The jobs gap in Britain's cities

Employment loss and labour market consequences

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Introduction

The uneven pattern of economic and employment change across Britain has been neglected in economic and social policy and research during the last decade. Supply-side perspectives have become increasingly influential in economic thinking, with the characteristics and behaviour of individuals occupying the focus of policy attention, while the differential demand for labour in different places has been downplayed. National programmes to tackle unemployment and reform social policy, such as Welfare to Work, tend to ignore major geographical disparities in economic conditions. In the fields of urban policy and area regeneration, the goal of employment expansion seems to have slipped off the national policy agenda and been replaced by concerns with social exclusion, employability and workforce flexibility. Policy makers appear to have decided either that they cannot influence where jobs get created or that the uneven demand for labour does not really matter because people will respond – or be helped to respond – through outward commuting, migration, wage moderation or retraining, that is, there will be sufficient labour market 'adjustment' to alleviate the problem.

The purpose of this report is to question some of these assumptions and to redress the imbalance in labour market thinking and policy by examining recent patterns of employment change in urban Britain and by exploring the impact on labour supply and unemployment. It is based on the premise that employment – or the lack of it – has far-reaching implications for contemporary conditions in Britain's cities, towns and housing estates, including poverty and social dislocation, so a better understanding of the causes and dynamics of unemployment is vital. Our focus is at the city-wide scale to provide the overview and essential context within which local- and neighbourhood-level processes need to be located. We document the broad contours of economic restructuring in the cities over the last two decades and examine how people of working age have responded.

The first task is to analyse recent processes of employment change, looking particularly at the scale and composition in the 1980s and 1990s compared with earlier decades. One might have expected the volatility in the national economy to have some effect: there have been two severe recessions followed by periods of recovery, and a sharp contrast between trends in services and manufacturing. Many commentators have argued that the growth of high-level financial and producer services, cultural industries and consumption-based activities is linked with a rediscovery, revival or even a 'renaissance' of cities (for an extensive review, see Amin and Graham, 1997). More prosaically, the extensive reorganisation of urban governance – most apparent in the abolition of the six metropolitan authorities in England and the withdrawal of business rates from local council control – was supposed to assist private investment decisions and improve urban economic performance. Deregulation of the UK labour market was also intended to increase flexibility and facilitate adjustment to economic change. Meanwhile, urban and regional policies have been greatly reconfigured in order to increase their effectiveness.

In fact we find that the rate and composition of urban job loss in the 1960s and 1970s showed remarkable continuity into the 1980s and 1990s. There has been no general revival of the major cities, and little sign of a long-term improvement in their economic performance

relative to other parts of the country. We also examine trends in different sectors, occupations and for men and women. Urban deindustrialisation did not bottom-out in the 1980s, and the decline in demand for manual labour has continued, with the major cities affected worse than other areas. They have also benefited less from the growth of business and financial services, distribution, hotels, catering and other expanding industries. One of the implications is that the textbook mechanism of labour market adjustment – that is, falling labour demand depresses wages which stimulates investment and increased employment – has not worked. Instead a process of relative, and in many cases absolute, decline appears to have been in operation in most of the major cities which requires more positive action from the public sector to stem and reverse.

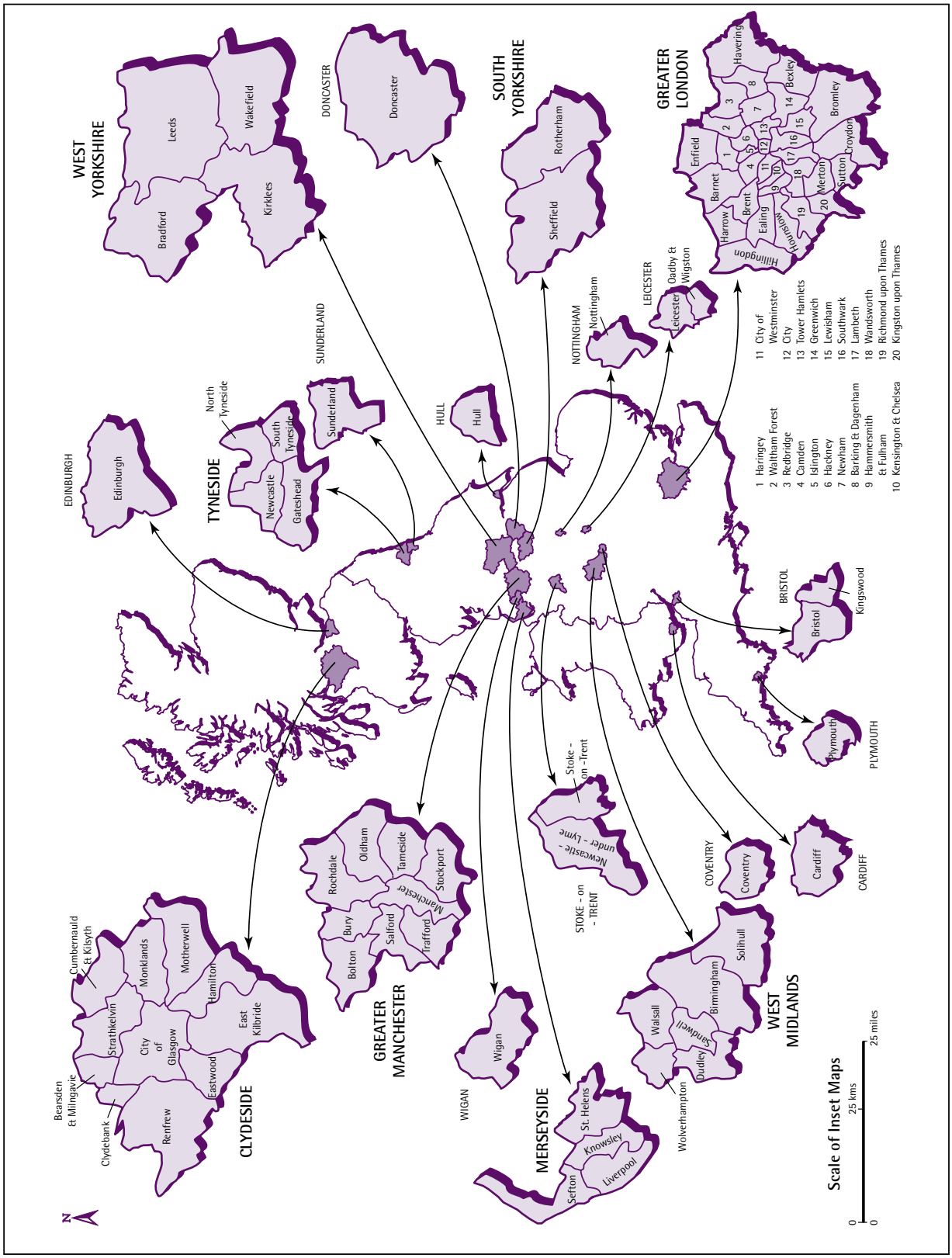
The other major strand of the report involves examining the effectiveness of other types of adjustment in labour supply. We consider the consequences of employment change for occupational and geographical mobility, economic participation and unemployment, asking whether market mechanisms have reduced employment disparities. We analyse the extent to which the men and women affected by job loss have commuted or migrated to other centres of employment, transferred into expanding occupations, or ended up among the unemployed or economically inactive. We show that despite the steady falls in both labour supply and demand in the cities, there has been an increasing disparity or imbalance between them – the 'jobs gap' in our title. This shortfall needs to be taken more seriously by policy makers since it threatens to disrupt the functioning of the national labour market, economic growth and welfare reform.

The report's emphasis is on providing a straightforward account of employment changes in the cities and their labour market effects, drawing on the latest data available. It does not provide a complete explanation of the causes of urban economic change. Britain's 20 largest cities are included, which means those with a population of over 250,000 in 1991, as shown on the next page. They split into eight 'conurbations' with over three quarters of a million people and 12 'free-standing cities' with between a quarter and half a million population. Together they comprised 38% of Britain's population in 1991 and 43% of its jobs, and are defined fully in Appendix A. All other parts of Britain, including smaller cities, all towns and rural areas are grouped together in an all-encompassing category called 'towns and rural areas' for short. This is a mixed category, including coalfields and fishing ports that have experienced substantial job losses, and large towns/small cities that just fail to qualify as cities on the grounds of size. Our priority was to apply a clear definition in a consistent manner to avoid any suspicion of arbitrary selection of particular cities. Substantial manipulation of the data was necessary to define consistent geographical areas, industrial sectors and occupational groups over time, as described in Appendix A. In addition, in order to analyse longer-term post-war trends, the most authoritative analysis of the 1951-81 period – produced by Begg et al (1986) – was brought up to date, using a consistent framework, data sources and geographical definitions, also described in Appendix A.

Conurbations (and cores)	Free-standing cities
Greater London (Inner London)	Bristol
West Midlands (Birmingham)	Edinburgh
Greater Manchester (Manchester)	Stoke-on-Trent
West Yorkshire (Leeds)	Leicester
Clydeside (Glasgow)	Wigan
South Yorkshire (Sheffield)	Coventry
Merseyside (Liverpool)	Sunderland
Tyneside (Newcastle)	Doncaster
	Cardiff
	Nottingham
	Hull
	Plymouth

Note: see Appendix A for the precise definition of each city and conurbation.

Chapter 1 considers the broad pattern of employment change across Britain in the last two decades. It shows that the disparities between cities and the rest of the country have continued to widen. The conurbation cores have experienced steeper decline than the free-standing cities. London's consistent decline across inner and outer boroughs contrasts with the strong growth in jobs in the rest of the South East. Across Britain, the rate of change in employment has generally exceeded shifts in population, suggesting that economic trends are a stronger driving force.



1 Haringey
2 Waltham Forest
3 Redbridge
4 Camden
5 Islington
6 Hackney
7 Newham
8 Barking & Dagenham
9 Hammersmith & Fulham
10 Kensington & Chelsea
11 City of Westminster
12 City
13 Tower Hamlets
14 Greenwich
15 Lewisham
16 Southwark
17 Lambeth
18 Wandsworth
19 Richmond upon Thames
20 Kingston upon Thames

Chapter 2 examines sectoral trends. Manufacturing jobs have fallen everywhere, but most in the conurbations. Private services have expanded everywhere, but least in the conurbations. The financial and business services sector has grown most in all areas, but least in the conurbations. Public services have also expanded, but at a more uniform rate across the country. The decline in conurbation employment seems to be attributable more to local factors, such as the availability of land suitable for development, than their industrial mix. The pattern is less straightforward for the free-standing cities. All these trends are long-standing – there seem to have been no major changes to the geographical pattern during the last two decades, although the rate of change has varied at different points in time.

Chapter 3 considers the changes in occupation and employment status. There has been considerable growth in part-time female employment, particularly in the towns and rural areas. This may reflect in part employers' efforts to draw additional people into the workforce, in the context of rising demand for labour. There has also been a large-scale loss of full-time male and manual jobs, particularly in the cities. This is probably the most important single issue facing urban Britain. Professional and managerial jobs have grown against the general trend, but are generally inaccessible to people who have experienced a loss of manual employment. These patterns are linked to the decline in manufacturing in the cities and the relative growth in services elsewhere.

Chapter 4 explores the consequences for the population. The loss of urban employment has been accompanied by net out-migration, a decline in economic participation and higher unemployment among inner-city residents. The growth in employment outside the cities has been accompanied by in-migration, a rise in economic participation and lower unemployment. There was considerable continuity in the direction and strength of these trends between the 1970s and 1980s, resulting in a further divergence in economic conditions between the major cities and other areas.

Chapter 5 assesses the magnitude of the processes that affected labour supply, using the framework of labour market accounts. About three quarters of a million male jobs were lost in the cities between 1981 and 1991, yet recorded male unemployment actually fell slightly because labour supply was reduced through out-migration and an increase in economic inactivity. Few city residents seem to have been able to respond to urban employment decline by commuting elsewhere to work. There was a sharp contrast in the situation for women because employment expanded. As a result, economic participation and inward commuting also increased, and unemployment ended up little changed.

In Chapter 6 the differences between individual cities are explored. Merseyside's decline has been much deeper and broader than any other city. Edinburgh and Cardiff have experienced the steadiest growth. The decline of manufacturing has had a pervasive influence on labour market trends in most cities. Job creation in other sectors has not provided an effective substitute in terms of quantity or character. Although most cities have experienced falls in both labour supply and demand, there has been an increasing divergence between them – a jobs gap – particularly bearing in mind the growth of hidden unemployment among men. This is highest in the conurbations of Clydeside, Merseyside and Greater Manchester. The situation for women has generally been better, with employment expansion in most cities accompanied by increased economic participation and inward commuting. Merseyside, Clydeside and Greater Manchester have fared less well than the other cities and appear also to have relatively high real rates of female unemployment.

Chapter 7 summarises the main findings and considers the policy implications. The evidence suggests that changes in labour demand have a major influence on labour supply. Falls in demand are associated with net out-migration, higher inactivity and net outward commuting. However, these mechanisms are far from sufficient or benign, and generate adverse effects of their own. For example, out-migration is socially selective, time-bound and gives rise to costs of physical dereliction and service deterioration in the areas left behind. The scope for outward commuting from many cities to other expanding employment centres appears to be limited by physical access difficulties or a simple shortage of jobs. Much of the apparent increase in inactivity seems to

have disguised the reality of higher unemployment. Many of those concerned would like to work if there were suitable opportunities available. There is a sizeable jobs gap in Britain's cities. National economic growth will not rectify the situation on its own. It requires greater emphasis in policy to be given to expanding labour demand in the cities and creating manual employment.

Spatial trends

This chapter examines the pattern of change in total employment for the cities in relation to the rest of the country. This is important to put recent trends into a national and historical perspective. It also considers employment trends in relation to population shifts.

Cities relative to other areas

Previous research has shown that employment trends in Britain's cities diverged increasingly from the rest of the country during the post-war period to 1981 (for example, Begg et al, 1986, summarised in Table 3 below; Fothergill et al, 1985). During the 1950s employment in the cities grew more slowly than in the towns and rural areas; it began to decline in some cities in the 1960s, and the scale of decline increased and spread to almost all cities in the 1970s. This was partly a reflection of a general trend that became widely known as the 'urban–rural shift' in economic activity (Fothergill and Gudgin, 1982), as well as a national slowdown in economic and employment growth during the 1970s which affected large parts of the country. The serious recession between 1979 and 1981 affected manufacturing far more severely than other sectors, particularly in the conurbations (Fothergill et al, 1985).

Figure 1: Index of employment (1981–96) (1981=100)

Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Figure 1 shows the pattern of change since 1981, indexed to facilitate comparison of trends between types of area. It clearly indicates a continuing divergence between the cities and the rest of Britain. Looking through the pattern of peaks and troughs associated with the general economic cycle, it appears that the long-term trend for employment in the cities continues to be downwards. Meanwhile, employment in other parts of Britain has continued to expand. Over the period 1981-96 the cities lost 500,000 jobs (5% of their 1981 total) while the rest of the country gained more than three times as many (almost 1,700,000, or 15% of their 1981 total).

So, the urban–rural gap in employment performance continues to widen, in relative and absolute terms. There has been no simple reversal of the economic fortunes of cities. They have performed less well than the rest of the country, particularly in periods of recession, but also in periods of recovery. As a result, they cannot simply rely on national economic growth to improve their situation. Moreover, the rate of divergence does not seem to have diminished compared with the 1960s and 1970s. Some of the evidence presented later suggests it may even have increased.

The period between 1993 and 1996 appears slightly different in Figure 1 because of the expansion of employment in the cities. In fact this is a blip linked to the upswing of the general economic cycle and does not represent a reversal or slowing down of previous trends, except perhaps in London. The cities' share of national employment fell from 27.4% in 1993 to 26.8% in 1996, while the rest of the country increased its share from 58% to 58.2%, and London's share increased from 14.6% to 15%. So, the gap between the cities and other areas still seems to have widened during this period.

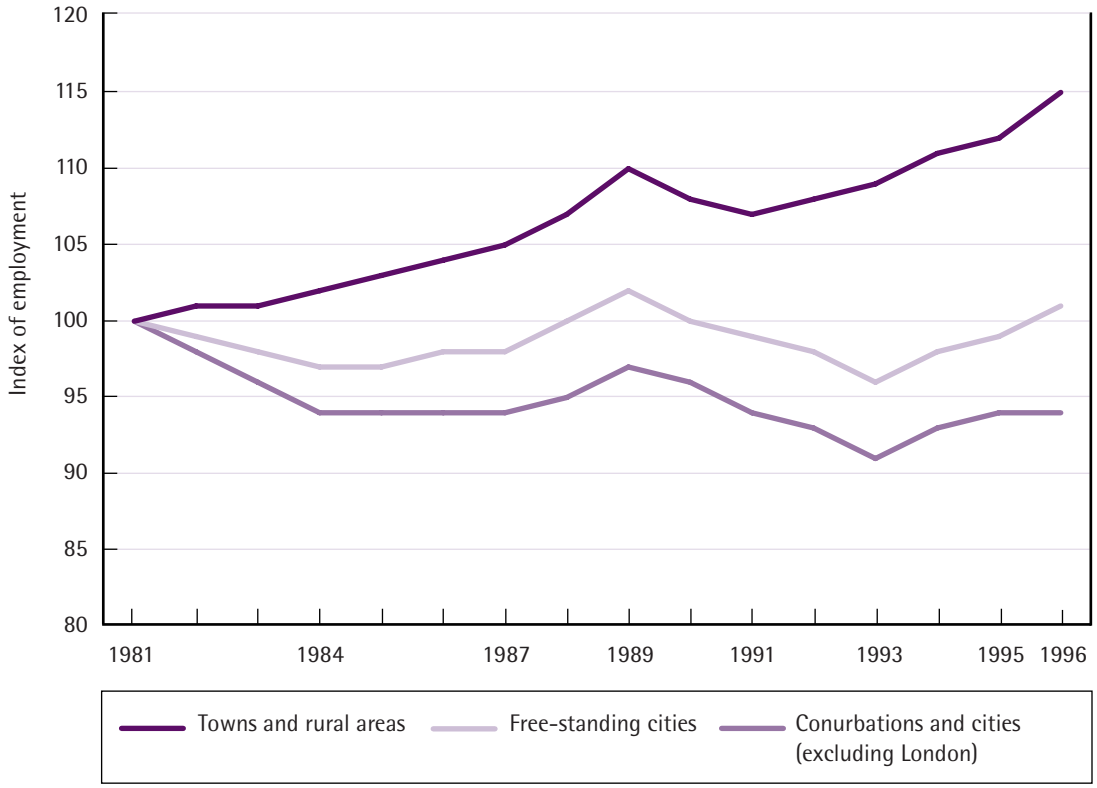
This raises a more general point about the need to put short-term changes into a longer-term perspective and to recognise the influence of economic cycles. Without this there is a danger that simply looking at short-run improvements or deterioration in the position of the cities may exaggerate their real importance. Previous research has also tended to neglect the influence of economic cycles, partly because the time periods chosen for analysis were based solely on the practical consideration of available data. We would have preferred to examine trends over two full economic cycles (roughly 1979 to 1998) but have been constrained by discontinuities arising from definition changes in the Census of Employment before 1981 and the absence of data for the period since 1996. Choosing a baseline of 1981 flatters subsequent trends because there had just been two years of deep recession and substantial job losses. This is offset slightly by 1996 being about two years off the peak of the latest cycle. The period 1981-96 clips the economic cycle by about two years either side.

Conurbations and free-standing cities

Sharpening the geographical focus a little, it is helpful to compare employment trends in the major conurbations with the free-standing cities. London is excluded for the moment because its size and distinctiveness tend to obscure the other conurbations. Looking back, jobs in the conurbations began to decline in the 1960s, whereas the free-standing cities only began to contract in the 1970s and at a slower rate. This was interpreted as a "geographical spreading of the inner city problem ... the free-standing cities are in unmistakable relative decline, but only modestly so" (Begg et al, 1986, p 23).

Figure 2 shows the pattern since 1981, indexed again for ease of comparison. It indicates a continuation of earlier trends, with the conurbations continuing to fare worse than the free-standing cities. Disregarding the economic cycle, employment in the conurbations has continued to decline, while the long-term trend for the free-standing cities seems to be one of little change or perhaps marginal contraction bearing in mind the sizeable losses in 1979-81. Over the period 1981-96 the conurbations lost nearly 300,000 jobs (6% of their 1981 total) while the free-standing cities gained 19,000 (1% of their 1981 total) (Table 1). On this evidence, size appears to be very relevant to urban employment performance. This was also an important conclusion of the 1980s generation of urban research (Fothergill and Gudgin, 1982; Goddard and Champion, 1983; Fothergill et al, 1985; Begg et al, 1986; Robson, 1988).

Figure 2: Employment by type of area (1981-96) (1981=100)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Table 1: Employment across different types of area in Britain (1981-96)

Total employment	1981 (000s)	1996 (000s)	Change (%)
Towns and rural areas	11,278	12,953	+14.9
Free-standing cities	1,730	1,749	+1.1
Conurbations	4,497	4,208	-6.4
London	3,560	3,348	-6.0
Britain	21,064	22,258	+5.7

Note: The areas are defined in Appendix A.

Source: Office for National Statistics (Annual Employment Survey) via NOMIS

Inner and outer cities

Refining the analysis further one can compare the performance of the inner and outer areas of the cities. By far the largest falls in employment in the 1960s and 1970s were in the conurbation cores. Here jobs contracted by nearly 15% in both decades (Begg et al, 1986, and Table 3). This was the principal cause of Britain's 'inner-city problem', which attracted increasing attention from government policy and academic researchers during the 1970s.

Figure 3 shows the pattern of change since 1981. It demonstrates a continuing divergence between the inner and outer areas of the conurbations. Employment in the conurbation cores fell by 191,000 (9%) between 1981 and 1991, or 261,000 (12%) between 1981 and 1996. It even fell against the rising trend of the economic cycle between 1984-87 and 1995-96. This rate of decline has been slightly less than it was during the 1960s and 1970s. However, the national economy as a whole has grown rather than contracted since 1981. In this improved context the slight reduction in the rate of inner-city decline is not surprising. It has still been very substantial in relative and absolute terms between 1981 and 1996.

Figure 3: Employment in inner and outer urban areas (1981-96) (1981=100)

Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

The outer areas of the conurbations performed in a similar manner to the free-standing cities, as they did in the 1951-81 period. This also suggests continuity rather than change between the 1970s and the 1980s and 1990s. The surrounding areas of the free-standing cities (that is, their contiguous districts) performed slightly better than the cities themselves (7% employment growth between 1981 and 1996 compared with 1%), although this is only half the rate of growth experienced by the towns and rural areas generally (see Figure 2). This suggests that the decentralisation trend from the free-standing cities to their immediate hinterlands was not as strong as the more general urban–rural shift. It may have been restrained by Green Belt policies surrounding many of the cities.

London

London experienced steep decline in employment between 1981 and 1993 (Figure 4), losing 473,000 jobs. The rate of decline was 13.3%, greater than in the other conurbations at 8.6%, although not much greater than in their cores at 12.2%. London's decline was roughly the same rate it had been in the 1960s and 1970s (Begg et al, 1986). Since 1993 there has been a short period of recovery in employment, at a faster rate than in the rest of Britain over the same period. This has only been over three years, so its durability and significance are hard to gauge. Most commentators interpret it as a 'blip' in a longer-run trend of decline or, at best, stability (Llewelyn-Davies, 1997).

Inner and outer London have experienced similar long-term trends, unlike the inner and outer areas of the other conurbations. Looked at in more detail, employment in outer London was slightly more volatile than in inner London in the 1980s, but this has been reversed during the 1990s. This may be linked with the different industrial structure of different parts of London.

The most striking feature of employment in and around London is the sharp divergence between Greater London and the rest of the South East (Figure 4). Between 1981 and 1996 London lost 212,000 jobs while the rest of the South East gained 556,000 jobs. This reflected continued deindustrialisation, strong decentralisation and

Figure 4: Employment change in London and the rest of the South East (1981-96) (1981=100)

Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

growing diversity in the economy of the region (Llewelyn-Davies, 1997; Allen et al, 1998). While the rate of employment growth in the rest of the South East is very impressive set against Greater London, it was not in fact exceptional in the context of Britain as a whole. It simply matched rather than exceeded that of towns and rural areas generally.

Jobs and population

The decline of employment in the cities may have many adverse consequences including unemployment, poverty and physical dereliction. The long-term drift of jobs to surrounding towns and rural areas may also have adverse environmental effects through increased travel distances, energy consumption and pollution, and create physical access problems for non car-owning residents of the cities. The significance of these effects depends to a large extent on the scale and composition of population decentralisation, or 'counter-urbanisation'.

The processes of employment and population decline are independent in several respects. For example, people may move out of cities because of their residential preferences, that is, to live in the countryside and commute back to work, or to retire. In addition, firms may move out of cities because of locational factors that have nothing to do with the population, such as a need for space to expand. Yet, these trends are also linked in some ways, encouraging a cumulative process of decline. For example, job loss may encourage people to migrate elsewhere in search of alternative employment. A loss of population may in turn lead to the contraction of certain public and private services, particularly those services directly serving the needs of consumers or users.

Table 2 compares the rate of change in working-age population and employment for the different types of area between 1981 and 1991, the latest date for which consistent data are available. Changes in employment appear to have outpaced shifts in population, both in areas of growth and decline, except for the free-standing cities. This is consistent once again with the pattern over the 1951-81 period (Begg et al, 1986). It suggests that the decline of the conurbations and the growth of the towns and rural areas are employment-led. Others have found that the urban–rural shift in population was somewhat less in the 1980s than in the 1970s, but expressed concern that "if

Table 2: Rate of change in employment and population (1981–91) (%)

Type of area	Change in workplace employment	Change in resident population of working age
Towns and rural areas	+7.6	+5.2
Free-standing cities	-2.8	-2.9
Conurbations: inner cores	-12.1	-9.1
Conurbations: outer areas	-6.0	-2.9
Inner London	-8.5	-4.0
Outer London	-4.6	-1.7
Britain as a whole	+1.7	+1.5

Note: The employment figures are not comparable with the Annual Employment Survey. Underenumeration in the cities and conurbations in the 1991 Census is likely to have affected the precise magnitude of the figures in both columns (see Appendix A).

Source: Office for National Statistics (Census of Population)

current *economic* trends continue, with the growth of employment opportunities primarily in smaller urban centres and more rural areas, they are likely to be accompanied by population movements along similar lines" (Atkins et al, 1996, p 9, emphasis added). So, the process of employment shift needs to be taken seriously for the welfare of the remaining urban population and other reasons. We examine its consequences for out-migration, commuting and unemployment more fully in Chapters 4, 5 and 6.

Summary

This chapter has shown that:

- there has been a strong urban–rural shift in employment over the last decade;
- the relative and absolute decline of employment in the cities is long-standing;
- the conurbation cores have experienced steeper decline than the free-standing cities;
- the rate of change in employment generally appears to have exceeded shifts in population.

2

Sectoral trends

The decline in urban employment has not occurred across the board. Some industries have expanded against the general trend while others have contracted sharply. This chapter examines the broad differences between manufacturing, private and public services. It also looks at the three main components of private services.

Manufacturing

Manufacturing made by far the biggest contribution to urban job loss in the 1960s and 1970s. Manufacturing employment in the conurbations fell by nearly 20% in the 1960s and collapsed by 35% in the 1970s, amounting to 1.6 million jobs lost altogether. This compared with losses in the free-standing cities of 6% in the 1960s and 29% in the 1970s (0.4 million altogether) (Begg et al, 1986, and Table 3). In the towns and rural areas jobs in manufacturing actually increased by 12% in the 1960s, but fell back by 17% in the 1970s, as manufacturing employment in Britain as a whole fell by a quarter (1.9 million jobs altogether). Much of this decline was concentrated in the period 1979-81 (when 1.2 million jobs were lost) and linked to the stringent policies of the government towards exchange rates and interest rates, which made it very difficult for manufacturers to compete abroad and induced a deep recession across the economy.

Table 3 reproduces and updates the analysis of Begg et al to 1991. It shows considerable continuity in the overall scale and rate of manufacturing decline across Britain between the 1970s and 1980s, although the uneven change between 1971-81 should not be forgotten. The conurbations continued to haemorrhage manufacturing jobs in the 1980s, at roughly twice the rate of towns and rural areas. This occurred despite Begg et al's observation that "The manufacturing sector in inner city areas is now less than half its 1951 size and it cannot for much longer be a major source of job loss on the scale experienced over the last 20 years" (1986, p 21). In fact manufacturing has continued to be the sector of the economy that has experienced most change in the cities over the last three or four decades, and therefore the main influence on overall employment trends, despite becoming progressively smaller than services in absolute terms. It has also been extremely important as the principal source of manual jobs, the significance of which urban research and policy have tended to overlook in recent years. This is discussed further in the next chapter.

Growth in services could not compensate for the scale of decline, despite its increasing importance as a source of jobs across the economy as a whole. In fact the growth of services was very unevenly distributed across the country (Table 3), partly reflecting the linkages that exist between manufacturing and the performance of local services (Fothergill and Gudgin, 1982; Mayes, 1994). Service employment increased by 1.7 million (18%) in the towns and rural areas during the 1980s, but only 0.27 million (3.6%) in the cities and conurbations together. The equivalent figures for the 1970s were nearly 1.3 million (15%) and 0.23 million (3.1%) respectively. Table 3 shows that the rate of growth of services accelerated in the towns and rural areas in the 1980s compared with the 1970s, but to a much smaller extent in the free-standing cities, and the rate of growth actually slowed in the conurbations.

Table 3: Changes in employment by area type (1951–91)

Employment	Conurbations: inner cores (000s)	(%)	Conurbations: outer areas (000s)	(0%)	Free-standing cities (000s)	(%)	Towns and rural areas (000s)	(%)	Britain (000s)	(%)
Manufacturing										
1951-61	-143	-8.0	+84	+5.0	-21	-2.0	+453	+14.0	+374	+5.0
1961-71	-428	-26.1	-217	-10.3	-93	-6.2	+489	+12.5	-255	-3.3
1971-81	-447	-36.8	-480	-32.6	-311	-28.6	-717	-17.2	-1,929	-25.7
1981-91	-308	-42.9	-357	-33.6	-193	-28.3	-558	-17.8	-1,407	-25.2
Services										
1951-61	+205	+6.2	+164	+8.2	+166	+10.6	+714	+11.0	+1,246	+9.3
1961-71	-272	-7.8	+262	+12.1	+103	+5.9	+1,037	+14.4	+1,125	+7.7
1971-81	-183	-5.7	+272	+11.2	+144	+7.8	+1,261	+15.3	+1,457	+9.2
1981-91	-84	-2.8	+190	+7.0	+173	+8.7	+1,712	+18.0	+1,983	+11.5
Total										
1951-61	+43	+1.0	+231	+6.0	+140	+6.0	+1,060	+10.0	+1,490	+6.9
1961-71	-643	-14.8	+19	+0.6	+54	+2.4	+1,022	+8.5	+320	+1.4
1971-81	-538	-14.6	-236	-7.1	-150	-5.4	+404	+3.5	-590	-2.5
1981-91	-392	-10.4	-167	-4.4	-20	-0.7	+1,154	+9.1	+576	+2.5

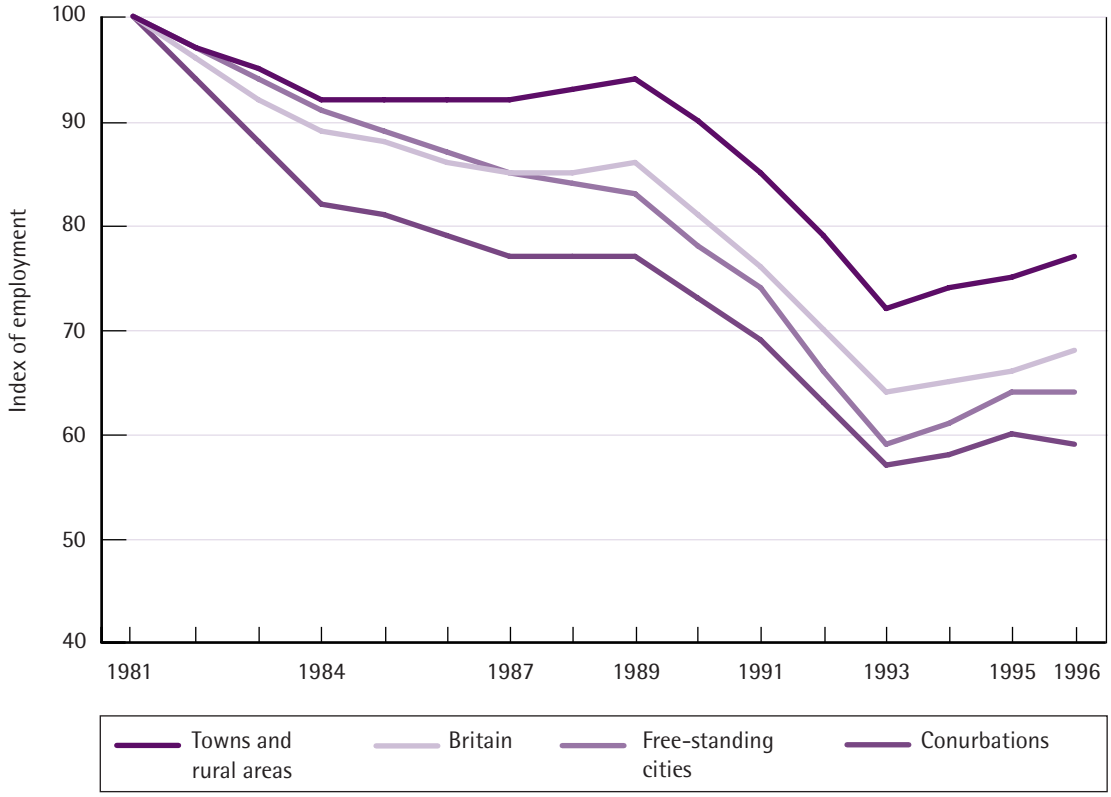
Note: These are workplace-based figures. It was not possible to reproduce the exact employment figures generated by the Begg et al (1986) study, so the 1981-91 figures are based on newly-created 1981 employment totals. Public services have also been amalgamated with private services because of problems in securing consistent data on the latter. London is included in the conurbations.

Source: Census of Population, Special Workplace Statistics

Taking employment trends in both sectors together, the overall gap between urban and rural areas clearly widened considerably between 1981 and 1991. There was substantial growth in the towns and rural areas, broad stability in the free-standing cities and substantial decline in the conurbations. Moreover, the gap between cities and the rest of the country appeared to widen at a slightly faster rate than in the 1970s.

Figure 5 shows a more up-to-date and detailed trend between 1981 and 1996 using data from the Annual Employment Survey. Employment in manufacturing in Britain as a whole appeared to stabilise in the mid-1980s following the extensive closures and contractions of the 1979-84 period. However, another collapse ensued in the period between 1989 and 1993, followed by a sudden abatement and slight recovery between 1993 and 1996. The sector lost 2 million jobs altogether over the period 1981-96. Its direct share of all jobs in Britain fell from almost 30% (6 million) in 1981 to 21% in 1991. By 1996 it was 18% (4 million), although its indirect contribution to other parts of the economy through its extensive linkages and spillovers, relatively high employee incomes and disproportionate export earnings add greatly to its significance (Cohen and Zysman, 1987; Porter, 1990). Its backward and forward linkages have been increasing through downsizing and out-sourcing and are especially important at the urban and regional scales (Fothergill et al, 1985; Mayes, 1994).

Figure 5: Employment in manufacturing (1981-96) (1981=100)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

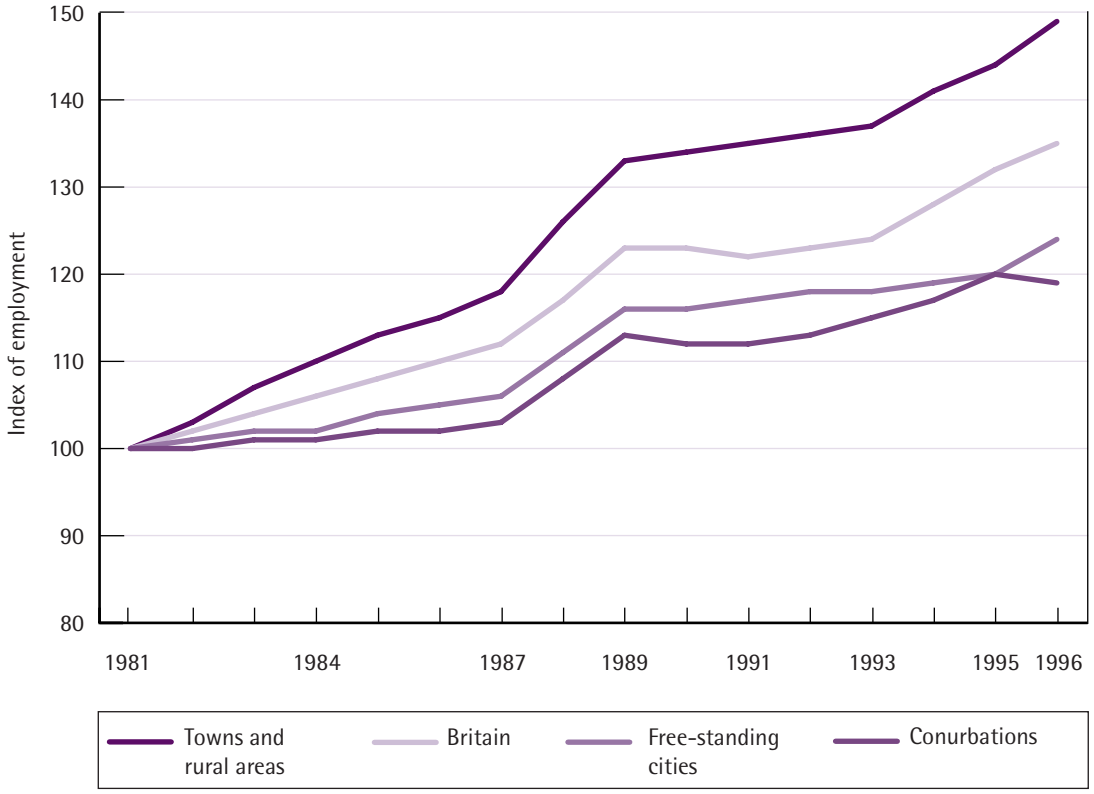
The rate of manufacturing decline was steepest in the conurbations, followed by the free-standing cities. Between 1981 and 1993 the conurbations lost 652,000 manufacturing jobs, nearly half (43%) of their stock. In 1981 manufacturing accounted for over a third of all jobs in the conurbations – the largest single segment and more important than in the country as a whole. This percentage share fell to just over a fifth by 1996, compared with public services at 26% and distribution industries at 22%. So manufacturing is still important as a direct source of employment and income in most cities, as well as through its linkages with suppliers, distributors and business services. The detailed figures are provided in Appendix B.

Manufacturing job loss was slower to occur in the free-standing cities than in the conurbations, although the rate of decline had almost caught up by the early 1990s. The free-standing cities lost more than a third (35% or 185,000) of manufacturing jobs between 1981 and 1996. Manufacturing employment in the towns and rural areas declined by nearly a quarter between 1981 and 1996 (748,000), although these areas are distinguished by their apparent ability to pick up manufacturing jobs more quickly than the rest of the country in periods of national economic recovery.

Private services

Private services have provided the bulk of employment growth in Britain since the 1970s. Their contribution has been very variable in different areas. During the 1970s employment increased by 800,000 (25%) in towns and rural areas, but only 150,000 in all the cities together (3%). This made little impression set against the manufacturing jobs lost in the cities.

Figure 6: Employment in private services* (1981–96) (1981=100)



*Note: *Includes employment in banking and finance, other services, distribution, hotels and catering, transport and communications.*

Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

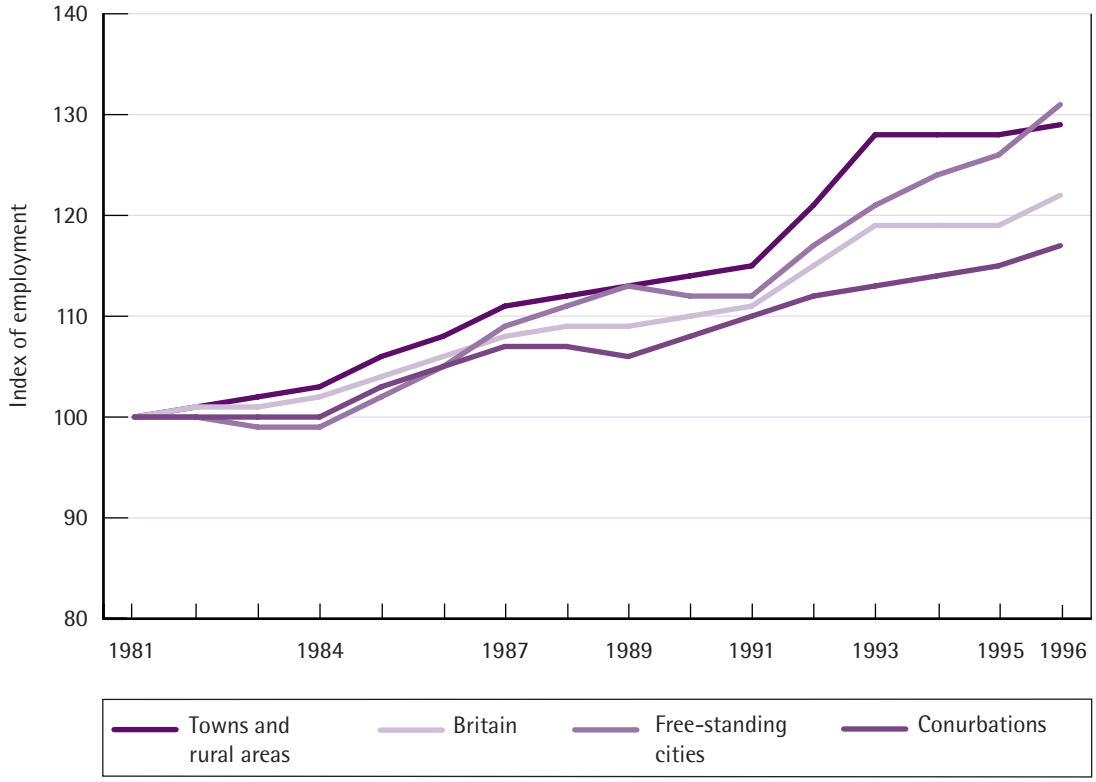
Figure 6 shows the change since 1981. Private services employment in Britain increased by more than a third (35%, or 2.9 million jobs) between 1981 and 1996. This was a faster rate of growth than at any other time during the post-war period. The cities captured roughly a third of this growth (0.9 million jobs), but considerably less than their proportionate share.

The rate of growth of private services employment was slowest in the conurbations at 19% (327,000 jobs). This was followed by the free-standing cities at 24% (160,000 jobs). In both cases this was a change from the 1960s and 1970s, when employment in private services did not expand much in the cities. However, private services employment in the rest of the country increased by almost half as much again (49%, or 2 million) between 1981 and 1996, a substantial acceleration of previous trends. So, the urban–rural contrast in private services continued to grow larger, against many expectations of a revival in urban fortunes (reviewed in Amin and Graham, 1997; see also Cheshire, 1995; Lever and Champion, 1996). The rate of divergence was even greater than the overall urban–rural shift.

Public services

Public services include health, education, public administration and defence. Most are not marketed or sold directly, although there has been a growth of private provision of health and education in the last two decades. Public services have had the effect historically of dampening down cyclical and geographical variations in private sector employment. They have also been important in providing core functions for large population centres (for example, hospitals and higher education). Public sector jobs increased by 380,000 in the cities during the 1960s and 1970s when private sector jobs fell by 2 million (Begg et al, 1986). So, the urban–rural divergence has been less than for private services or manufacturing.

Figure 7: Employment in public administration, education and health (1981-96) (1981=100)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Figure 7 shows the change in public services employment since 1981. The total in Britain increased by 22% between 1981 and 1996 to 5.5 million. Interestingly, this was at a faster rate than in the 1970s. There was no difference at all in the long-term trend for the free-standing cities compared with the towns and rural areas, but growth in the conurbations lagged behind, particularly during the 1990s. There were 155,000 public service jobs created in the conurbations between 1981 and 1996, an increase of one sixth (17%), compared with 117,000 (31%) in the free-standing cities.

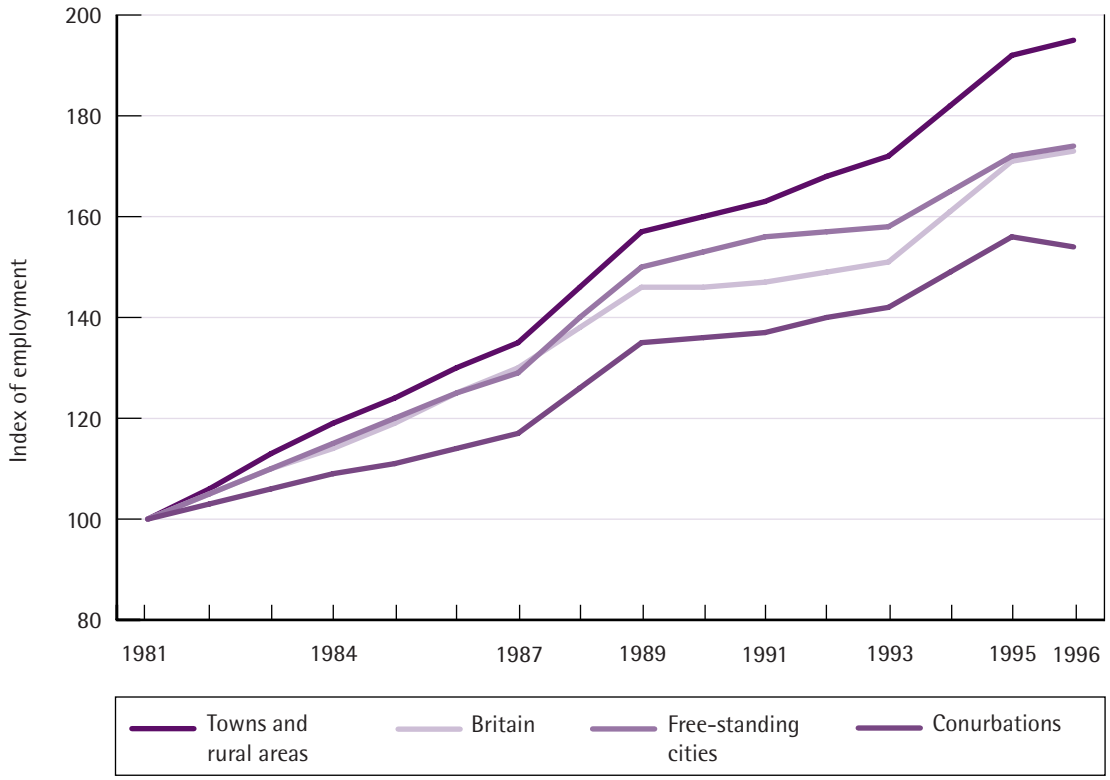
Overall, it seems that public sector employment growth in the cities has offset a small part of the contraction in manufacturing over the last two decades in simple numerical terms, although the conurbations continue to lag behind other parts of Britain.

Given the considerable size and diversity of the private services sector it is important to disaggregate it and examine particular groups of industries in more detail. The three most important components are (i) financial and business services, (ii) distribution, hotels and catering, and (iii) transport and communications. They accounted for 91% of private service employment in Britain in 1996.

Financial and business services

The fastest growing group of industries since the 1970s has been financial and business services. Total employment nearly doubled from 2.2 million in 1981 to just under 4 million in 1996 (Figure 8). Expansion slowed during the recession of the early 1990s, mainly because of problems in banking and insurance, but increased again in the mid-1990s. The fastest growing element has been the category 'other business services', which includes professional services (for example, accounting, marketing, consultancy and legal activities), computing services, recruitment agencies, estate agents, security, industrial cleaning and renting of equipment. Many of these sectors have benefited from out-sourcing and sub-contracting by manufacturing and other industries (Hasluck, 1998). The growth in demand from households for various financial services has also been important, as a result of rising incomes and a drift from state welfare provision to private pensions and health insurance schemes.

Figure 8: Employment in financial and business services (1981–96) (1981=100)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

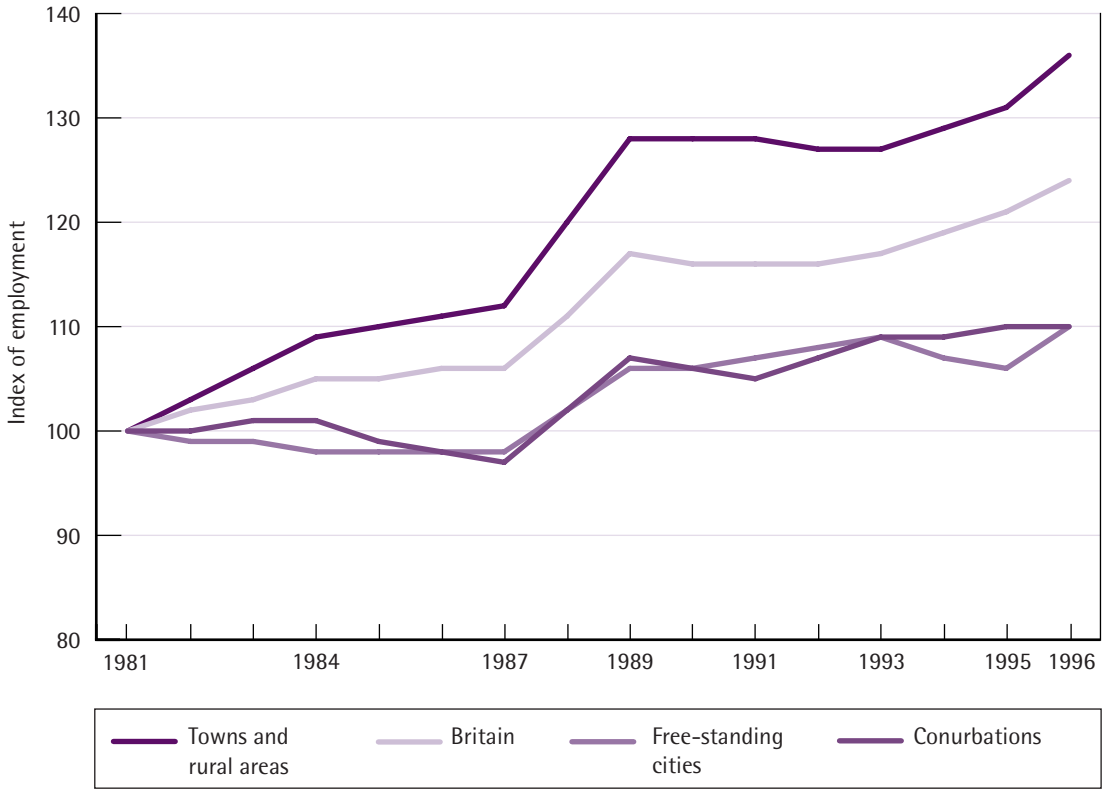
Employment growth in financial and business services was fastest in the towns and rural areas (increasing by 95%) and slowest in the conurbations (increasing by 55%), so the urban–rural divergence is apparent here too. The relatively good performance of the free-standing cities in relation to Britain as a whole is also notable, increasing by 74%. In 1981 about 10% of all jobs in the conurbations were in financial and business services; this increased to 16% by 1996 despite its slower growth than elsewhere. Its share in the free-standing cities was 17% in 1996, but still slightly less in the towns and rural areas, at 14%.

Distribution, hotels and catering

Distribution (including retailing), hotel and catering industries include activities that serve consumers and businesses. Their performance is typically linked to the general state of the economy. They have experienced increasing competition in the last decade and have responded by seeking to reduce labour and other costs (Wilson, 1998). Employment in Britain has grown steadily rather than spectacularly since the 1970s (Figure 9), rising by nearly a quarter (977,000 jobs) between 1981 and 1996. Growth was set back during the early 1990s recession, but increased again subsequently.

Employment in these industries has diverged between the cities and the rest of the country (Figure 9). This is surprising considering that the cities were expected to perform well in them. It presumably reflects the decentralisation of population and economic activity, although the rate of divergence has been even greater than the overall urban–rural shift, suggesting that other factors were also involved. Employment did increase modestly in the conurbations and free-standing cities over the period 1981-96, in both cases by 10%. This may have been linked with an increase in private consumption activities, such as eating out, leisure and entertainment, higher order retailing and short tourism breaks. Yet these and other consumer services seem to have expanded more outside the major cities.

Figure 9: Employment in distribution, hotels and catering (1981-96) (1981=100)



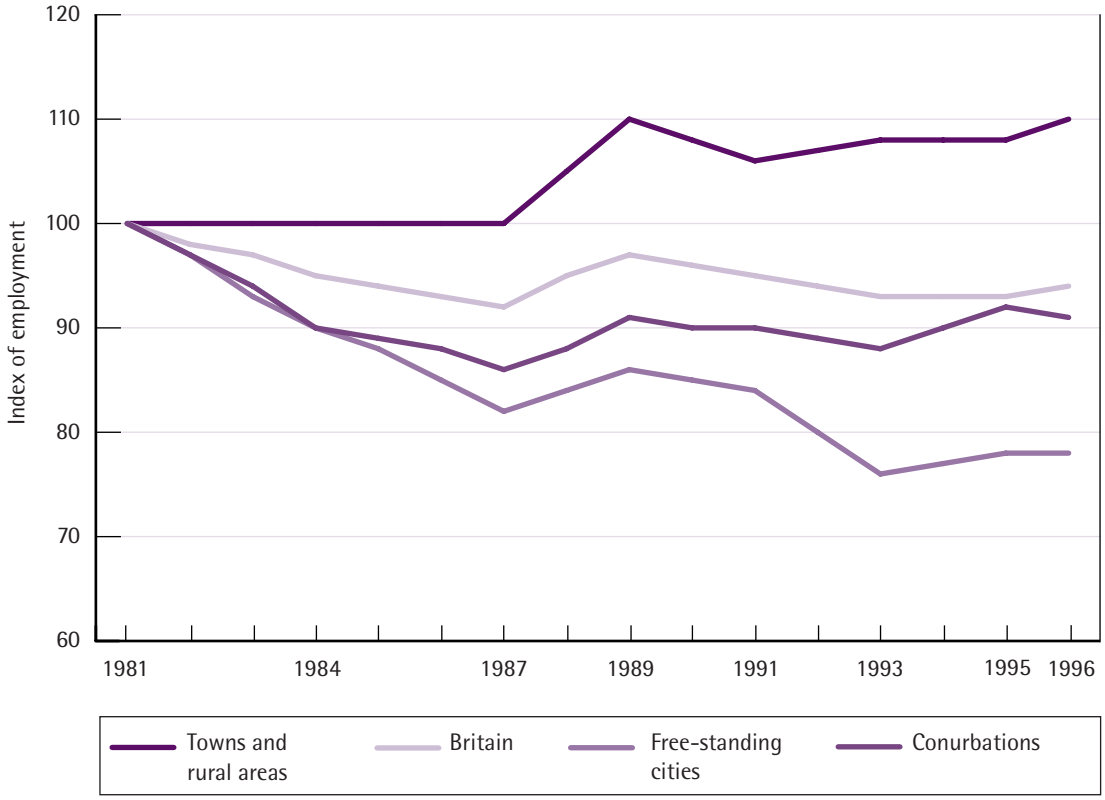
Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Transport and communications

The transport and communications industries also serve consumers and businesses. They have been subject to considerable reorganisation as a result of privatisation, deregulation and corporate takeovers since the early 1980s. Intense competition and pressure to cut costs have affected levels of employment and led to more 'flexible' patterns, such as temporary, part-time and sub-contracted staff (Maguire, 1998). Employment in Britain as a whole declined by 6% (83,000 jobs) over the period 1981-96 (Figure 10).

The position of the cities appears to have deteriorated significantly over the last two decades compared with the towns and rural areas, where jobs actually increased by 10%, against the national trend. This may be linked with the differential performance of different segments (for example, growth of air transport – generally outside the cities – and decline of employment based at bus and railway stations – generally within cities), coupled with the decentralisation of storage and warehousing activities. The reasons why the free-standing cities fared worse than the conurbations require further analysis.

Figure 10: Employment in transport and communications (1981-96) (1981=100)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

General patterns and processes

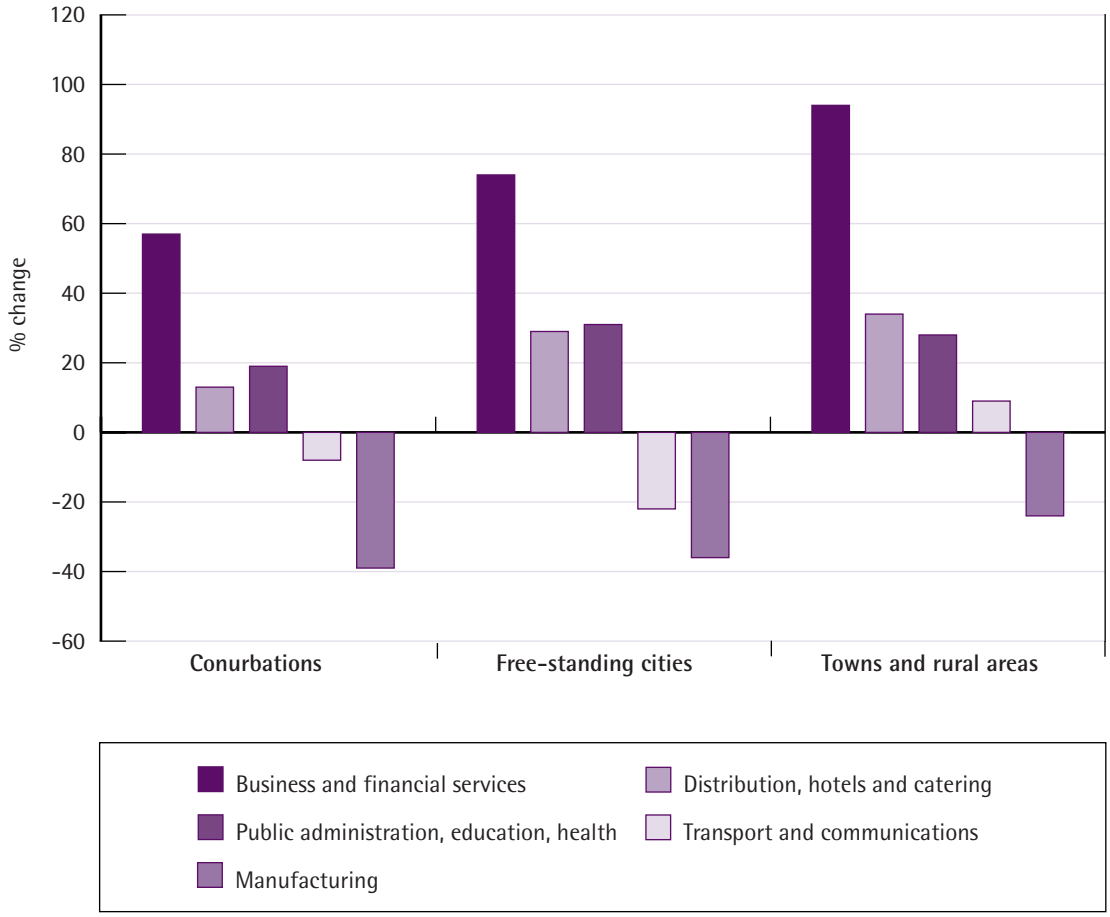
Figure 11 summarises the changes in employment for the five sectors discussed above between 1981 and 1996. Together these sectors comprise 94% of all jobs in the economy. The excluded categories are agriculture, energy, construction and miscellaneous services. Figure 11 shows the systematic urban–rural differential in employment change across all five sectors. The free-standing cities performed slightly better than the conurbations for every sector except transport and communications. Public services showed least spatial variation.

These findings suggest there are certain general processes at work. A conventional technique for exploring these in a preliminary way is shift-share analysis. It involves disaggregating the employment changes in an area into three components that reflect: (i) the overall national changes in employment; (ii) the area's industrial structure (that is, the composition of industries in the area); and (iii) other, 'local' or 'city' factors.

Areas with a large manufacturing sector, for example, would be expected to have lost more jobs than those with a large financial sector, simply because these industries were growing or declining at different rates generally. This is called the 'structural' or 'industry' effect. The 'differential' or 'local' effect measures the residual after the structural and national components have been subtracted from the actual employment changes. This indicates the influence of factors such as the availability of suitable land for economic growth, the efficiency of the transport system or the distinctive ownership or management characteristics of local firms which make them perform better or worse than their industry nationally.

Table 4 shows the results for the eight conurbations and 12 free-standing cities. It is limited to the 1981-91 period because of difficulties in standardising for subsequent use of the 1992 Industrial Classification. The first column shows the actual percentage change in total employment for each of the cities. Only

Figure 11: Employment change by industry (1981-96)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Leeds and Newcastle experienced an increase among the conurbations, along with five of the free-standing cities. These figures are then decomposed into the three components shown in the next columns. The second column shows the national component – it reflects the change that would have taken place if the city economy had grown at the same rate as the national economy, that is, 1.2%.

The 'industry' component identifies the change that would have taken place if employment change for each industry in the city had followed that of each industry in Britain after allowing for the national component. Six of the eight conurbations had a favourable structure, especially London and Manchester, and should have increased employment if their mix of industries had followed the national trend. Overall, however, the relatively small scale of this component in each of the conurbations indicates that the industrial mix was probably not a big influence on their employment change. This finding is consistent with previous shift-share analyses of employment change in the conurbations, based on data for the 1960s, 1970s and 1980s (Danson et al, 1980; Fothergill and Gudgin, 1982; Moore and Townroe, 1990; Townsend, 1993; Business Strategies Ltd, 1997). It means that it is incorrect to explain the worse employment performance of the conurbations compared with other areas in terms of 'the decline of traditional industries'.

Table 4: Shift-share analysis of employment change (%)

1981-91	Actual change	National effect	Industry effect	Differential or local effect
Conurbation cores				
Leeds	+4.0	+1.2	+0.8	+1.9
Newcastle	+1.0	+1.2	+4.4	-4.6
Birmingham	-8.5	+1.2	-2.0	-7.7
London	-8.5	+1.2	+7.5	-17.3
Manchester	-10.5	+1.2	+6.3	-18.0
Glasgow	-10.9	+1.2	+3.8	-15.9
Sheffield	-12.4	+1.2	-2.8	-10.8
Liverpool	-23.2	+1.2	+4.7	-29.2
Free-standing cities				
Plymouth	+4.4	+1.2	+0.6	+2.7
Cardiff	+4.3	+1.2	+6.4	-3.3
Edinburgh	+4.2	+1.2	+6.8	-3.8
Bristol	+3.6	+1.2	+6.5	-4.1
Hull	+0.7	+1.2	+3.0	-3.5
Nottingham	-0.2	+1.2	+2.2	-3.5
Sunderland	-0.7	+1.2	+1.1	-4.0
Wigan	-2.8	+1.2	-1.8	-2.2
Leicester	-5.8	+1.2	-2.5	-4.5
Stoke-on-Trent	-8.1	+1.2	-6.4	-2.9
Coventry	-10.9	+1.2	-9.7	-2.3
Doncaster	-11.5	+1.2	-8.5	-4.2

Note: Figures for columns two, three and four may not add up to column one exactly, due to rounding.

Source: Office for National Statistics (Annual Employment Survey) via NOMIS

The 'differential' effect was bigger in every case and negative in all but one city, Leeds. This seems to imply that there were certain attributes of these places that made them less favourable areas for employment growth. Previous research for the period 1960-82 suggested that physical constraints were particularly important in urban areas (Fothergill and Gudgin, 1982; Fothergill et al, 1985). A more recent study for the period 1981-89 has confirmed the general significance of the 'differential' effect and suggested that labour pressures in cities in the South of England were important alongside physical factors (Townsend, 1993).

Table 4 shows a rather different pattern for the free-standing cities. They had a consistent but relatively small differential effect in every case but one. In many cases the industrial structure appears to be a more important influence on employment change than other factors. Cities such as Cardiff, Edinburgh and Bristol appear to owe their relatively good performance more to their favourable industrial mix than to local conditions. This seems to reflect the size of the financial and business services sector in Bristol and Edinburgh, and the public administration sector in Cardiff and Edinburgh, given their wider political functions. At the other end of the spectrum, cities with poor employment trends such as Stoke, Coventry and Doncaster appear to have had unfavourable industrial structures, namely a dominant manufacturing sector. Some have argued that the larger size and higher density of the conurbation cores – particularly Liverpool, Manchester and Glasgow (one could add London) – have contributed to their lack of growth, especially the limited availability of land suitable for development to accommodate business expansion (Business Strategies Ltd, 1997). The same report suggests that Leeds' positive performance is attributable

to substantial improvement of the city's physical fabric, redevelopment of derelict land and replacement or modernisation of older buildings. The proactive local authority has encouraged substantial inward investment, facilitated by regional policy, urban programme funds and the relocation of the Department of Social Security and Royal Armoury.

Summary

Six main points emerge from this chapter:

- Manufacturing has been by far the most important source of job loss in Britain's major cities in the last two decades.
- Manufacturing jobs have declined in all types of area. However, they have declined much less in towns and rural areas than in the free-standing cities, and most of all in the conurbations.
- Private services have expanded everywhere, but much slower in the cities than in the towns and rural areas.
- The urban–rural shift has been much smaller in public services.
- The poorer performance of conurbation employment compared with other areas seems to be attributable more to local factors than to the decline of traditional industries.
- All these trends are long-standing – there seem to have been no major changes to the geographical pattern during the last two decades, although the rate of change has varied.

3

Changes in occupation and employment status

The discussion so far has treated all jobs as if they are much the same and interchangeable. In fact there have been significant changes in the composition of employment. Non-manual and part-time jobs have grown, manual and full-time jobs have declined and important occupational changes have affected people with different skills, aptitudes and gender. This chapter examines these broad shifts in occupation and employment status and traces their changing spatial patterns. They have important bearings on the 'quality' of jobs and incomes, who they are accessible to and the possibilities for occupational mobility. We also show a strong link between the sectoral changes discussed in Chapter 2 and the consequences for different groups.

Changes in employment status and gender

There have been important shifts in the status and gender of employment in the last two decades. Full-time male job opportunities in Britain fell by nearly 1.5 million between 1981 and 1996 (a fall of 13.2% or nearly one in seven), while part-time female employment expanded by over 1.4 million (38.4%). Part-time male jobs increased by half a million, but from a low level so the proportionate change was high at almost 90%. The growth of almost two million part-time jobs reflects the expansion of service industries and increased female participation in the workforce. It is also linked with the wider trend towards 'flexibility' in the economy, apparent, for example, in the needs of service providers for irregular labour requirements, especially those involving direct customer/user contact (Wilson, 1998).

The uneven spatial distribution of full- and part-time employment changes has received little attention. Figures 12 and 13 show a systematic urban–rural difference in the distribution of gains and losses (Figure 12 shows the absolute numbers and Figure 13 the relative change). The towns and rural areas secured the lion's share of part-time job growth, as well as female full-time jobs. Their substantial increase in part-time female employment may reflect, in part, economic growth and demand for labour rising faster than population growth and drawing additional women into the labour force, many of whom may have insisted on working part-time, given their other responsibilities.

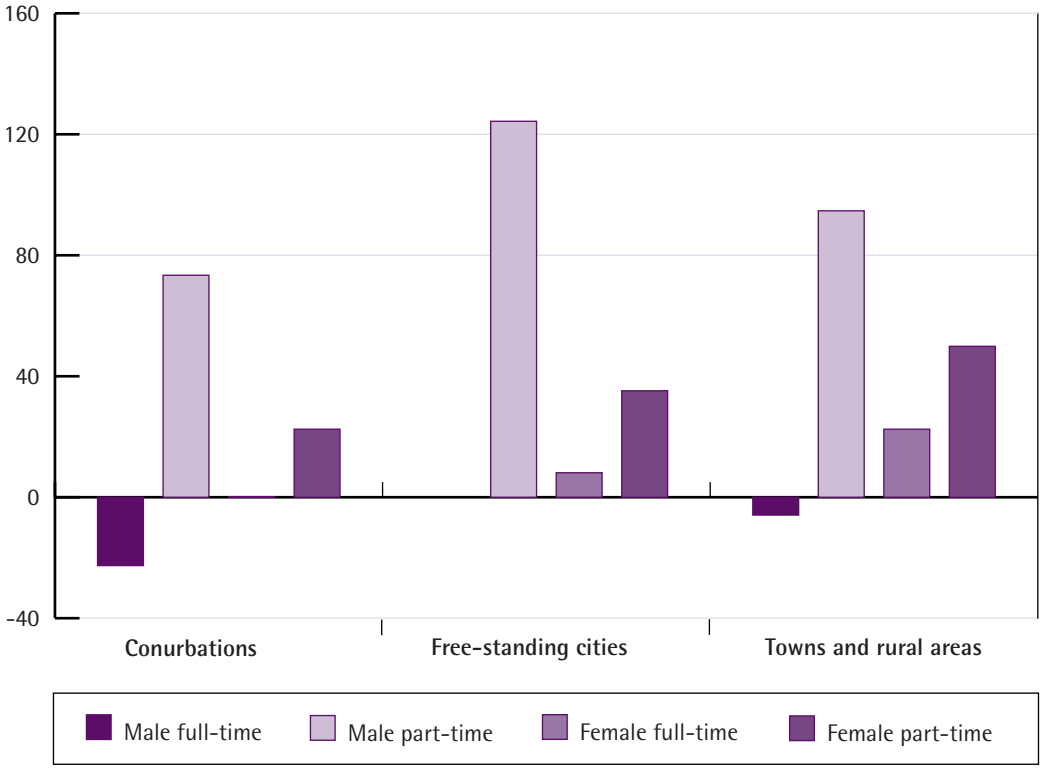
The fundamental problem for the cities has been the loss of full-time male jobs – the conurbations lost nearly a quarter of their 1981 stock, equivalent to over half a million jobs. They also had the smallest proportionate growth of all other jobs. The modest growth in female part-time employment in the conurbations would have done little to offset the effect on household incomes of the loss of full-time male jobs. The rate of growth in part-time male employment across all areas looks impressive from Figure 13, but the absolute numbers are small compared with the loss of full-time male jobs, except in the towns and rural areas (Figure 12).

The decline in full-time male employment is strongly linked to changes in manufacturing industry. Between 1981 and 1996 manufacturing shed nearly 1.4 million full-time male jobs, equivalent to a third of the 1981 total. The conurbations (at 34%, or 329,000 jobs) and free-standing cities (37%, or 133,000 jobs) suffered higher rates of losses than the rest of Britain (26%) (Figures 14a and 14b). The

Figure 12: Change in the composition of employment (1981-96) (000s)

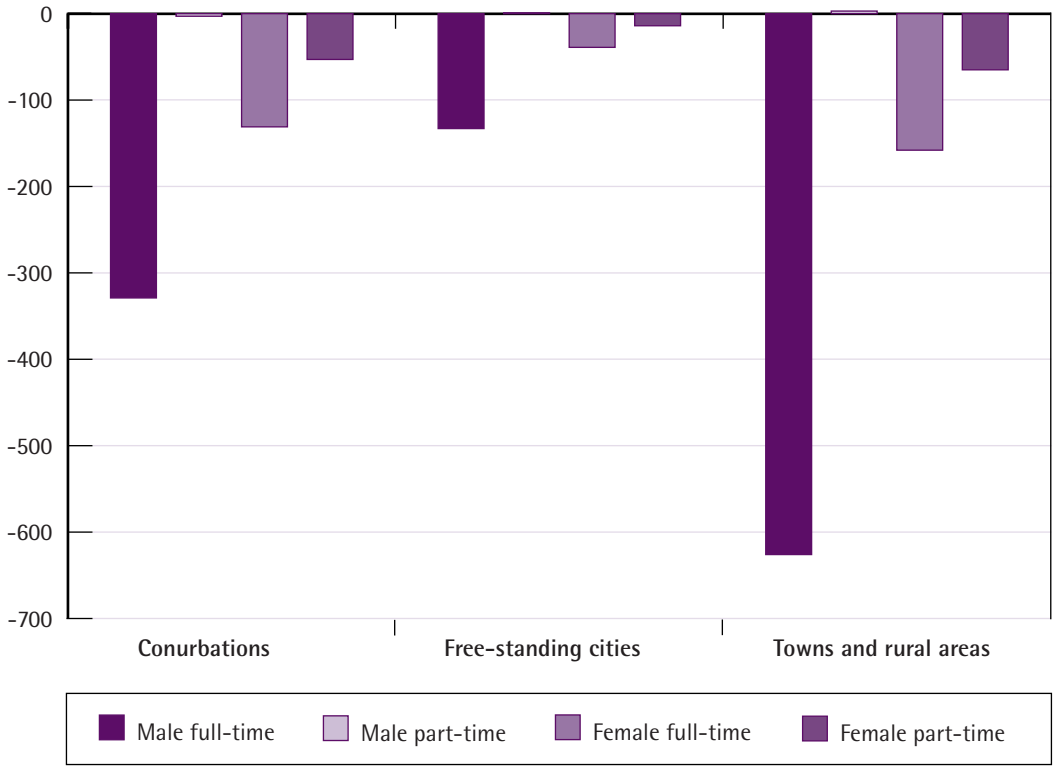
Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Figure 13: Change in the composition of employment (1981-96) (%)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Figure 14a: Change in employment in manufacturing (1981-96) (000s)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Figure 14b: Change in employment in manufacturing (1981-96) (%)

Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

conurbations and cities also lost a high proportion of their female employment in manufacturing. The towns and rural areas lost the smallest proportion of their jobs in manufacturing, although the absolute numbers were large because such areas contain a higher proportion of jobs in Britain anyway.

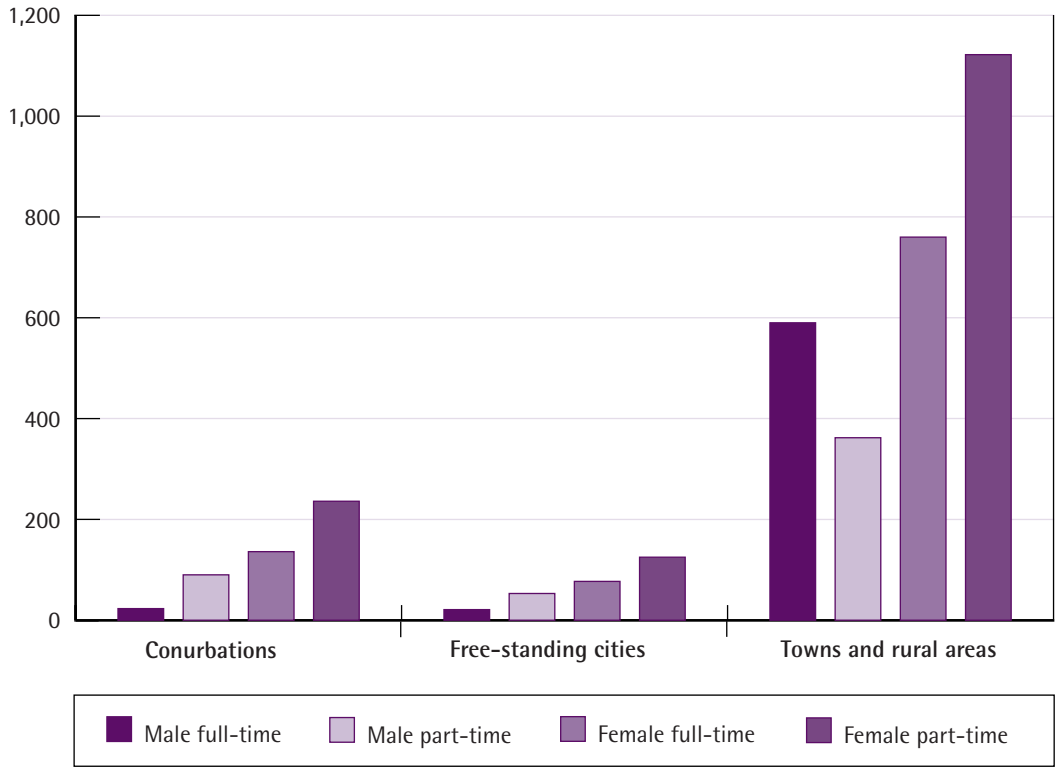
The contrast with the service industries has been great. In services, job opportunities of all kinds and across all areas have expanded (Figure 15). The biggest increases have been in part-time female employment and in the towns and rural areas, which traditionally had fewer women in employment. The total number of part-time jobs in services increased by 2.2 million (nearly 60%) between 1981 and 1996, more than three quarters of which were filled by females. Just over 600,000 full-time male jobs were created in services between 1981 and 1996, only about a third of the number lost in manufacturing over the same period. Moreover, the vast proportion of this growth was outside the conurbations and cities (Figure 15), severely limiting its value for urban residents but substantially offsetting the decline of full-time male employment in manufacturing in the towns and rural areas.

Focusing on the private service sector in particular, the urban–rural disparity in growth is even more apparent, particularly for full-time male employment (Figure 16). Most of the growth in male jobs in the service industries arose in the private sector rather than the public sector.

Occupational changes

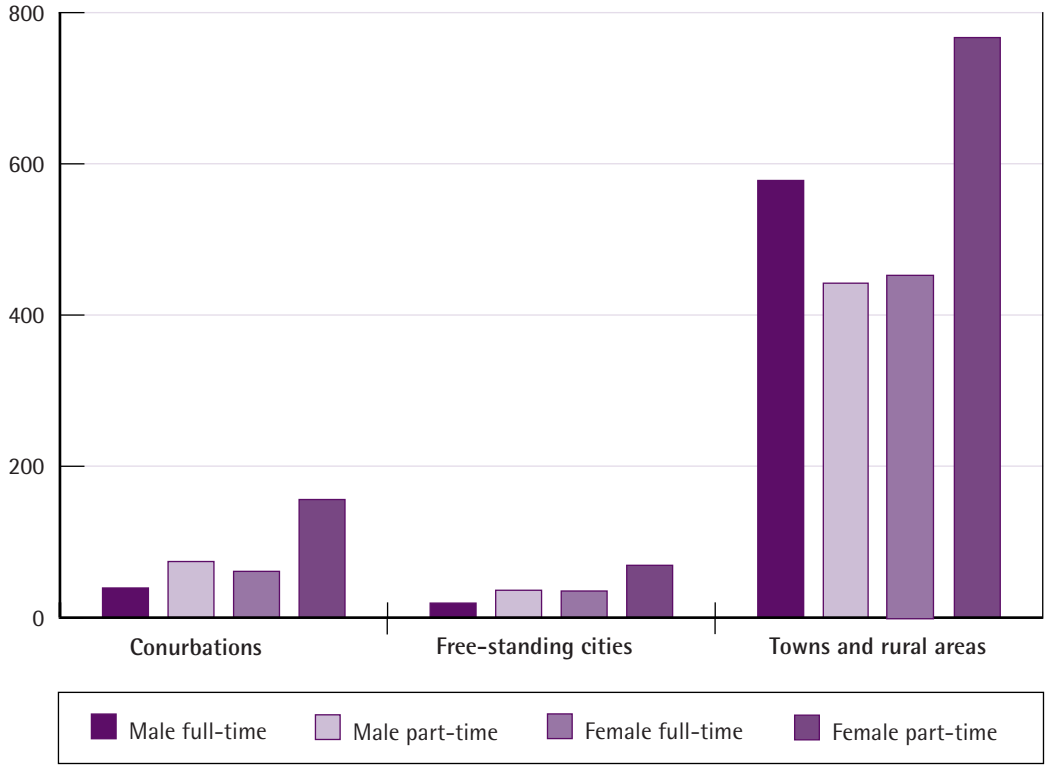
The changes in broad occupation have also been very significant in recent decades. It is well known that non-manual (white-collar) jobs have generally increased while manual (blue-collar) job opportunities have fallen. However, the scale of this polarisation is less well understood. Manual jobs in Britain fell by 11.1% between 1981 and 1991, while non-manual jobs expanded by 16.1%. Within the manual category, skilled and semi-skilled manual jobs fell by 10.6% and unskilled manual jobs fell by 12.8%. Within the non-manual

Figure 15: Change in employment in services (1981–96) (000s)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Figure 16: Change in employment in private services (1981-96) (000s)

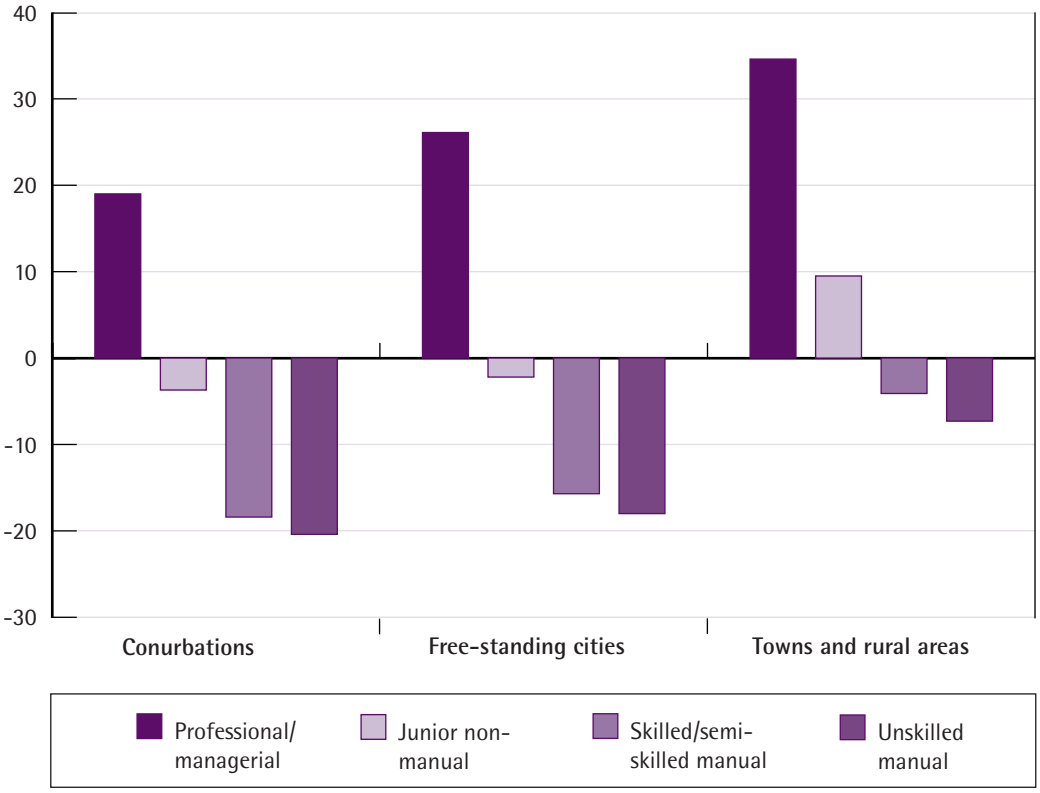


Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

category, professional and managerial jobs increased by 28.3%, while junior non-manual jobs increased by only 0.6%. These figures are drawn from the Census of Population Special Workplace Statistics data on socioeconomic groups in the absence of occupational data in the Annual Employment Survey. This means they are restricted to the period 1981 to 1991 and based on a 10% sample. The occupational categories are defined in Appendix A.

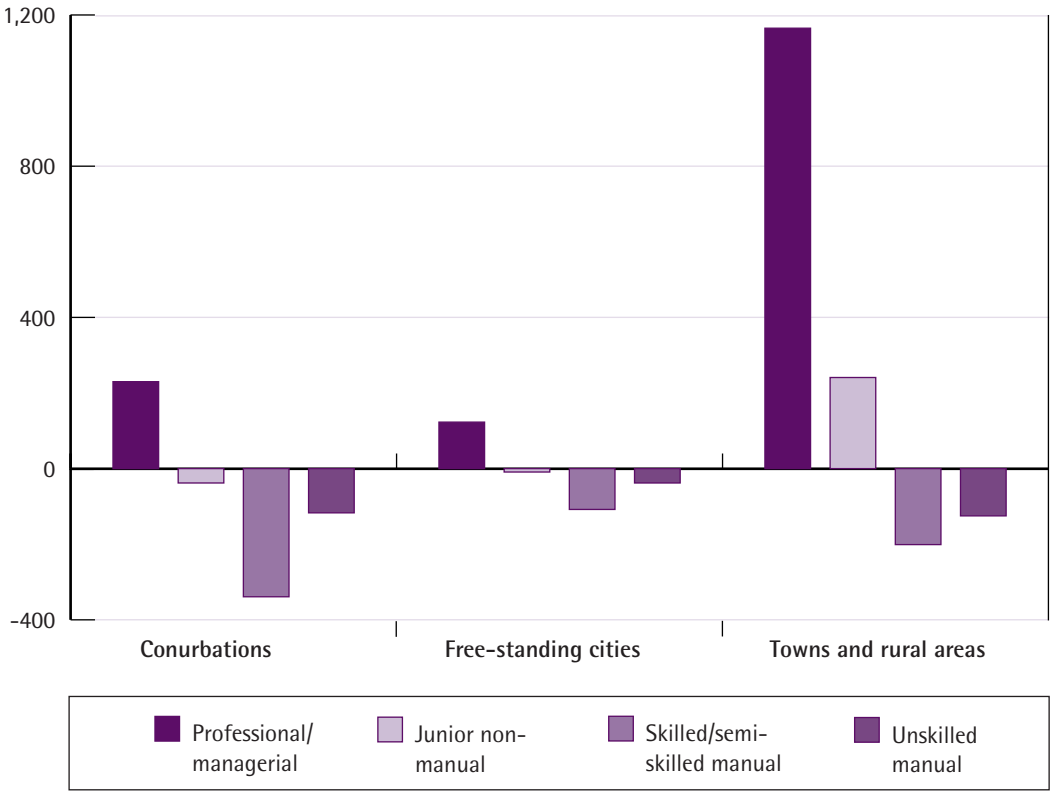
These occupational changes have also occurred in an uneven geographical manner. The towns and rural areas have gained considerably more non-manual jobs than the cities and they have also lost far fewer manual jobs (Figure 17 shows the proportionate change and Figure 18 the absolute scale). Britain's conurbations and cities lost a substantial proportion (between a fifth and a sixth) of their manual jobs during the 1980s. They gained a fair number of professional and managerial jobs, but these are unlikely to have been much of a substitute for the manual jobs because upward mobility from the latter to the former is generally low, especially among men, according to a recent national study (Elias and Bynner, 1997). It shows that movement into the relatively fast-growing occupational category of intermediate non-manual jobs (which are above the status of clerical and secretarial positions) "has been of particular benefit to women" (Elias and Bynner, 1997, p 118). The contraction of skilled manual occupations has tended to result in downward movement for men into less skilled, lower paid jobs or unemployment and casual work, especially for those with few qualifications. Consequently, the opportunities for workers displaced from manual jobs to find work locally in other occupations were probably small, especially as junior non-manual jobs also contracted in the cities. Such jobs have traditionally been concentrated in large urban areas and their decline may reflect a growing decentralisation of routine clerical and administrative functions.

Figure 17: Change in employment by SEG (1981-91) (%)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

Figure 18: Change in employment by SEG (1981-91) (000s)



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

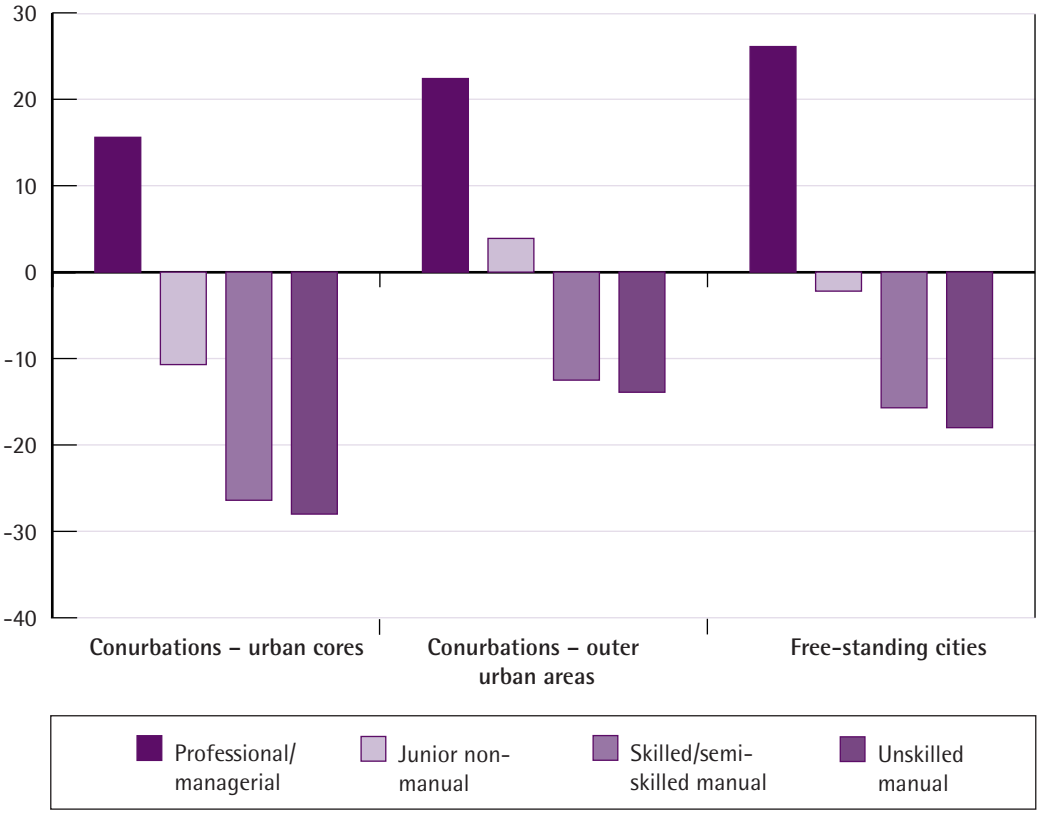
Figure 19 compares the inner and outer areas of the conurbations with the free-standing cities. It shows that the cores of the conurbations did considerably worse than the outer areas. They lost more than a quarter of their manual jobs, roughly double the losses of the outer areas. They also lost junior non-manual jobs while the outer areas gained them, and they secured fewer professional and managerial jobs. The free-standing cities did better than the outer conurbations in terms of professional and managerial jobs, but worse in terms of other occupations.

Occupation–industry links

The immediate cause of the decline in manual employment opportunities in the cities has been the contraction of manufacturing industry. Manufacturing was the most significant source of manual jobs, particularly for skilled and semi-skilled jobs. Table 5 and Figure 20 show the occupational breakdown for each of the industry sectors discussed in Chapter 2. They relate to 1991, that is, after the major decline in manufacturing and manual jobs in the 1980s. Yet they show the continued importance of manufacturing for skilled and semi-skilled manual jobs.

They also show that the transport and communications sector is important for skilled and semi-skilled manual jobs, and the distribution, hotels and catering sector for unskilled manual jobs. The problem for the conurbations and free-standing cities is that employment fell in the transport and communications sector and only increased marginally (by 120,000 jobs) in distribution, hotels and catering (see Chapter 2). Consequently these industries did little to offset the sharp decline in manual jobs in manufacturing.

Figure 19: Change in employment by SEG (1981–91) (%) [Inner and outer urban areas]



Source: Office for National Statistics (Annual Employment Survey/Census of Employment) via NOMIS

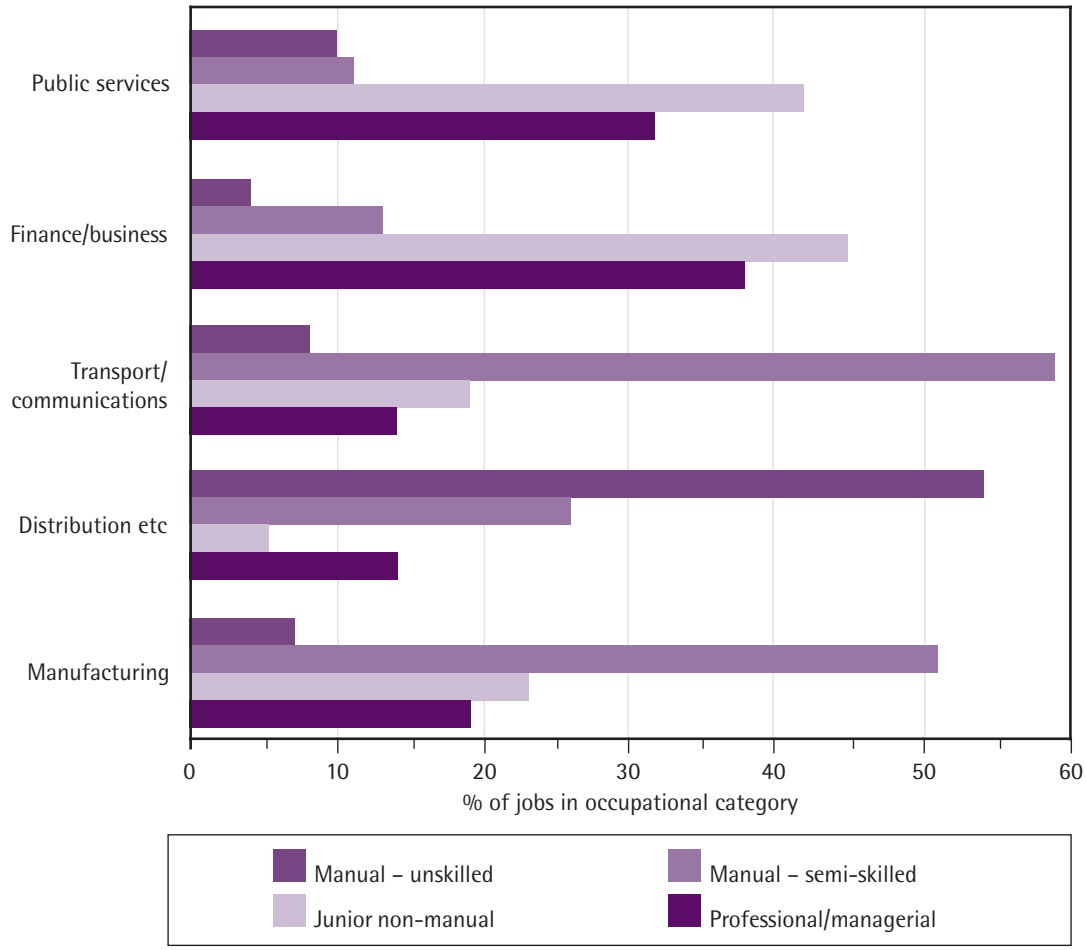
Table 5: Occupational category (SEG) by industry sector (1991) (%)

	Senior managerial and professional	Junior non-manual	Skilled and semi-skilled manual	Unskilled and personal services	Total
Manufacturing	19	23	51	7	100
Distribution, hotels and catering	14	5	26	54	100
Transport and communications	14	19	59	8	100
Financial and business services	38	45	13	4	100
Public services	32	42	11	10	100
Other services	46	13	17	23	100

Note: The data is based on the conurbations because of the time-consuming procedure required to compile it for the whole country.

Source: Office for National Statistics, 1991 Census, Special Workplace Statistics

Figure 20: Occupation (SEG) by industry (1991)



Finally, they show that financial and business services and public services provide relatively few manual jobs. Consequently, their growth in the cities has not provided many of the kinds of jobs that might be accessible to people displaced from manufacturing industry.

Summary

Four general points emerge from this discussion:

- there has been a large-scale loss of full-time male and manual jobs in Britain, particularly in the cities;
- there has been considerable growth in part-time female employment, particularly in the towns and rural areas, which traditionally had fewer women in employment;
- professional and managerial jobs have grown against the general trend in the cities, but are generally inaccessible to people who have experienced a loss of manual employment;
- these patterns are linked to the decline in manufacturing in the cities and the relative growth in services elsewhere.

4

Labour market consequences

How have people been affected by these far-reaching changes in employment? In particular, what has been the ultimate impact on urban unemployment? The link between employment change and unemployment at the local level is not straightforward because the workforce may respond through migration, commuting, occupational mobility or withdrawal from the labour market.

This chapter examines the significance of these processes in the 1980s and compares their importance with previous decades. It does so by exploring a series of changes affecting the workforce of urban areas (ie, labour supply) and their relationship with changes in labour demand. Published trends for the period 1971-81 have been updated to 1991 through an intricate procedure using data from the Census of Population, explained in Appendix A.

Working-age population

The starting point is the change in the working-age population of urban areas. Table 6 shows that the working-age population of Britain as a whole was broadly stable during the 1970s and 1980s. However, the conurbations cores experienced a sharp fall in population throughout this period, as indeed they had in the 1950s and 1960s. This decline spread to the outer conurbations during the 1980s. The outer areas had been broadly stable throughout the post-war period until then. The free-standing cities had a steady, relatively small decline during the 1970s and 1980s, continuing a trend established in the 1950s and 1960s. Meanwhile, the towns and rural areas had an increase in population, which accelerated slightly during the 1980s. This was another long-established trend. Overall, the urban–rural shift in population clearly continued during the 1980s with little sign of abatement, except in the conurbation cores. Other research has confirmed the widening differential between urban and rural areas during this period, but suggested that the pace of 'counter-urbanisation' of population is slowing down (Atkins et al, 1996).

Table 6: Change in working-age population, by type of area (1971-91) (1971=100)

	1971	1981	1991
Conurbations: inner cores	100	85	78
Conurbations: outer areas	100	100	97
Free-standing cities	100	97	93
Towns and rural areas	100	103	109
Britain	100	100	101

Source: Begg et al (1986), updated using the 1991 Census of Population

Table 7: Change in resident workforce (1971–91) (1971=100)

	1971	1981	1991
Conurbations: inner cores	100	82	71
Conurbations: outer areas	100	98	95
Free-standing cities	100	96	92
Towns and rural areas	100	108	117
Britain	100	101	104

Source: Begg et al (1986), updated using the 1991 Census of Population

Table 8: Change in residential activity rates (1971–91) (%)

	1971	1981	1991
Conurbations: inner cores	80	79	76
Conurbations: outer areas	82	80	79
Free-standing cities	78	79	79
Towns and rural areas	76	79	80
Britain	78	79	80

Note: figures show the proportion of the working-age population in work or seeking work.

Source: Begg et al (1986), updated using the 1991 Census of Population

The workforce

Britain's workforce expanded slightly during the 1970s and 1980s, mainly through an overall rise in economic activity rates as slightly more people of working age sought employment. This was offset somewhat by an increase in full-time students. The geographical variations in workforce trends were much greater than the national pattern, mainly as a result of shifts in the population, reinforced by changes in economic participation. Table 7 shows that the inner cities had the biggest falls in the workforce, with steady contraction in the outer conurbations and free-standing cities. The towns and rural areas experienced a sharp rise in the workforce. So, the urban–rural differential in the workforce continued to widen at roughly the same rate in the 1980s as it had in the 1970s.

Economic participation

There was a striking contrast in economic participation trends between the conurbations and towns and rural areas during this period, and a complete reversal of their situations between the two dates (Table 8). Activity rates started at a high level in the conurbations but fell steadily between 1971 and 1991. This occurred alongside the loss of jobs and was the result of people (almost exclusively men) giving up the search for employment and retiring early, or having their official status altered from registered unemployed to long-term sick. Meanwhile, activity rates started at a relatively low level in the towns and rural areas, but rose between 1971 and 1991 as people (especially women) were drawn into the labour market as a result of increasing job opportunities. In fact, this has been a long-standing trend in these areas dating back at least to the 1950s (Begg et al, 1986, Table 2.12; see also Green and Owen, 1998). The activity rate for towns and rural areas was 72 in 1951 and 79 in the conurbation cores. The trend has been more stable in the free-standing cities, which have also had a more stable employment profile since the 1950s. The contrast between trends in male and female participation is explored in the next chapter.

Table 9: Change in number of employed residents (1971–91) (1971=100)

	1971	1981	1991
Conurbations: inner cores	100	75	63
Conurbations: outer areas	100	92	88
Free-standing cities	100	90	85
Towns and rural areas	100	103	111
Britain	100	96	98

Source: Begg et al (1986), updated using the 1991 Census of Population

Table 10: Change in workplace employment (1971–91) (1971=100)

	1971	1981	1991
Conurbations: inner cores	100	86	76
Conurbations: outer areas	100	91	85
Free-standing cities	100	95	93
Towns and rural areas	100	102	110
Britain	100	96	98

Source: Begg et al (1986), updated using the 1991 Census of Population

Employment levels

We have already seen how (workplace-based) employment trends varied across Britain in the last two decades. Resident employment is slightly different. It is limited to the employment levels of people resident within the area, that is, excluding inward commuters. Table 9 shows the stark contrast in resident employment trends between the inner cities and towns and rural areas. The rate of decline of resident employment in the conurbations and cities exceeded the contraction in the workforce. This indicates the declining demand for labour and difficulties residents had competing for available jobs, which pushed unemployment and inactivity higher. Once again, this was a continuation of trends in the 1950s and 1960s, with little sign of diminution, bearing in mind the different national context of employment contraction in the 1970s and expansion in the 1980s.

Comparing the trends in residential and workplace employment gives a preliminary insight into the impact of commuting and migration. Table 10 shows a smaller differential in workplace employment between the cities and other areas than resident employment (Table 9). The conurbations cores and free-standing cities appear to have been affected most by net inward commuting, because the decline of residents in jobs has been greater than the decline in workplace employment. Residential decentralisation by workers retaining their jobs in the cities could also be part of the explanation. The outer conurbations and towns and rural areas appear to have been affected a little by net outward commuting because the growth of residents in employment has been slightly faster than the growth of jobs per se. However, residential decentralisation by employed workers may also be involved. Considering the relative position of the cities and towns and rural areas in Table 10, there appears to be little sign of a slowdown in the urban–rural divergence in workplace employment.

Table 11: Net commuting flows as a % of workplace employment (1971-91)

	1971	1981	1991
Net inward commuting			
Conurbations: inner cores	+30.2	+36.6	+37.9
Free-standing cities	+14.6	+16.9	+17.8
Net inward commuting			
Conurbations: outer areas	-16.0	-16.8	-17.8
Towns and rural areas	-7.9	-9.2	-9.4

Source: Begg et al (1986), updated using the 1991 Census of Population

Commuting

We have already inferred that net inward commuting to the inner cities and free-standing cities increased. Further evidence is provided in Table 11. The positive figures in the first two rows show the scale of net inward commuting to the inner cities and free-standing cities in relation to the level of local employment. Net inward commuting grew most quickly in the conurbation cores during the 1970s. This led Begg et al to argue that "one important reason why employment of inner city residents has fallen so rapidly is that they have been crowded out of inner city jobs by daily inward commuters from the outer cities and beyond" (1986, p 18). Similar observations by many other commentators prompted a shift in attention towards supply-side policies (ie, increasing the employability of residents through skills training, wage subsidies and job access schemes) and away from measures to increase labour demand. This may have been mistaken to the extent that the increase simply reflected net residential decentralisation by employed workers. Moreover, net inward commuting did not apparently increase by much in the 1980s, perhaps because of some combination of a further decline in urban employment, an offsetting effect of increased outward commuting and a possible slowdown in residential decentralisation. Further research is necessary to establish this.

The negative figures in the lower two rows show that there is net outward commuting from the outer conurbations and towns and rural areas. The level of net outward commuting from both areas increased slightly in the 1970s and 1980s, but from a relatively low level. This may not be very surprising for the outer conurbations considering the loss of local jobs and need for people to find alternative employment elsewhere. In the towns and rural areas the resident workforce grew faster than the level of employment in the 1970s, so increased outward commuting was consistent. During the 1980s the resident workforce grew at the same rate as the level of employment, so the lack of much change in outward commuting is also unsurprising.

Unemployment

There was a sharp rise in recorded unemployment throughout Britain between 1971 and 1981. The average rate almost doubled across much of the country. Unemployment reached the highest levels in the conurbation cores and rose slowest in the towns and rural areas (Table 12 and Figure 21). The rate at which unemployment rose in different areas reflected the balance between changes in labour demand (workplace employment), labour supply (the resident workforce – reflecting migration, the natural population increase and activity rates) and commuting. The fundamental problem in the conurbations and cities was the fall in labour demand (fewer jobs available). However, in the towns and rural areas there was in increase in labour demand, but an even faster growth in labour supply (more people seeking work as a result of in-migration and increased participation).

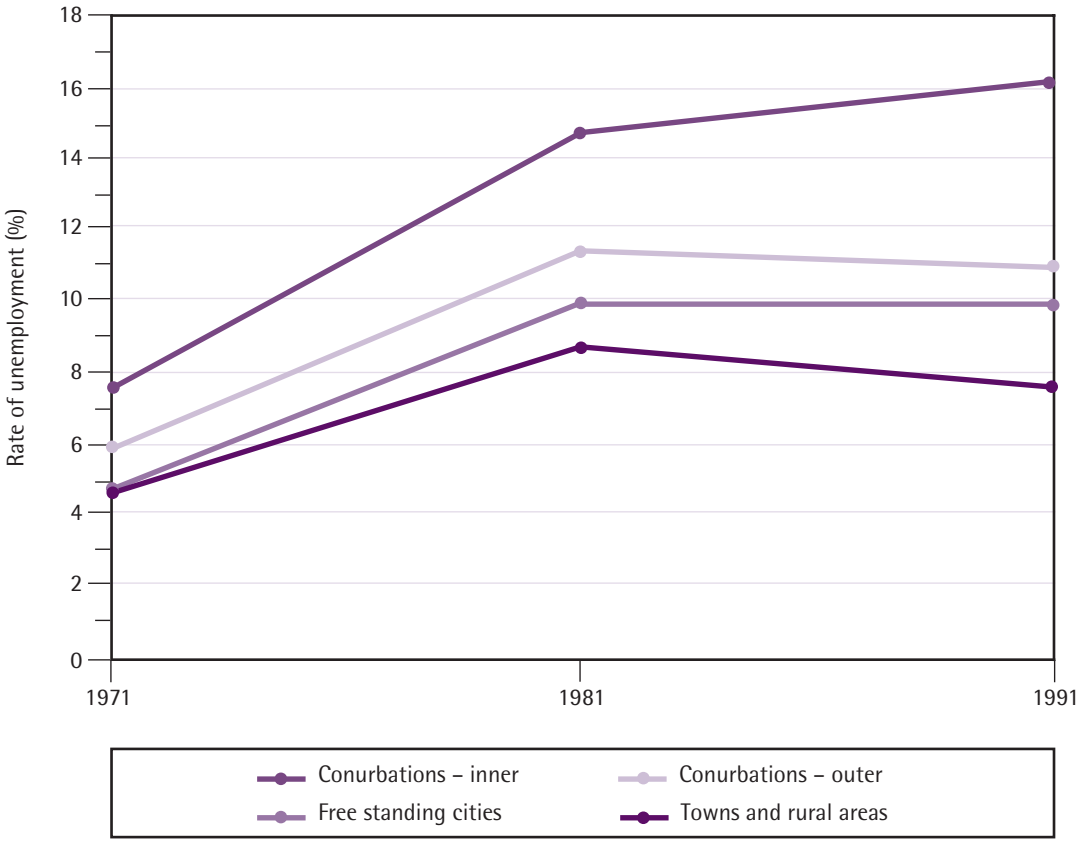
During the 1980s the pattern diverged more substantially. There was a further increase in the rate of recorded unemployment in the conurbations, particularly the cores, but a

Table 12: Change in recorded unemployment rates (1971-91) (1971=100)

	1971		1981		1991	
	Rate %	Index	Rate %	Index	Rate %	Index
Conurbations: inner cores	7.5	100	14.7	196	16.3	217
Conurbations: outer areas	4.6	100	9.9	215	10.0	217
Free-standing cities	5.8	100	11.3	195	10.9	188
Towns and rural areas	4.7	100	8.7	185	7.7	164
Britain	5.2	100	9.8	188	9.3	179

Source: Begg et al (1986), updated using the 1991 Census of Population

Figure 21: Change in recorded unemployment rates (1971-91)



decline in the towns and rural areas. The conurbation problem continued to be a decline in labour demand. However, in the towns and rural areas the increase in labour demand caught up with the growth in labour supply. Since slightly more residents also commuted out to work there was actually a reduction in recorded unemployment.

Considering the scale of job loss in the conurbations during the 1980s, unemployment did not rise by as much as one might have expected. This was mainly because of the decline in economic participation (as people withdrew from active job seeking or their official unemployed status was altered) and out-migration (see also Beatty et al, 1997b; Green and Owen, 1998; Webster, 1998a). We discuss the scale and gender composition of these effects in more detail in the next chapter.

The differential in labour market conditions between the conurbations and other areas has continued to widen since 1991. One indication is provided by the relationship between unfilled job vacancies (a measure of labour demand) and unemployed job seekers (labour supply). A recent study which compared the ratio of vacancies in Winter 1997 to the level of recorded unemployment for travel-to-work areas concluded that "buoyant labour markets tend to be semi-urban or sub-urban in nature while inner cities, old industrial conurbations and remote rural areas remain depressed. The 'boom' areas occupy a swathe of semi-urban Britain running from the Home Counties to the Welsh Borders ..." (Employment Policy Institute, 1998, p 8).

Summary

The main findings of this chapter are:

- The loss of employment in the conurbations and cities coincided with a fall in population and economic participation. Without this, urban unemployment would be even higher.
- The growth in employment in the towns and rural areas coincided with an increase in population, a rise in economic participation and falling unemployment.
- There was considerable continuity in employment and population trends between the 1970s and 1980s, causing further divergence in labour market conditions between cities and other areas.
- The gap between unemployment rates in cities and other areas is much wider in the 1990s than it was a decade ago.
- Economic inactivity has increased in the cities, reflecting the decline in labour demand, but fallen in other areas, reflecting the increase in labour demand.

5

The scale of labour market adjustment

This chapter is more specific about the magnitude of the different adjustment processes. It quantifies the consequences of job loss in the cities for out-migration, commuting, economic participation and recorded unemployment. It uses the framework of 'labour market accounts' (LMAs) that has previously been applied to Britain's cities between 1951 and 1981 (Begg et al, 1986), counties (Champion et al, 1982), Travel-To-Work Areas (Green and Owen, 1991), coalfields (Beatty et al, 1997a) and Rural Development Areas (Beatty and Fothergill, 1997).

LMAs consider net changes in employment in relation to other quantity adjustments including natural (demographic) changes in the size of the workforce, net migration, net commuting, economic participation and changes in recorded unemployment. The calculation of these components of an LMA is not straightforward because of the need to integrate data from different sources and time-periods (see Appendix A for the procedure). Its main limitation stems from underenumeration in the 1991 Census, which mostly affected young men in the cities. This is likely to affect the precise magnitude of most components of the LMAs (see Appendix A), particularly those for males, although not necessarily their general size in relation to each other. Little can be done about it in practice. Our analysis is original in examining the period 1981-91 for Britain's cities, disaggregating trends for women and men (which proved to be very distinctive), and distinguishing between the inner and outer areas of conurbations and free-standing cities. We begin with the overall accounts for men and women before presenting disaggregated accounts for different types of area.

The overall pattern

More than 750,000 male jobs were lost from Britain's 20 largest free-standing cities and conurbations between 1981 and 1991, according to the Population Census. This was equivalent to 12.2% of the 1981 male workforce, interestingly some 25% greater than in the coalfields, where net male job loss was 9.2% over the same period. Yet the overall level of male unemployment recorded by the Census for the cities actually fell by about 80,000 during the same period. The LMAs help to account for how and why this happened. Table 13 shows the various components. The change in unemployment must be a function of the loss of jobs plus the natural change in the workforce (the growth or decline in the working age population resulting from different sized cohorts entering and leaving this age group), minus net out-migration (people in the workforce moving out of the area in relation to those moving into it), minus changes in net out-commuting (people in the workforce commuting elsewhere to work or reductions in ex-urban residents commuting into the cities), minus the decline in the economically active population, minus people on government training and work experience schemes.

Male LMAs – migration

The single largest response to the loss of jobs was net out-migration. This appears to have reduced male labour supply in the cities by some 459,000, or 7.4% of the 1981 economically active male population. This is likely to be an

Table 13: Labour market accounts for Britain's cities (1981–91)

		Male		Female	
		number	%*	number	%*
	Loss of employment	755,000	12.2	-44,000	-1.1
PLUS	natural increase in workforce	134,000	2.2	59,000	1.4
MINUS	net out-migration	459,000	7.4	164,000	3.9
MINUS	change in net out-commuting	77,000	1.2	-61,000	-1.5
MINUS	decline in economically active	338,000	5.4	-154,000	-3.7
MINUS	number on government schemes	93,000	1.5	59,000	1.4
EQUALS	change in unemployment	-78,000	-1.2	7,000	0.2

*Note: *as a % of the economically active men/women of working age in 1981.*

Source: Office for National Statistics (Census of Population)

overestimate by several percentage points because of underenumeration in 1991 (see Appendix A and Beatty et al, 1997a). The discrepancy between male and female net out-migration in Table 13 also suggests that the former figure is inflated. It is difficult to arrive at a more precise estimate because of the general inadequacy of migration data, but most published research on the subject would agree that net out-migration from the major cities in the last few decades has been substantial.

Whether migration is an effective mechanism of adjustment also depends on who moves out. Parallel research has shown that migration from the cities is weakest among manual workers, the unemployed and economically inactive people of working age. Most of those who migrate out of cities are "people in higher-paid white-collar work and of younger working age ... (out-migration) is a selective process that favours better-off people" (Champion, 1998, p 73; see also Atkins et al, 1996; Boyle et al, 1998). These studies show that they are typically people with jobs who own their own homes moving elsewhere to live and/or work, or young adults leaving to study or work in other places. Of course the jobs some of them leave, assuming the posts remain open and the individuals do not commute back to work, may be filled by other local residents or other inward commuters, although there is little evidence that such knock-on effects eventually filter through to manual workers most vulnerable to unemployment.

Of course the socioeconomic composition of *net* migration is more important than the characteristics of out-migrants per se, since migration is very much a two-way process with substantial in- and out-flows. Recent research has explored the make-up of and balance between these flows into and out of Britain's conurbations – helpfully the same eight studied in this report. It has established that there is "a strong positive relationship between social class and the rate of net out-migration to the rest of Britain, with the professional category recording the highest rates of net loss and the two groups of manual workers (skilled and others) recording the lowest" (Champion and Ford, 1998, p i). London did not conform to this pattern in several respects. Nevertheless, the general implication is that migration does not appear to be an effective adjustment mechanism for those urban residents most vulnerable to job loss and unemployment.

Other research on migration between regions found it was limited as an adjustment mechanism at the most crucial times: "Since regional differences in unemployment rates tend to be highest in a recession, it appears that migration is least effective when it is most needed" (Jackman and Savouri, 1992, p 1433). This was because employers were hiring fewer new staff during recessions. A final point concerns the growing environmental and economic costs of migration for the areas left behind, including surplus housing, schools, neighbourhood decline and ultimate

abandonment. These issues are becoming increasingly serious (Lowe et al, 1999).

Economic activity

The second largest response by men to the decline in labour demand was a reduction in economic participation. This appears to have reduced male labour supply in the cities by a third of a million, or 5.4% of the 1981 workforce (Table 13). These were people who seem to have withdrawn from either employment or recorded unemployment. The 5.4% figure is not much less than the figure of 6.8% discovered by Beatty et al (1997a) for the coalfields over the same period. Beatty et al (1997a, 1997b) have argued that most of them were not truly inactive and out of the workforce, that is, labour supply had not really been reduced by this amount. They were better described as hidden unemployed who might really be available for and seeking work, but who transferred to the category of permanent sickness (or incapacity/ invalidity benefits) because of the difficulty in finding work and because the welfare payments are slightly higher for some of them since they are not means-tested. The Employment Service was set targets in the past to transfer people from the politically sensitive claimant count to incapacity or invalidity benefits.

The existence and spatial incidence of hidden unemployment is of great importance for national employment, urban and regional policy, and judgements about the state of the labour market for macroeconomic management purposes. There have been some recent signs of government recognition of the issue. For example, a Treasury paper acknowledged that economic inactivity had increased to some three million people: "many would work if they had the opportunity and incentive to do so (about 2.5 million of the economically inactive want a job)" (HM Treasury, 1997a, p 13). The 1998 Budget Report stated that: "Around 11.75 per cent, or almost 4.25m, of working-age people in the UK are still without work and wanting a job, despite the unemployed component having fallen to around 1.9m. Moreover, the number of inactive people who say they want a job as a proportion of the adult population is higher in the UK than in any other EU country" (HM Treasury, 1998a, p 86).

In practice, discussion has focused on the characteristics of the groups that have higher levels of worklessness (eg, lone parents, young people, older men and people on incapacity benefit) and the specific factors thought to be responsible for their condition (such as family breakdown, benefit dependency, lack of work incentives and motivation, technological change, low skills and general detachment from the labour market). Attention has also been given recently to the increasing proportion of 'workless households' (ie, working-age households with no member in work), which rose from 9% to 21% between 1979 and 1996 (Gregg and Wadsworth, 1998a; HM Treasury, 1997a). The problems experienced by each of these groups are typically analysed in isolation from each other, so their explanations tend to be independent. In fact there is considerable coincidence between their geographical distribution: areas with a high incidence of lone parents tend to have high proportions of youth unemployment, long-term sickness, workless households, and so on (Turok and Webster, 1998; Webster, 1998b). This distribution is closely related to that for recorded unemployment, indicating that a crucial part of the explanation for the growth of these phenomena must be the deficient demand for labour. The incidence of worklessness is highest in the cities and coalfields.

Research based on the Labour Force Survey has confirmed a large increase in economic inactivity among men and hinted at its spatial unevenness. It shows a disproportionate impact on older manual workers in cities: "Inactivity has risen for all male groups, but is concentrated amongst those aged 50 and over and among the least skilled (and) in high unemployment regions, typically urban areas.... One in three men with no formal educational qualifications are now inactive, up from just 5% in 1979" (Gregg and Wadsworth, 1998b, pp 9, 3). It also shows that some sections of the inactive population are seeking employment and some do manage to get jobs, leading to the conclusion that: "current measures (of unemployment) may fail to account for a significant body of individuals who could be considered as part of the potential labour force" (Gregg and Wadsworth, 1998b, p 9).

More extensive research on the geography of inactivity has confirmed that it is highest in

inner urban areas and coalfields, and repeated the need to broaden the definition of unemployment to include at least some of them: "In general, the greater the degree of labour market disadvantage in an area, the smaller the proportion of people who would like to work who are included within conventional definitions of unemployment" (Green and Owen, 1998, p ix). Our own research indicates that the rate of increase in inactivity was highest in cities where job loss was greatest, such as Liverpool, Glasgow, Manchester, Newcastle and Doncaster (see Table 17 and Figure 27 in Chapter 6). Other research on the Population Census has found a very uneven distribution of 'workless households': 43% in the conurbation cores compared with 28% in 'urban and mixed urban-rural areas' (Atkins et al, 1996). Taken together, this evidence strongly supports the argument that demand-side factors (ie, the lack of jobs) were the biggest influence on rising inactivity – for individuals and households. This has important implications for the policies needed to reconnect the 'jobless' population to the labour market, that is, to get people back to work.

Government schemes and net out-commuting

The third major category was the number of men engaged in temporary government programmes such as Youth Training and Employment Training (Table 13). Most were likely to be seeking employment but participating in these programmes because of the lack of available jobs. People on these schemes were not identified as a separate category in 1981 but were split among the numbers in employment and education. The programmes expanded during the 1980s as unemployment rose, so it seems reasonable to include them as a separate category in 1991. If the total increase in inactivity plus those on government schemes were added to recorded male unemployment, it would be 430,000 or 7% higher than it was in 1991.

There was little apparent change in commuting patterns for men, with a slight increase in net outward commuting (Table 13). This suggests that outward commuting was not generally an effective mechanism of adjustment to employment decline. Other research on the 1991 Census has confirmed the "high dependence of inner city residents upon inner city job opportunities.... The low levels of 'reverse commuting' by city residents to satellite employment centres show that rural economic growth is not of much benefit to the urban workforce" (Atkins et al, 1996, pp 125, 6). This applies even more strongly to manual workers, since they are less likely to be car owners and commute shorter distances than others on average. These points are consistent with the spatial mismatch hypothesis, which suggests that employment decentralisation from the cities has been a problem for urban residents because gaining access to these jobs through commuting is very difficult. Webster (1994) has shown the importance of distance as an employment barrier, particularly for residents of deprived urban estates seeking access to jobs in the outer conurbation (see also McGregor et al, 1998). Commuting distances for many people are shorter than often assumed: in 1991 44% of all men commuters and 61% of women travelled less than three miles to work (Atkins et al, 1996, p 128).

Most research on the subject of locational obstacles to employment has been undertaken in the United States, where the issue has gained urgency by recent welfare reforms whereby strict time-limits on benefits oblige welfare recipients to find 'entry-level' jobs. A recent wide-ranging review of the literature concluded that: "there is a 'spatial mismatch' between where workers live and where jobs are located, and low-income workers often have no easy way to travel between home and work" (Pugh, 1998, p 1). In terms of the policy implications: "Federal, state and local leaders must recognise that spatial mismatch is not inevitable, and they must cease thinking of low-income job access as an issue having to do with mobility. The goal must be to bring jobs and people closer together, through controlling sprawl, increasing affordable housing in the suburbs and strengthening urban economies" (Pugh, 1998, p 3).

Female LMAs

Turning to the LMAs for women, the first contrast is that the number of jobs actually increased over the 1981-91 period, albeit by a modest 44,000 (Table 13). Unemployment also

increased very slightly overall, although this is mainly attributable to London. Another important contrast with the LMAs for men is the growth in economic participation among women. This increased labour supply in the cities by over 150,000, or 3.7% of the 1981 female workforce. The growth in female economic activity rates tended to be strongest where job growth was greatest, in cities such as Plymouth, Bristol, West Yorkshire and Cardiff. This suggests a demand-led explanation, that is, that women were drawn into the workforce by the availability of suitable jobs.

Interestingly, net out-migration was still significant for women – in apparent contradiction to the increase in employment. This may be because other factors influenced their decisions, including the migration behaviour of their partners. In addition, the disaggregated figures for specific cities are highly variable, as shown in the next chapter. They indicate a close relationship between the scale of net out-migration and the rate of employment change. Cities with large job losses were more likely to have substantial net out-migration (eg, Merseyside, Clydeside and Greater Manchester) whereas cities with increases in employment had negligible net out-migration (eg, Plymouth, Cardiff, Bristol and Edinburgh). In general, net out-migration tended to offset the effect of rising economic activity rates on the overall level of female labour supply.

Net inward commuting to the cities increased slightly (Table 13), again in contrast to the pattern of net outward commuting for men, but consistent with the overall employment pattern. There was a broad relationship between the direction and scale of change in commuting and the direction and rate of employment change. Cities with a relatively large gain in employment were more likely to have a decrease in net outward commuting (eg, Cardiff and Edinburgh) and cities with large job losses had an increase in net outward commuting (eg, Merseyside).

The differences between types of area

Male LMAs

Table 14 compares the male LMAs for the inner and outer conurbations and free-standing cities. The conurbation cores stand out as distinctive in several respects. They experienced the biggest loss of male jobs in relative terms. Yet paradoxically male unemployment also fell by slightly more than elsewhere. One of the reasons for this is that the decline in economic participation was greater than in the other areas. This is consistent with the higher rate of job loss, as explained earlier. The higher rate of net out-migration also appears to have been important. This may have been driven by the relatively high level of job loss, facilitated perhaps by the ease of residential decentralisation to suburbs in the outer

Table 14: Male labour market accounts for different types of area (1981–91)

		Conurbation cores		Outer conurbations		Free-standing cities	
		number	%*	number	%*	number	%*
	Loss of employment	384,000	20.0	274,000	8.6	97,000	8.8
PLUS	natural increase in workforce	23,000	1.2	76,000	2.4	35,000	3.2
MINUS	net out-migration	197,000	10.3	186,000	5.8	76,000	6.9
MINUS	change in net out-commuting	95,000	5.0	-5,000	-0.2	-13,000	-1.2
MINUS	decline in economically active	117,000	6.1	161,000	5.0	60,000	5.4
MINUS	number on government schemes	31,000	1.6	42,000	1.3	20,000	1.8
EQUALS	change in unemployment	-33,000	-1.7	-34,000	-1.1	-11,000	-1.0

*Note: *as a % of the economically active men in each area of working age in 1981.*

Source: Office for National Statistics (Census of Population)

conurbations, given their proximity and the large stock of property there. Increased in-migration to the outer areas would also be consistent with the slightly lower *net* out-migration rate from these areas.

The increase in net outward commuting from the conurbation cores was greater than from the outer conurbations and free-standing cities, although it was still not very substantial in relation to the scale of job loss. Commuting from the cores may have been easier because people were securing relatively accessible jobs in the outer conurbations, under pressure from the diminishing opportunities in the inner areas. It may also have been caused by a decline in inward commuting as a result of the sizeable job losses in the cores. Some evidence for this is provided in the Census analysis undertaken by Atkins et al (1996).

Female LMAs

Table 15 shows the pattern for women. The difference between the conurbation cores and the other areas is in some ways even more striking than for men. The cores also exhibit a pattern of adjustment that actually appears more like that for the male LMAs in several respects. For example, female employment fell in the conurbation cores but expanded elsewhere. This was reflected in two of the main supply-side responses – migration and participation patterns. The conurbation cores experienced a small decline in female activity rates, whereas the outer areas and free-standing cities experienced a substantial increase in participation. The cores also experienced higher net out-migration. This is consistent with the contrasting trends in labour demand and the points made earlier about the distinctive attributes and accessibility of the cores in relation to their surrounding areas.

The decline in net outward commuting may be more simply conceived of as a growth of net inward commuting. This particular figure was influenced by a sizeable increase in female net commuting into Inner London. Some of the apparent anomalies in the female LMAs, such as net out-migration from the outer conurbations and free-standing cities, may be explained by the fact that women's labour market decisions may be more strongly influenced than men by factors other than employment, including the behaviour of their partners.

Summary

The key conclusions of this chapter are:

- Male employment declined by about three quarters of a million in the cities between 1981 and 1991, yet recorded unemployment actually fell slightly. This was mainly because labour supply was reduced through net out-migration and increased inactivity.

Table 15: Female labour market accounts for different types of area (1981–91)

		Conurbation cores		Outer conurbations		Free-standing cities	
		number	%*	number	%*	number	%*
	Loss of employment	46,000	3.4	-44,000	-2.1	-46,000	-6.4
PLUS	natural increase in workforce	6,000	0.4	37,000	1.8	16,000	2.2
MINUS	net out-migration	70,000	5.2	66,000	3.1	28,000	3.9
MINUS	change in net out-commuting	-64,000	-4.8	27,000	1.3	-24,000	-3.3
MINUS	decline in economically active	14,000	1.0	-127,000	-6.0	-41,000	-5.7
MINUS	number on government schemes	20,000	1.5	27,000	1.3	12,000	1.7
EQUALS	change in unemployment	12,000	0.9	0	0	-5,000	-0.7

*Note: *as a % of the economically active women in each area of working age in 1981.*

Source: Office for National Statistics (Census of Population)

- In contrast, labour demand for women increased and economic participation and net inward commuting rose accordingly. Net out-migration cut the growth in labour supply.
- The conurbation cores experienced the highest levels of male job loss, net out-migration, and increased economic inactivity.
- Adjustment to job loss through out-migration is not benign since it is socially selective and imposes wider environmental and economic costs on the areas left behind.
- Adjustment through reduced economic participation disguises the reality of higher unemployment. It impacts disproportionately on older male manual workers.
- In view of the scale of these changes in labour demand and supply, our conclusion is that the jobs gap for men in Britain's major cities increased greatly during the 1980s.

6

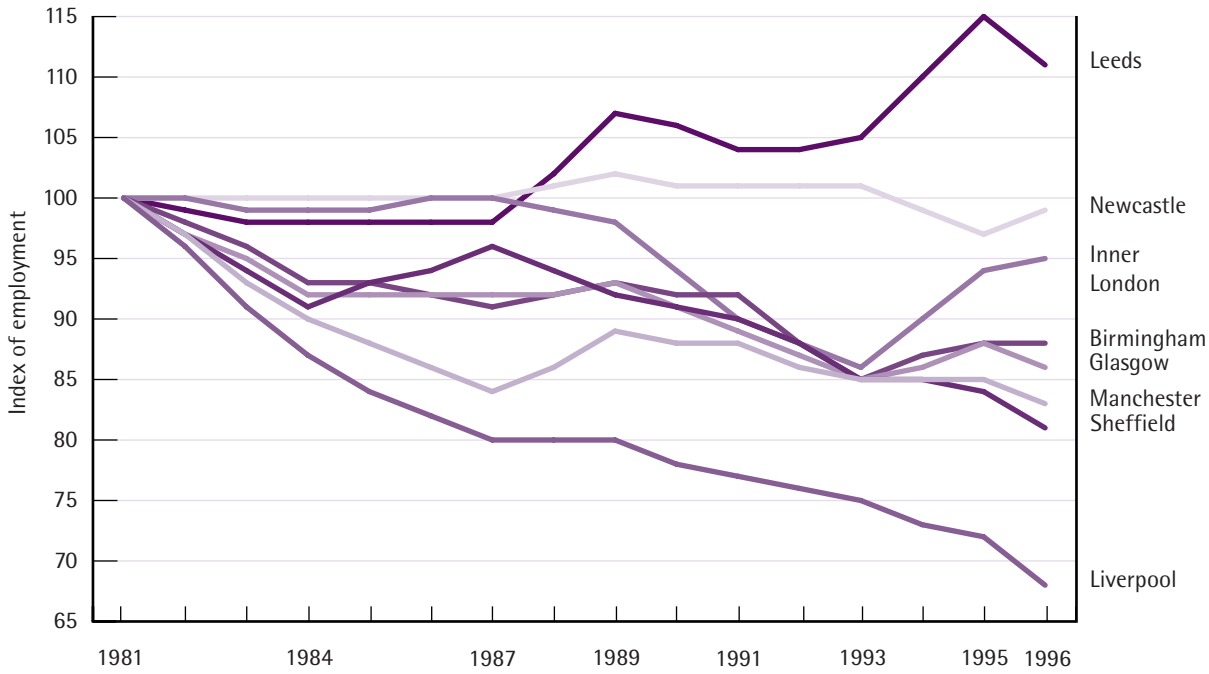
Differences between cities

There has been little discussion of specific cities so far. This chapter disaggregates the broad trends to consider some of the differences between individual cities. It considers which have been relatively successful and which have experienced greatest difficulties. It also examines whether some have adjusted more effectively to economic change than others.

Trends in total employment

Figure 22 shows the trend in total employment for the conurbation cores between 1981 and 1996 (Appendix C has the actual figures). At one extreme, Liverpool lost no less than a third of its jobs (83,000 altogether). The Merseyside conurbation appears to have suffered from a particularly damaging combination of international, national and local economic and political forces over the last two or three decades (see, for example, Meegan, 1988a, 1988b). This resulted in it being the only urban area in Britain to qualify between 1994 and 1999 for 'Objective 1' status from the European Structural Funds, which offers access to the highest level of financial assistance as a 'lagging region' in Europe (European Commission, 1994).

Figure 22: Indexed total employment change (1981–96) (1981=100) [Conurbation core only]

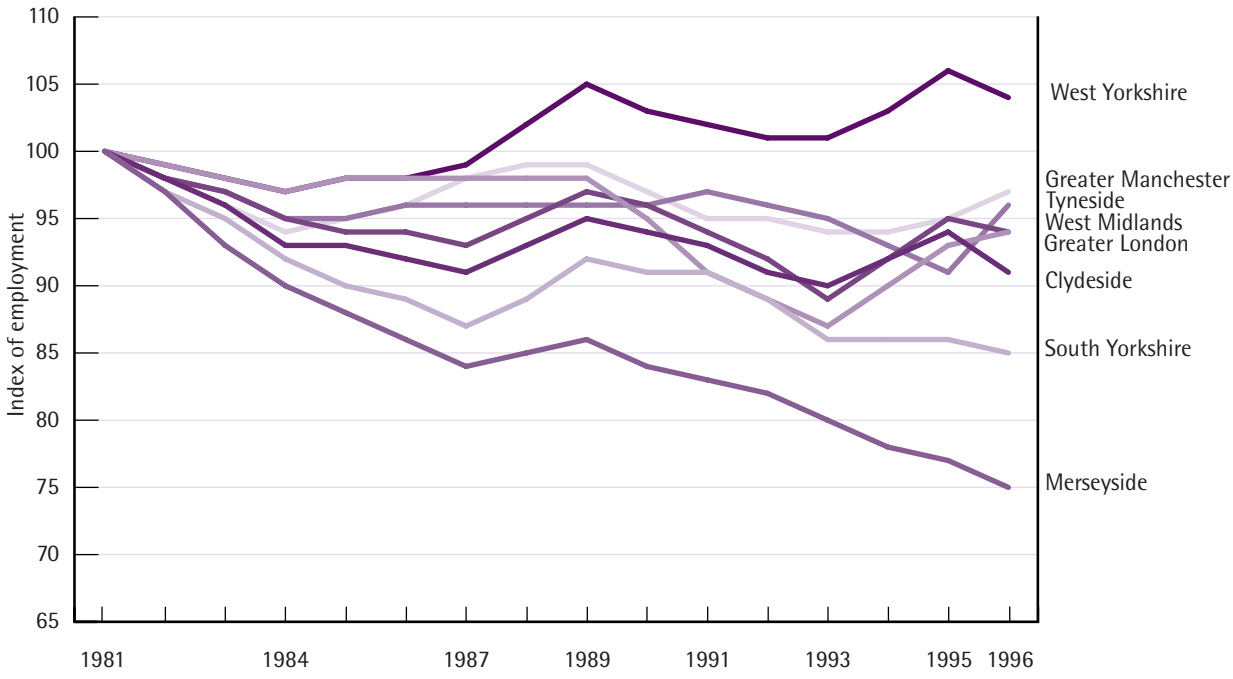


Manchester, Sheffield, Glasgow and Birmingham had broadly similar profiles to one another, each losing between 12-19% of their jobs (between 42,000 and 59,000 in each case). Newcastle was broadly stable until the mid-1990s when its performance dipped. Inner London was broadly stable until the late-1980s when it lost nearly a quarter of a million jobs, and then recovered some of them in the mid-1990s. The only conurbation core to expand employment was Leeds, which had an increase in jobs of 11% (33,000). Leeds has benefited from substantial investment over the last decade in its physical infrastructure, land and buildings, as noted in Chapter 2.

Figure 23 shows the trend in total employment for the whole conurbations (cores and outer areas combined) for the same period. The pattern is similar, although the range of variation is narrower. This is because the outer areas of most conurbations performed better than their cores (including Greater Manchester, Clydeside, Merseyside, West Midlands and South Yorkshire), except for the two cores which performed better than the rest and better than their outer areas too (West Yorkshire and Tyneside). Greater Manchester experienced the biggest difference between core and outer area; employment in the former fell by 19% while jobs in the latter increased by 5%. This was insufficient to offset the scale of decline in the core, so employment fell overall. The only conurbation to expand employment was West Yorkshire.

The performance of the free-standing cities was slightly better than the conurbations (Figure 24). Six cities expanded employment over the period 1981-96 and six contracted. Edinburgh and Cardiff experienced steady slow improvement in their position since the mid-1980s, while Nottingham's good long-term performance was more erratic in the short term. Sunderland stagnated during the 1980s but recovered during the 1990s. In contrast Bristol and Plymouth did well during the 1980s but fell back in the 1990s. Hull, Wigan and Coventry appear to have been on more of a roller-coaster than the rest.

Figure 23: Indexed total employment change (1981–96) (1981=100) [Conurbation core and outer districts combined]

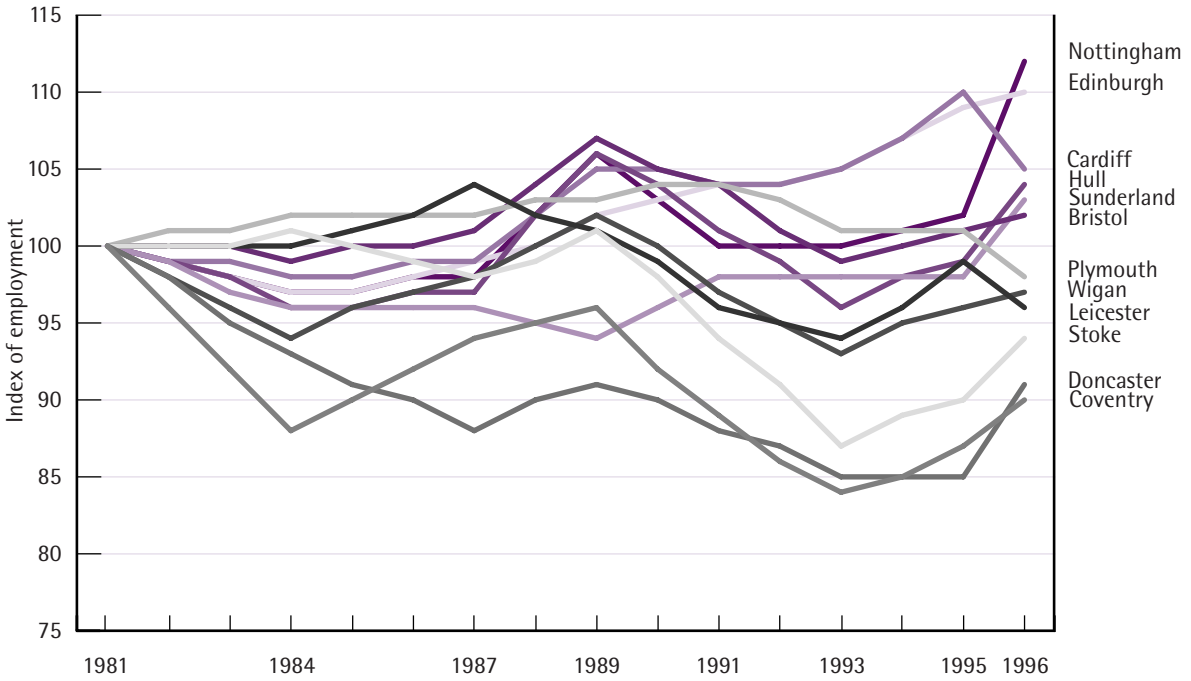


Sectoral and occupational trends

The performance of manufacturing was a major influence on total employment change in most cities (Table 16). Without its decline, every city except Merseyside would have had a higher overall level of employment now than in 1981. Every city experienced major manufacturing job losses except Sunderland.

Sunderland is interesting in having reversed its downward trend in manufacturing in the 1970s and early 1980s caused by the decline of shipbuilding and heavy engineering, and effectively restructured its economic base. Stone and Braidford's (1997) detailed analysis shows that the city's manufacturing growth over the last decade has been broad-based. It has involved the expansion of existing firms as well as new inward investment and subsequent reinvestment. It has occurred across a range of industrial sectors, including motor vehicles and components (led by Nissan) and electrical and electronic engineering. It has also happened in most parts of the district, including industrial estates on the old riverside, new sites on the urban fringe and the former Washington New Town. During the last decade this has produced an increase in full-time, male manual employment against the national trend. Local economic development policies have given particular emphasis to the promotion of manufacturing through investment in land improvement, strategic industrial sites, business parks and establishing close working relationships with local and incoming firms. The prime importance attached to ensuring an adequate supply of serviced land and property for business expansion and inward investment is clear from the City's land-use plans, economic development reports and promotional material (eg, City of Sunderland, 1996). In recent years a similar approach has been applied to the pursuit of financial services and call centres, with equivalent success in terms of job creation.

Figure 24: Indexed total employment change (1981-96) (1981=100) [Free-standing cities]



In cities such as London, Greater Manchester, West Midlands and West Yorkshire there were significant numbers of service sector jobs created which offset the scale of manufacturing decline. However, these were probably not very effective substitutes for the manufacturing jobs lost since they were mostly senior white-collar positions, as shown in Figures 25 and 26.

These figures show a fairly general, polarised pattern of occupational losses and gains. Every major city in Britain lost manual jobs between 1981 and 1991. The proportionate loss varied from about 40% in Liverpool and 33% in Glasgow, at one end of the spectrum, to about 10% in Plymouth and 12% in Stoke at the other.

Every major city in Britain except one also gained professional and managerial posts. The proportionate increase varied from about 32-33% in Nottingham, Edinburgh and Sunderland, to 0% in Liverpool and 10% in Newcastle.

The pattern of change in junior non-manual jobs was more varied. All but one of the conurbation cores and half of the free-standing cities lost these jobs. The proportionate change varied from an increase of 9% in Cardiff and 6% in Leeds to a decline of 22% in Liverpool and 21% in Inner London. The decline of these opportunities in many cities limited the scope for retraining of manual workers.

Patterns of adjustment

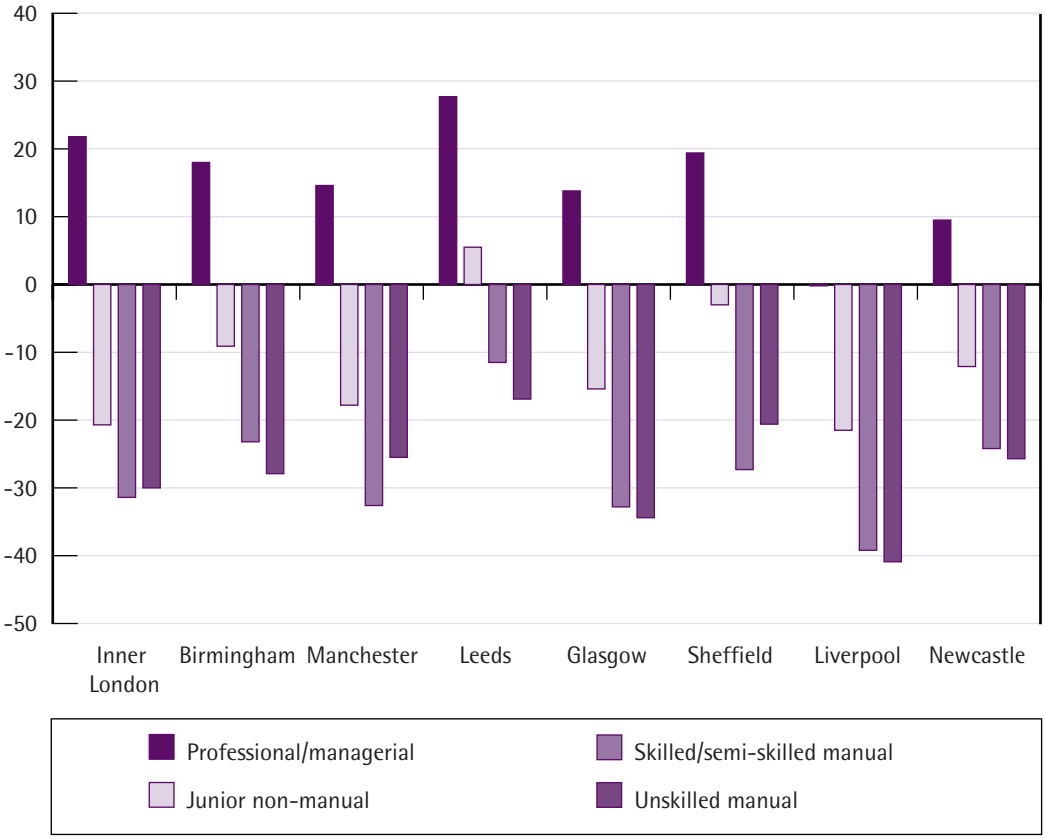
The decline in labour demand had varied consequences for the workforce in different areas. Tables 17 and 18 show the detailed LMAs for men and women for each conurbation core, outer conurbation and free-standing city. The cities are arranged in order of employment loss in order to facilitate comparison with the magnitude of labour supply responses.

Table 16: Change in manufacturing and total employment (1981-96)

	Manufacturing change (%)		Total employment change (%)	
Merseyside	-79	(-61%)	-116	(-25%)
Greater London	-402	(-59%)	-212	(-6%)
Coventry	-37	(-54%)	-14	(-10%)
Bristol	-25	(-51%)	5	(2%)
Edinburgh	-21	(-49%)	24	(10%)
Clydeside	-87	(-47%)	-60	(-9%)
South Yorkshire	-52	(-46%)	-48	(-15%)
Greater Manchester	-135	(-43%)	-24	(-3%)
Tyneside	-42	(-42%)	-14	(-4%)
Plymouth	-11	(-39%)	-2	(-2%)
West Midlands	-158	(-37%)	-59	(-6%)
Leicester	-26	(-35%)	-7	(-4%)
Doncaster	-9	(-33%)	-9	(-9%)
Nottingham	-18	(-33%)	19	(12%)
Stoke on Trent	-21	(-31%)	-10	(-6%)
Cardiff	-6	(-27%)	7	(5%)
West Yorkshire	-61	(-26%)	32	(4%)
Wigan	-7	(-23%)	-2	(-3%)
Hull	-6	(-21%)	5	(5%)
Sunderland	2	(9%)	3	(3%)

Source: Office for National Statistics (Annual Employment Survey) via NOMIS

Figure 25: Change in employment by SEG (1981-91) (1981=100) (%) [Conurbation cores]



Source: Office for National Statistics Census 1981 and 1991 Special Workplace Statistics

Comparing the first and last columns in Tables 17 and 18 confirms the lack of an apparent relationship between the scale of employment change and the change in recorded unemployment. This is because of out-migration, outward commuting and changes in economic participation (columns three, four and five). In fact all three of these variables seem to bear some relationship with the scale of employment change, although this does not mean they were effective at alleviating the job losses. For example, Figure 27 suggests a connection between the decline in employment and the reduction in economic participation among men. The relationship between employment change and economic participation appears even stronger among women. In Chapter 5 we suggested that this had the effect of disguising the reality of increased unemployment.

Looking at the male LMAs (Table 17), at one end of the spectrum, the cores of Liverpool, Manchester, London and Glasgow had high levels of local job loss accompanied by larger increases in net out-migration and net outward commuting, and bigger reductions in economic participation, than the other cities. For a detailed analysis of these processes, their obstacles and consequences in one of these cities, see Glasgow City Council (1996). At the other end, Edinburgh, Nottingham, Cardiff and Leeds had low levels of male job loss accompanied by smaller increases in net out-migration and reductions in economic participation. They also experienced a decrease in net outward commuting.

Table 17: Male labour market accounts for Britain's cities (1981-91), as a % of economically active men of working age in 1981

	Loss of employment	PLUS natural increase in workforce	MINUS net out-migration	MINUS changes in net out-commuting	MINUS decline in economically active	MINUS number on government schemes	EQUALS change in unemployment
Liverpool core	32.6	2.1	18.4	10.0	8.5	2.1	-4.3
Manchester core	25.4	0.8	16.4	3.3	7.4	1.6	-2.5
Inner London	23.1	*	6.3	8.8	5.4	1.2	-0.1
Glasgow core	21.8	*	16.1	0.9	9.5	2.4	-6.2
Newcastle core	20.8	–	7.8	5.2	6.5	5.2	-2.6
Doncaster	18.1	4.8	6.0	4.8	7.2	2.4	1.2
Coventry	17.4	3.3	13.0	6.5	5.4	1.1	-6.5
Outer Merseyside	17.1	6.4	15.5	2.1	7.5	2.1	-3.7
Outer Tyneside	16.4	–	7.9	3.0	6.7	2.4	-3.6
Birmingham core	16.3	3.5	13.5	3.1	5.2	1.7	-3.5
Sheffield core	15.8	1.3	7.2	4.6	5.9	2.0	–
Outer South Yorkshire	15.3	5.6	5.6	4.2	6.9	2.8	–
Hull	13.2	5.3	11.8	1.3	5.3	2.6	-3.9
Plymouth	11.4	4.3	5.7	–	4.3	2.9	2.9
Outer Clydeside	11.1	*	3.0	2.2	7.0	1.8	-3.0
Leicester	10.6	4.3	11.7	-1.1	4.3	1.1	-1.1
Sunderland	9.5	4.8	9.5	-3.6	8.3	3.6	-3.6
Stoke	9.2	0.9	3.7	0.9	5.5	1.8	-2.8
Outer West Yorkshire	7.5	5.6	6.2	1.6	5.0	1.6	0.9
Outer Greater Manchester	7.4	4.5	8.5	-0.9	5.3	1.1	-1.9
Bristol	7.3	1.5	5.1	–	2.8	1.5	–
Outer London	7.0	*	2.9	-1.8	4.0	0.8	2.0
Outer West Midlands	6.1	4.6	7.8	–	4.6	1.5	-3.5
Wigan	4.5	6.8	4.5	–	8.0	1.1	-1.1
Leeds core	3.0	3.5	7.5	-4.5	4.0	1.0	-1.5
Cardiff	2.7	2.7	2.7	-4.0	5.4	1.3	-2.7
Nottingham	2.6	2.6	9.2	-10.5	5.3	1.3	1.3
Edinburgh	1.6	*	2.5	-6.6	4.9	1.6	-1.3

*Note: *the relevant data on population survival rates used to calculate the natural increase in the workforce was not available for Scottish districts or Greater London. This means that the net out-migration figure quoted in the third column is in fact the total demographic contribution (ie out-migration less the natural increase).*

Table 18: Female labour market accounts for Britain's cities (1981–91), as a % of economically active women of working age in 1981

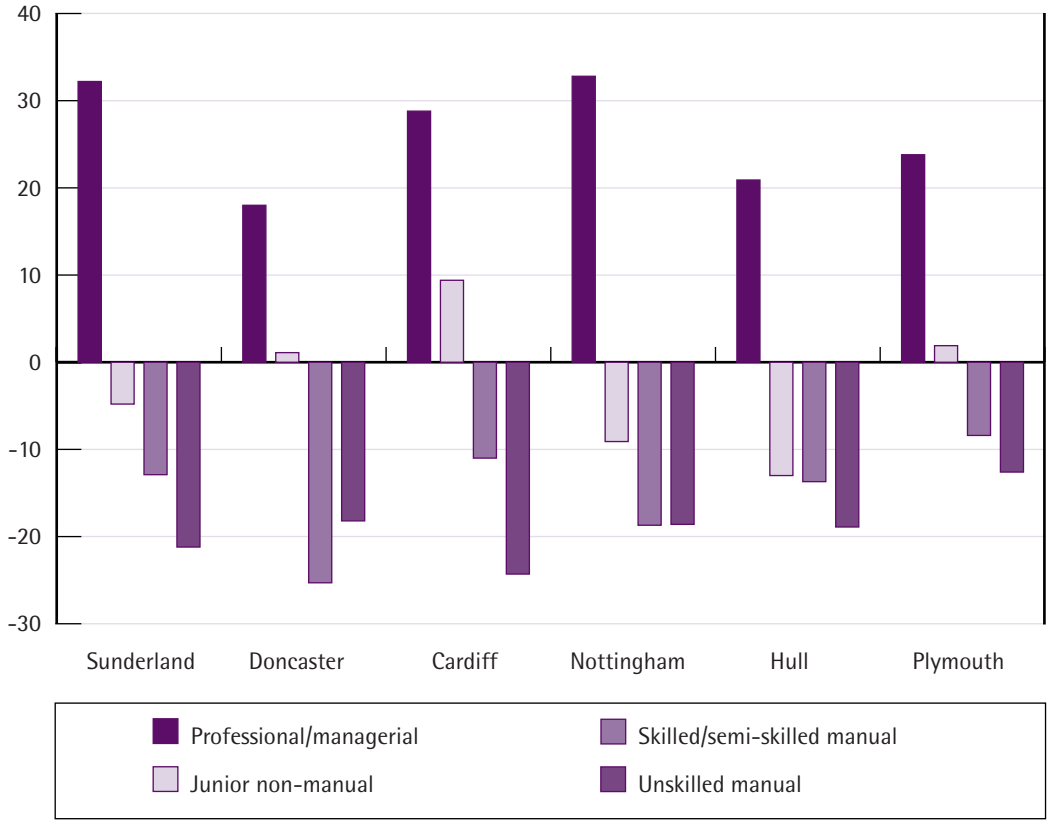
	Loss of employment	PLUS natural increase in workforce	MINUS net out-migration	MINUS changes in net out-commuting	MINUS decline in economically active	MINUS number on government schemes	EQUALS change in unemployment
Liverpool core	20.8	–	11.5	4.2	3.1	2.0	-1.0
Glasgow core	11.6	*	12.9	-5.4	4.8	1.4	-2.0
Manchester core	9.6	–	9.6	-6.0	6.0	1.2	–
Sheffield core	7.1	–	4.0	-3.0	-5.1	2.0	1.0
Newcastle core	5.7	-1.9	3.8	-1.9	–	1.9	1.9
Outer Merseyside	5.7	4.1	11.4	–	-4.1	2.4	-1.6
Coventry	3.4	3.4	10.3	3.4	-5.2	1.7	-1.7
Birmingham core	2.2	2.2	6.5	-3.2	–	1.6	-1.1
Hull	–	2.2	8.7	–	-6.5	2.2	2.2
Inner London	-0.2	*	1.5	-7.6	2.8	1.3	3.1
Outer Clyeside	-0.5	*	1.6	4.9	-5.5	1.6	-2.7
Outer London	-1.5	*	0.6	1.3	-5.4	0.8	1.9
Wigan	-1.8	5.3	1.8	7.0	-5.3	1.8	–
Outer Tyneside	-1.9	-1.0	4.8	-1.0	-6.7	1.9	-1.0
Sunderland	-2.0	5.9	5.9	2.0	-7.8	2.0	-2.0
Outer Greater Manchester	-2.5	3.4	5.3	-0.3	-5.3	1.1	-0.8
Stoke	-2.8	–	1.4	-1.4	-2.8	1.4	-1.4
Nottingham	-4.0	2.0	4.0	-9.8	–	2.0	2.0
Outer West Midlands	-4.1	3.7	5.7	0.4	-7.4	1.6	-0.8
Doncaster	-4.2	4.2	6.3	2.1	-8.4	2.1	-2.1
Leicester	-4.5	4.5	6.1	-7.6	–	1.5	–
Outer London	-6.3	4.8	1.9	2.4	-8.2	1.4	-0.5
Outer West Yorkshire	-7.0	4.7	4.7	2.3	-11.6	2.3	–
Leeds core	-9.0	2.2	4.5	-3.0	-8.3	1.5	-0.7
Edinburgh	-9.6	*	2.1	-9.6	-2.1	1.1	–
Bristol	-12.2	–	2.2	-5.6	-11.1	1.1	–
Cardiff	-18.0	–	–	-10.0	-8.0	2.0	–
Plymouth	-20.0	2.5	–	-5.0	-15.0	2.5	–

*Note: *the relevant data on population survival rates used to calculate the natural increase in the workforce was not available for Scottish districts or Greater London. This means that the net out-migration figure quoted in the third column is in fact the total demographic contribution (ie out-migration less the natural increase).*

Figure 26a: Change in employment by SEG (1981-91) (1981=100) (%) [Free-standing cities]

Source: Office for National Statistics Census 1981 and 1991 Special Workplace Statistics

Figure 26b: Change in employment by SEG (1981-91) (1981=100) (%) [Free-standing cities]



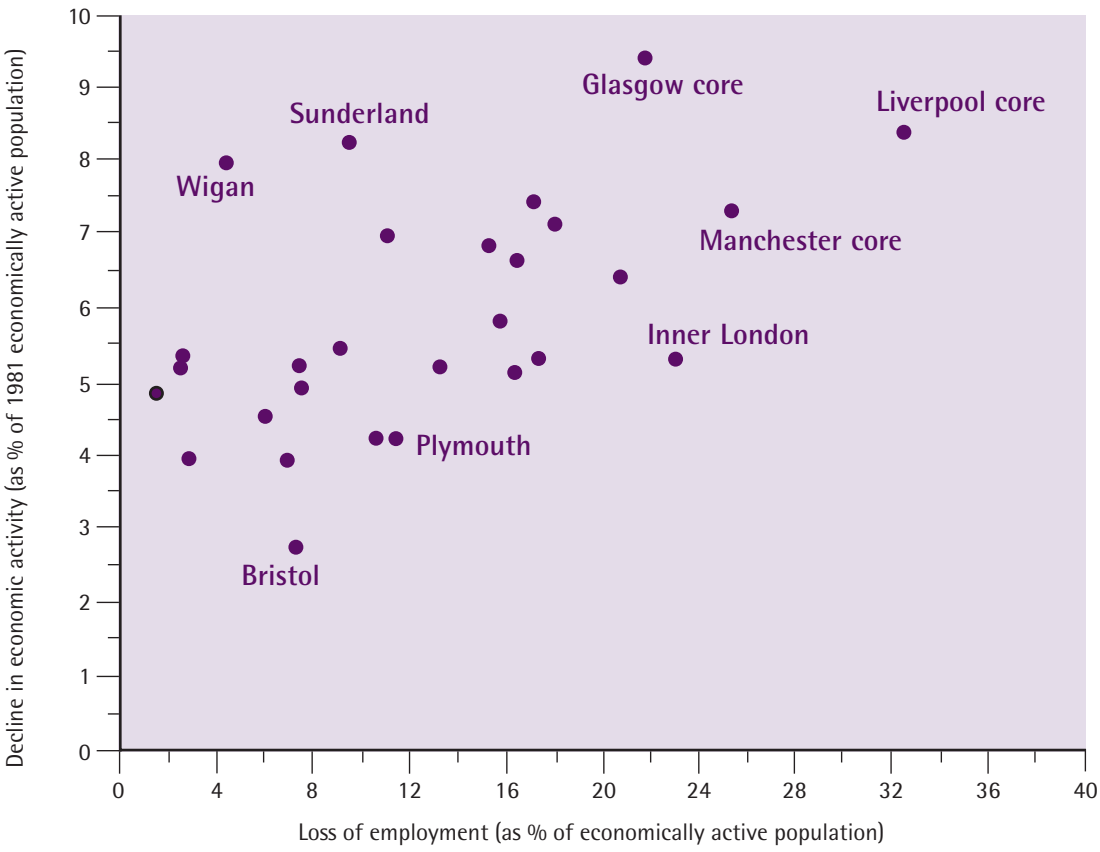
Source: Office for National Statistics Census 1981 and 1991 Special Workplace Statistics

Cities that stand out as having relatively high net out-migration considering the scale of male job loss (implying stronger than average adjustment) include Merseyside (core and outer areas), Glasgow core, Birmingham core, Manchester core and Coventry. Movement out to surrounding areas may have been easier and the influence of residential preferences more important than elsewhere. Cities that stand out as having relatively low net out-migration (implying weaker than average adjustment) include Inner London, Newcastle core, Doncaster and outer Clydeside. Out-movement may have been more difficult to other areas or it may have been offset by in-flows, particularly in London (Champion and Ford [1998] provide some evidence for the latter).

Cities that stand out as having a large increase in net outward commuting considering the scale of male job loss (implying stronger than average adjustment) include Inner London, Coventry and Sheffield core. Commuting was either relatively easy from here to surrounding areas (eg, Coventry to the West Midlands), or inward commuting declined, perhaps because of the loss of jobs. Cities with a small increase in net outward commuting or a decrease (implying weaker than average adjustment) include Glasgow core, Manchester core and Sunderland. Commuting may have been more difficult from here to surrounding areas, either because of factors such as the poor transport links and competition from other areas, or inward commuting increased.

Cities with a large increase in economic inactivity considering the scale of male job loss (implying greater than average discouragement or hidden unemployment) include Glasgow core, Sunderland and Wigan (Figure 27). Cities with a small increase in economic inactivity (implying smaller than average discouragement or hidden unemployment) include Inner London, Plymouth and Bristol. The explanation for these differences requires further research, but it may have something to do with the regional economic context since the former are in the North and the latter in the more buoyant South of Britain where alternative job prospects were, or were perceived to be, better. The city's industrial history may also be relevant – incapacity may be genuinely higher in areas of traditional heavy industry and mining.

Figure 27: Change in male employment and economic participation (1981–91)



Cities with a large reduction in recorded unemployment considering the scale of male job loss include Glasgow core, Liverpool core, Coventry and Manchester core. All experienced high net out-migration; Coventry had a large increase in net outward commuting, and all except Coventry had large increases in economic inactivity. The latter indicates that the large reduction in recorded unemployment was partly cosmetic. Beatty et al (1997b) have produced the most systematic estimates of real unemployment for different areas. They estimate that the real level of male unemployment in January 1997 was 37.4% in Liverpool City, 35.3% in Glasgow City and 33.8% in Manchester City, compared with the official claimant count rates of 20.7%, 16.7% and 19.6% respectively.

Turning to the female LMAs (Table 18), at one end of the spectrum the cores of Liverpool, Glasgow and Manchester had high levels of job loss accompanied by generally high levels of net out-migration and reduced economic participation (changes in commuting were more variable). At the opposite end, Plymouth, Cardiff, Bristol and Edinburgh had high levels of job creation accompanied by generally lower levels of net out-migration, a decrease in net outward commuting and a rise in economic participation.

Cities with high net out-migration among women considering the scale of change in employment include Glasgow core, outer Merseyside and Coventry. Since migration among men and women is often linked, it is not surprising that they also had high net out-migration for men. Cities with relatively low net out-migration include Inner and Outer London, Sheffield and Newcastle core, Wigan and outer Clydeside. Some had similar patterns for men. Further observations about female adjustment processes are made in Chapter 5.

Finally, in terms of the consequences for recorded and hidden unemployment, Liverpool, Glasgow and Manchester stand out as having had reductions in female economic participation, in contrast to the general pattern among women but consistent with the scale of job losses in these cities. Beatty et al (1997b) estimate that the real level of female unemployment in January 1997 was 24.7% in Liverpool, 24.3% in Glasgow and 21.2% in Manchester, compared with the official claimant count rates of 7.6%, 5.4% and 7.3% respectively. The discrepancy was smaller elsewhere.

Summary

This chapter has shown that:

- There are differences between the economic performance of cities. Merseyside's decline has been broader and deeper than any other city. Edinburgh and Cardiff have experienced steady slow growth for the last decade.
- Manufacturing decline has had a major influence on overall employment trends in most cities. Job creation in most service sectors has not met the need for more manual jobs.
- The decline in demand for male labour has not been translated into an equivalent increase in recorded unemployment because labour supply has fallen through out-migration, economic inactivity and outward commuting.
- Although most cities have experienced steady falls in jobs and population, there remains a sizeable and growing jobs gap, taking into account hidden unemployment. This is highest in Glasgow, Liverpool and Manchester.
- The situation for women has been better with employment expansion in most cities, accompanied by increased economic participation and a fall in net outward commuting. Liverpool, Glasgow and Manchester have fared less well, so the real level of female unemployment is high here too.

7

Conclusions and implications

The main purpose of this report has been to assemble evidence on recent employment trends in Britain's cities and to examine the consequences for the population. This chapter summarises the main findings before identifying several implications for policy.

Employment trends

The long-standing economic and labour market disparities between cities and other areas in Britain have continued to widen since the 1970s. The relative and absolute decline of employment in the major cities have not diminished in the last two decades, contrary to many expectations. Moreover, the large conurbations, particularly their inner areas, have experienced steeper decline than the free-standing cities. Across Britain, the rate of change in employment has generally exceeded shifts in population, suggesting that economic trends are a stronger driving force.

Two processes appear to have been at work – deindustrialisation and an urban–rural shift. The decline of manufacturing is responsible for the bulk of job losses in most cities. However, they have also suffered from a continuing urban–rural drift, or net decentralisation of economic activity. This has affected all the major sectors of the urban economy, including business services, consumer services, public services and manufacturing. The poor employment performance of the conurbations compared with other areas cannot be reduced to 'the decline of traditional industries' since it has been broad-based.

Socioeconomic trends

There has been a large-scale loss of full-time male, manual jobs in Britain, particularly in the cities. There has also been considerable growth in part-time female employment, particularly in the towns and rural areas. These patterns are linked to the decline in manufacturing in the cities and the growth in services elsewhere. The decline in manual employment is probably the most important single issue facing urban Britain. Professional and managerial jobs have expanded, but are generally inaccessible to people who have experienced a loss of manual employment. A better understanding of occupational mobility and the relationship between industrial and occupational trends are important for researchers and policy makers.

The heavy loss of male employment in the cities has been accompanied by substantial out-migration and a big decline in economic participation. As a result, recorded unemployment has not risen much, if at all, among urban residents. At first sight this may appear to be a satisfactory outcome. However, out-migration has been a selective process, favouring those in work and with better-paid non-manual jobs. Few city residents seem to have been able to respond to urban employment decline by commuting elsewhere to work. Many of the workers displaced by the loss of manual jobs appear to have become hidden unemployed. The real level of unemployment appears to have risen to a very high level in many of Britain's cities, particularly in the cores of the major conurbations.

Diversity among cities

Merseyside's decline has been much broader and deeper than any other city. Edinburgh and Cardiff have experienced the steadiest growth of any city over the last decade or so. The decline of manual jobs in manufacturing has had a pervasive influence on labour market trends in most cities. Job creation in other sectors has not provided an effective substitute in terms of quantity or character.

Although most cities have experienced falls in both labour supply and demand, there has been an increasing imbalance between them – a 'jobs gap' – particularly bearing in mind the growth of hidden unemployment among men. This is highest in the conurbation cores of Merseyside, Clydeside and Greater Manchester. The situation for women has generally been better with employment expansion in most cities accompanied by increased economic participation and inward commuting. Merseyside, Clydeside and Greater Manchester have fared less well than the other cities and appear also to have relatively high real rates of female unemployment.

Policy implications

What should be done about these trends? First, there appears to be insufficient awareness or understanding of the increasing economic divergence between major cities and other parts of the country among national policy makers. In the fields of housing and land-use planning, there has been renewed interest in recent years in redirecting physical development towards the cities and constraining it in the countryside, for environmental and political reasons. However, there appears to have been less interest in or willingness to tackle the crucial employment and economic dimensions.

For example, the Urban Task Force recently set up by the DETR under Lord Rogers was charged with recommending ways of regenerating cities based upon the principles of "design excellence, social inclusion and environmental responsibility" (Rogers, 1999, p 2). The fundamental importance of a stronger economic base was omitted and indeed it is hard to find many references to the issue of employment in the interim report. Housing is asserted to be "the regeneration driver" along with local services such as education, police and health (Rogers, 1999, p 3). The need to increase the quantity and suitability of employment opportunities in order to raise local incomes, reduce poverty, and retain and attract population is not mentioned.

The policies of government departments other than the DETR that are addressed to the major issues of unemployment, welfare reform and macroeconomic management show little apparent awareness of the wide and growing economic and social disparities between the cities and the rest of the country. The government have recently acknowledged that the number of people who want to work is much higher than the official level of unemployment, but the existence and significance of widening geographical divisions has been neglected.

For the labour market to function effectively and to allow the economy to grow more quickly without running into constraints, locational disparities in the balance between labour supply and demand need to be addressed just as much as the issues of education, training, work incentives and childcare. The recent Treasury statement that "when the economy moved into the recovery phase, labour market bottlenecks, skills shortages and wage inflation stalled recovery while worklessness remained at unacceptable levels" (HM Treasury, 1998b, p 52) lacked any recognition that geographical unevenness may have been part of the explanation. According to one influential commentator, "the available labour force evidence suggests that not only is relative economic expansion in the conurbations one of outstanding economic and social appeal for a variety of reasons, it is also the case that the available manpower has the required breadth of skills and other characteristics to support the envisaged development" (McCormick, 1991, p 25).

Central government tends to perceive the difficulties of urban areas as essentially social and confined to specific neighbourhoods. This emerges in the recent report of the Prime Minister's Social Exclusion Unit (1998) which introduced the New Deal for Communities initiative. Similarly, an important DETR paper stated that: "The rationale for this (urban

regeneration) is largely social" (1997, para 2.2). Such views are echoed in the Treasury: "Unemployment, poor educational attainment and benefit dependency often interact with other social problems such as bad housing, crime and substance misuse to create a vicious circle of disadvantage. The concentrations of disadvantage and deprivation in small and specific areas are of particular concern as some of the worst effects of worklessness and low pay are felt by children" (HM Treasury, 1997b, p 47). Missing from these reports and policies is proper recognition of the economic and employment dimensions of urban problems, and the essential city-wide context for neighbourhood decline and regeneration. Without the latter, there is a danger that cities will become more of a blind spot in terms of current policies, falling between the current focus on neighbourhood initiatives and the wide orientation of the new Regional Development Agencies. There are lessons here for all levels of government.

Second, in the fields of employment and labour market policy, the study has revealed the overriding importance of taking action to increase labour demand in and around the cities. Supply-side adjustment to geographical shifts in labour demand does take place and on some scale. However, the main mechanism – migration – is socially selective, time-bound and generates problems of its own in the areas left behind. Outward commuting does not appear to be viable on a significant scale in most cities, partly because of various obstacles involved and an insufficient rate of job growth within a reasonable commuting distance that people can compete for. Retraining and upskilling are likely to have a limited impact on unemployment in a context of generally deficient labour demand. Historical evidence also suggests that it is unrealistic to expect people with limited formal skills and qualifications to secure the non-manual jobs becoming available in cities, as the growth has been in professional and managerial positions, not clerical and administrative jobs. So, there is a particular need to expand employment opportunities for blue collar workers, and greater effort and resources should be devoted to this important challenge by all levels of government.

Third, economic inactivity needs to be recognised as a more important issue than at present, and distributed unevenly with a particular concentration in the cities. It disguises the real level of unemployment, especially among older male manual workers, and is far from benign in its economic, social, health and other consequences for individuals, households and communities. These are not simply people who have taken early retirement: "many would work if they had the opportunity and incentive to do so" (HM Treasury, 1997b, p 46).

A precondition for getting more than a few of them back to work is to increase labour demand through spatial targeting of economic development towards areas where the rate of hidden unemployment and worklessness is highest. In some cases this may need to be supported by specific supply-side measures to reduce any additional obstacles people face, including inflexibilities in the benefits system and possible lack of self-confidence.

Current government programmes seem to have got the balance wrong in addressing this challenge. The overwhelming emphasis in the policy to get people off welfare benefits and into work has been on supply-side issues – personal motivation, behaviour, incentives and skills – with no commitment to expand labour demand. In the major cities the Welfare to Work programme implies pushing all workless groups into jobs in local labour markets that are already experiencing a substantial over-supply of labour. It is difficult to see how the policy can succeed in these circumstances (Turok and Webster, 1998).

The most important single mechanism for expanding labour demand and creating appropriate employment for manual workers probably involves investing in land improvement, strategic sites and infrastructure to accommodate business expansion and attract inward investment back to the cities. Property-led regeneration has attracted adverse publicity in the past, particularly when short-term commercial imperatives and the allure of symbolic flagships dictated the nature and pace of development (Turok, 1992). This led to a spate of grandiose retail and leisure centres, and disregard for short-distance 'boundary hopping'

by firms to take advantage of available financial incentives.

Cities such as Sunderland and some of the more far-sighted and economically-oriented Urban Development Corporations have demonstrated that with a single-minded objective to create additional jobs relevant to the unemployed, much can be achieved by reclaiming vacant and derelict land, providing modern infrastructure and developing industrial sites and premises within reach of poorer neighbourhoods. In a different historical and spatial context, the New Town Development Corporations recognised the key role of land and infrastructure to attract investment and create employment, particularly of the kind that was suitable for people in housing need at the time, that is, blue-collar workers.

Depending on the specific objectives and circumstances, different approaches may be used, ranging from broad tax incentives for private developers, proactive joint ventures between the public and private sectors, or a more directive role for public bodies. There are increasing environmental as well as social and economic arguments for promoting economic development in and close to the cities in this way. The long-term economic impact of such a policy would be enhanced by complementary measures to improve the provision of 'soft' services to help local and incoming firms to develop and expand, including advice and training in export promotion, growth management, supply chain and cluster development, technological support and reinvestment.

Cities seem good locations for promoting innovation, knowledge-based industries, modern manufacturing and distribution centres, given their large and diverse labour supply and relevant institutions. A pragmatic approach might mean the provision of sites within or on the edge of built-up areas, depending on land availability, the strategic road network, other essential infrastructure and proximity to areas of high unemployment. Local training, work experience and job access schemes for the unemployed linked to emerging employment opportunities are other helpful elements of an integrated regeneration package.

A phased programme of physical improvement to the fabric of old industrial cities would provide opportunities for short-term employment and training as well as longer-term economic development. The recent report of the DETR Coalfields Task Force offered an unusually comprehensive set of proposals for revitalising coalfield communities (DETR, 1998). They were to be 'kick-started' by reclaiming key sites for development and providing suitable infrastructure to attract inward investment and create new jobs. Something with similar ambition and breadth of vision is needed for Britain's cities.

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A

Appendix A: Methods and sources

This appendix explains the procedure followed to define the cities, industries, occupations and labour market accounts in a consistent way, and discusses the sources of data employed.

Area definition

Since the purpose of the study was to portray the broad pattern of employment change and labour market adjustment across cities in Britain, the selection and definition of cities did not have to be very sophisticated. Nevertheless it had to be as transparent and consistent as possible in terms of internal structure, boundary definition and size thresholds. The relevant concept of a city was deemed to be a continuous built-up area above a certain population size. Since two different data sources were to be used (the Census of Population and Annual Employment Survey) and for several different points in time, the basic geographical unit used as the building block had to be simple.

The starting point was all local authority districts with a population of over 250,000 in 1991. This is inevitably a somewhat arbitrary threshold, but consistent with many previous studies and yields a manageable number of cities. To convert these districts into continuous built-up urban areas, the mapped definition of 'Urban Areas' used by OPCS on the basis of the 1991 Census (Key Statistics for Urban Areas, 1997) was consulted. The qualifying local authority districts were then amalgamated according to these definitions to get an approximation for the mapped urban area. In addition, adjoining districts with a population of less than 250,000 but which clearly formed part of the larger urban area were also added for completeness. In practice this meant districts where most of their area was part of the continuous built-up area of the main city district. For example, Birmingham, Dudley, Sandwell, Walsall and Wolverhampton districts (all with over 250,000 population) were aggregated with Solihull (200,000 population) to form the West Midlands conurbation. The strict Census definition of Urban Areas could not be used since it was not consistent with the 1981 data or the Annual Employment Survey.

The local authority districts that were not contiguous with several other urban districts were classified as free-standing cities. Three of them had a single adjoining local authority district that included a substantial part of the mapped Urban Area, so it was included in the city definition as well. They were Bristol (including Kingswood), Stoke-on-Trent (including Newcastle-under-Lyme) and Leicester (including Oadby and Wigston).

This produced a list of 20 'cities' ranging in size from Plymouth (255,000 population) to Greater London (7 million population). Three clear size bands were apparent: (i) 12 free-standing cities (all between 250,000 and 500,000): Bristol, Edinburgh, Stoke-on-Trent, Leicester, Wigan, Coventry, Sunderland, Doncaster, Cardiff, Nottingham, Hull and Plymouth; (ii) seven conurbations (all over 750,000): West Midlands (defined above), Greater Manchester (including Manchester, Salford, Bolton, Bury, Oldham, Rochdale, Stockport, Tameside and Trafford), West Yorkshire (Leeds, Bradford, Kirklees and Wakefield), Clydeside (Glasgow, Clydebank, Bearsden & Milngavie, Strathkelvin, Cumbernauld & Kilsyth, Monklands, Motherwell,

Hamilton, East Kilbride, Eastwood and Renfrew), South Yorkshire (Sheffield and Rotherham), Merseyside (Liverpool, Knowsley, Sefton and St Helens) and Tyneside (Newcastle, Gateshead, North Tyneside and Gateshead); and (iii) Greater London.

The next step was to distinguish the inner area from the outer area of the conurbations, in order to facilitate analysis of decentralisation trends and the comparative performance of the core and surrounding area. The simplest and most consistent approach was to define the core as the central local authority district (ie, Glasgow, Manchester, Liverpool, Newcastle, Leeds, Sheffield and Birmingham City Councils) and the outer area as all the surrounding districts. These cores inevitably differed in terms of population size, density and the proportion of the whole conurbation they comprised. The approach was different in London, where the customary definition of inner and outer London boroughs was used. To explore the issue of decentralisation and core-periphery performance in the free-standing cities, data was also assembled for all their surrounding contiguous local authority districts.

Other approaches to city definition are possible of course. Our procedure is broadly similar to that followed by Begg et al (1986), although it relies slightly less on administrative boundaries (they simply used the six largest metropolitan counties as their conurbations and the next 17 largest free-standing cities based on pre-1974 local authority boundaries). We relied more on the OPCS mapped definition and rules about continuous built-up Urban Areas. Where the report updates the Begg et al analysis of the 1951-81 period, their original boundaries and city definitions were used as far as possible for the sake of consistency. Our procedure was even more similar to Fothergill et al (1985) except that they were more flexible in applying the 250,000 cut-off and in incorporating adjoining districts. Consequently, they included Southampton, Brighton, Bournemouth, Derby and Teesside as free-standing cities on the grounds that they had adjacent urban districts. We felt it necessary to be clear and consistent in applying certain rules and thresholds and in deciding whether to include adjoining districts. In practice, both authors agree with us that the differences between our approaches to area classification and city selection are unlikely to make any real difference to the findings (personal communication). We also believe that the fact that some cities have more tightly-drawn administrative boundaries than others does not affect the findings substantially.

Data sources

Most of the employment data used in the report was derived from the most authoritative, regular and up-to-date source – the Annual Employment Survey (previously called the Census of Employment) for the years 1981, 1984, 1987, 1989, 1991, 1993, 1995 and 1996, extracted through NOMIS. Analysis over this period was possible without major conversions of the data required by revisions to the Standard Industrial Classification prior to 1981. The 1981-96 time period also enabled analysis over more than one economic cycle and permitted parallel analysis of the 1981 and 1991 Censuses of Population for other relevant variables.

The Annual Employment Survey provides valuable information on employment patterns based on workplaces rather than the residence of people in work. It provides a breakdown by industrial sector, gender and full/part-time working. In presenting total employment figures, full- and part-time jobs were treated the same and added together with no adjustment. Given the relative growth of part-time work, this tends to overstate the overall expansion in employment. However, this is considered more transparent than arbitrarily treating a part-time job as, say, worth only half a full-time job. This did not emerge as an issue in any case since the spatial trends in full- and part-time employment were consistent.

The main disadvantage of the Annual Employment Survey is the omission of self-employment, which is known from other sources to have increased, particularly during the 1980s. It rose from an estimated 8.8% of total employment in the UK in 1971 to 9.2% in 1981 and 12.7% in 1996 (Wilson, 1998). It stabilised in the 1990s as a result of changes in regulations relating to self-employment and their enforcement, for example, to prevent tax avoidance. The omission of self-employment is a particular problem in the construction industry, so we have not analysed construction as a separate sector in Chapter 2. However, its

omission is unlikely to affect generalisations about broad employment trends in different areas. Support for this view can also be derived from recent research on the Population Census in England, which found that between 1981 and 1991 the "increase of 2.9 percentage points (in self-employment) was distributed remarkably uniformly across all the district types, so that the 1981 pattern of differentials was little altered" (Atkins et al, 1996, p 38). In fact the inner areas of the larger cities saw self-employment rise by less than the average.

The analysis of occupations (Chapter 3) and labour market accounts (Chapters 4-6) made use of data from the 100% Census of Population Small Area Statistics and the Special Workplace Statistics (SWS), which is a 10% sample providing additional information on employment and socioeconomic status. All SWS figures were grossed up by a factor of 10 where necessary to allow use alongside the 100% Census data. Comparisons between the 1981 and 1991 Censuses raise potential problems because of the changing definition of the population base, changes in the categories used to collect and present the data, and changes in the nature and scale of underenumeration (eg Champion, 1995). Some of these problems were limited since consistent data categories were employed wherever possible. In other cases adjustments were made to the 1991 Census population to align it closer to the 1981 definition and to reduce the significance of undercounting (described in the last section below).

Standard Industrial Classification

The comparability of industrial sector definitions is obviously important in examining employment trends over time. The Standard Industrial Classification (SIC) was substantially revised in 1980 and to a lesser extent again in 1992, so some of the categories are not consistent before and after these dates. This was not a major problem in this study since rather broad industrial categories were used which were not greatly altered in the 1992 revision of the SIC and we did not use data prior to 1981. The change with most relevance that was introduced in the 1992 revision was the subdivision of the broad service sector category in SIC80 into several new categories (financial and business services, public services and other services). In order to present the 1981-91 data based on SIC80 in the same format as the 1993-96 data based on SIC92, we redistributed the two-digit categories in the following manner:

Banking/finance + insurance + business services + renting of movables + owning/dealing in real estate + sanitary services + research/development + personal services = **financial and business services**

Public administration and national defence + education + medical/other health services + 50% of other services to the general public = **public services**

Recreational/other cultural services + domestic services + 50% of other services to the general public = **other services**

Occupational groups

To facilitate analysis of meaningful patterns of occupational change, four broad categories were formed by amalgamating the 18 detailed socioeconomic groups (SEGs) used in the Census of Population Special Workplace Statistics. Two categories were manual and two non-manual, both distinguished by the level of skill involved: (i) *senior managerial/professional* included employers and managers in large and small establishments (SEGs 1 and 2), professional workers – self-employed and employees (SEGs 3 and 4), ancillary workers and artists (SEG 5.1), foremen and supervisors – non-manual (SEG 5.2), farmers – employers and managers (SEG 13); (ii) *junior non-manual* included only junior non-manual workers (SEG 6); (iii) *skilled/semi-skilled manual* included foremen and supervisors – manual (SEG 8), skilled and semi-skilled manual workers (SEGs 9 and 10) and own account workers and farmers other than professional (SEGs 12 and 14); (iv) *unskilled and personal service* included personal service workers (SEG 7), unskilled manual workers (SEG 11) and agricultural workers (SEG 15). Members of the armed forces and inadequately described categories (SEGs 16 and 17) were omitted. This classification is essentially a simpler and more readily comprehended version of the common grouping of nine categories or six social classes used in presenting data from the Population Census.

The correspondence between them is apparent from Appendix B of Champion and Ford (1998).

Labour market accounts

The first part of labour market accounts analysis (reported in Chapter 4 and Table 3 in Chapter 2) involved updating previous research based on the 1971 and 1981 Census of Population (Begg et al, 1986), using 1991 Census data to produce long-term trends for Britain's major cities between 1971 and 1991. Consistent area definitions were used as far as possible to ensure comparability between the two decades. Some minor adjustments and approximations had to be made to ensure consistency and continuity, particularly where the absolute 1981 figures were not quoted in, or could not be extracted from, the Begg et al (1986) study, or where the figures for 1981 generated by the present study did not correspond exactly with those of the former. In this case, some averaging of the two sets of figures for 1981 was required, particularly for activity rates and commuting flows. The terms used in Chapter 4 are defined below.

Working-age population: people of working age (16-64 for males, 16-59 for females) normally resident in the area. The 1991 Census population was adjusted to the 1981 Census definition of population in order to allow comparability between the two data sets. This adjustment excluded two groups (absent residents – enumerated late and imputed) who were included in the 1991 definition.

Resident workforce: economically active residents (employed, self-employed, unemployed and temporarily sick). The 1991 resident workforce excluded people 'on a government scheme' – a category not identified separately in the 1981 Census.

Residential activity rate: the ratio of the resident workforce (or economically active) to the resident working-age population.

Employed residents: employed plus self-employed residents.

Workplace employment: employed residents plus net commuters into work.

Net commuting: workplace employment less employed residents. The 1981 SWS data were grossed up to allow for the different treatment of the categories 'no fixed workplace' and 'workplace inadequately described' in 1981 and 1991. These categories were not included in the 1981 workplace-based counts, whereas in 1991 they were allocated a workplace the same as their zone of residence.

Residential unemployment: unemployed and temporarily sick residents aged 16-59/64.

Unemployment rate: residential unemployment as a percentage of residential workforce.

The second part of labour market accounts analysis (reported in Chapters 5-6) involved analysing and presenting the data in the format used by Beatty et al (1997a) because of its accessibility and to permit comparison of the magnitude of each adjustment process across different cities. In this case the LMAs were generated on the basis of the area definitions described in the first section above, that is, a more contemporary geography of cities than used by Begg et al. We also followed Beatty et al in disaggregating demographic change into its migration and natural increase components, an important refinement which was not done by Begg et al. This required using a demographic model to project the male and female population for 1991 on the basis of each area's 1981 population. The terms used in Chapters 5 and 6 are defined below.

The natural increase in the workforce: estimated as the difference between the actual population aged 16-59/64 in 1981 and the projected 1991 resident population aged 16-59/64 based upon a cohort survival model. Ten-year, district-level survival rates were calculated separately for males and females using OPCS Vital Statistics for local authority districts, for each year between the 1981 and 1991 Censuses, and the 1981 Census resident population for each district. The appropriate district survival rates for 10-year age groups were then applied separately for males and females to the 1981 Census age structure for each district. The estimation of natural increase makes no allowance for births during the 1981-91 period, which do not affect the population of working age in 1991. Figures for the female cohort

survival model were reduced by an adjustment ratio that allowed for the inclusion of women aged 60-64 in the mortality rates used as the basis for these calculations.

Net out-migration: the difference between the actual population aged 16-59/64 from the 1991 Census and the projected population derived from the cohort survival model. The 1991 resident population adjusted to the 1981 definition was used in this calculation. This excluded two groups (absent residents – enumerated late and imputed) who were included in the 1991 definition.

Change in net out-commuting: the difference between net out-commuting in 1981 and 1991, defined in the same way as net commuting above.

Decline in economically active: the change in the economic activity rate among 16- to 64 year-old men and 16- to 59-year-old women between 1981 and 1991, multiplied by the 1991 male and female populations aged 16-59/64 adjusted to the 1981 population base. The activity rate is defined above.

Number on government schemes: men and women aged 16-59/64 on government schemes in 1991. This figure is only available for the 1991 Census as it was not separately identified in the 1981 Census, when the smaller numbers on such schemes were classed as either in employment or education.

Increase in unemployment: the difference between the number of unemployed people aged 16-59/64 in the 1981 and 1991 Censuses. Unemployment is a self-attributed status in the Census, so differs from the claimant count, although the magnitude of both was similar in 1991.

Residual inaccuracies arise from underenumeration in the 1991 Census, attributable partly to the impact of the Community Charge as well as other factors. This affected men aged 20-29 disproportionately, especially those living in the major cities (OPCS/GRO(S), 1994). The underenumeration will affect the precise magnitude of most components of the LMAs (except for the natural increase), particularly the male LMAs. The way these components are affected is not straightforward and is certainly difficult to quantify. We think that underenumeration will have the effect of exaggerating any decrease in unemployment and understating any increase in unemployment. It will probably do the same for employment, economic activity, the number on government schemes and net out-commuting. In contrast, it will exaggerate the scale of net *out*-migration if that is the predominant direction of gross migration flows and understate net *in*-migration if that is the predominant direction of migration. Little can be done about any of this, except to acknowledge this qualification to the results.

B

Appendix B: Employment by sector for different types of area (1981–96)

Employment by sector (000s)	1981	1984	1987	1989	1991	1993	1995	1996
Manufacturing								
London	684	569	482	444	359	282	280	282
Conurbations	1,506	1,240	1,162	1,163	1,034	854	899	891
Free-standing cities	522	476	446	433	384	309	332	337
Less/non-urban Britain	3,291	3,042	3,018	3,104	2,797	2,374	2,477	2,543
Britain	6,003	5,327	5,107	5,144	4,574	3,818	3,987	4,053
Banking, finance and insurance								
London	682	757	887	926	868	848	1,009	1,035
Conurbations	433	470	506	584	594	615	676	669
Free-standing cities	175	201	225	262	272	275	300	304
Less/non-urban Britain	984	1,170	1,330	1,549	1,602	1,696	1,892	1,923
Britain	2,274	2,598	2,948	3,320	3,337	3,434	3,877	3,931
Distribution, hotels and catering								
London	687	683	691	686	646	637	708	707
Conurbations	822	828	794	881	861	893	907	907
Free-standing cities	328	323	322	348	349	357	346	362
Less/non-urban Britain	2,171	2,362	2,442	2,771	2,776	2,753	2,835	2,946
Britain	4,007	4,195	4,249	4,686	4,632	4,698	4,856	4,984
Transport and communications								
London	369	339	314	307	308	280	270	273
Conurbations	274	248	236	249	246	241	252	248
Free-standing cities	112	101	93	97	94	85	88	88
Less/non-urban Britain	638	639	640	701	676	692	691	702
Britain	1,393	1,328	1,282	1,354	1,324	1,299	1,300	1,310
Other services								
London	166	176	194	195	195	187	215	213
Conurbations	155	162	192	185	188	181	181	187
Free-standing cities	59	64	76	72	74	78	77	80
Less/non-urban Britain	325	379	443	469	503	504	519	573
Britain	705	780	904	920	960	950	992	1,053
Public administration, education and health								
London	753	749	755	747	720	737	698	730
Conurbations	931	931	1,000	988	1,020	1,056	1,067	1,086
Free-standing cities	379	373	411	426	424	459	479	496
Less/non-urban Britain	2,509	2,588	2,783	2,831	2,892	3,201	3,213	3,247
Britain	4,571	4,641	4,950	4,992	5,057	5,453	5,457	5,559
Total employment								
London	3,560	3,463	3,506	3,482	3,255	3,088	3,297	3,348
Conurbations	4,497	4,226	4,213	4,365	4,239	4,112	4,215	4,208
Free-standing cities	1,730	1,677	1,700	1,761	1,710	1,663	1,711	1,749
Less/non-urban Britain	11,278	11,479	11,852	12,361	12,110	12,243	12,643	12,953
Britain	21,064	20,846	21,271	21,969	21,314	21,105	21,866	22,258

C

Appendix C: Total employment for conurbations and cities (1981–96)

Total employment by city (000s)	1981	1984	1987	1989	1991	1993	1995	1996
Inner London	2,024	2,005	2,024	1,986	1,825	1,744	1,894	1,916
Outer London	1,537	1,459	1,483	1,496	1,430	1,344	1,404	1,433
Birmingham	507	474	462	470	464	431	448	448
Outer West Midlands	511	491	487	522	494	475	515	511
Manchester	297	270	285	273	266	254	248	241
Outer Gtr Manchester	654	621	643	673	642	638	656	686
Leeds	302	295	295	323	314	316	346	335
Outer West Yorkshire	428	412	430	444	428	420	429	427
Glasgow	378	348	349	350	337	322	331	324
Outer Clydeside	296	283	267	290	290	285	300	290
Sheffield	242	218	203	215	212	205	205	200
Outer South Yorkshire	79	77	75	81	79	72	72	73
Liverpool	254	220	202	202	195	189	183	171
Outer Merseyside	205	193	186	191	187	178	169	172
Newcastle	152	153	151	155	154	154	147	150
Outer Tyneside	192	174	179	177	179	173	166	180
Bristol	220	219	222	236	228	217	222	225
Edinburgh	239	231	237	243	249	250	260	263
Stoke	157	158	153	158	148	137	142	147
Leicester	178	177	184	180	170	167	175	170
Wigan	91	86	89	93	88	85	87	89
Coventry	142	125	134	136	127	119	123	129
Sunderland	96	93	93	91	95	94	95	99
Doncaster	102	95	90	93	90	86	87	93
Cardiff	141	138	139	148	147	148	155	148
Nottingham	161	156	158	170	161	161	164	180
Hull	110	106	106	117	110	106	109	115
Plymouth	93	95	95	96	97	94	94	91

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