

the sources and sites of economic growth

Barry Quirk - June 2014



the price of the average house or the price of the average car?

car pictured in Westminster valued at average house price in Lewisham

growth theories

“neo-classical” - over the long run, growth arises from relatively high investment in a blend of capital assets and labour plus the application of useful ideas and new technology

“endogenous” - in a knowledge based economy, long run growth arises from the relative pace of innovation plus a relatively high investment in human capital

“boosterism”

get other people to put their money here

“bootstraps”

encourage the people here to pull themselves up
by their bootstraps

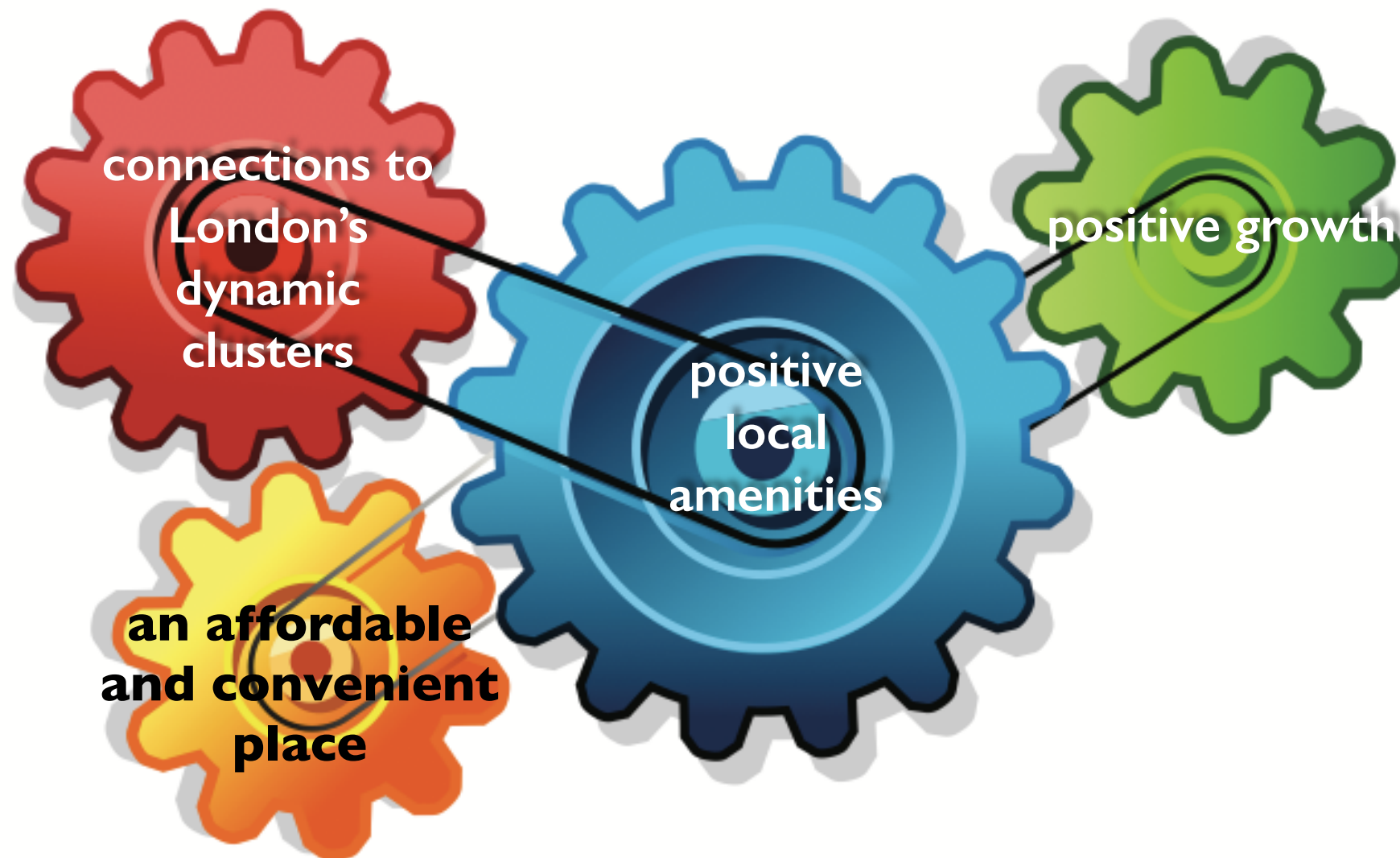
“gentrification is not
embourgeoisification”

typology of local authority economic strategies

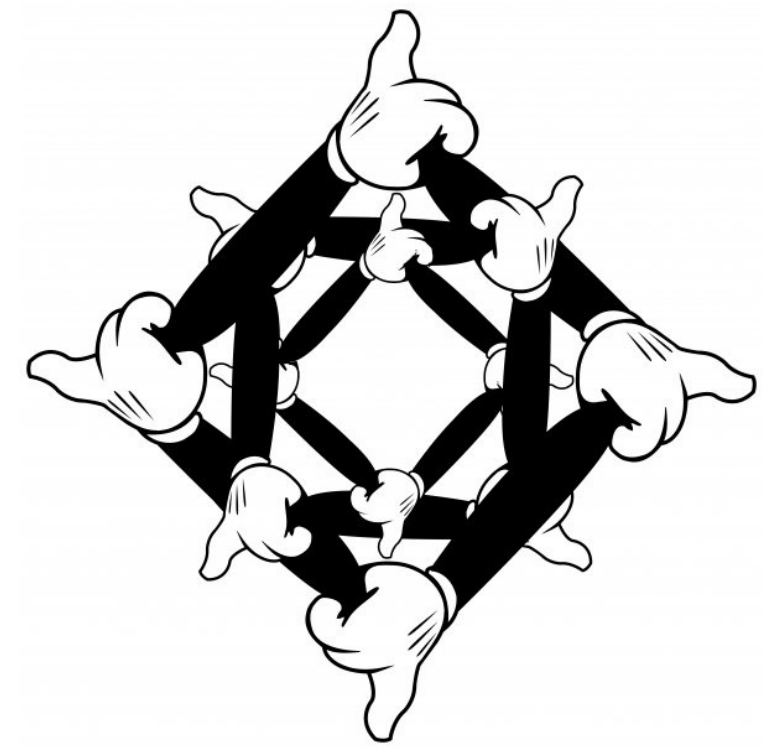
- **City regional spatial strategies:** investment and physical regeneration
- **Networks, connections and nodes:** transport & network connections
- **Labour market policy interventions:** job creation, vocationalism, employability and employment strategies
- **Supplier based intervention strategies:** direct investment and localised purchasing
- **Industrial sector intervention strategies:** building on existing strengths or clusters in local economy
- **direct investment into equity markets & capital infrastructure (PFs, etc)**

generating local growth:

actions that are more likely to generate local growth



the four B_s



Bricks - investment in physical capital

Businesses - enterprise & economic capital

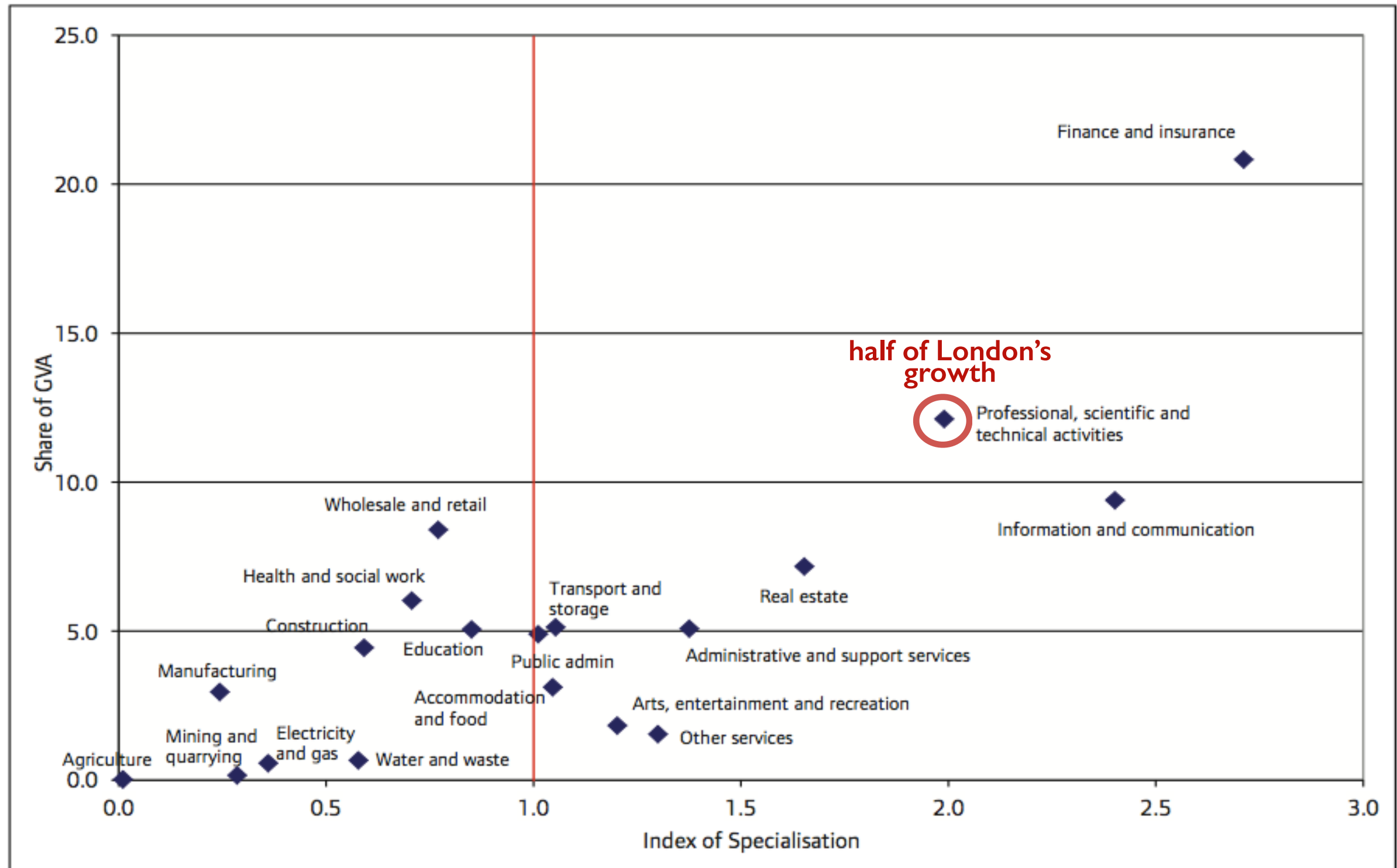
Brains - human & intellectual capital

Bonds - community & social capital

"Magnets and Glue"

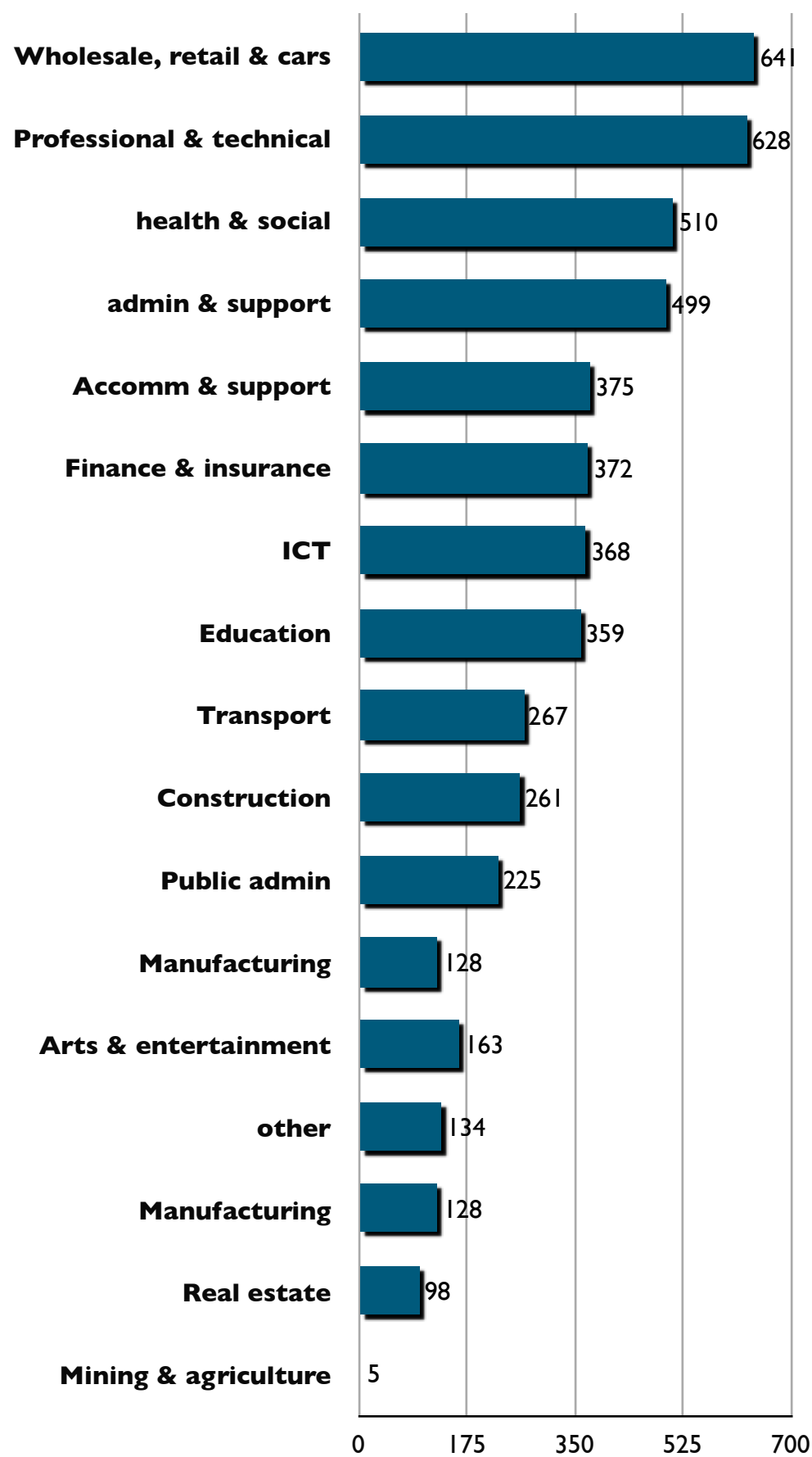
London's "index of specialisation":

London relative to the rest of GB and share of London's economic output

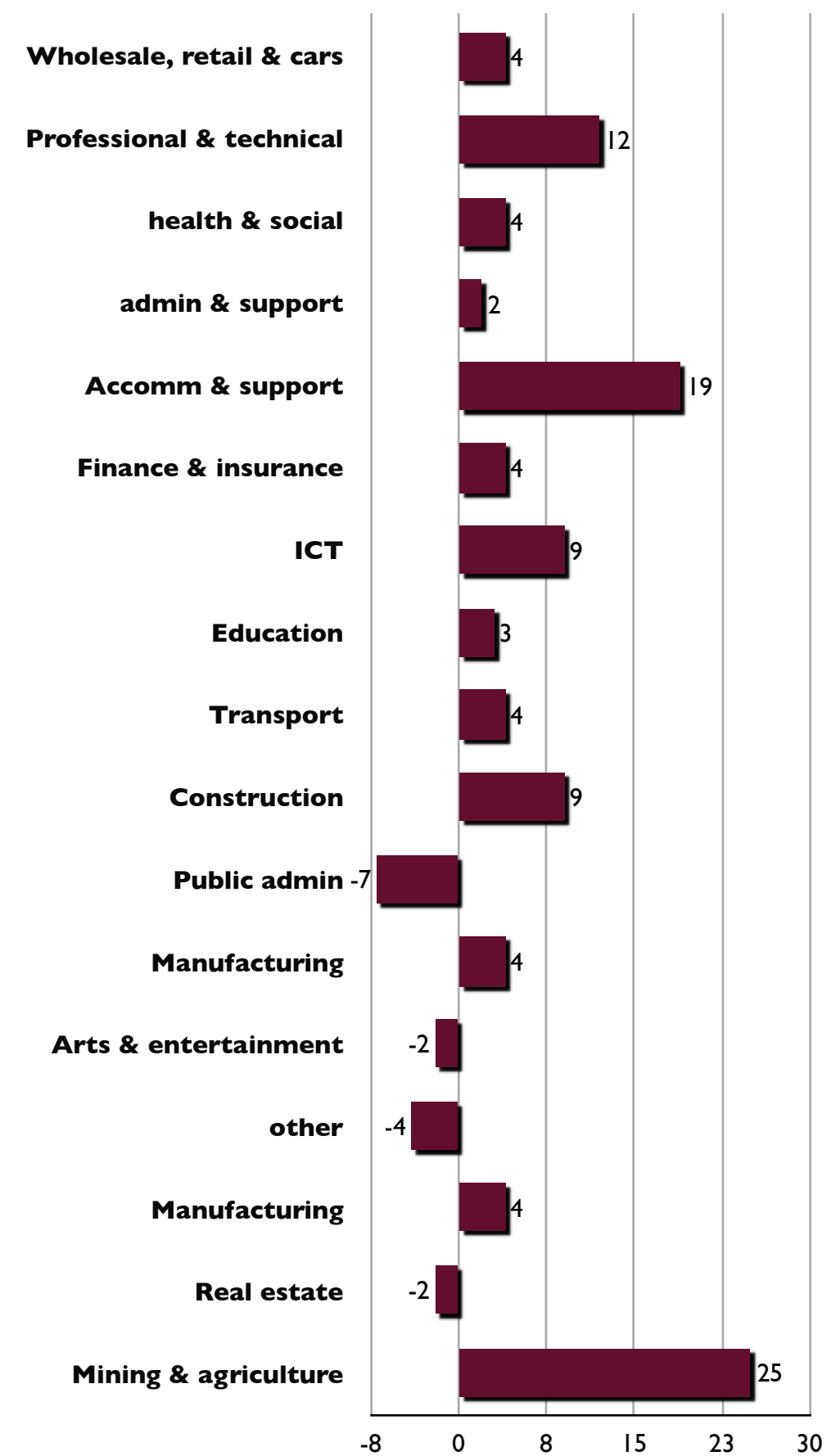


Source: GLA Economics based on data from the ONS Business Register and Employment Survey (BRES) and ONS Regional Gross Value Added (GVA) series

jobs by sector in London in '000s



% change in jobs over past two years
overall increase by 6% across London



“Most jobs are created in small businesses”

is this true?

74% of new businesses employs no one

small 1-10

small-ish 10-50

medium sized 50 plus

new businesses v small businesses

so what to do?

infrastructure

planning & development

land values and retail values

transport

business support

new enterprise advice

small enterprise support

medium enterprise support

labour supply

pupil attainment

ambition and stretch

skills & training

public purchasing

goods and supplies

multiplier effects

“magnets & glue”