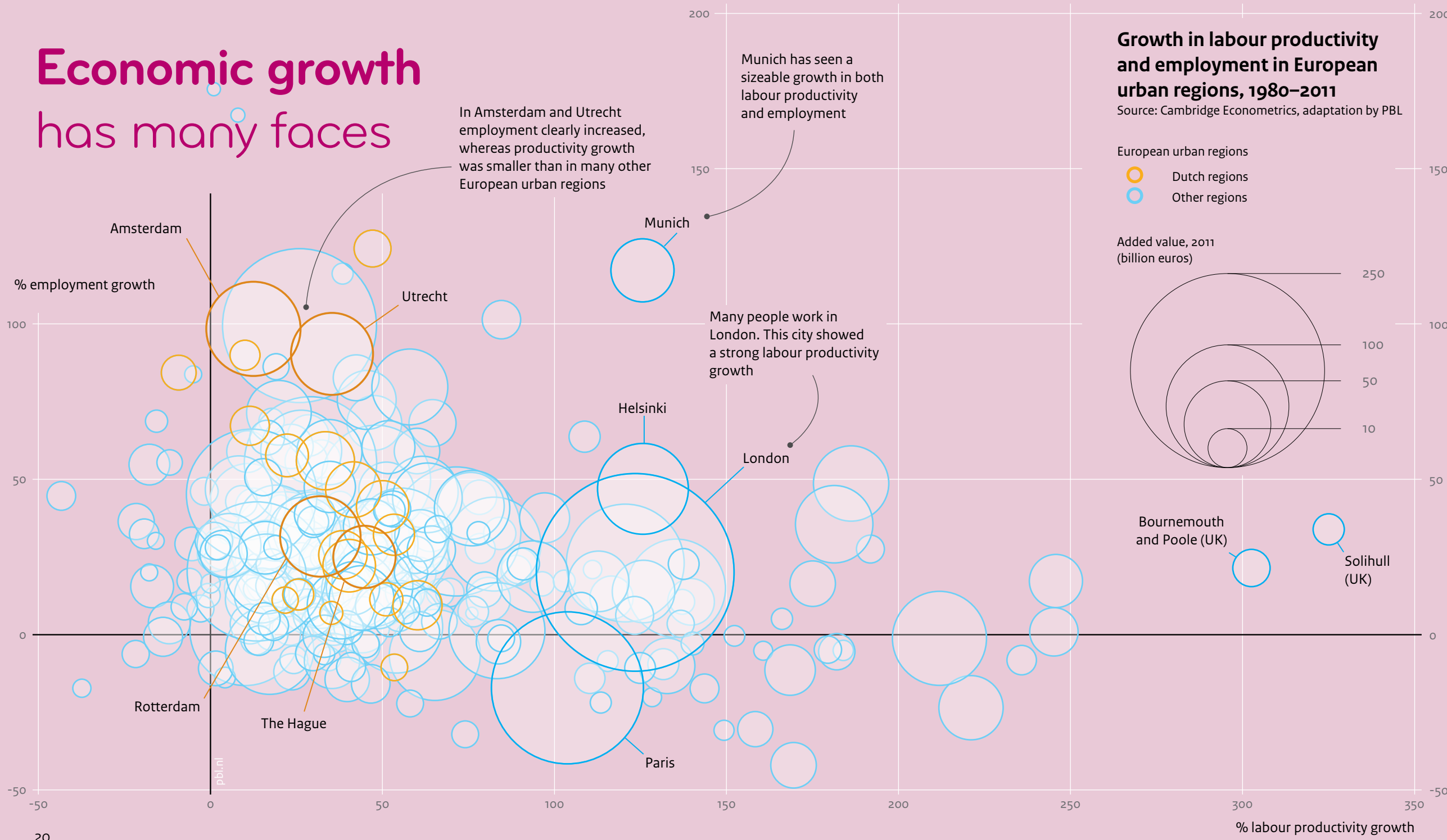


# Economic growth has many faces



In Amsterdam and Utrecht employment clearly increased, whereas productivity growth was smaller than in many other European urban regions

Munich has seen a sizeable growth in both labour productivity and employment

Many people work in London. This city showed a strong labour productivity growth

## Growth in labour productivity and employment in European urban regions, 1980–2011

Source: Cambridge Econometrics, adaptation by PBL

Employment growth and labour productivity growth are important indicators of economic development. In European cities and cities in OECD countries, productivity and wages generally increase with city size (European Commission, 2014). Recent OECD estimates suggest that productivity increases by 2% to 5% for every doubling of the population (Ahrend et al., 2015). In Europe, the two largest urban agglomerations, London and Paris, showed large labour productivity growth between 1980 and 2011.

Dutch urban regions, in contrast, are smaller and less dense in terms of residents and jobs. While employment in Dutch urban areas clearly grew between 1980 and 2011, productivity growth was smaller than in many other European urban regions. Recent research has shown that size and density can be partly compensated by a good position within international, national and regional networks (Van Oort et al., 2015). This position can be strengthened by improving connections between urban regions, coordinating large investment projects and increasing the complementarity between cities.