

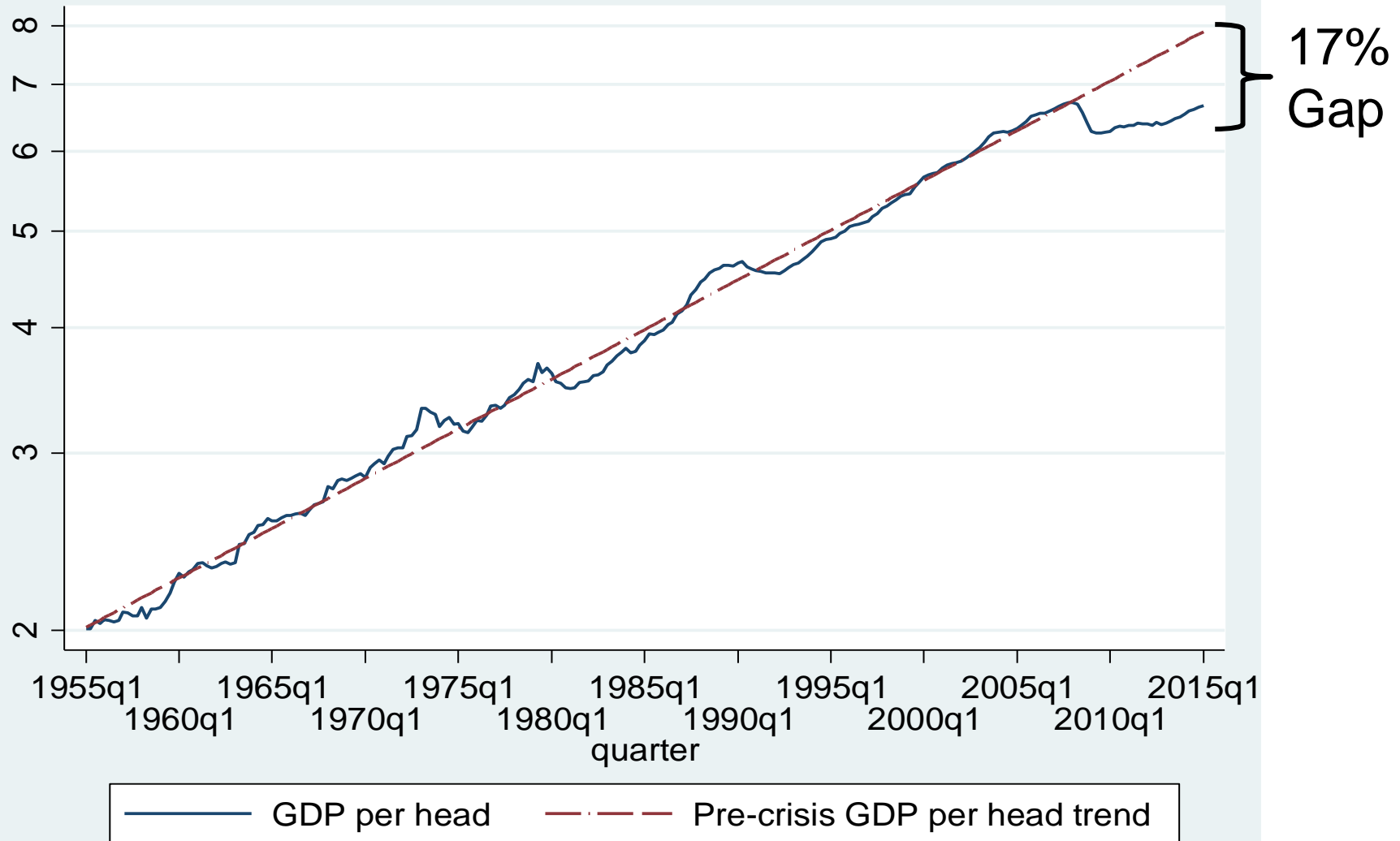
Economic Analysis & Public Policy

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PWC April 30th 2015



THE GROWTH PROBLEM UK GDP PER CAPITA, 1955-2015



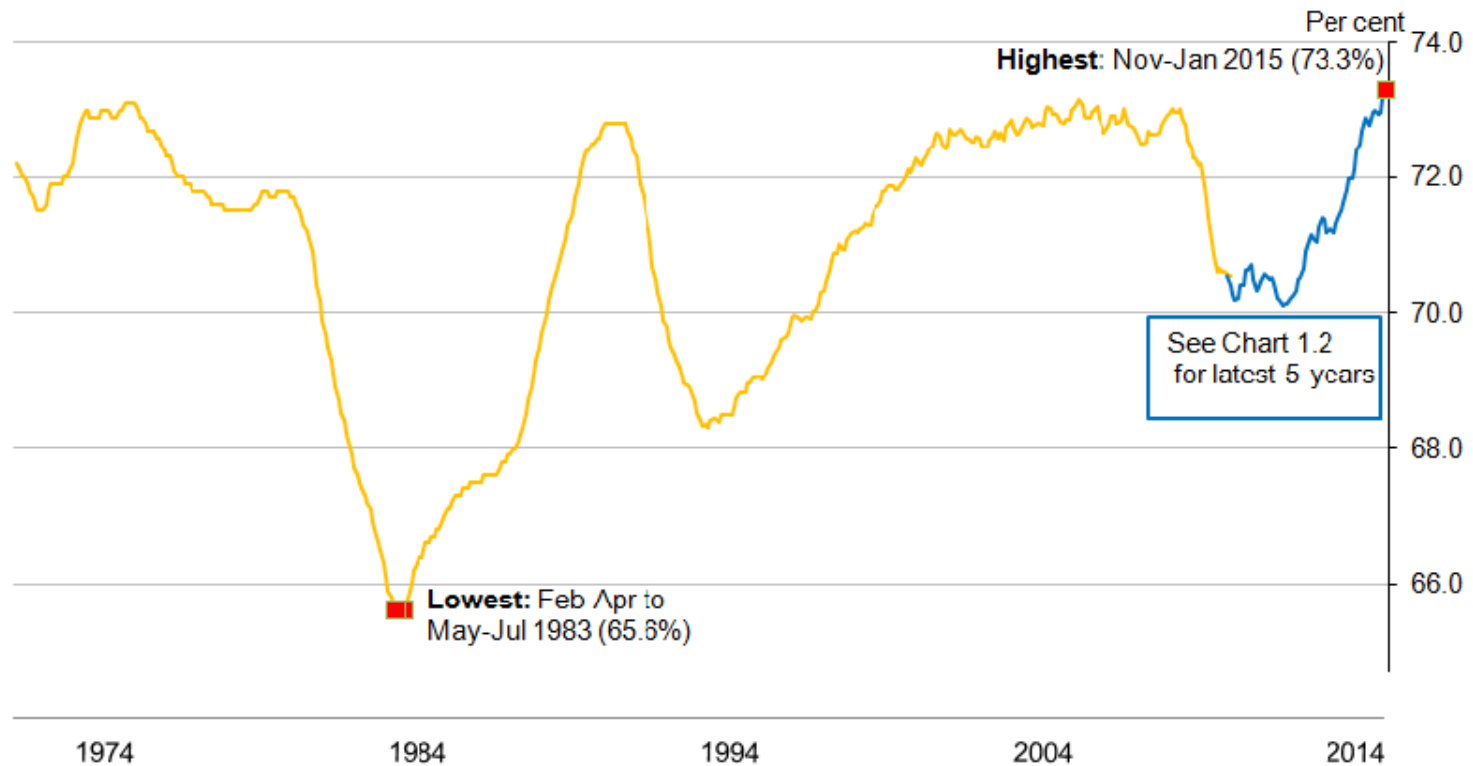
Notes: Trend line at 0.57% per quarter (linear trend from 1955Q1 to 2008Q1 when recession began). Quarterly GDP (in £1000) per head (ONS series IHXW), market prices (downloaded April 28th 2015)

<http://www.ons.gov.uk/ons/datasets-and-tables/data-selector.html?cdid=IHXW&dataset=ukea&table-id=X11>.

2015Q1 estimated using GDP growth http://www.ons.gov.uk/ons/dcp171778_402219.pdf

UK EMPLOYMENT RATE AT RECORD HIGH

Chart 1.1: Employment rate (aged 16 to 64) from January-March 1971, seasonally adjusted

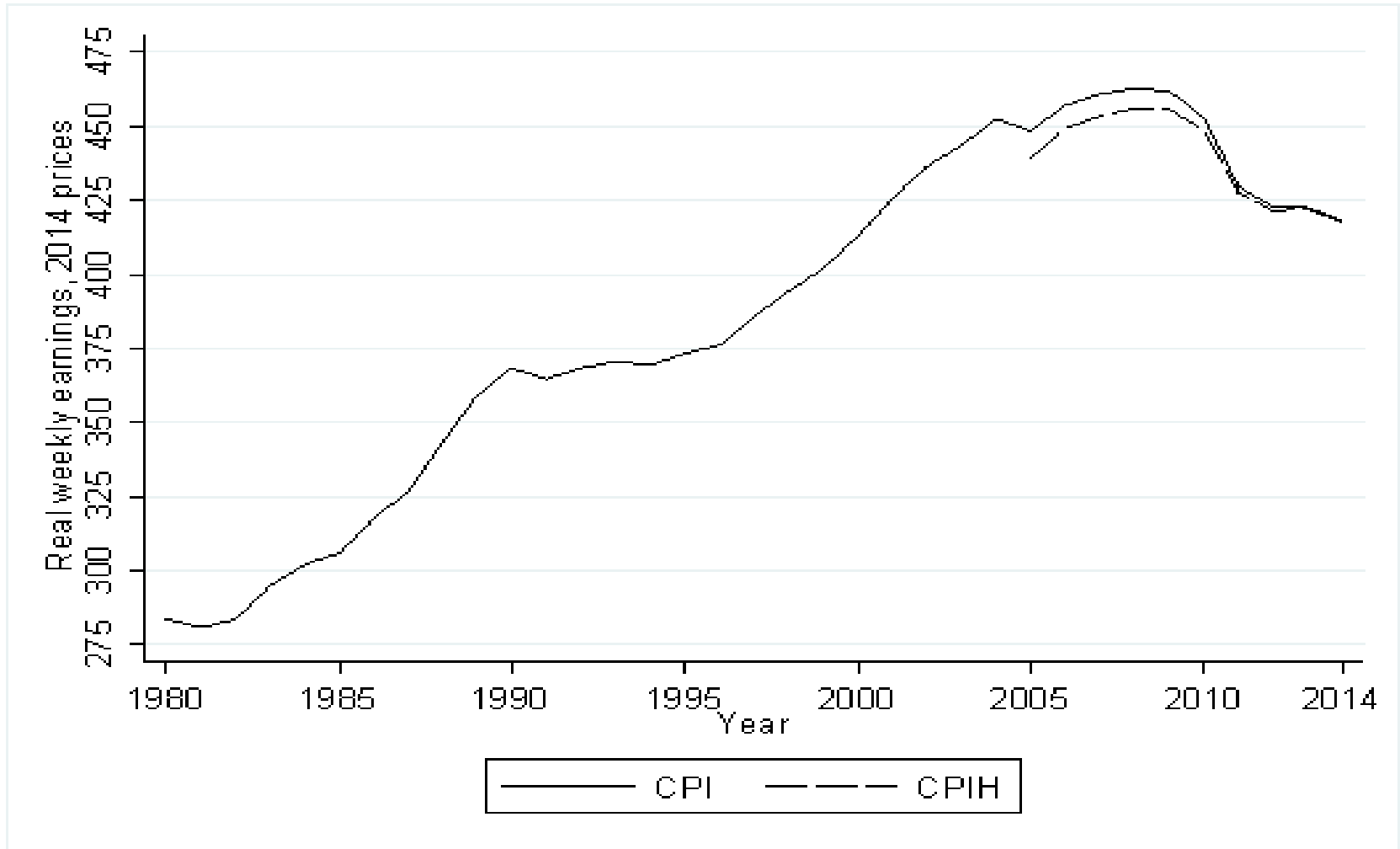


Source: Labour Force Survey - Office for National Statistics

Source: ONS LFS (2015, March) <http://www.ons.gov.uk/ons/dcp171>

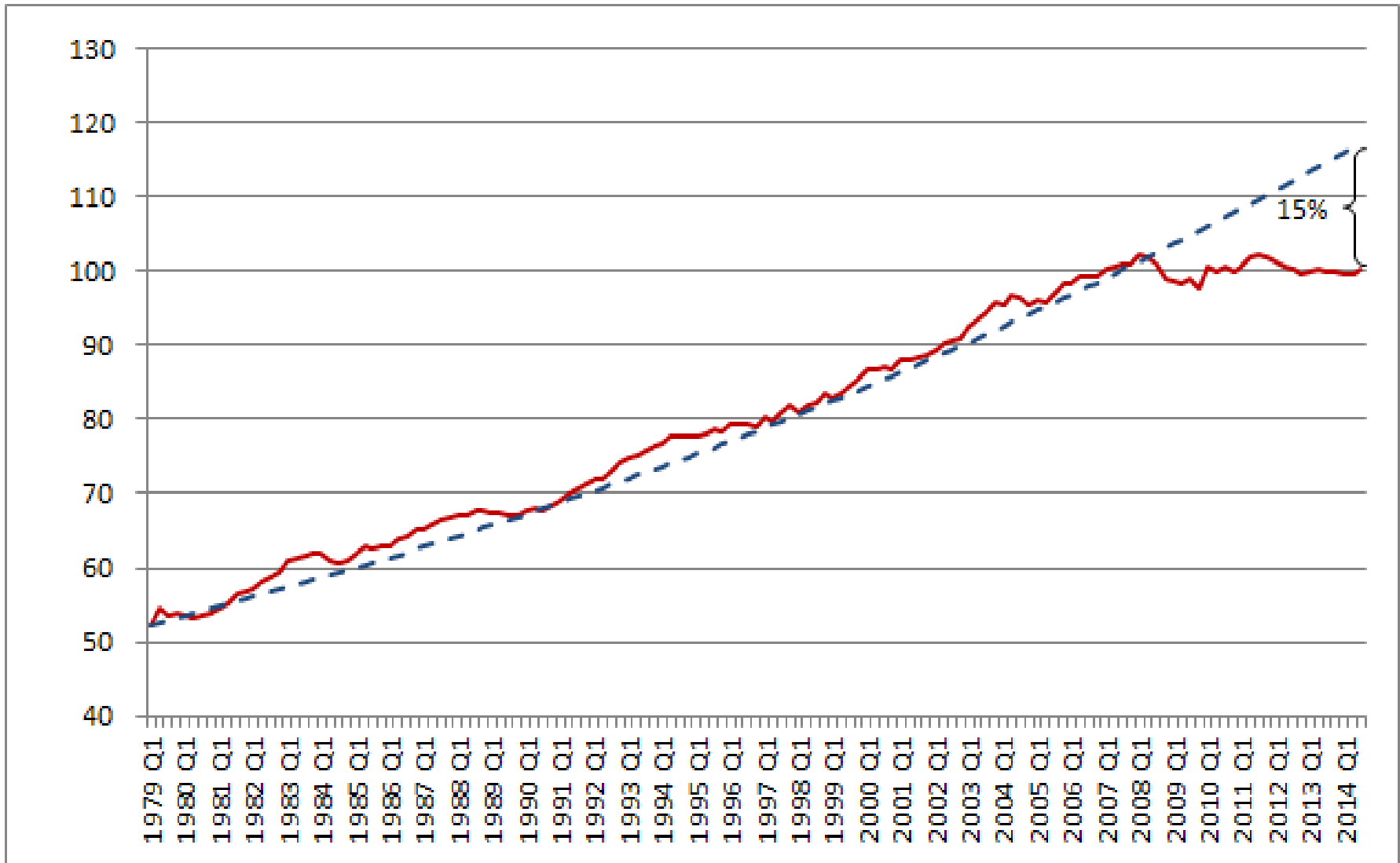
CENTRE for ECONOMIC
P E R F O R M A N C E

MEDIAN REAL WAGES FELL BY 8-10% SINCE 2008



Notes: Annual Survey of Hours and Earnings (ASHE) weekly earnings numbers, updated from Gregg et al (2014a, 2014b), deflated by CPI and CPIH (from 2005).

THE UK PRODUCTIVITY GROWTH PUZZLE

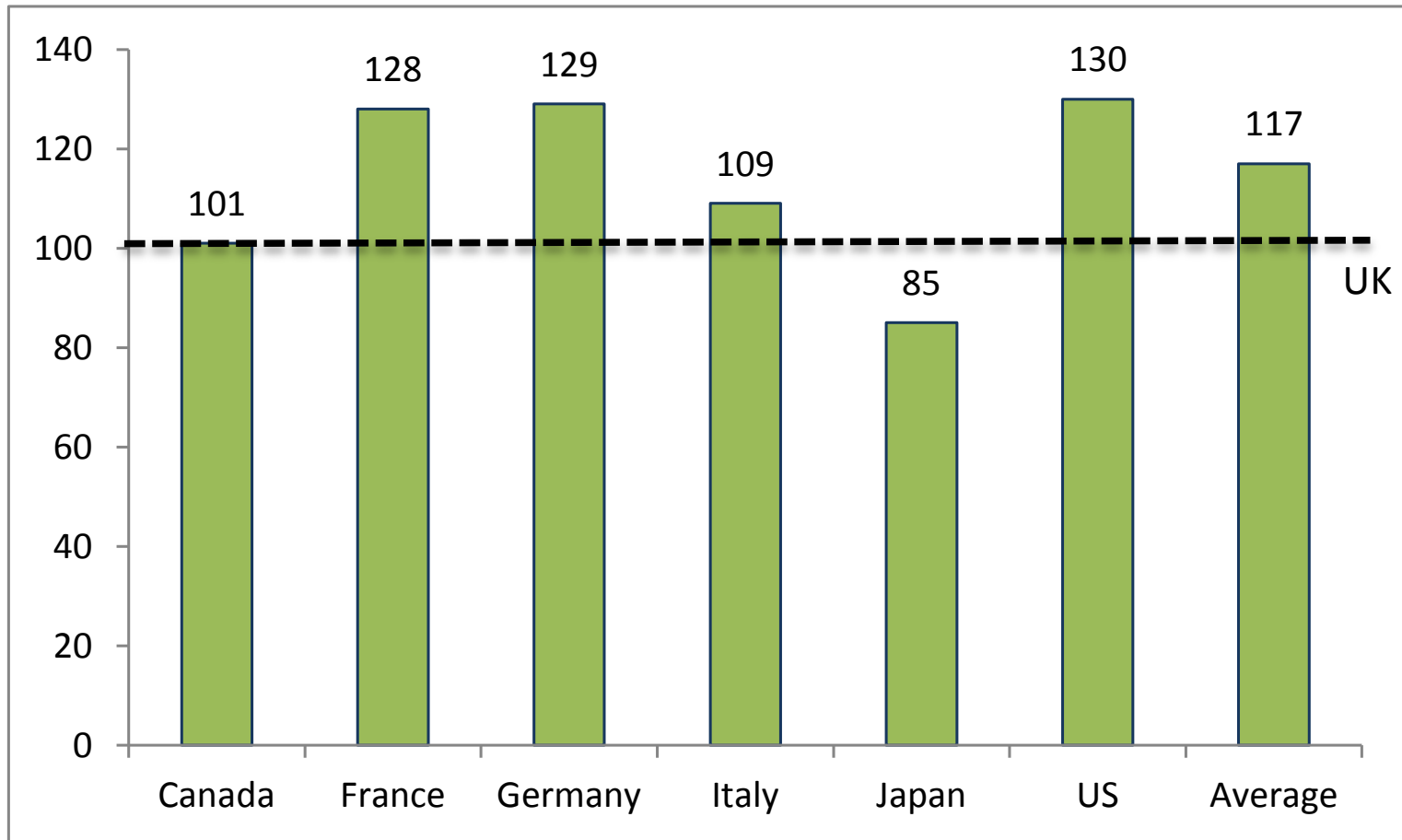


Source: ONS Statistical Bulletin, Q3 2014, extracted 6 February 2015

Notes: Whole Economy GDP per hour worked, seasonally adjusted (Q22010=100).

Predicted value after 2008 Q2 is the dashed line calculated assuming a historical average growth of 2.3% per annum (the average over the period 1979 Q1 to 2008 Q2).

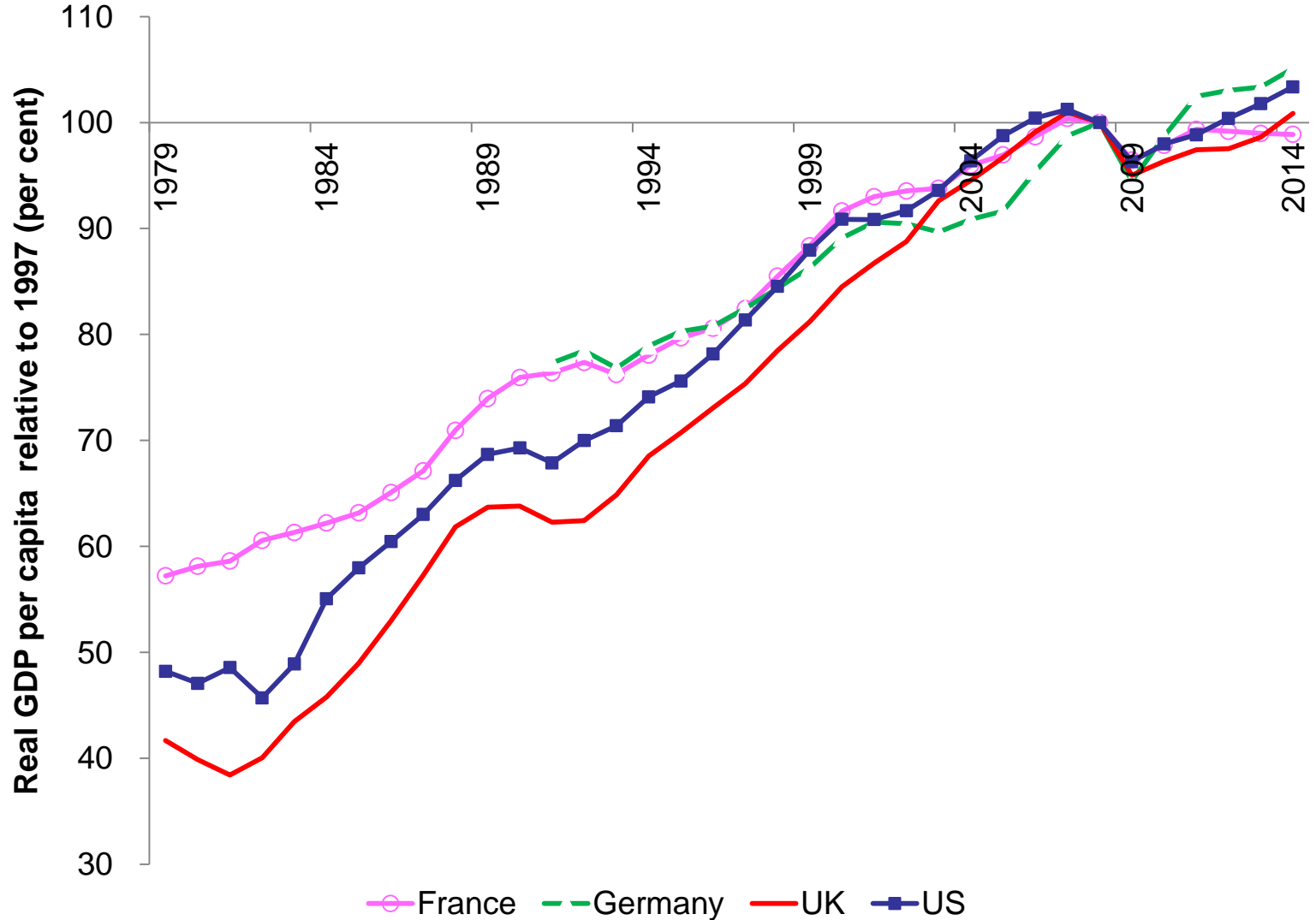
PRODUCTIVITY IN LEVELS: THE GAP



Source: ONS International Comparisons of Productivity, First Estimates, 2013

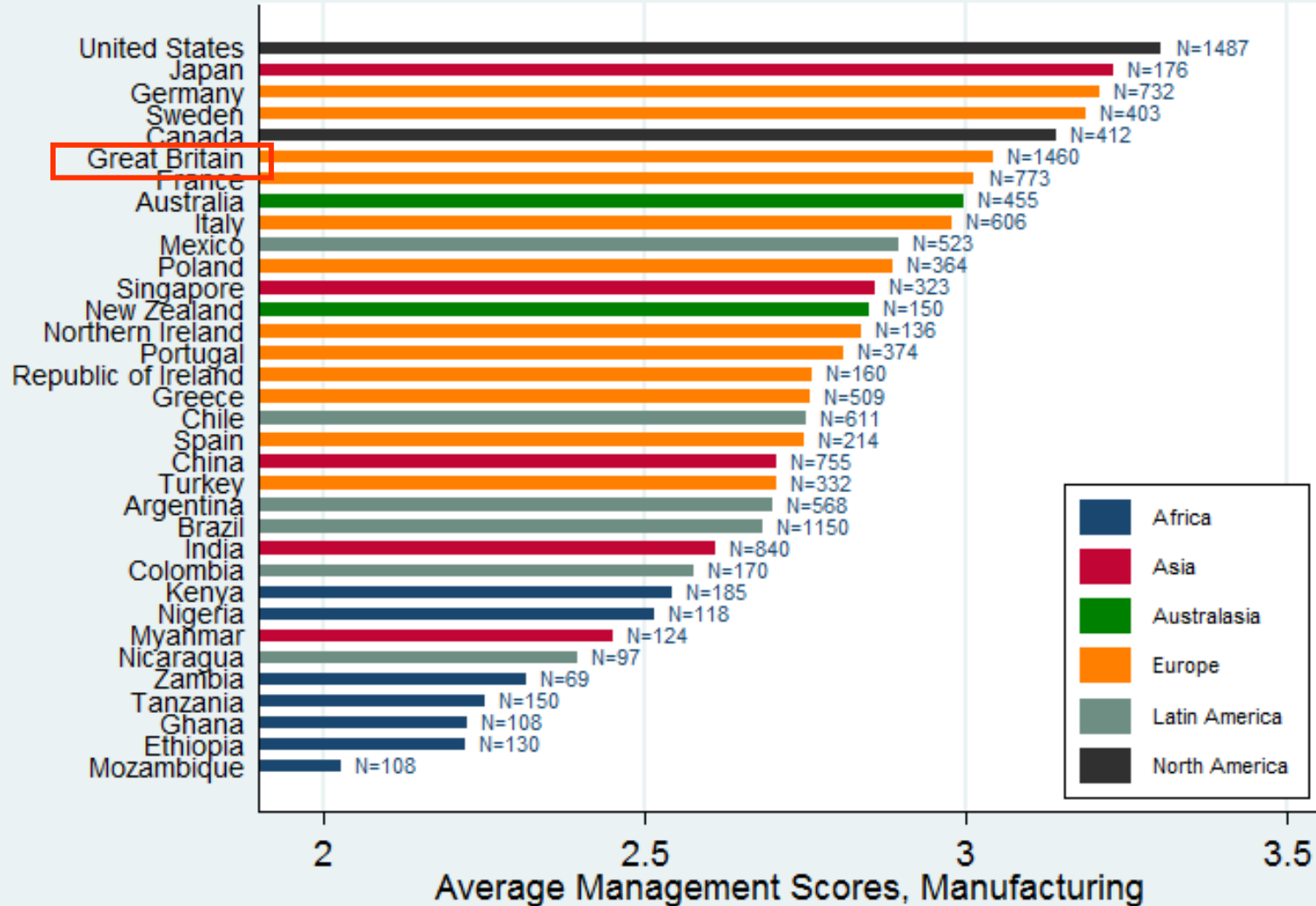
Notes: Current price GDP per hour worked from ONS data. Average refers to G7 average, excluding UK

UK REVERSED A CENTURY OF RELATIVE DECLINE IN GDP/CAPITA IN 30 YEARS TO 2008, BUT HAS SINCE UNDER-PERFORMED



Source: Conference Board (2015)

AVERAGE MANAGEMENT SCORES BY COUNTRY

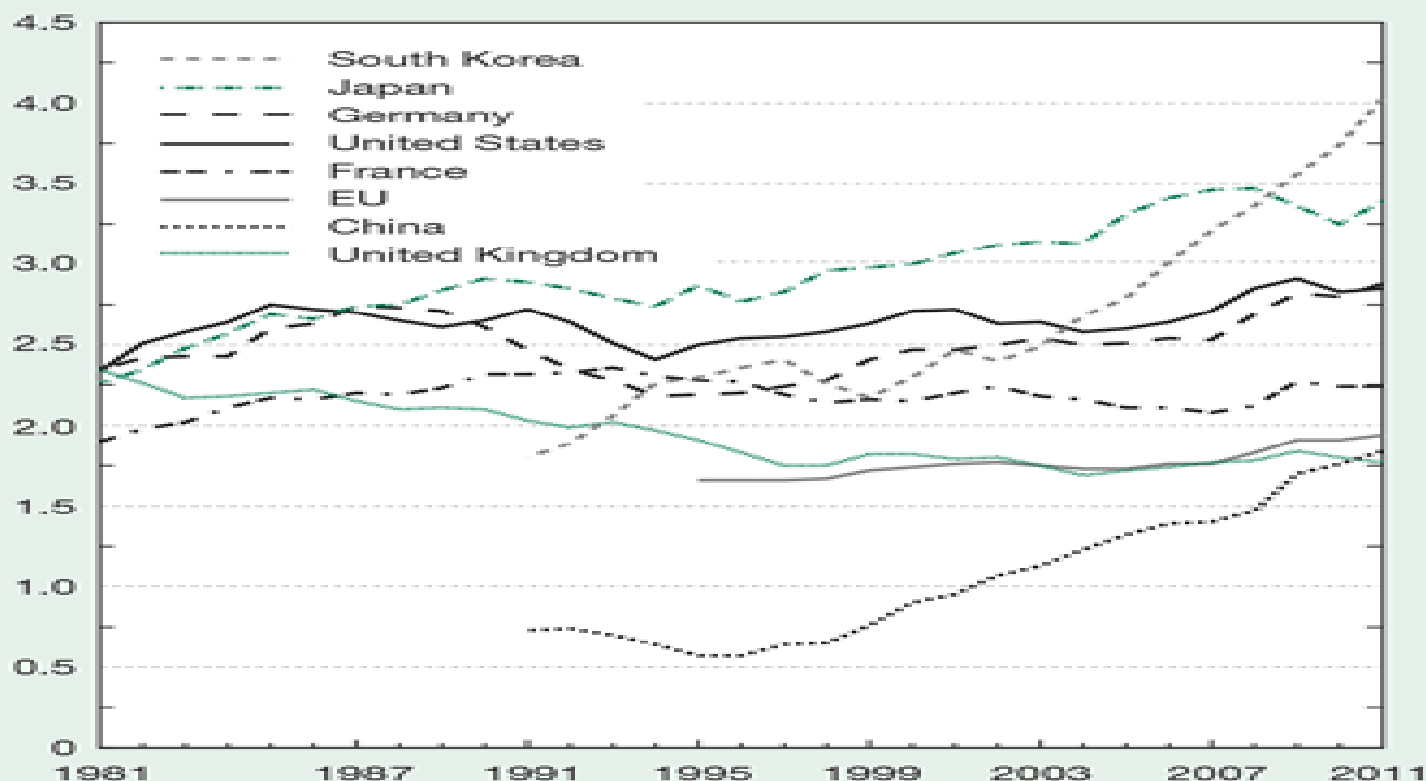


Note: 14772 interviews with firms between 50 and 5000 employees,

Note: Unweighted average management scores (raw data) with number of observations. All waves pooled (2004-2014), **Source:** <http://worldmanagementsurvey.org/>

Figure 4-10
Gross expenditures on R&D as share of GDP, for the
United States, EU, and selected other countries:
1981–2011

Percent

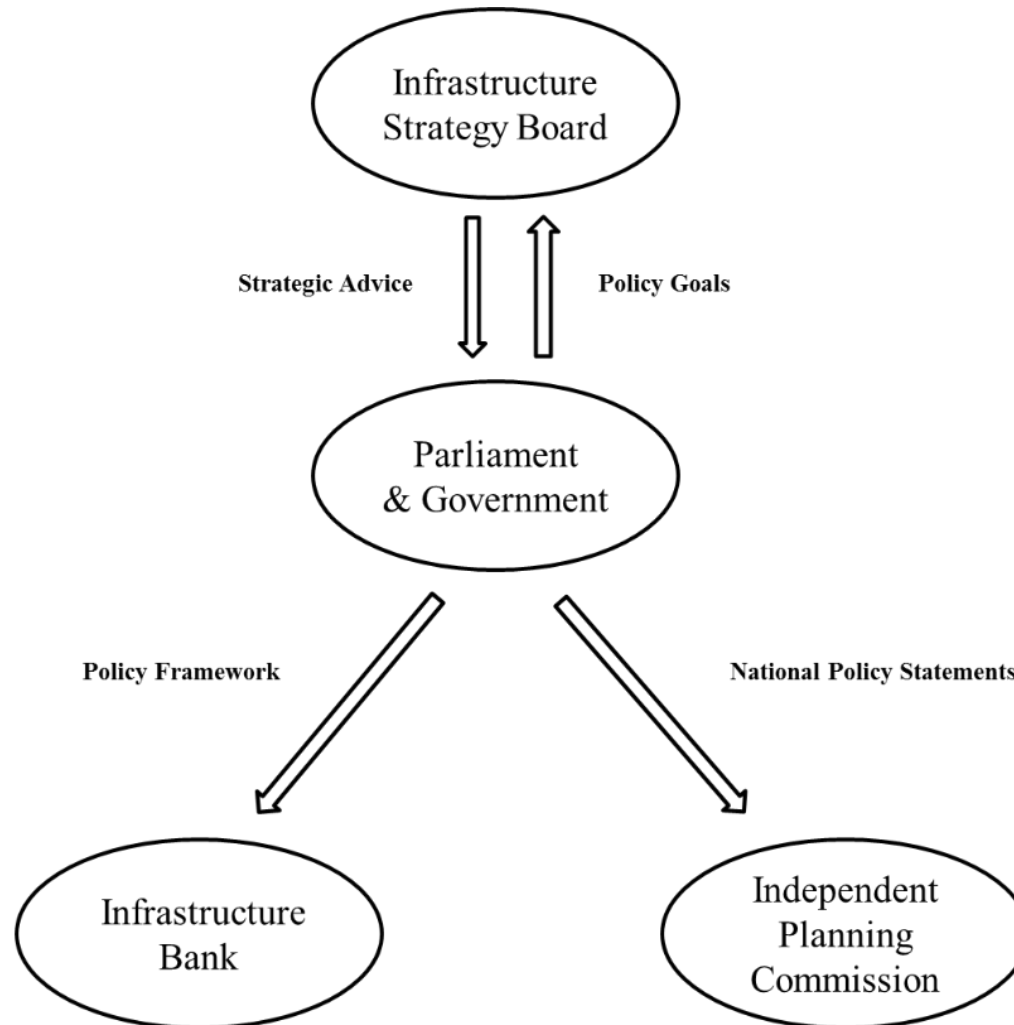


EU = European Union; GDP = gross domestic product.

NOTES: Data are not available for all countries in all years. The table includes the top seven R&D-performing countries. Figures for the United States reflect international standards for calculating gross expenditures on R&D, which differ slightly from the National Science Foundation's protocol for tallying U.S. total R&D. Data for Japan for 1996 onward may not be consistent with earlier data because of changes in methodology.

SOURCE: Organisation for Economic Co-operation and Development, *Main Science and Technology Indicators (2013/1)*. See appendix table 4-13.

A NEW INSTITUTIONAL ARCHITECTURE FOR INFRASTRUCTURE DECISIONS



FURTHER READING

- CEP Election Analysis Series

http://cep.lse.ac.uk/_new/publications/series.asp?prog=CEPEA

- World Management Survey

<http://worldmanagementsurvey.org/>

- LSE Growth Commission Final Report

<http://www.lse.ac.uk/researchAndExpertise/units/growthCommission/documents/pdf/GCReportSummary.pdf>