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Economic Activity in London

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Greater London Authority
City Hall
The Queens Walk
London SE1 2AA

www.london.gov.uk

Tel 020 7983 4922

Minicom 020 7983 4000

For more information about this publication, please contact:

Census Information Scheme, GLA Intelligence

Tel 020 7983 4922

Email glaintelligence@london.gov.uk

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Introduction

The Office of National Statistics released the first multivariate tables from the 2011 Census of England & Wales on 16 May 2013. These included eight tables on the economic activity of the resident population aged 16 and over:

- DC6201EW Broad age group by sex by Ethnic group
- DC6203EW Broad age group by sex by Country of birth
- DC6204EW Broad age group by sex by Passports
- DC6205EW Broad age group by sex by Religion
- DC6208EW Detailed age group by sex by Country of birth
- DC6209EW Detailed age group by sex by Passports
- DC6301EW Unpaid care by general health by sex
- DC6302EW Hours worked by disability by sex

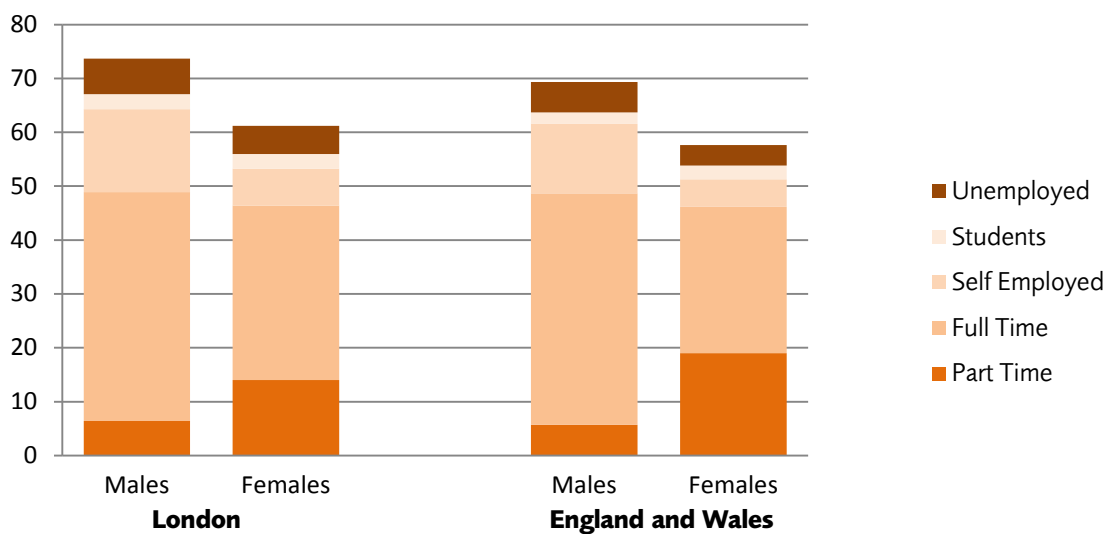
This briefing looks at these tables for London. DC6208EW and DC6209EW were published for regions and countries only but the remaining tables have detail for boroughs and smaller areas. Further tables on economic activity will be published by ONS in a later release

Data used in this document is available to download from the London Datastore and can be found here: <http://data.london.gov.uk/census/data>

Economic Activity in London and in England & Wales

For residents aged 16 and over, Census 2011 showed the economic activity rate for London males was 73.7 per cent, and that for females was 61.2 per cent, both higher than the corresponding rates for England and Wales (69.4 per cent and 57.6 per cent). Chart 1 shows that London had higher proportions of economically active males and females in almost all categories – the exception was women part-time employees made up only 14.0 per cent of women in London compared to 19.0 per cent nationally.

Chart 1: Per cent Economically Active in London and in England and Wales; Males and Females aged 16 and over



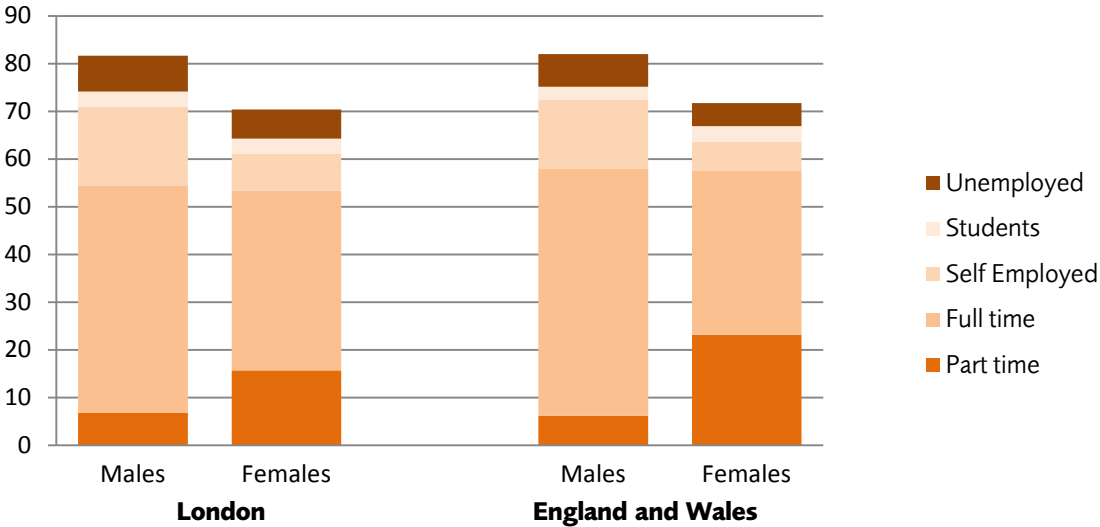
Source: 2011 Census, Table DC6208EW

These higher activity rates in London are due to the young age structure compared to England and Wales, so that London has relatively more people of ages most likely to be economically active, and relatively fewer people of retirement age.

Chart 2 on the following page shows economic activity rates for residents of principal working age - that is 16 to 64. For men resident in London, 81.6 per cent were economically active, slightly below the national rate of 82.0 per cent. For women resident in London, 70.4 per cent were economically active, 1.3 percentage points below the national rate. Employment rates in London were also below average: 74.2 per cent for men and 64.3 per cent for women (75.1 per cent and 66.9 per cent respectively for England and Wales).

The proportion of men who were full-time employees, 47.7 per cent, was four percentage points lower than for England and Wales, while the proportion of part-time employees was slightly above average. Conversely for women the full-time rate, 37.7 per cent, was three percentage points higher than nationally while part-time employees were much less common than nationally (15.7 per cent in London compared to 23.1 per cent in England and Wales). Self-employment was more common in London than nationally for both men and women.

Chart 2: Per cent Economically Active in London and in England and Wales; Males and Females aged 16 to 64



Source: 2011 Census, Table DC6208EW

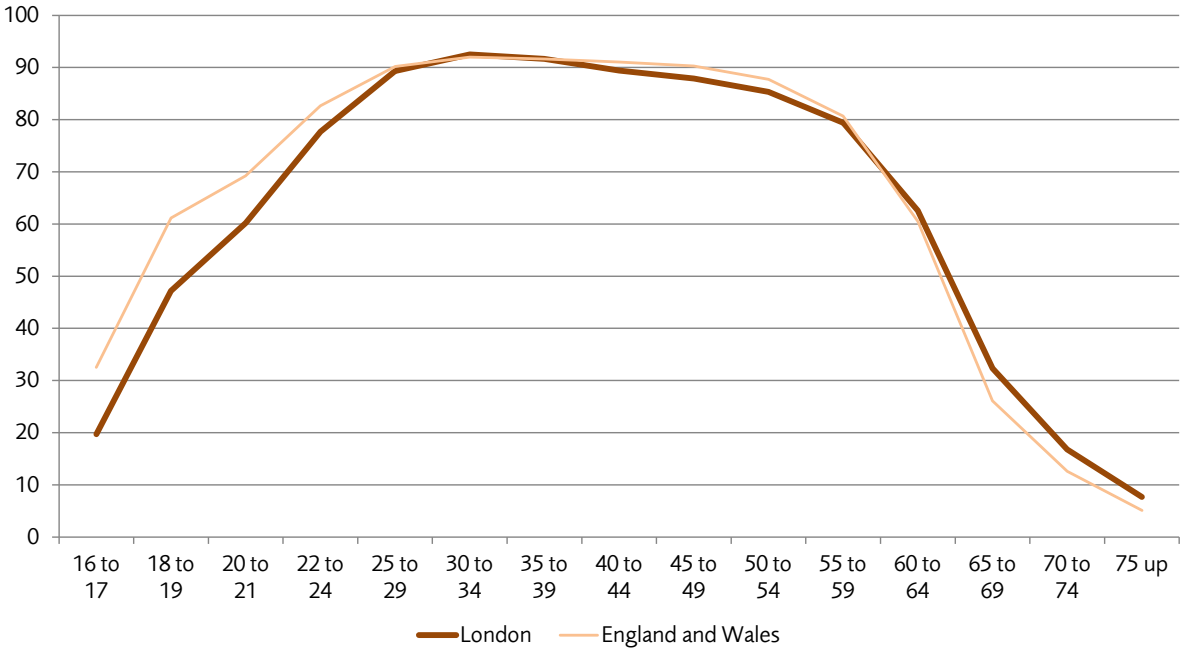
Economic Activity by age

Charts 3 and 4 on the next page present the economic activity rates for five year age bands for males (chart 3) and females (chart 4), comparing London residents with England and Wales.

Chart 3 shows that economic activity rates in London are much lower than average for men aged 16 to 24, around average for those aged 25 to 44, and higher than average for ages 60 and over. In London, only one in five young men aged 16 to 17 were economically active, compared to one in three for England and Wales. Similarly, less than half of 18 to 19 year olds were economically active compared to 60 per cent nationally. For men in London, as well as nationally, economic activity peaks for ages 25 to 39 when over nine out of ten men are economically active.

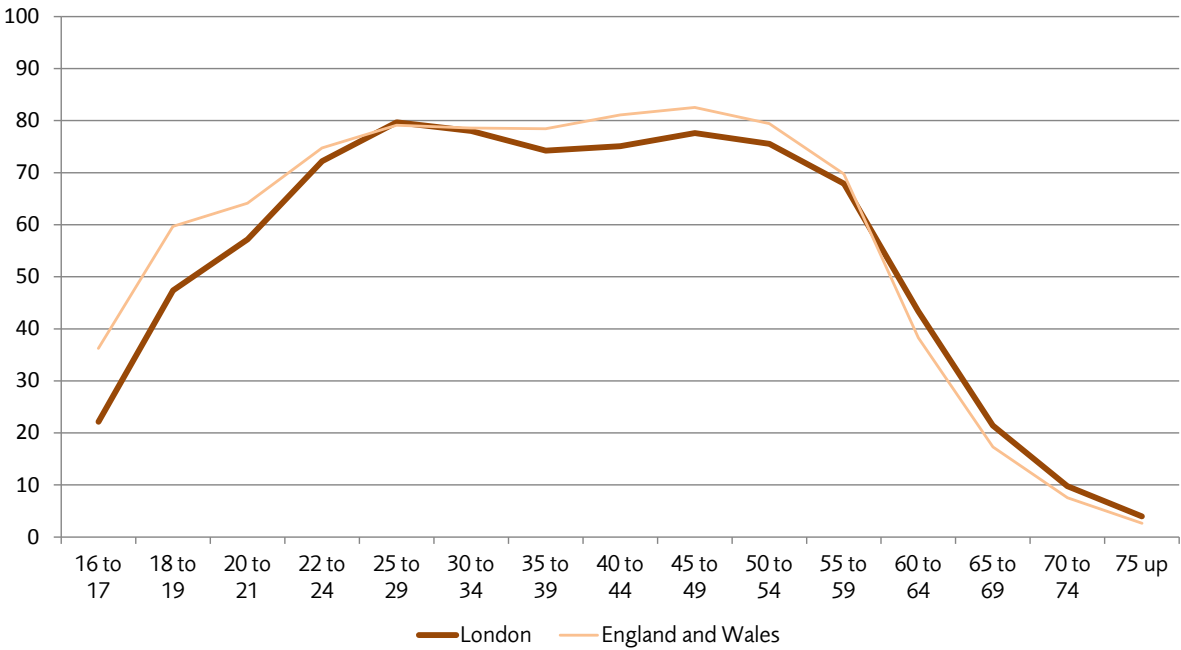
The profile of women’s economic activity shown in Chart 4 is more complex. Women in London have lower activity rates than average for ages up to 24, and from 35 to 55, but are more likely to remain economically active past statutory retirement age. For England and Wales, the peak economic activity rate occurs for women in their late 40s. London however displays a distinct “double peak” for women in their late 20s and late 40s, with the earlier peak being the more pronounced of the two.

Chart 3: Economic Activity rates for London, England and Wales; Males by age band



Source: 2011 Census, Table DC6208EW

Chart 4: Economic Activity rates for London, England and Wales; Females by age band

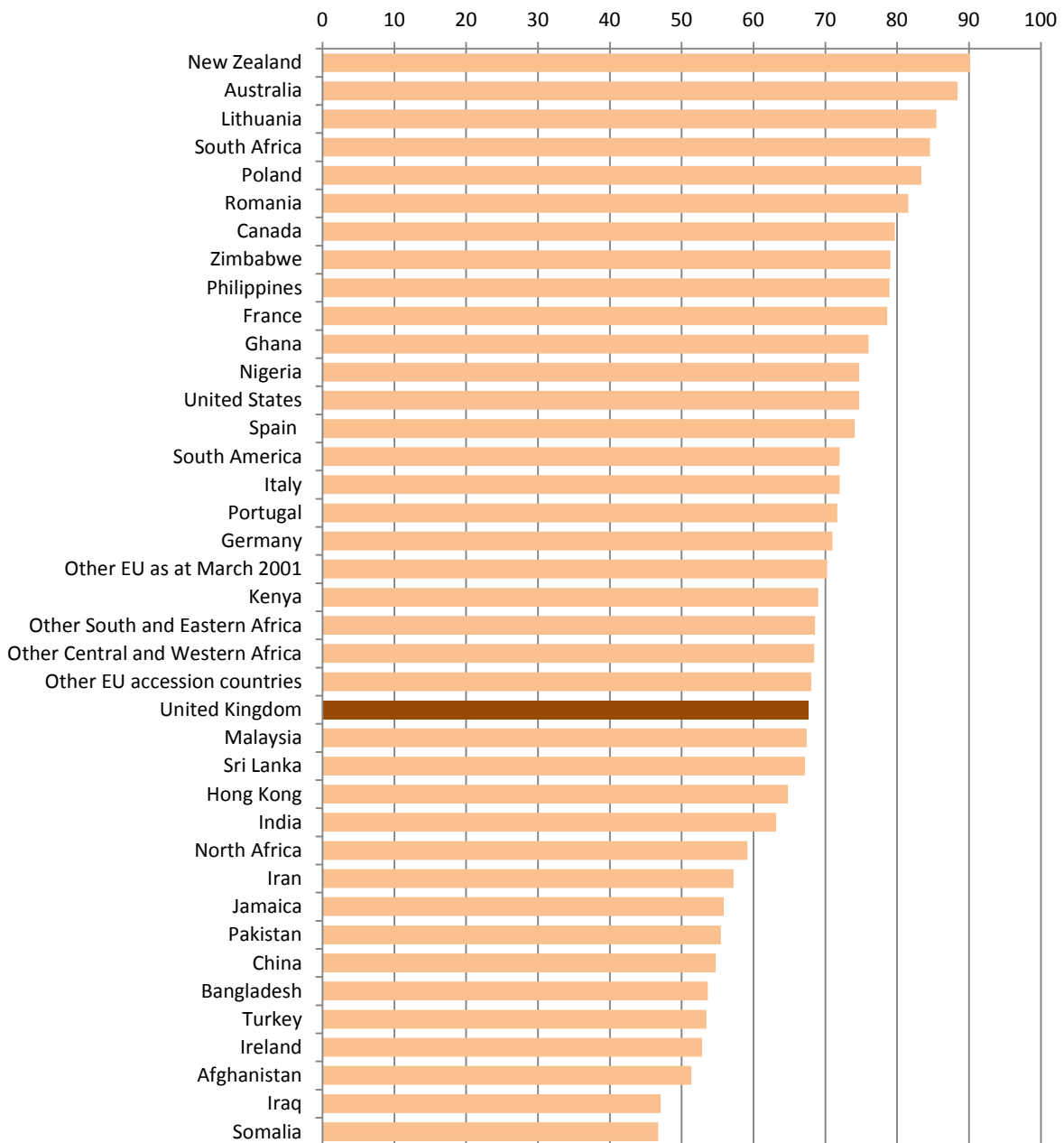


Source: 2011 Census, Table DC6208EW

Economically Active by Country of Birth

Some 2.8 million of London’s residents aged 16 and over, 43 per cent, were born outside the UK. The economic activity rate for persons born in the UK was 67.6 per cent while that for countries outside the UK was slightly lower at 66.9 per cent. Chart 5 shows that there was a lot of variation in activity rate between individual countries of birth. New Zealand, Australia, Lithuania, South Africa, Poland and Romania all had activity rates over 80 per cent. The highest, for New Zealand was 90.2 per cent. Two countries, Somalia and Iraq had activity rates below 50 per cent. Both countries have seen large numbers of asylum seekers entering the UK in recent years.

Chart 5: Economic activity rates by countries of birth with more than 20,000 London residents aged 16 and over

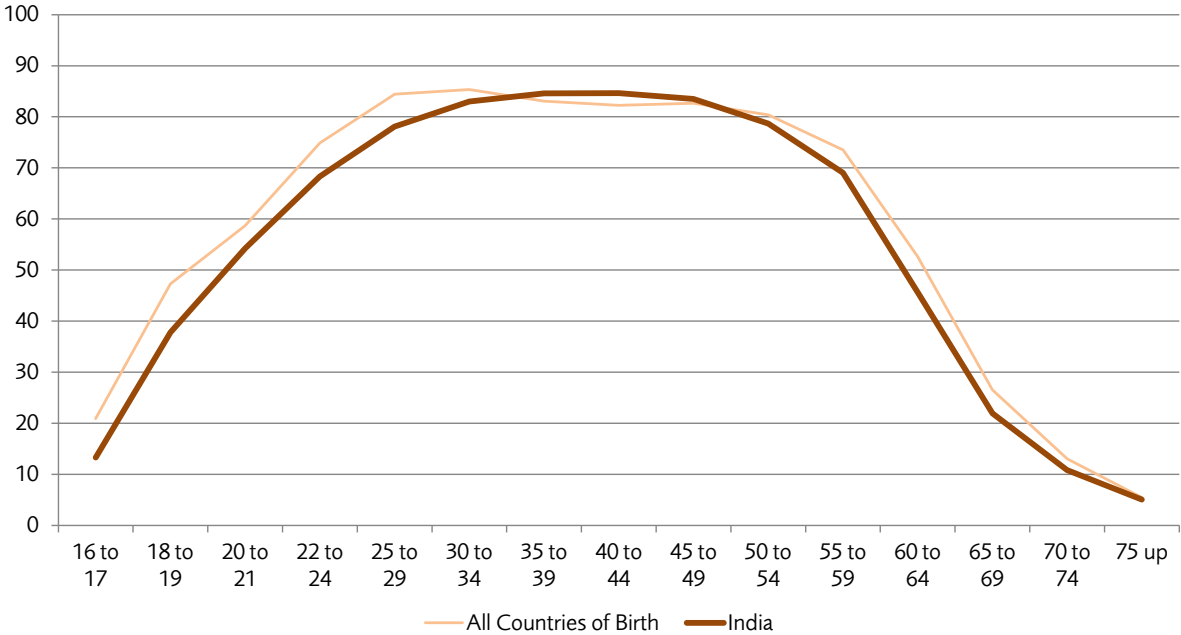


Source: 2011 Census, Table DC6208EW

Charts 3 and 4 showed that some of the variation in activity rates is due to different age structures: people in their 20s to 50s are most likely to be economically active, younger and older persons less so. It follows that populations with relatively more people of peak working age will tend to have higher overall rates of economic activity, whilst those with relatively fewer working age people will tend to have lower rates.

There were 249,400 Indian-born London residents aged 16 and over making it the most numerous non-UK country of birth. Since Indians are a relatively long-settled community in London, the Indian-born population has an older than average age structure with four in ten residents aged 50 and over (the average for London was about a one in three). Chart 6 below gives the economic activity rates by age for Londoners born in India.

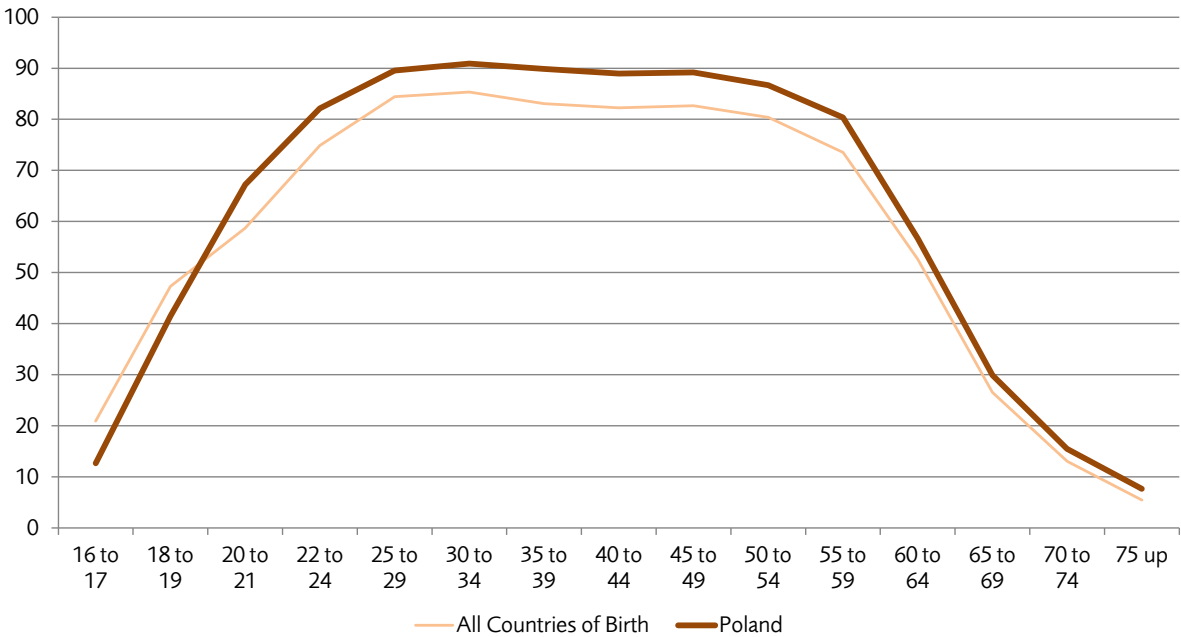
Chart 6: Economic Activity rates for London residents born in India



Source: 2011 Census Table DC6208EW

Chart 5 shows that Indian-born Londoners had generally lower activity rates across all age groups, with the greatest differences at younger age groups. Only 38 per cent of Indian-born 18-19 year olds were economically active compared to 47 per cent of all Londoners aged 18-19. Indians aged 35 to 49 had slightly higher than average activity rates, but rates were again below average for those aged 50 and over. Overall, the economic activity rate for all Indian-born residents was 63.1 per cent, 4.2 percentage points below average. About half of this difference is due to lower age specific activity rates and half due to the age structure of Indian-born Londoners. More detail on the disaggregation of differences in economic activity rates for individual countries of birth is given in the Annex on page 20.

Chart 7: Economic Activity rates for London residents born in Poland

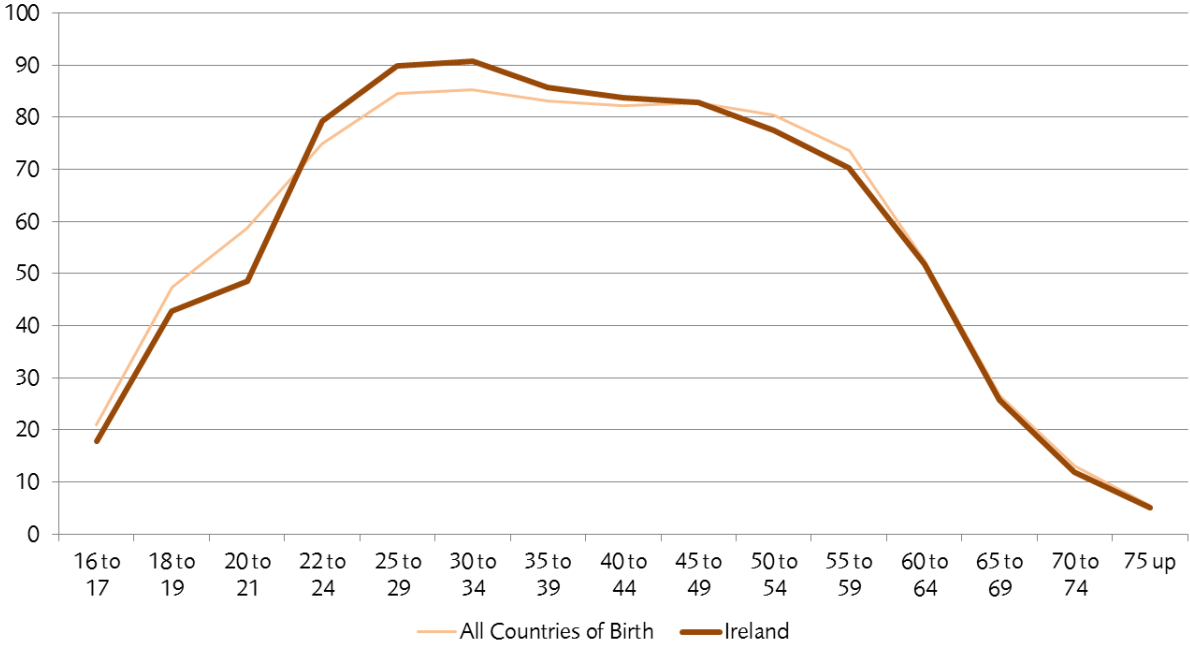


Source: 2011 Census Table DC6208EW

Chart 5 shows that Polish-born Londoners had amongst the highest activity rates of any group, and Chart 7 confirms this, with rates of around 90 per cent for 25 to 49 year olds which is between 5 and 7 percentage points above average. Differences were smaller for older age groups, while Polish born 16-19 year olds were actually less likely to be economically active than average. The 143,500 Polish-born Londoners aged over 15 were predominantly of working age, three-quarters were aged between 20 and 39. The economic activity rate for all Polish-born residents was 83.4 per cent, 16.1 percentage points above average. About a third of the difference is due to higher age specific activity rates among Poles.

Chart 8 below shows that the economic activity profile of London residents born in the Irish Republic closely followed the overall pattern, except that those in their teens and early 20s were less economically active than average, while those aged mid 20s to 30s were more active.

Chart 8: Economic Activity rates for London residents born in Republic of Ireland



Source: 2011 Census Table DC6208EW

Despite this, Ireland had one the lowest overall activity rates at 52.8 per cent of persons aged 16 and over. This is because the Irish-born in London have a much older age profile than average with nearly half of adults aged 60 and over. For persons aged 16 to 64, the Irish-born activity rate was 76.8 per cent, marginally above average (76.0 per cent).

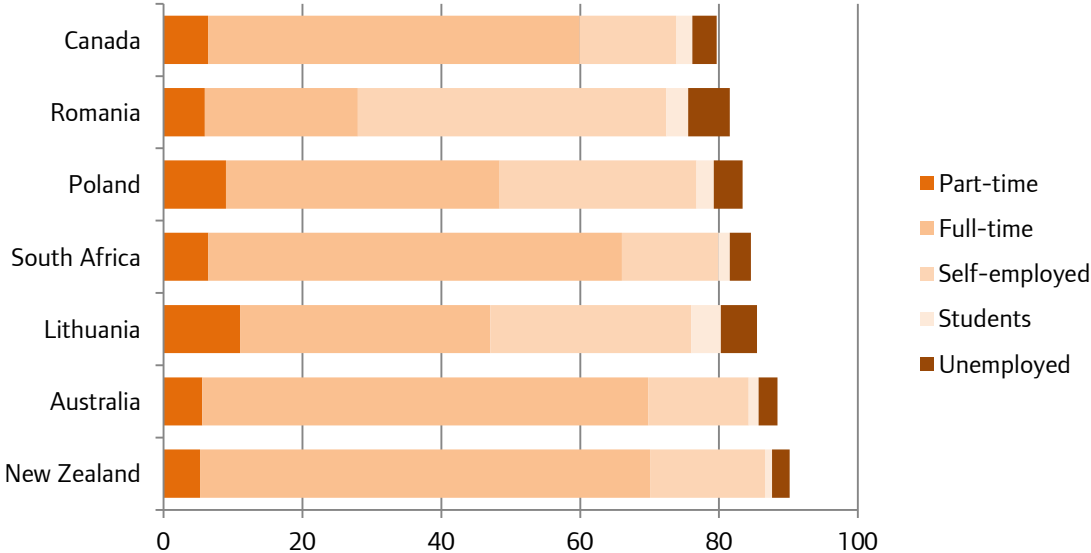
The low overall activity rate of Jamaican and other Caribbean-born Londoners was also largely due to the older age profile of these populations. However other countries with low activity rates most notably Somalia, Iraq, Afghanistan and Turkey show below average activity rates for all ages. For Somali and Iraqi born Londoners, rates were below 60 per cent for all age groups, and for those aged 50 to 64 they were more than 30 percentage points below average.

Type of economic activity by Country of Birth

Chart 9 below gives the breakdown of economic activity for countries of birth with the highest activity rates. The chart shows two distinct patterns of activity: Australian, New Zealander, South African and Canadian-born Londoners predominantly worked as full-time employees, with around 15 per cent self-employed and only around 6 per cent working part-time.

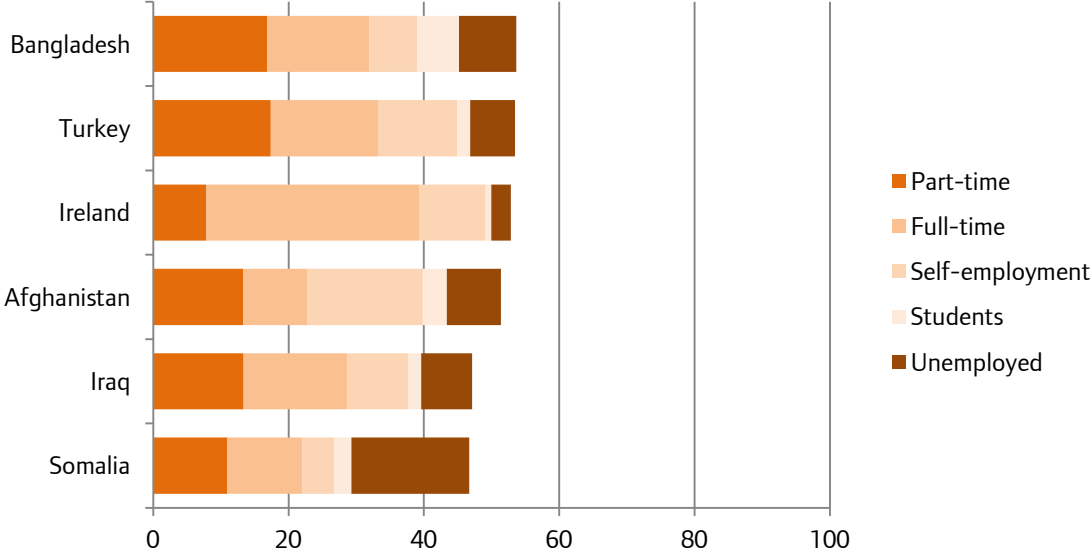
Persons from the EU accession countries were much more likely to be self-employed, - Romanians had the highest self-employment rate at 44 per cent of all persons, while the rates for Lithuanian and Polish born persons were 29 per cent and 28 per cent respectively. Part-time employees were more common: 11 per cent of Lithuanians and 9 per cent of Polish. The proportions working as full-time employees were consequently lower: 39 per cent for Polish-born and 36 per cent for Lithuanians. Only 22 per cent of Romanians worked as full-time employees.

Chart 9: Economic activity for countries with the highest economic activity rates



At the other extreme, countries of birth with the lowest economic activity rates tended to have more people working part-time and fewer working full-time, reflecting that many of these people have particular difficulty accessing the labour market. Turkish-born Londoners had the highest rate of part-time employees of any country at over 17 per cent, while the rate for Bangladeshis was nearly as high. Rates for Iraqis and Afghanistans were over 13 per cent. Unemployment rates were also high for most countries in this group: typically around 8 per cent. Somali-born Londoners had the highest unemployment rate of any country at 17 per cent.

Chart 10: Economic activity for countries with the lowest economic activity rates

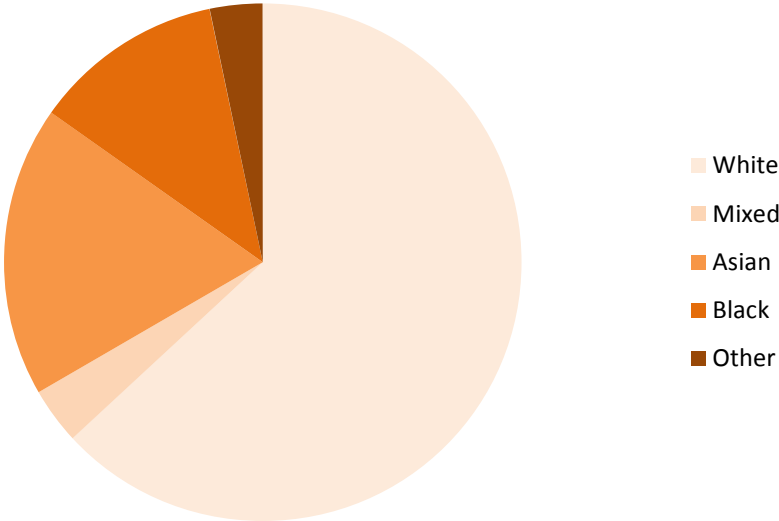


Source: 2011 Census Table DC6208EW

Economic Activity by ethnic group

A little over 4.1 million, or 63 per cent of London residents aged 16 and over were classified as white. Nearly 1.2 million (18 per cent) were Asian or Asian British, and 780 thousand (12 per cent) were Black or Black British. Mixed or multiple ethnicities and 'Other' ethnic groups made up the remaining 440 thousand or 7 per cent of residents.

Chart 10: Broad ethnic groups for London residents aged 16 and over

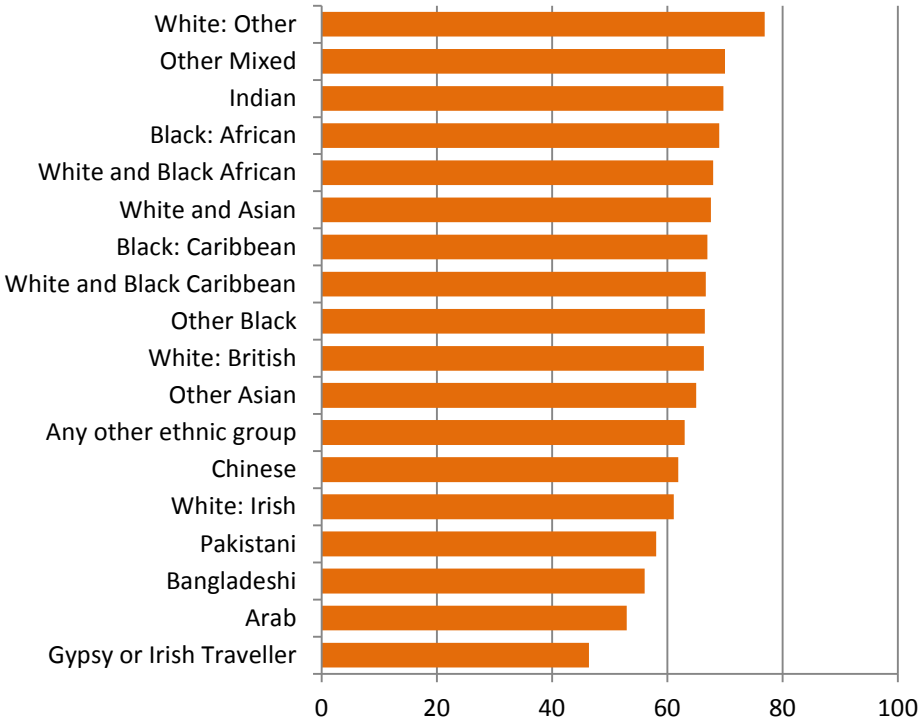


Source: 2011 Census Table DC6201EW

Just under half of residents, 47 per cent, were White British. Amongst the non-White-British population the largest groups were Other White, 890 thousand or 14 per cent of the total, Indian, 460 thousand (7 per cent) and Black African 400 thousand (6 per cent).

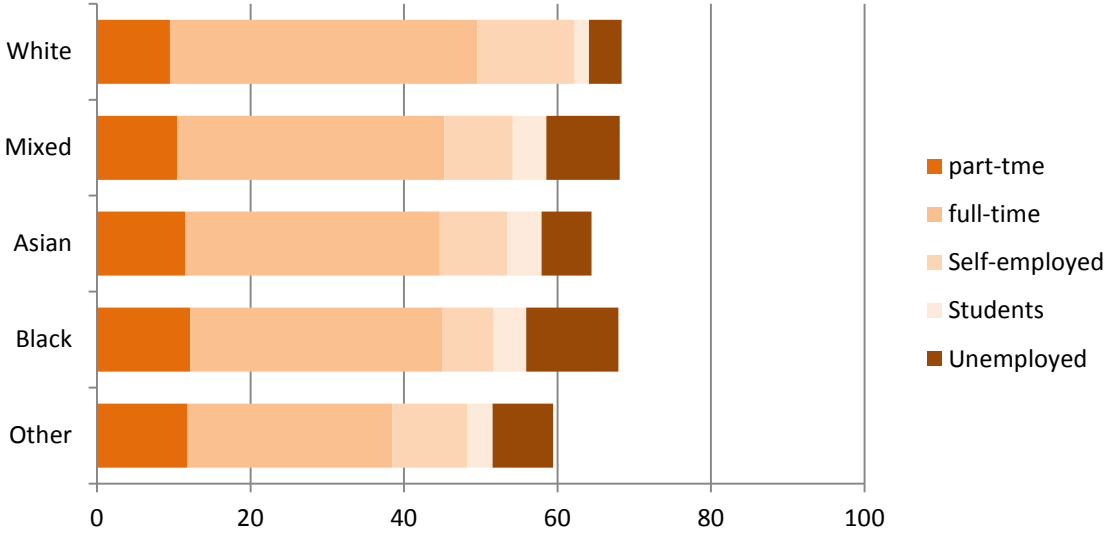
Chart 11 shows the economic activity rates by ethnic groups in London. Other White residents had by far the highest rate at 76.9 per cent followed by Other Mixed groups (70.0 per cent) and Indians (69.7 per cent). Four groups had rates below 60 per cent: Gypsy or Irish Travellers (46.4 per cent), Arab (52.9 per cent), Bangladeshi (56.1 per cent) and Pakistani (58.1 per cent). Eight of the ethnic groups had activity rates between 66 and 69 per cent.

Chart 11: Economic activity rates by ethnic group



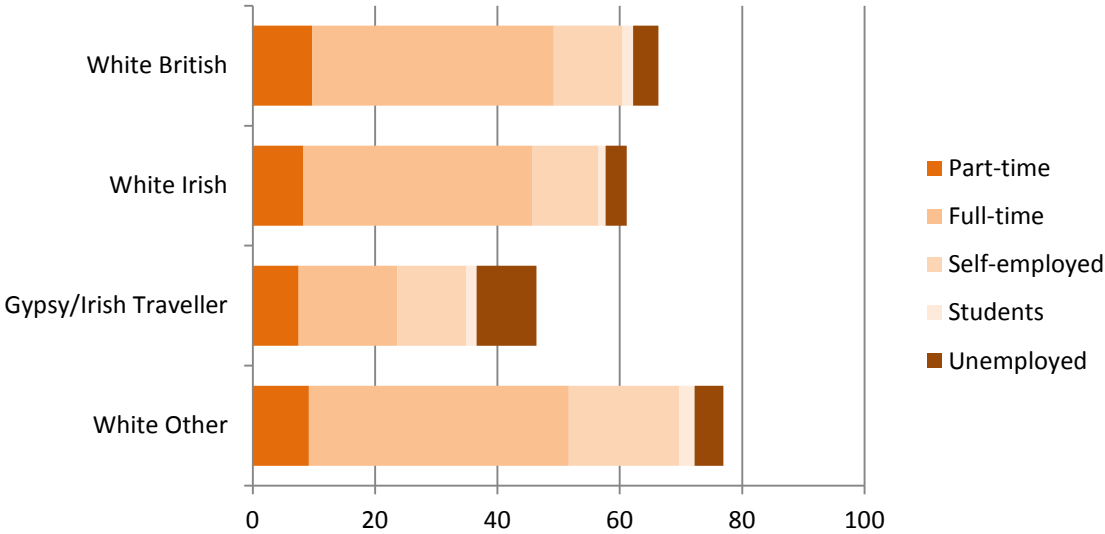
Source: 2011 Census Table DC6201EW

Chart 12: Economic activity by broad ethnic groups



Source: 2011 Census Table DC6201EW

Chart 13: Economic activity for white ethnic groups



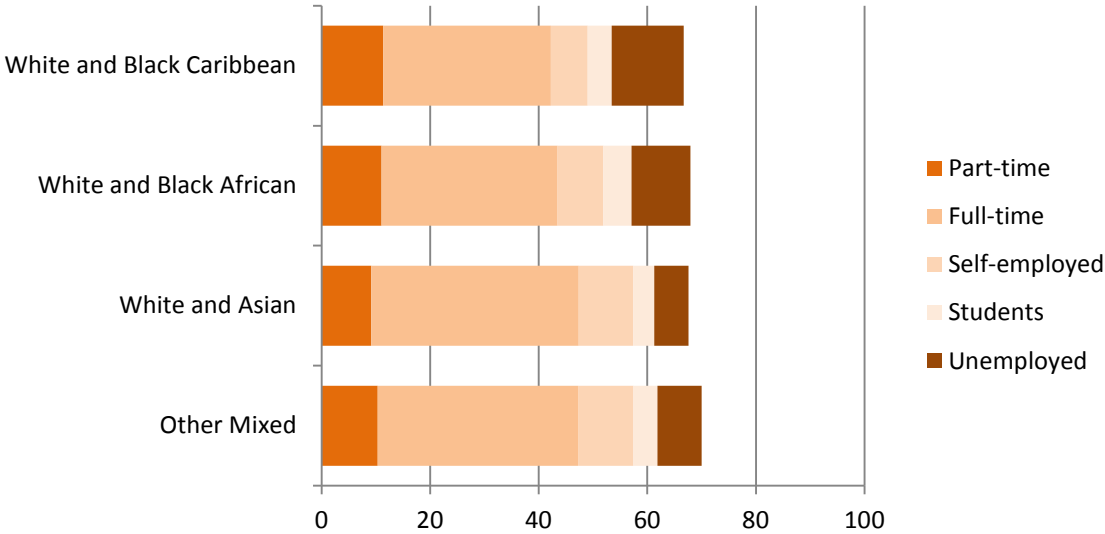
Source: 2011 Census Table DC6201EW

The White broad group included ethnic groups with both the highest and lowest economic activity rates. Other White is a large heterogeneous group that includes migrants from countries in Europe, North America and Australasia that registered some of the highest activity rates by country of birth. Proportions of Other White Londoners who were full-time employees (42.5 per cent) and self-employed (18.1 per cent) were the highest of any ethnic group. Part-time employees, working students and unemployment were all below average.

White British residents had the third highest full-time employee rate (after Other White and Indian) at 39.5 per cent while self-employment was average (11.2 per cent). The other economically active categories were below average. White Irish residents had an average rate of full-time employee workers (37.5 per cent) but below average proportions of the other categories, consistent with the older age profile that was seen for Irish-born Londoners. The rate of working students (1.2 per cent) was the lowest of any ethnic group.

Gypsy or Irish Travellers was the only ethnic group with an economic activity rate below 50 per cent and it also had one of the highest unemployment rates, nearly 10 per cent. Consequently employee rates were much lower than for other groups: 16.1 per cent were full-time employees and 7.5 per cent were part-time employees. Self-employment however was average (11.3 per cent). Gypsy or Irish Travellers had by far the smallest population of the 18 ethnic groups, only 5,400 London residents, while the next smallest, White and Black African had 35,400.

Chart 14: Economic activity for mixed ethnic groups

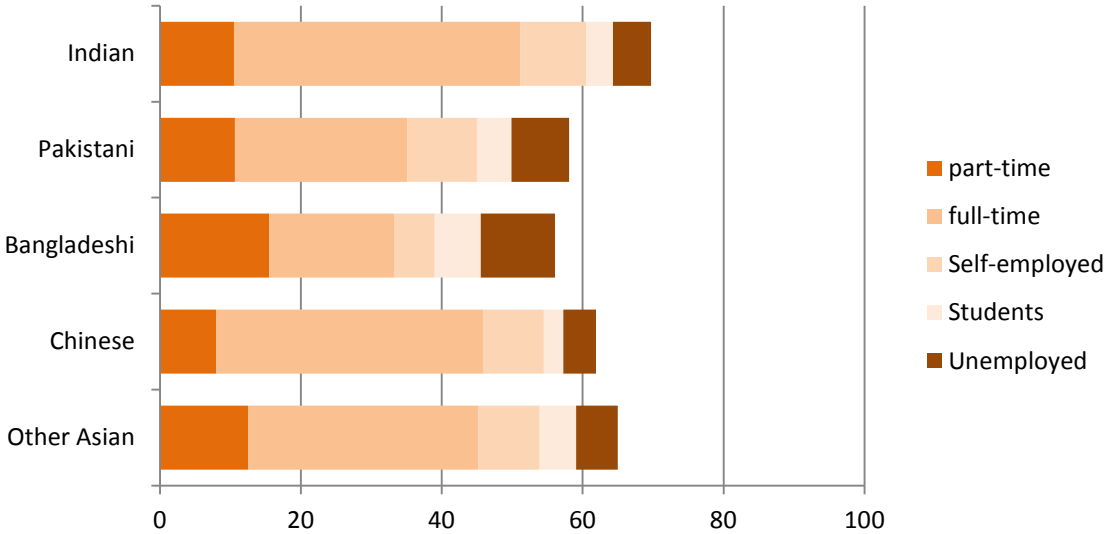


Source: 2011 Census Table DC6201EW

The economic activity rates for mixed or multiple ethnic groups were uniformly higher than average ranging from 66.7 per cent for White and Black Caribbean to 70.0 per cent for Other Mixed, however employment and unemployment rates varied: The White and Asian and Other groups had employment rates around average while working students and unemployment rates were above average.

White and Black Caribbean, and White and Black African had low employment rates and much higher unemployment rates: 10.9 per cent for White and Black African while the rate for White and Black Caribbean, 13.3 per cent, was second highest of any ethnic group.

Chart 15: Economic activity for Asian ethnic groups



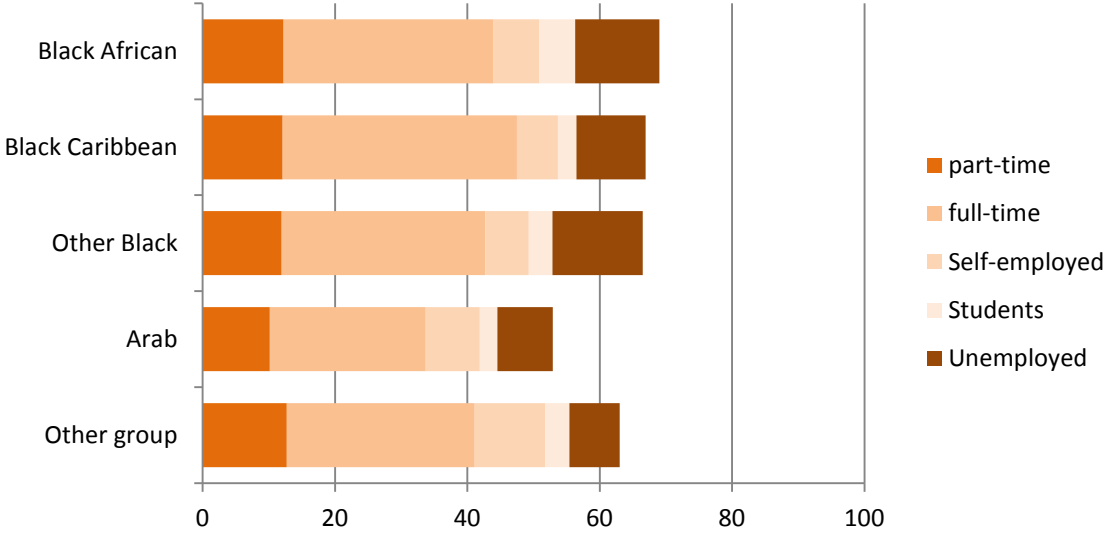
Source: 2011 Census Table DC6201EW

Asian groups included Indian that had an activity rate of 66.7 per cent, the third highest any group while the rates for Bangladeshi (56.1 per cent) and Pakistani (58.1 per cent) were third and fourth lowest respectively. The activity rate for Chinese was also low, and that for Other Asian was slightly below average.

The pattern of Bangladeshi employment was distinct from the other groups. Only a third of persons aged 16 and over were in employment, with relatively high part-time employment (15.5 per cent) and particularly low full-time employment (17.7 per cent). Working full-time students were 5.6 per cent of adults, the largest share of any ethnic group.

Unemployment amongst Asian groups ranged from 10.9 per cent for Bangladeshis to 4.6 per cent for Chinese.

Chart 16: Broad ethnic groups for London residents aged 16 and over



Source: 2011 Census Table DC6201EW

Chart 16 shows the proportions economically active for the three Black groups, the Arab group and the Other ethnic group. Black African was the only group of these five to have an above average economic activity: 69.0 per cent. Activity rates for Black Caribbeans and Other Black were slightly below average and those for the Other groups were significantly below average.

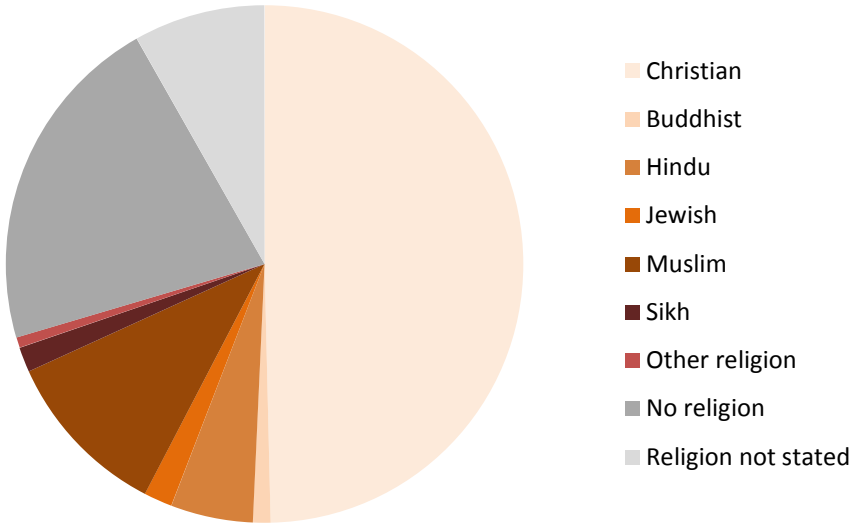
The black groups all had relatively high rates of part-time working, around 12 per cent, low rates of self-employment (less than 7 per cent), and all had unemployment rates over 10 per cent. Other ethnic groups had high part-time working but lower unemployment. Arabs had the second lowest economic activity rate of any ethnic group, 52.9 per cent, with only 23.6 per working full-time.

Economic activity by religion

Some 3.2 million Londoners aged 16 and over were Christian, just under half of people of this age. Although the next largest religious group was Muslim with 690,000 or 11 per cent, there were twice as many, 1.4 million, who stated “No religion”. There were 540,000 (8 per cent) who did not answer the question, and since the census question on religion was voluntary, these people are identified as “Religion not stated”.

The next largest religious group was Hindu (340,000 or 5 per cent of the total). All other religions totalled another 330,000 London residents.

Chart 17: London residents aged 16 and over by religion

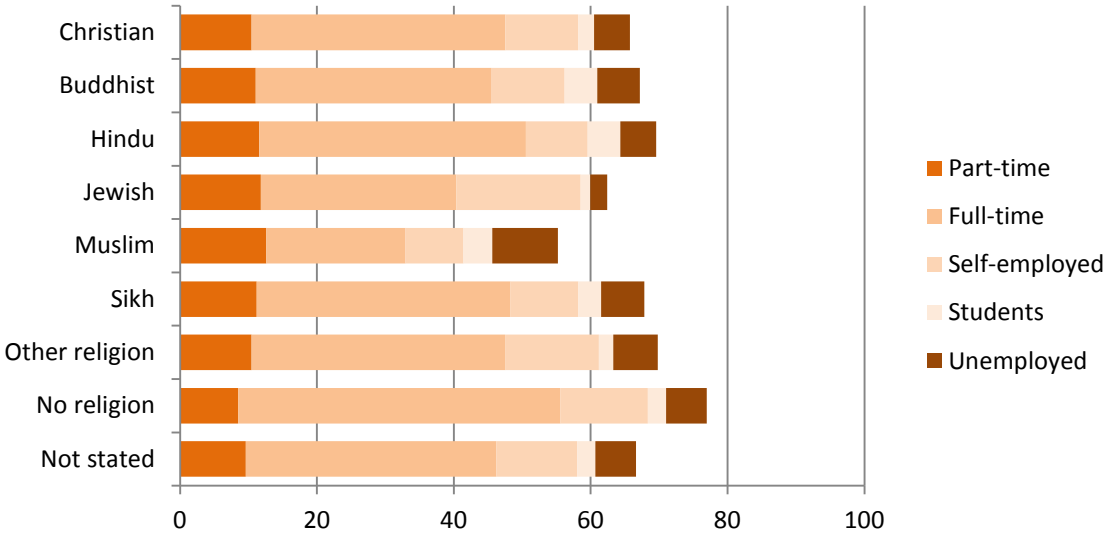


Source: 2011 Census Table DC6205EW

Economic activity rates for persons who stated a religion ranged from 55.2 per cent for Muslims to 69.5 per cent for Hindus and 69.8 per cent for Other Religions. The rate for persons stating “no religion” was much higher at 76.9 per cent, while that for persons who did not answer the question was a little below average at 66.6 per cent.

Some of the variation by religion is related to their differing age structures: over two-thirds of those with no religion were aged between 25 and 54 – the peak ages for economic activity – compared to less than 60 per cent for Christians and Sikhs, and less than 50 per cent for Jews. Both Hindus and Buddhists had high economic activity rates and relatively young age structures. Muslims, however, with the lowest economic activity rate, also had one of the younger structures.

Chart 17: Economic activity by religion



Source: 2011 Census Table DC6205EW

Muslims had the highest unemployment rate, 9.6 per cent and hence the employment rate 45.6 per cent was by far the lowest of any group. Those with no religion had the highest employment rate at 71.0 per cent. Christian, Buddhist and religion not stated all had employment rates of around 60 to 61 per cent. Employment rates for Hindus and Other religions were 64.3 and 63.3 respectively.

Unemployment rates were over 6 per cent for Sikhs, Buddhists and Other religions and between 5 and 6 per cent for all other groups except Jewish. The Jewish unemployment rate was by far the lowest at just 2.5 per cent.

Muslims had the highest rate of part-time employees at 12.6 per cent. The other religions ranged between 10.4 and 11.6 per cent, with the No religion and Religion not stated groups lower at 8.5 per cent and 9.6 per cent respectively. The reverse pattern was seen across most groups for full-time employees. Nearly half of those stating No religion were full-time employees (47.0 per cent), followed by Hindus 38.9 per cent and Christians 37.1 per cent. Only 20.3 per cent of Muslims and 28.5 per cent of Jews were full-time employees. Jews however had by far the highest rate of self-employment, at 18.2 per cent twice the rate for Muslims (8.5 per cent) and Hindus (9.1 per cent).

Annex: Age-Standardised economic activity by country of birth

The table below disaggregates the differences in countries' economic activity rates into effects due to the age structure for each country, and that due to country-specific activity rates, this is called "propensity" in the table.

Annex Table: Economic Activity rates by country of birth compared to average

	Economically Active		difference due to:		
	Actual	expected	propensity	age structure	overall
All countries of birth	67.3
United Kingdom	67.6	64.9	2.8	-2.5	0.3
Republic of Ireland	52.8	52.6	0.3	-14.7	-14.5
France	78.6	76.2	2.5	8.9	11.3
Germany	71.0	69.1	1.9	1.8	3.7
Italy	72.0	68.7	3.3	1.4	4.7
Portugal	71.7	72.5	-0.8	5.2	4.4
Spain	74.1	71.6	2.4	4.3	6.8
Other EU as at March 2001	70.3	70.7	-0.4	3.4	2.9
Lithuania	85.5	77.6	7.9	10.3	18.2
Poland	83.4	77.9	5.5	10.6	16.1
Romania	81.6	79.0	2.6	11.7	14.3
Other EU Accession countries to March 2011	68.1	67.2	0.9	-0.1	0.8
Turkey	53.5	75.9	-22.4	8.6	-13.8
Non EU Europe exc Turkey	66.0	74.5	-8.5	7.2	-1.3
Ghana	76.0	73.4	2.7	6.1	8.7
Nigeria	74.7	74.4	0.3	7.1	7.4
Other Central and Western Africa	68.5	75.0	-6.5	7.7	1.2
Kenya	69.0	66.9	2.2	-0.4	1.7
Somalia	46.7	70.9	-24.2	3.6	-20.6
South Africa	84.6	75.7	8.9	8.4	17.3
Zimbabwe	79.1	75.5	3.6	8.1	11.8

Source: Calculated from data in 2011 Census Table DC6208EW

Annex Table continued

	Economically Active		difference due to:		
	actual	expected	propensity	age structure	overall
Iran	57.2	70.7	-13.5	3.4	-10.1
Iraq	47.1	69.0	-21.9	1.7	-20.2
					0.0
China	54.7	72.8	-18.0	5.5	-12.6
Hong Kong	64.8	69.8	-5.0	2.5	-2.5
Afghanistan	51.4	71.3	-20.0	4.0	-15.9
India	63.1	65.8	-2.7	-1.5	-4.2
Pakistan	55.5	72.3	-16.8	5.0	-11.8
Bangladesh	53.6	73.8	-20.2	6.5	-13.7
SriLanka	67.1	73.0	-5.8	5.7	-0.2
Philippines	78.9	72.7	6.3	5.4	11.6
Malaysia	67.4	70.8	-3.4	3.5	0.1
Singapore	64.8	71.3	-6.4	4.0	-2.5
Other South East Asia	59.4	71.4	-12.0	4.1	-7.9
United States	74.7	74.2	0.5	6.9	7.4
Canada	79.7	75.8	3.9	8.5	12.4
Central America	73.5	78.2	-4.7	10.9	6.2
South America	72.0	72.7	-0.7	5.4	4.7
Jamaica	55.9	56.3	-0.4	-11.0	-11.4
Other Caribbean	51.6	51.8	-0.2	-15.5	-15.7
Australia	88.4	78.7	9.7	11.4	21.1
New Zealand	90.2	79.4	10.8	12.1	22.9

Source: Calculated from data in 2011 Census Table DC6208EW

Columns in this table are as follows:

Actual	published economic activity rate for each country of birth
Expected	calculated by applying the all-countries rates for each population cohort to the age structure for each country.
Differences	
Propensity	Actual rate minus expected rate for country
Age structure	Expected rate for country minus actual rate for all countries
Overall	Actual rate for country less rate for all-countries also equal to Propensity plus Age structure.

GLAINTELLIGENCE

Greater London Authority
City Hall
The Queens Walk
London SE1 2AA

Tel 020 7983 4922
Fax 020 7983 4674
Minicom 020 7983 4000
Email glaintelligence@london.gov.uk

<http://www.london.gov.uk/gla-intelligencedata.london.gov.uk/census>

