

CONTINENTAL CAPITAL – LONDON'S LINKS WITH EUROPE

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SUMMARY

London and continental Europe are more closely linked than ever before. This analysis explores where London's 850,000 European-born citizens live, where they come from, where they work and study. It finds that:

- London is more pro-remain than the rest of the UK, the reverse of the 1975 pattern when London and other UK cities were the least favourable to EEC membership.
- London's European communities live in every borough, but are particularly concentrated in central and north-west London.
- London's Europeans work in every sector, but are particularly represented in financial services, construction, hotels and catering. Their occupational profile is higher than in the rest of the UK, with one third in higher skills occupations.
- London is also home to more European students than the rest of the UK, with twice the proportion of undergraduate and post-graduate students.
- 84 million passengers travel from London's airports and on Eurostar every year, and one third of Londoners have visited Europe in the past six months.

The largest groups are from Poland and Ireland, accounting for nearly 300,000 citizens between them; London's 130,000 Irish citizens make it the third largest Irish city after Dublin and Cork

When Londoners went to the polls in June 1975 to vote on whether to remain part of the European Economic Community (EEC), their city was very different.

London's population was 7.5 million, had been falling since World War 2, and would continue to decline for another 20 years. Almost one in four jobs was in manufacturing, compared with one in 25 in 2015 (Prothero, 2007; Office for National Statistics, 2015). In 1975, 10 per cent of the population were migrants, but only three per cent were from other European countries – with Irish nationals representing the overwhelming majority of this group (London Data Store, 2015).

Despite Sir Reginald Goodwin, the Leader of the Greater London Council, supporting the 'Leave' campaign, Londoners voted 67-33 in favour of remaining in the nine-country EEC. This was an impressive result, but London, and the urban areas of the midlands and north, were actually England's more sceptical electorates; it was the shire counties that recorded the largest majorities for remaining.

Fast forward 40 years and London has changed dramatically, as has the European Union (now comprising 28 countries) to which we are umbilically attached by rail and air. London's population, at 8.6 million, is the highest it has ever been. One in three Londoners was born overseas, and nearly 10 per cent of the population are from other EU countries (London Data Store, 2011 and 2014). Polling shows London to be the English region most committed to remaining in the EU, with a 60:40 lead according to recent surveys, compared to a 52:48 split across the UK,¹ though analysis of polling data suggests support is concentrated in central London, with some suburban boroughs, especially in east London, inclining more towards Brexit (Johnston, Jones and Manley, 2016).² And while the former Mayor of London, Boris Johnson, has taken quixotic leadership of the Leave campaign, the new mayor, Sadiq Khan, is fully committed to the UK remaining.

The case for London to remain in the EU has been made powerfully by London First, the City of London, and many other institutions and membership organisations. This paper complements these arguments, by giving a snapshot of how intricately London and the continent are intertwined, in terms of population, workforce, academia, trade and travel. For ease of reference, 'EU-born' and similar phrases are used to mean 'born in the EU but not in the UK'.

1 Excluding 'Don't know', interviews conducted 26 April – 1 May by Opinium.

2 Ron Johnston, Kelvyn Jones and David Manley. (2016). Can we really not predict who will vote for Brexit and where? *LSE Policy Blog*. From: <http://blogs.lse.ac.uk/politicsandpolicy/can-we-really-not-predict-who-will-vote-for-brexit-and-where/> 6 June 2016.

POPULATION

London's diversity is, for most of its citizens, a point of pride. People born in other parts of the EU are an essential part of this mix, representing a much larger proportion of the population than in other regions. Around 850,000 Londoners were born in other EU countries, representing one third of the UK's EU population (London Data Store, 2014).

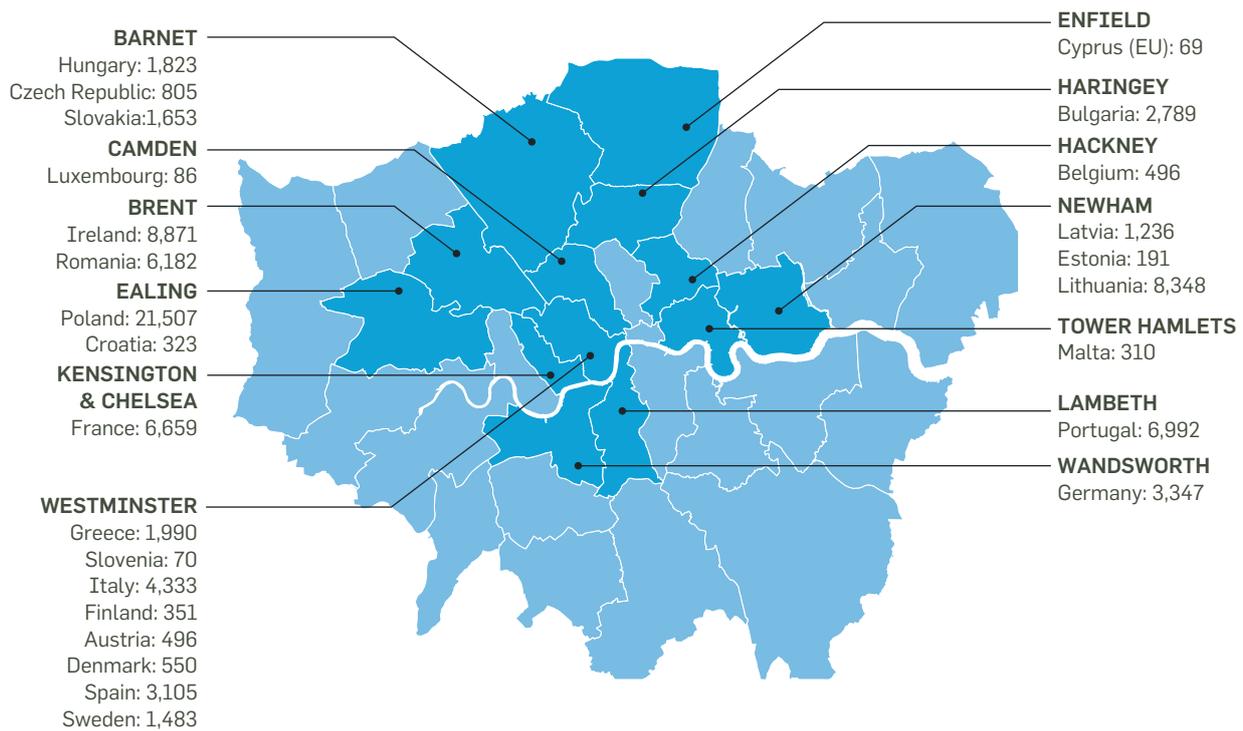
The city has particularly high representations of French, Spanish, Romanian and Bulgarian citizens, but much lower representations of Latvians, Slovaks and Germans (see Table 1 below). The largest groups are from Poland and Ireland, accounting for nearly 300,000 citizens between them; London's 130,000 Irish citizens make it the third largest Irish city after Dublin and Cork.

Table 1: The population breakdown of London residents born in EU countries

EU COUNTRY OF ORIGIN	POPULATION IN LONDON	% OF TOTAL LONDON POPULATION	% OF ENGLAND & WALES POPULATION FROM EACH EU COUNTRY THAT LIVE IN LONDON
POLAND	158,300	1.94	27
IRELAND	129,807	1.59	32
FRANCE	66,654	0.82	51
ITALY	62,050	0.76	46
GERMANY	55,476	0.68	20
ROMANIA	44,848	0.55	56
PORTUGAL	41,041	0.50	47
CYPRUS (EU)	40,931	0.50	53
LITHUANIA	39,817	0.49	41
SPAIN	37,491	0.46	61
BULGARIA	27,207	0.33	59
NETHERLANDS	18,252	0.22	31
HUNGARY	17,803	0.22	37
GREECE	15,907	0.19	46
SWEDEN	14,747	0.18	48
SLOVAKIA	12,800	0.16	22
LATVIA	9,857	0.12	18
BELGIUM	9,087	0.11	36
CZECH REPUBLIC	8,841	0.11	25
DENMARK	7,870	0.10	37
AUSTRIA	6,842	0.08	36
FINLAND	4,951	0.06	41
MALTA	4,718	0.06	17
CROATIA	4,025	0.05	49
ESTONIA	2,791	0.03	35
SLOVENIA	830	0.01	41
LUXEMBOURG	682	0.01	40
TOTAL	843,625	10.32	34

London's EU-born residents live across the city, split nearly 50:50 between inner and outer London, though with more living north of the river, and a particular concentration of clusters in Westminster. As Figure 1 shows, well-established communities, like the South Kensington French and the Stockwell Portuguese are complemented by newer centres of gravity, like the 30,000 Poles living in Ealing and Brent, and the 8,000 Lithuanians in Newham (London Data Store, 2011).

Figure 1: The London boroughs with the largest communities from each EU country (excludes the UK)

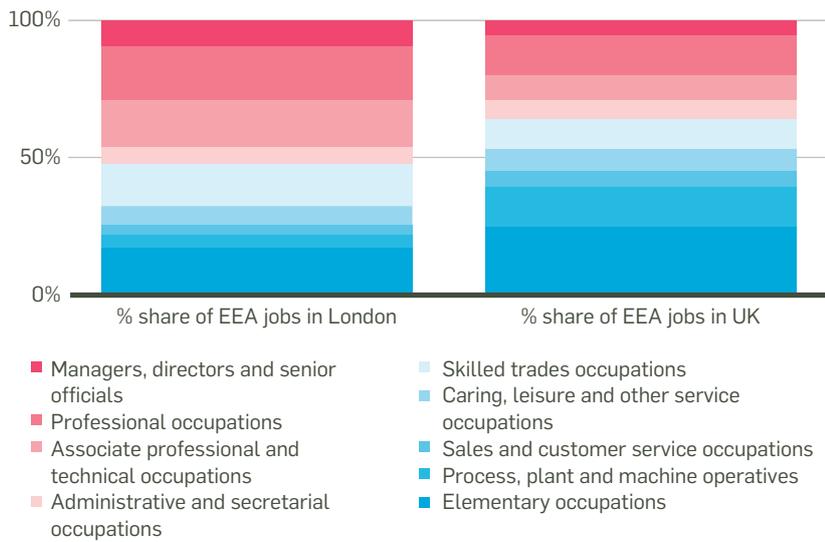


WORKING

The employment profile of Europeans in London is very different to that across the UK (see Figure 2 below), reflecting the difference in the job markets inside and outside the capital. Many more workers from the European Economic Area³ (EEA) employed in London work in the higher-skilled managerial, technical and skilled trades than do across the rest of the UK, and far fewer work in elementary occupations like agriculture, manufacturing, and caring professions (Office for National Statistics, 2015).

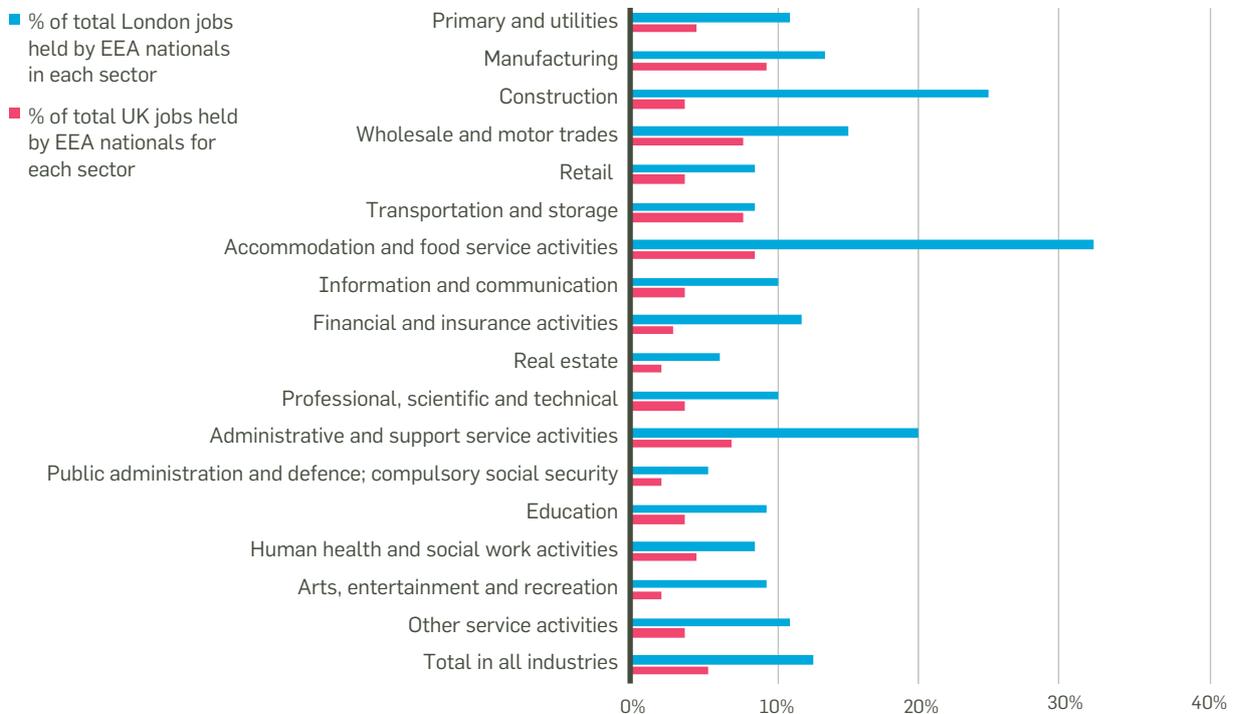
³ The European Economic Area comprises the 28 EU member states, plus Iceland, Liechtenstein and Norway.

Figure 2: Occupation profile of European Economic Area-born workers in London and UK



Workers from the EEA are also concentrated in specific sectors (see Figure 3 below). Their share of construction, accommodation and food services jobs is much higher in London than it is across the UK, and there is also a strong representation in sectors like financial services and retail.

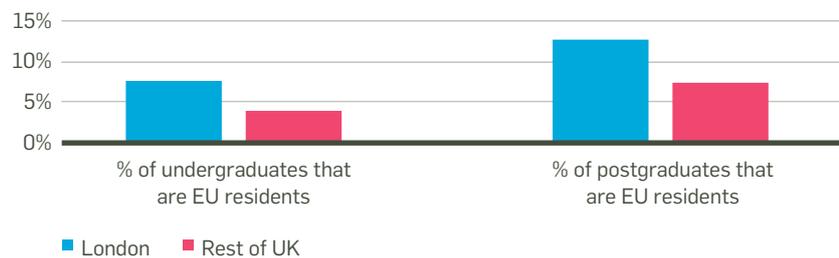
Figure 3: The percentage of the jobs in each sector held by European Economic Area nationals in London and the UK



STUDYING

Just as London attracts a disproportionate number of high skilled European workers, so it is home to a disproportionate number of university students; a total of 33,150 students (undergraduate and graduate) are studying at London's universities (Higher Education Statistics Agency, 2015). EU students account for eight per cent of all undergraduates and 13 per cent of postgraduates in London, compared with four per cent and seven per cent across the UK (see Figure 4).

Figure 4: A comparison of the percentages of undergraduates and postgraduates that are EU residents at higher education institutions in London and the rest of the UK



TRAVEL

London's airports make it one of the busiest international hubs in the world, albeit one with urgent need for new capacity. In 2014, 74 million passengers flew from Heathrow, Gatwick, Stansted and Luton to other EU destinations, making up more than half of all journeys, and substantially more from all the airports apart from Heathrow (Eurostat, 2014). Eurostar's services to France and Belgium carry a further 10 million passengers every year.⁴

With these connections, it is unsurprising that Londoners are a lot more likely to travel to Europe: 33 per cent of Londoners have visited another EU country in the past six months compared to 23 per cent in the whole of the UK. Some would prefer not to come back: 65 per cent of Londoners say they would happily live in another EU country, if they could maintain their quality of life (YouGov, 2015).

TRADE

In the last quarter of 2015, London exported goods valued at £3.4bn (around 40 per cent of its exports of goods) to the EU, 10 per cent of the UK total and the second highest regional export value (after South East England, which includes several ports).

⁴ Figure supplied by Eurostar.

Exports in services are harder to measure, as data are not collected regionally. Recent reports have estimated the total value of London's service sector exports at around £100bn – around 50 per cent of the UK total, with a particular concentration in financial and business services (See: GLA Economics, 2015; Centre for London, 2014). If these were split similarly to goods exports, around 40 per cent are likely to be within the EU.

CONCLUSION

London is separated from continental Europe by more than the English Channel. Our time zone, language and history set us slightly apart from our European neighbours, and connect us to former colonies and to much of the rest of the world.

But London's economy, character and society are more entwined with the rest of the EU today than they ever have been before. Recent research identified London as the leading European business city, with 40 per cent of large firms' European headquarters and a greater concentration of knowledge-based sectors than other European capitals (Deloitte, 2014). More Europeans live here, study here and work here than in the rest of the UK, and more Londoners travel to and from the continent.

Every borough has a population of EU citizens. The Irish pub, the Italian deli, and increasingly the Portuguese café or the Polish shop, are London institutions. Europeans work alongside British people in London's banks, construction sites, restaurants and cafes. The figures are harder to come by, but anecdote suggests that a visitor to a design studio in Berlin, a bank in Paris or a management consultancy in Madrid could meet just as many Londoners working there.

Recent newspaper reports suggest that three quarters of EU citizens working in the UK would not meet visa rules if we left the EU (more in hotels and restaurants). With over 616,000 EU nationals employed in London, tighter visa regulation would deal a major blow to London's economy (Viña, 2016). London already trades on a global stage, and would bounce back from Brexit. But leaving the EU would change the capital's character, fly in the face of its citizen's preferences, and drive a wedge between London and the rest of the UK.

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