



# European Comparator City Report: York

February 2012

## Summary of findings

The population of York has grown strongly at a rate of 1.4 percent per year over the past five years – from 189,200 in 2005 to 202,400 in 2010.

40 percent of York's working population holds a degree or better, a proportion with only Cambridge, in the UK, and Oulu and Utrecht ranking higher amongst comparable European cities.

However, despite its skills advantages, York's gross domestic product per capita lags behind many European cities. This could reflect levels of productivity or (which is more likely) the type of industry located in York (services or leisure) compared to other high performing cities such as Regensburg, Tampere and Oulu (manufacturing and energy).

York's private sector performs well and is a significant strength for the city to capitalise upon. It is in the top 10 for the number of firms with 1-250 employees and in the top 15 for the number of firms employing over 250 people.

However, while York's existing private sector base is strong, its dynamism lags behind European comparators. The number of new businesses entering the market as a proportion of existing businesses is low in York (8.4) compared to the European leader for a city of this size, Trondheim, Norway (18.2).

## Introduction

This report compares the economy of York with a number of selected comparator European cities to inform York's aspiration, set out in *The York Economic Strategy 2011-2015*,<sup>1</sup> of becoming "a top 10 European city" compared to European cities of a similar size. It builds upon previous work undertaken by Centre for Cities for York.

The purpose of this report is to analyse:

- York's advantage in high-skilled labour
- Its main competitors
- Its private sector structure

This research highlights data that York can use to gain a better understanding of its economic position in relation to comparable EU cities. The cities selected as comparators have been chosen because they all have similar sized populations to York.

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1. City of York Council (2011) *The York Economic Strategy 2011-2015* York: City of York Council in partnership with York Economic Partnership

## Choosing comparator cities and data limitations

There are many comparable European cities in terms of population size and this report has expanded the list from the previous report to over 60 cities. York has a population of 202,400 and the selected comparator cities have a population of roughly 100,000–300,000. The report compares population data, labour market indicators, private sector involvement and gross domestic product.

Due to the limitations of the Eurostat database, most of the data used in this report precedes the UK recession. It is important to keep in mind that the relative position of these cities may have changed since the data was collected, depending on the resilience of their economies. Further, in some cases, adjustments have been made to the York data so that it is comparable with the European datasets. As such, the figures may differ slightly from those for the York economy reported elsewhere. Where there is data missing in the key variables, cities have been appropriately discounted from the analysis.

Furthermore, there should also be caution in comparing cities across different countries as the economic and political framework in which they operate will vary. This will be particularly prevalent in such a “snapshot” analysis.

## Population

York has a population size of 202,400 of which 69 percent are of working age. Its available workforce by age is roughly the average of the comparator cities although this statistic ranges from 63 percent in Mülheim an der Ruhr to 76 per cent in Groningen.

The population of York has increased over the past five years at an annual rate of 1.4 percent. It is in the top 10 European cities of its size for population growth over the past year and has seen the 10th largest per annum population growth over the past five years.

York’s population is growing at over double the rate of the UK (1.4 percent compared to 0.66 percent, respectively).

This is encouraging news for York, and it compares favourably to cities with high value sectors such as Cambridge, Utrecht or Uppsala.

**Table 1: Population change**

Rank	City	Population change (1 year) %	Rank	City	Population change (5 years) %
1	Cambridge, UK	2.59	1	Utrecht, Netherlands	2.14
2	Utrecht, Netherlands	2.20	2	Almere, Netherlands	2.11
3	Trondheim, Norway	2.14	3	Cambridge, UK	1.91
4	Malmö, Sweden	2.04	4	Trondheim, Norway	1.74
5	Stavanger, Norway	1.94	5	Stavanger, Norway	1.59
6	<b>York, UK</b>	<b>1.8</b>	6	Malmö, Sweden	1.54
7	Uppsala, Sweden	1.67	7	Graz, Austria	1.53
8	Örebro, Sweden	1.42	8	Uppsala, Sweden	1.51
9	Potsdam, Germany	1.41	9	<b>York, UK</b>	<b>1.4</b>
10	Portsmouth, UK	1.37	10	Mainz, Germany	1.27

Source: Eurostat Urban Audit. Data is 2007–2009. York data is NOMIS 2011, Mid-year population estimated, 2010 data. Data limitations means we are unable to see the nominal increase in population

**Table 2: Population growth rate by country**

	2005 (millions)	2010 (millions)	2005-2010 %	Per annum change %
Germany	82.47	81.7	-0.93	-0.19
<b>UK</b>	<b>60.22</b>	<b>62.22</b>	<b>3.32</b>	<b>0.66</b>
Netherlands	16.32	16.61	1.78	0.36
Sweden	9.02	9.38	3.99	0.80
Austria	8.23	8.38	1.82	0.36
Finland	5.25	5.36	2.10	0.42

## Labour market indicators

Among the comparator cities, York has the fourth largest proportion of the working population with a degree or better, with only Cambridge, Oulu and Utrecht ranking higher. A highly skilled workforce is more likely to be involved in higher value sectors and will be more attractive to existing and new firms; both of which will generate greater economic growth.

**Table 3: Proportion of the workforce holding a degree or better**

Rank	City	Proportion of workforce holding a degree or better (age 15-64) %
1	Cambridge, UK	51.1
2	Oulu, Finland	41.0
3	Utrecht, Netherlands	40.6
<b>4</b>	<b>York, UK</b>	<b>40.0</b>
5	Aberdeen, UK	39.8
7	Tampere, Finland	38.7
6	Uppsala, Sweden	38.7
8	Turku, Finland	37.3
9	Trondheim, Norway	36.8
10	Umeå, Sweden	36.6
	<b>Average (of all cities)</b>	<b>27.7</b>

Source: Eurostat Urban Audit. Data is 2007-2009, York is NOMIS 2011, Annual Population Survey, residents analysis Jan 2010-December 2010

York has an unemployment level of seven percent which is comparable to the average among the comparator cities.<sup>2</sup> The range, however, spans from one percent in Stavanger and 15.7 percent Halle an der Saale. A strategic skills focus may be required to reduce this rate within York.

York's male unemployment rate (8.3 percent) is significantly higher than the average (7.5 percent) whilst its female unemployment rate is significantly lower (5.6 percent and 6.8 percent, respectively). Understanding the industry structure and occupational profile as well as area disparities and entrepreneurial activity will provide a clearer picture.

2. International Labour Organisation (ILO) definition of unemployment – The unemployed population is made up of persons who are available to, but did not, furnish the supply of labour for the production of goods and services.

**Table 4: Unemployment levels**

City	Unemployment %	Male Unemployment %	Female Unemployment %
Stavanger, Norway	1.0	1.1	0.9
Trondheim, Norway	1.9	2.0	1.7
Utrecht, Netherlands	3.2	2.5	3.9
Uppsala, Sweden	5.0	5.8	4.2
Cambridge, UK	5.3	6.7	6
<b>York, UK</b>	<b>7.0</b>	<b>8.3</b>	<b>5.6</b>
Malmö, Sweden	9.9	11.5	8.2
Oulu, Finland	11.4	13.3	9.5
<b>Average (of all cities)</b>	<b>7.1</b>	<b>7.5</b>	<b>6.8</b>

Source: Eurostat Urban Audit. Data is 2007-2009, York is NOMIS 2011, Annual Population Survey, Jul 2010-Jun 2011

York has a youth unemployment rate of over three percentage points higher than the comparator European city average of 15.4 percent. It also lags behind other competitor cities such as Trondheim and Aberdeen but performs well compared to Oulu.

Ensuring young people have the necessary skills to participate within the labour market alongside opening up opportunities to gain experience with the private sector is key to reducing youth unemployment levels.

**Table 5: Youth unemployment**

Rank	City	Youth Unemployment (15-24) %
1	Stavanger, Norway	2.4
2	Bergen, Norway	2.6
3	Trondheim, Norway	3.5
4	Aberdeen, UK	6.0
10	Mainz, Germany	8.2
13	Potsdam, Germany	8.9
<b>30</b>	<b>York, UK</b>	<b>15.4</b>
31	Nottingham, UK	15.4
32	Rostock, Germany	15.4
33	Oulu, Finland	16.3
34	Mönchengladbach, Germany	16.4
35	Halle an der Saale, Germany	18.4
36	Magdeburg, Germany	19.5
37	Hull, UK	20.6
38	Saarbrücken, Germany	20.8
39	Newcastle, UK	22.4
40	Wolverhampton, UK	25.5
	<b>Average (of all cities)</b>	<b>12.1</b>

Source: Eurostat Urban Audit. Data is 2007-2009, York is NOMIS 2011, Annual Population Survey, Jul 2010-Jun 2011

## Economic performance

Despite its high skilled workforce, York's GDP per capita lags behind many European cities. Of the selected cities, only 14 rank lower than York on this measure (see Table 6). As mentioned in the Centre for Cities paper, *European Comparator City Report: York*<sup>3</sup> there are several possible explanations for York's GDP level. As shown in Table 7, the GDP per capita among the working age population of York is in the bottom 15 European comparator cities. This should not necessarily be seen as a wholly negative factor, as the effect could be partly caused by high earners living in York and working elsewhere. As York offers high quality of place, its role in attracting residents is also a legitimate element of its economy.

**Table 6: Gross domestic product per capita**

Rank	City	GDP per capita in PPS (€)
1	Regensburg, Germany	69,100
2	Koblenz, Germany	53,000
3	Darmstadt, Germany	51,800
4	Groningen, Netherlands	51,400
5	Wiesbaden, Germany	48,100
6	Karlsruhe, Germany	47,000
7	Augsburg, Germany	42,500
8	Mainz, Germany	39,600
9	Linz, Austria	39,300
10	Utrecht, Netherlands	38,700
<b>44</b>	<b>York, UK</b>	<b>26,152</b>
49	Wolverhampton, UK	23,000
51	Exeter, UK	22,200
52	Stoke, UK	21,600
53	Moers, Germany	19,100
58	Pleven, Bulgaria	5,900
<b>Average (of all cities)</b>		<b>30,549</b>

**Table 7: GDP per working age population**

Rank	City	GDP per working age pop PPS (€)	Rank	City	GDP per working age pop PPS (€)
1	Regensburg, Germany	100,145	47	Göttingen, Germany	36,056
2	Koblenz, Germany	81,538	48	Wolverhampton, UK	35,385
3	Darmstadt, Germany	76,176	49	Hull, UK	35,072
4	Wiesbaden, Germany	71,791	50	Halle an der Saale, Germany	33,939
5	Karlsruhe, Germany	69,118	51	Stoke, UK	32,727
6	Groningen, Netherlands	67,632	52	Exeter, UK	31,714
7	Augsburg, Germany	63,433	53	Moers, Germany	29,385
8	Linz, Austria	57,794	54	Panevezys, Lithuania	14,714
9	Mainz, Germany	56,571	55	Burgas, Bulgaria	12,055
10	Salzburg, Austria	55,217	56	Stara Zagora, Bulgaria	12,027
44	Uppsala, Sweden	37,429	57	Ruse, Bulgaria	10,274
<b>45</b>	<b>York, UK</b>	<b>37,013</b>	58	Pleven, Bulgaria	7,973
46	Oulu, Finland	36,901	<b>Average (of all cities)</b>		<b>34,529</b>

Source: Eurostat Urban Audit. Data is 2007-2009, York is an approximation using from ONS 2011, Regional Economic Activity

## Employment structure

York's employment structure is not dissimilar to those comparator cities that have a higher GDP per capita. Taking a selection of cities whose GDP per capita is higher, there are three main differences. Firstly, the comparator cities all seem to have larger manufacturing, mining & energy industries, which are generally highly productive sectors.

Secondly, York has a larger hospitality sector than comparator cities, which brings high labour costs relative to the output. This makes the sector inherently less productive than many others, and also more susceptible to demand shocks, as people decrease their spending earliest in such areas.

Thirdly, York has a smaller financial sector than the other relatively more prosperous cities. We also need to be aware that much of the European data predates the recession in the UK and, as such, the size of the sector may be exaggerated.

**Table 8: Employment structure**

City	GDP per capita		Proportions of employment				
	PPS Rank	PPS (€)	Mining, Manufacturing & Energy	Trade Hotels Restaurants	Transport Communication	Financial Intermediation Business Activities	Public Administration, Health & Education
Regensburg, Germany	1	69,100	28.6	15.5	5.5	18.9	31.2
Koblenz, Germany	2	53,000	12.5	18.4	4.8	21.4	42.4
Darmstadt, Germany	3	51,800	21.2	16.6	3.0	24.2	34.3
Wiesbaden, Germany	5	48,100	14.3	17.4	3.5	28.5	35.4
Tampere, Finland	32	28,100	25.6	15.3	11.0	16.2	30.8
Malmö, Sweden	34	27,400	16.8	18.5	7.6	22.0	33.7
Oulu, Finland	41	26,200	23.1	13.9	10.0	15.1	35.7
Uppsala, Sweden	42	26,200	14.4	13.3	4.9	22.5	43.1
<b>York, UK</b>	<b>44</b>	<b>26,152</b>	<b>7.4</b>	<b>22.5</b>	<b>7.1</b>	<b>16.8</b>	<b>35.0</b>
<b>Average (of all cities)</b>	<b>-</b>	<b>30,549</b>	<b>20.9</b>	<b>18.2</b>	<b>6.1</b>	<b>18.0</b>	<b>35.0</b>

Source: Eurostat Urban Audit. Data is 2007-2009, York is NOMIS 2011, Annual Population Survey, Jul 2010-Jun 2011

## Private sector

York's private sector performs well. It is in the top 10 for the number of firms with 1-250 employees and in the top 15 for the volume of firms with over 250 employees. This shows that the market environment is competitive with a mix of both large and small firms.

As a proportion of its population, York's business stock is low and ranks at number 28 (see Table 11). This may not necessarily be a negative factor as York has a large number of large firms. However, encouraging firm creation could be a route to decrease unemployment levels.

This is further highlighted by the fact that York has a relatively small number of new firms created as a proportion of existing businesses and may suggest a lack of private sector dynamism (see Table 10). Whilst this statistic should be read with care, as a strong private sector will drive this total down, York performs less well than its European comparators such as Stavanger, Utrecht and Eindhoven.

**Table 9: Size of firms**

Rank	City	Enterprises with 1-250 employees	Rank	City	Enterprises with 250+ employees
1	Karlsruhe, Germany	13,904	1	Karlsruhe, Germany	76
2	Mönchengladbach, Germany	11,407	2	Linz, Austria	65
3	Tampere, Finland	10,891	3	Aberdeen, UK	60
4	Freiburg im Breisgau, Germany	10,640	4	Nottingham, UK	60
5	Malmö, Sweden	10,595	5	Kiel, Germany	59
6	Turku, Finland	8,995	6	Newcastle, UK	55
7	Kiel, Germany	8,954	7	Halle an der Saale, Germany	51
8	Magdeburg, Germany	8,478	8	Magdeburg, Germany	51
9	<b>York, UK</b>	<b>7,830</b>	9	Malmö, Sweden	49
10	Rostock, Germany	7,581	10	Bergen, Germany	41
11	Erfurt, Germany	7,486	11	Hull, UK	40
12	Potsdam, Germany	7,450	12	Salzburg, Austria	40
13	Halle an der Saale, Germany	7,366	13	<b>York, UK</b>	<b>40</b>
14	Burgas, Bulgaria	7,336	14	Graz, Austria	38
15	Mülheim a.d. Ruhr, Germany	7,306	15	Rostock, Germany	37
16	Bergen, Germany	6,735	16	Mönchengladbach, Germany	37
17	Nottingham, UK	6,215	21	Stavanger, Norway	31
18	Graz, Austria	6,064	23	Tampere, Finland	29
19	Uppsala, Sweden	5,907	25	Uppsala, Sweden	26
20	Aberdeen, UK	5,795	34	Umeå, Sweden	20
22	Oulu, Finland	5,321	35	Cambridge, UK	20
36	Cambridge, UK	3,685	36	Innsbruck, Austria	19
39	Umeå, Sweden	3,489	37	Trondheim, Norway	18
42	Stavanger, Norway	3,106	43	Oulu, Finland	10
<b>Average (of all cities)</b>		<b>6,121</b>	<b>Average (of all cities)</b>		<b>33</b>

**Table 10: Business births as a proportion of existing businesses**

Rank	City	New businesses registered as a proportion of existing companies	Rank	City	New businesses registered as a proportion of existing companies
1	Trondheim, Norway	18.2	14	Oulu, Finland	13.9
2	Stavanger, Norway	18.1	15	Turku, Finland	13.7
3	Burgas, Bulgaria	17.2	16	Enschede, Netherlands	13.7
4	Bergen, Germany	16.7	17	Tampere, Finland	13.0
5	Almere, Netherlands	16.4	18	Breda, Netherlands	12.9
6	Utrecht, Netherlands	15.9	19	Pleven, Bulgaria	11.8
7	Stara Zagora, Bulgaria	15.7	20	Malmö, Sweden	10.8
8	Arnhem, Netherlands	14.8	21	Uppsala, Sweden	8.9
9	Groningen, Netherlands	14.8	22	Linköping, Sweden	8.8
10	Nijmegen, Netherlands	14.6	23	Örebro, Sweden	8.6
11	Ruse, Bulgaria	14.4	24	<b>York, UK</b>	<b>8.4</b>
12	Tilburg, Netherlands	14.2	25	Panevezys, Lithuania	8.4
13	Eindhoven, Netherlands	14.1	26	Jönköping, Sweden	7.9
			<b>Average (of all cities)</b>		<b>13.3</b>

Source: Eurostat Urban Audit. Data is 2007-2009, York is ONS 2011, Business by Employment Size, 2010

**Table 11: Companies as a proportion of the population**

Rank	City	Companies per 10,000	Rank	City	Companies per 10,000
1	Uppsala, Sweden	102	22	Tilburg, Netherlands	44
2	Malmö, Sweden	99	23	Nijmegen, Netherlands	43
3	Jönköping, Sweden	94	24	Graz, Austria	42
4	Örebro, Sweden	91	25	Almere, Netherlands	42
5	Linköping, Sweden	88	26	Enschede, Netherlands	41
6	Burgas, Bulgaria	75	27	Oulu, Finland	41
7	Bergen, Germany	69	<b>28</b>	<b>York, UK</b>	<b>39</b>
8	Trondheim, Norway	66	29	Magdeburg, Germany	37
9	Stavanger, Norway	65	30	Linz, Austria	37
10	Ruse, Bulgaria	63	31	Koblenz, Germany	34
11	Pleven, Bulgaria	60	32	Halle an der Saale, Germany	32
12	Stara Zagora, Bulgaria	57	33	Darmstadt, Germany	31
13	Breda, Netherlands	56	34	Potsdam, Germany	29
14	Tampere, Finland	53	35	Karlsruhe, Germany	28
15	Salzburg, Austria	52	36	Göttingen, Germany	27
16	Turku, Finland	51	37	Kiel, Germany	24
17	Utrecht, Netherlands	51	38	Mönchengladbach, Germany	24
18	Eindhoven, Netherlands	51	39	Mülheim a.d. Ruhr, Germany	23
19	Innsbruck, Austria	49	40	Panevezys, Lithuania	22
20	Arnhem, Netherlands	48	41	Moers, Germany	20
21	Groningen, Netherlands	45	<b>Average (of all cities)</b>		<b>50</b>

Source: Eurostat Urban Audit. Data is 2007-2009, York is calculated from ONS 2011, Business by Employment Size, 2010 and NOMIS 2011, Mid-year population estimated, 2010 data

## Conclusion

Overall, York performs well in comparison to other similar sized European cities. It has strong population growth, a highly skilled workforce and has a good mix of small and large firms suggesting a strong private sector. However, York lags behind in gross domestic product per capita and youth unemployment levels whilst the private sector appears to lack dynamism. Helping people up-skill will provide a strong workforce and will allow people to participate in the local labour market whilst strategic business support would facilitate more private sector entrants.

The challenge for York is to improve its economy without eroding the city as a place to live. It needs to be realistic about its ability to change the fundamentals of the economy but a focus on private sector involvement is the key. This could be achieved by aiming to facilitate business start-ups and self-employment, which would ease the unemployment issue and provide York with greater business dynamism.

## Contact

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