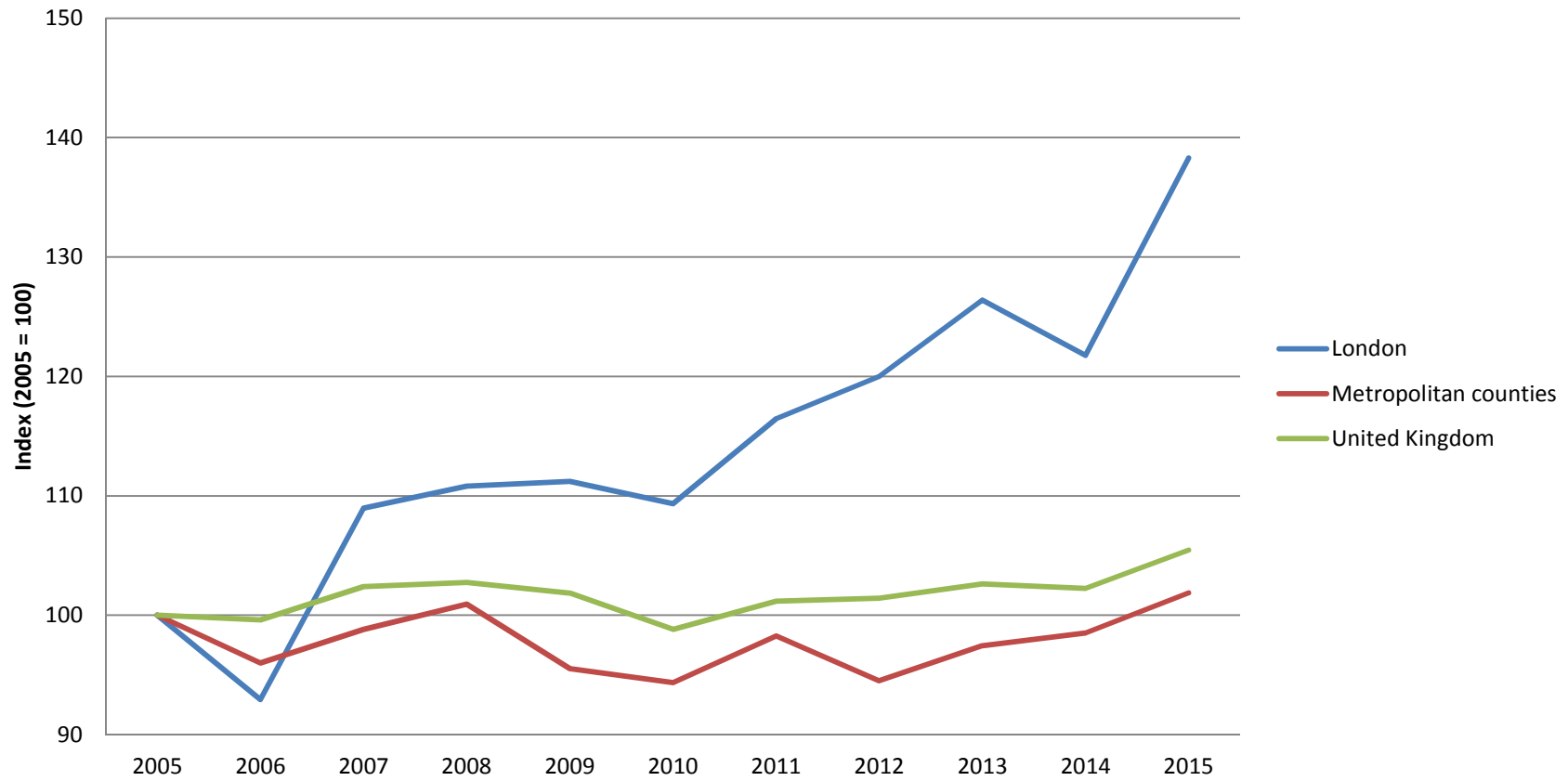
Source: APS via Nomis (own calculations)



# A 'servant' class in London?

Elementary occupations in London, metro counties & UK, 2005-15

Source: APS via Nomis (own calculations)



# Conclusions

- London is booming, but has some unemployment
- Other large UK cities doing okay-ish, but have high unemployment
- Occupational polarisation in London
- Structural (not cyclical) rise in self-employment, especially in cities
- Under-employment is driving low earnings growth at the bottom
- Occupational restructuring, especially in cities, puts a premium on skills, education and training