

**SAMPLE**

Module Title: London Business: Operating as a Global City

**Evaluation of the Economic Performance and Competitiveness of London as a Global City  
in Comparison with New York and Hong Kong**

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## Executive Summary

The research relied on various secondary sources, including scholarly articles, consisting of qualitative and quantitative data to evaluate the economic performance between London and New York cities based on multiple factors. Some of these factors include the labor market and migration, housing, infrastructure, and environment, and polarization. Based on the research findings, both cities seem to have numerous benefits. For instance, New York and London's unemployment rates are 8.1% and 4.3%, indicating better career opportunities and financial growth. In 2018, New York GDP was \$1.53 trillion (Graph 1), while that of London was \$1.0 trillion. Some of the main well-paying sectors in New York are agriculture, forestry, fishing and hunting, construction, utilities, and mining with 61, 544, 96, and 15 reporting units, respectively. Due to the high population growth in the two cities, there is high competition in the housing market. Furthermore, London housing stock grew faster than the population, which was 1.0% versus 0.6%. In both London and New York, investment in infrastructure plays a significant role in ensuring economic growth. London and New York have 5 and 3 airports, respectively. In London, the maximum and minimum temperatures are 15.2°C and 7.5°C, respectively, meaning that the climatic condition is conducive for people living in the city. Like any other megacities across the world, New York and London have consist of various social groups from high to low income. New York has 92 billionaires, while in London, they are 72. Their income inequalities portray that the payment schemes are not discriminative. The Gini coefficient, which measures income variation, shows in London, is 0.35 while in New York, it is 0.47

## **Introduction**

The report critically evaluates the economic performance in London and New York cities while portraying their similarities and differences. However, various factors, such as the labor market and migration, housing, infrastructure, and environment and polarization, are essential in analyzing the two cities. From a certain point of view, megacities compete in inward investments, desirable residents, and product markets. With the ability to provide citizens with adequate job opportunities while ensuring infrastructure developments, London and New York have achieved high levels of recognition. Furthermore, the two cities allow people to engage in business activities and welcome migrants from different parts of the world. The cities do not portray numerous differences since they have high living levels and offer a ready market for consumers in the housing market. Although social polarization is depicted from the London and New York cities, they have depicted significant developments since they have a conducive environment and right economic conditions which attract numerous tourists and business individuals.

## **Methodology**

The research relied on various secondary sources, including scholarly articles, consisting of qualitative and quantitative data. Different keywords, such as the labor market, migration in megacities, housing market, and social polarization, were used to gather relevant resources during the research. Besides, the study also relied on various government sites to collect primary information. With the ability to access materials from electronic libraries, it was necessary to gather relevant details without complications. Other internet sources were explored using search engines like Google and Opera. Nevertheless, using updated information was essential in evaluating the economic performance between London and New York over the past years.



## Labor Market and Migration

Over the decades, London and New York cities have experienced significant economic changes due to the influence of the labor market and migration. However, it is pertinent to present substantial vital facts concerning the two cities in an attempt to contextualize the business and economic performance of the two countries (Table 1).

| City     | Population          | Area                  | Population Density                 |
|----------|---------------------|-----------------------|------------------------------------|
| London   | <b>9.78 million</b> | 1597 km <sup>2</sup>  | <b>5518 people/km<sup>2</sup></b>  |
| New York | <b>8.5 million</b>  | 13346 km <sup>2</sup> | <b>10194 people/km<sup>2</sup></b> |

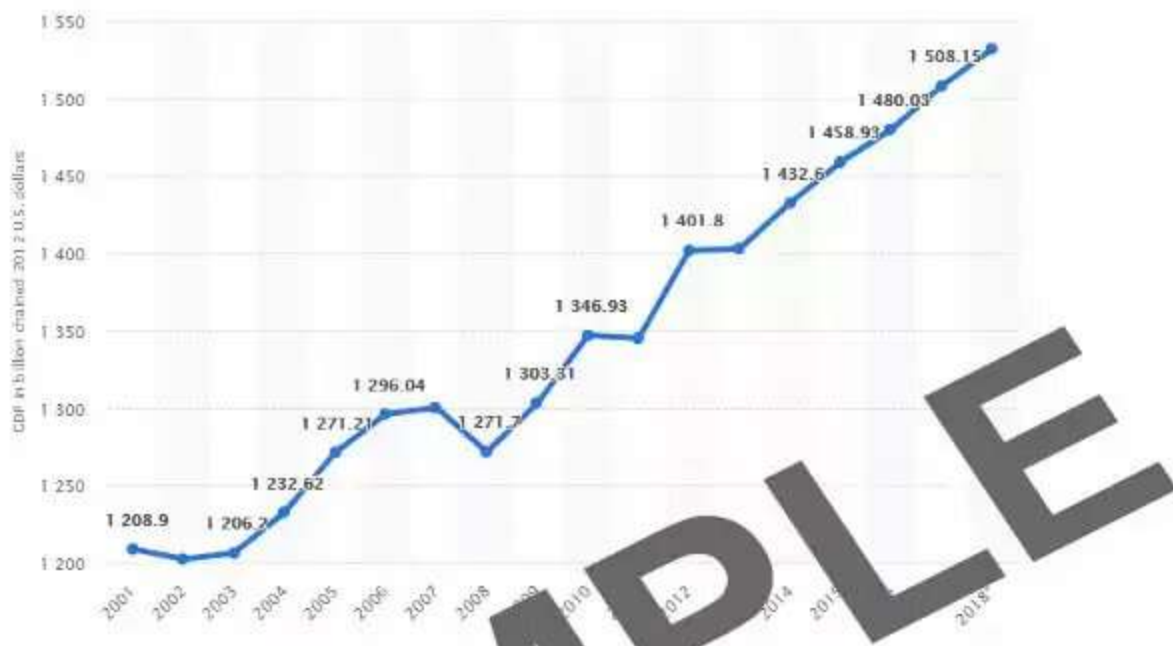
Table 1: Comparison of critical facts between London and New York cities ("London vs. New York," 2020)

As depicted in the above table, London has a high population and area compared to New York City. From this point of view, it is evident that the city has a large workforce, leading to rapid economic growth (Peterson, 2019). Additionally, London has a dense population of 5518 people/km<sup>2</sup>, while New York has 10194 people/km<sup>2</sup> ("London vs. New York," 2020). Based on the facts, it is necessary to evaluate the general health of the economy and the influence of migrant workers on highly paid jobs.

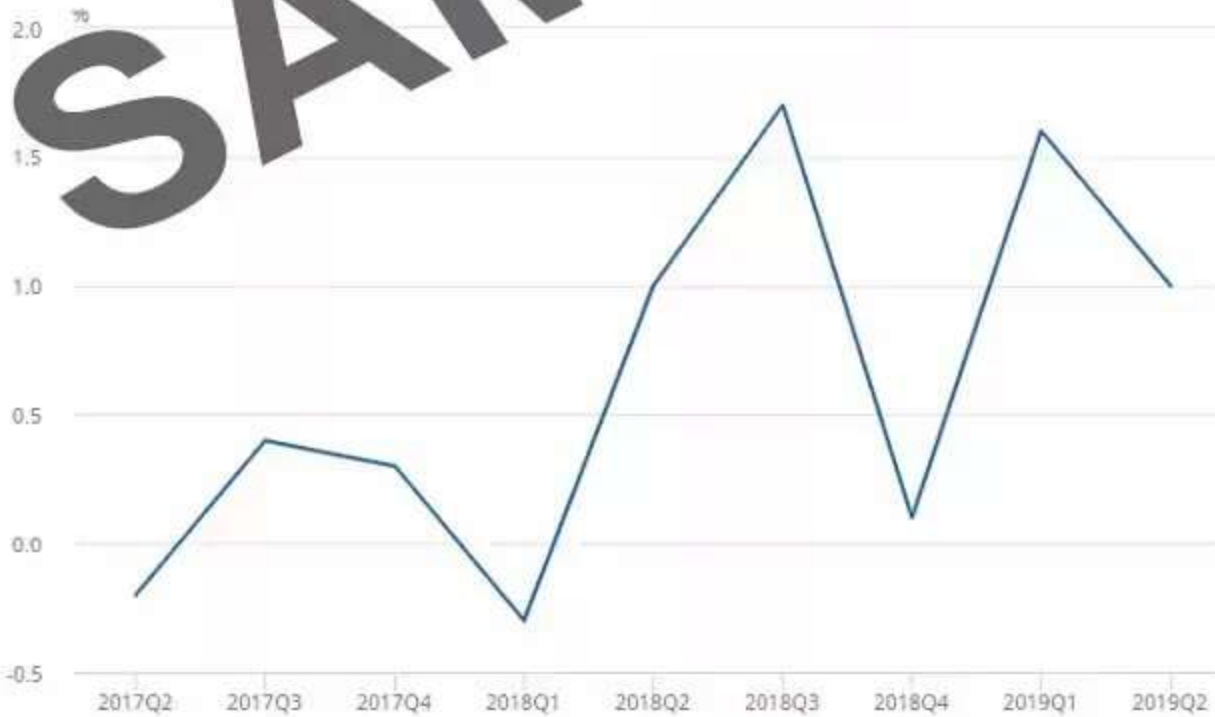
Despite low unemployment rates in London and New York, the cities offer attractive and high paying jobs in progressive and diverse sectors. New York and London's unemployment rates are 8.1% and 4.3%, indicating better career opportunities and financial growth ("London vs. New York," 2020). As one of the measures that can be used to give an indication of economic health, the employment rates portray that London and New York have stable financial growth.

Through the GDP and Foreign Direct Investment (FDI), it is necessary to understand the two cities' economic health. Furthermore, GDP plays a significant role in measuring the value of

services and goods an economy produces (Parkinson, Meegan, and Karecha, 2014). In 2018, New York GDP was \$1.53 trillion (Graph 1), while that of London was \$1.0 trillion (Graph 2). On the other hand, London has a high number of FDI projects in the financial sectors. London won 55 projects, which was almost double that of New York (Taylor, 2018).



Graph 1: New York GDP from 2001 to 2018 (Duffin, 2019)



Graph 2: London GDP Growth (Office for National Statistics, 2020)

With a high paying job in both cities, it is necessary to attract skilled workers, thus attracting and welcoming migrants from various parts of the world. Some of the main well-paying sectors in New York are agriculture, forestry, fishing and hunting, construction, utilities, and mining with 61, 14,544, 96 and 15 reporting units, respectively (NY State Department of Labor, 2018). On the other hand, London has been experiencing significant growth in various sectors. According to the Labor Market and Migration PowerPoint presentation, London has more than 51,134,000 jobs in multiple sectors in its inner and outer areas (Lecture 4, Slide 32).

| Description                                       | Reporting Units | Average Annual Employment | Total Annual Wages       | Average Annual Wages |
|---|-----------------|---------------------------|--------------------------|----------------------|
| <b>Total, All Industries</b>                      | <b>269,093</b>  | <b>4,252,587</b>          | <b>\$382,034,317,301</b> | <b>\$89,836</b>      |
| <b>Total, All Private</b>                         | <b>266,031</b>  | <b>3,713,516</b>          | <b>\$345,870,451,848</b> | <b>\$93,138</b>      |
| <b>Agriculture, Forestry, Fishing and Hunting</b> | <b>61</b>       | <b>362</b>                | <b>\$24,885,458</b>      | <b>\$68,744</b>      |
| <b>Mining</b>                                     | <b>15</b>       | <b>36</b>                 | <b>\$4,163,287</b>       | <b>\$115,647</b>     |
| <b>Utilities</b>                                  | <b>96</b>       | <b>15,518</b>             | <b>\$1,900,357,960</b>   | <b>\$122,462</b>     |
| <b>Construction</b>                               | <b>14,544</b>   | <b>148,002</b>            | <b>\$11,873,860,471</b>  | <b>\$80,228</b>      |
| Construction of Buildings                         | 6,331           | 45,514                    | \$3,686,528,994          | \$80,998             |
| Heavy and Civil Engineering Construction          | 290             | 8,859                     | \$1,038,460,204          | \$117,221            |
| Specialty Trade Contractors                       | 7,924           | 93,630                    | \$7,148,871,273          | \$76,352             |
| <b>Manufacturing</b>                              | <b>5,726</b>    | <b>72,954</b>             | <b>\$4,395,331,075</b>   | <b>\$60,248</b>      |
| Food Manufacturing                                | 1,161           | 18,266                    | \$669,452,868            | \$36,650             |
| Beverage & Tobacco Product Manufacturing          | 66              | 1,128                     | \$177,279,379            | \$157,163            |
| Textile Mills                                     | 110             | 963                       | \$92,723,676             | \$96,286             |
| Textile Product Mills                             | 118             | 855                       | \$54,294,347             | \$63,502             |
| Apparel Manufacturing                             | 1,019           | 12,784                    | \$733,402,699            | \$57,369             |
| Leather and Allied Product Manufacturing          | 60              | 363                       | \$21,311,484             | \$58,709             |
| Wood Product Manufacturing                        | 81              | 710                       | \$38,473,137             | \$54,188             |
| Paper Manufacturing                               | 51              | 1,264                     | \$80,031,608             | \$63,316             |
| Printing and Related Support Activities           | 604             | 5,224                     | \$311,214,812            | \$59,574             |
| Petroleum & Coal Products Manufacturing           | 11              | 94                        | \$7,282,776              | \$77,476             |
| Chemical Manufacturing                            | 103             | 2,913                     | \$281,582,622            | \$96,664             |
| Plastics & Rubber Products Manufacturing          | 69              | 1,564                     | \$72,696,852             | \$46,481             |
| Nonmetallic Mineral Product Mfg                   | 139             | 1,811                     | \$114,349,005            | \$63,141             |
| Primary Metal Manufacturing                       | 39              | 321                       | \$17,059,096             | \$53,144             |
| Fabricated Metal Product Manufacturing            | 403             | 5,966                     | \$354,181,993            | \$59,367             |
| Machinery Manufacturing                           | 98              | 1,396                     | \$82,146,960             | \$58,845             |
| Computer and Electronic Product Mfg               | 132             | 3,889                     | \$499,910,673            | \$128,545            |
| Electrical Equipment and Appliances               | 66              | 1,101                     | \$70,373,505             | \$63,918             |
| Transportation Equipment Manufacturing            | 39              | 990                       | \$63,385,477             | \$64,026             |
| Furniture and Related Product Mfg                 | 428             | 3,232                     | \$169,467,075            | \$52,434             |
| Miscellaneous Manufacturing                       | 930             | 8,121                     | \$484,711,031            | \$59,686             |
| <b>Wholesale Trade</b>                            | <b>15,147</b>   | <b>134,903</b>            | <b>\$12,478,018,986</b>  | <b>\$92,496</b>      |

Table 2: Well-paying employment sectors in New York (NY State Department of Labor, 2018)