

OECD ECONOMIC SURVEYS

UNITED KINGDOM

ISSN 0376-6438, e-ISSN 1609-7513

October 2017

[Consulta en línea desde MEYSS](#)

Basic statistics of United Kingdom, 2016	8
Executive summary	9
Assessment and recommendations	13
Macroeconomic developments	22
Monetary and fiscal policy	27
Stimulating regional productivity	39
Improving productivity and job quality of low-skilled workers	50
References	60

Thematic chapters

Chapter 1. Reducing regional disparities in productivity	67
Aggregate productivity is held back by weak regions, taking a toll on inclusiveness	68
Developing transport and other infrastructure to bolster the productivity of lagging regions	77
Creating an attractive environment for firms at the regional level	83
Making lagging regions more attractive for skilled workers	87
Increasing decentralisation for better tailored regional and local policies	93
Recommendations to reduce regional disparities in productivity	100
References	101
Chapter 2. Improving productivity and job quality of low-skilled workers	105
Low skills in the United Kingdom	106
Developing the full skill potential	109
Improving skills utilisation by reducing mismatches and improving job quality ...	122
Recommendations to improve productivity and job quality of low-skilled workers ...	132
References	133

Boxes

1. Overview of the United Kingdom's vision for the new trade partnership with the European Union	17
1.1. Measurement challenges of assessing regional productivity performance ...	68
1.2. Comparing the extent of devolution across the United Kingdom	94
2.1. What does it mean to have low skills?	107
2.2. Selective schooling in England and social inequality	116
2.3. Policies to address the prevalence of non-guaranteed work contracts	130

Tables

1. Macroeconomic indicators and projections.....	15
2. Medium-term shocks to the UK's economic growth prospects.....	25
3. Implementation of OECD recommendations on the financial sector.....	26
4. Implementation of OECD recommendations on fiscal policy fairness.....	33
5. Implementation of OECD recommendations on infrastructure.....	35
6. Implementation of OECD recommendations on green growth.....	41
7. Implementation of OECD recommendation on housing.....	47
8. Implementation of OECD recommendations on education.....	52
1.1. Comparing the devolution of productivity-related policies across the United Kingdom.....	95

Figures

1. Economic performance has been good until recently, reducing the unemployment rate.....	14
2. Average social indicators are relatively solid, but they are unequally distributed ..	16
3. Exports have not kept up with overseas demand.....	19
4. Reviving labour productivity is essential to boost living standards.....	19
5. Labour productivity is around the OECD average.....	20
6. Immigration has expanded the labour market, lifting GDP per capita over the last decade.....	20
7. Net migration from the European Union has been falling since mid-2016....	21
8. Financial markets are pessimistic about the UK economic consequences of EU exit.....	22
9. Private consumption has led growth, which has been uncertain.....	23
10. Growth has become less inclusive, as savings are falling and borrowing is rising..	24
11. Potential macro-financial vulnerabilities are smaller, but growth sustainability is weaker.....	25
12. Business investment growth has weakened as uncertainty is high.....	28
13. Price pressures have increased, as the exchange rate has fallen.....	29
14. Inflation expectations have risen.....	29
15. Low interest rates and quantitative easing have had positive spillovers on debt sustainability.....	30
16. Average maturity of public debt is high.....	31
17. Illustrative public debt paths.....	32
18. Further fiscal consolidation is planned, with important distributional effects by 2020.....	32
19. Total factor productivity and capital deepening have fallen along with overall investment.....	34
20. Largest investment needs identified by the authorities are in energy and transport.....	35
21. Research and development spending and collaboration is below the OECD average.....	36
22. Public R&D intensity is relatively weaker in lagging regions.....	36
23. Industrial robot density is low.....	37
24. Deficient companies in low-tech manufacturing trap capital and labour resources.....	38

25. Least affluent regions are the most exposed to the loss of EU structural funds . . .	39
26. Green growth indicators: United Kingdom	40
27. Regional disparities in labour productivity are high in the United Kingdom . . .	41
28. Regional differences in labour productivity and living standards are linked . . .	42
29. Most UK metropolitan areas have a relatively low productivity	42
30. Most productive regions are heavily specialised in knowledge intensive services	43
31. Regions specialised in tradable services have higher productivity, wages and inequality	43
32. Most transport infrastructure investment is concentrated in London	45
33. Educational attainment and productivity are closely related at the regional level	46
34. Tight housing supply has pushed house prices up, reducing home ownership . .	47
35. Role of UK sub-national government in public finance is below the OECD average.	48
36. Composition of expenditures and revenues of the local authorities in England . .	49
37. England's local authorities' net current expenditure on education has been falling	50
38. Over 25% of working aged adults have low basic skills in the United Kingdom . .	51
39. Low basic skills at every education level are more prevalent than the OECD average.	53
40. Disadvantaged students have a weaker academic progression	54
41. Provision of post-secondary vocational education and training is limited. . . .	55
42. NEETs, and in particular those with low skills, are likely to live in jobless households	56
43. Planned minimum wage will be high relative to other European OECD countries	57
44. Self-employed have low earnings and non-standard forms of employment are increasing gradually	58
45. Large differences in tax burden depending on the form of employment	58
46. Lower skilled workers account for a large proportion of zero-hours contracts . . .	59
1.1. Regional disparities in labour productivity are high in the United Kingdom . .	70
1.2. There is no convergence in productivity across UK regions	71
1.3. Regional disparities in UK productivity contribute to differences in living standards.	71
1.4. Regional disparities in productivity are large, driven by a North-South divide in England	72
1.5. Taxes and transfers mitigate regional differences in productivity in the OECD . .	72
1.6. Percentage of UK population living in urban areas is the highest in the OECD. . .	73
1.7. Most UK metropolitan areas have a relatively low productivity	74
1.8. Productivity differences across regions tend to be the largest for knowledge intensive services.	75
1.9. Productivity gaps are substantial at the firm level	75
1.10. Structural determinants of regional productivity and potential policy levers . .	76
1.11. Most productive regions are heavily specialised in knowledge intensive services .	77
1.12. Transport infrastructure investment in the United Kingdom has been weak until recently	78

1.13. Most transport infrastructure investment is concentrated in London	79
1.14. Geography of the Northern Powerhouse	81
1.15. Access to ICT and productivity are positively related at the regional level.	82
1.16. Least affluent regions are the most exposed to the loss of EU structural funds	84
1.17. Public R&D intensity is relatively weaker in lagging regions.	85
1.18. Deficient companies in low-tech manufacturing trap capital and labour resources	86
1.19. Private equity investments are disproportionately concentrated in London	87
1.20. Average educational attainment is relatively high, with cross-regional differences.	88
1.21. Educational attainment and productivity are closely related at the regional level	89
1.22. Insufficient number of teachers is an issue for a number of schools	90
1.23. There is scope to boost productivity by reducing skill mismatches	91
1.24. Low housing stock leads to high prices, with little positive feedback on housing supply	92
1.25. Role of UK sub-national government in public finance is below the OECD average.	94
1.26. Significant fiscal redistribution from the South of England to the rest of the country.	96
1.27. UK territorial governance initiatives have varied widely over the last decades	97
1.28. Composition of expenditures and revenues of the local authorities in England.	98
2.1. Over 25% of working aged adults have low basic skills in the United Kingdom	107
2.2. Young adults have weak basic skills and perform no better than older cohorts	108
2.3. Job polarisation in the United Kingdom.	108
2.4. Overall job quality in the United Kingdom is near the OECD average	110
2.5. Basic skills of young people are strongly related to parental education	111
2.6. Fewer children attend formal early childhood education and care at the age of 2.	113
2.7. Low basic skills at every education level are more prevalent than the OECD average.	114
2.8. Difference between the highest and lowest achievers in science is above the OECD average.	114
2.9. Many students stop formal education at the age of 18	115
1.210. Disadvantaged students make up a small share of grammar school students	116
1.211. Provision of post-secondary vocational education and training is limited.	118
1.212. NEETs, and in particular those with low skills, are likely to live in jobless households	120
1.213. Training of employees has risen in recent years, in particular in England	121
1.214. Spending on active labour market programmes is low	123
1.215. Planned minimum wage will be high relative to other European OECD countries	124
1.216. Skill mismatch, particularly under-skilling, is high in the United Kingdom	126
1.217. UK skill mismatch shifted towards overeducated and part-time employment.	126
1.218. Self-employment has been an important contributor to employment growth.	129
1.219. Zero-hours contracts are on the rise, mostly affecting the low skilled	130