

The Welsh Workforce – Employment in Wales

March 2014

Introduction

This is the second in a quarterly series of research notes that will provide an overview of employment trends in Wales. It covers a number of areas including employment levels and rates, employment in the public and private sector and employment by industry.

Employment levels and rates in Wales and the UK

Table 1 shows the latest figures for the number of people aged 16 and over in employment in Wales and the other UK nations, along with changes over time. It can be seen that:

- In Wales 7,000 more people are in employment in October – December 2013 than were in employment in July – September 2013.
- Over the past year, the number of people aged 16 and over in employment has risen by 42,000 in Wales.
- In the UK, and all four UK nations, the number of people in employment is higher in October – December 2013 than it was in October – December 2008.

Due to the increasing number of people aged 65 and over who are in employment, all people aged 16 and over who are in employment have been included in table 1.

Table 1: Number of people aged 16 and over in employment in UK nations (a)

UK Nation	Number of people in employment in Oct - Dec 2013	Change since previous quarter, Jul - Sep 2013	Change since Oct - Dec 2012	Change since Oct - Dec 2008
Wales	1,387,000	↑ Increase of 7,000	↑ Increase of 42,000	↑ Increase of 54,000
Scotland	2,556,000	↑ Increase of 9,000	↑ Increase of 92,000	↑ Increase of 29,000
Northern Ireland	807,000	↓ Decrease of 1,000	↑ Increase of 8,000	↑ Increase of 35,000
England	25,396,000	↑ Increase of 178,000	↑ Increase of 252,000	↑ Increase of 700,000
UK	30,146,000	↑ Increase of 193,000	↑ Increase of 396,000	↑ Increase of 818,000

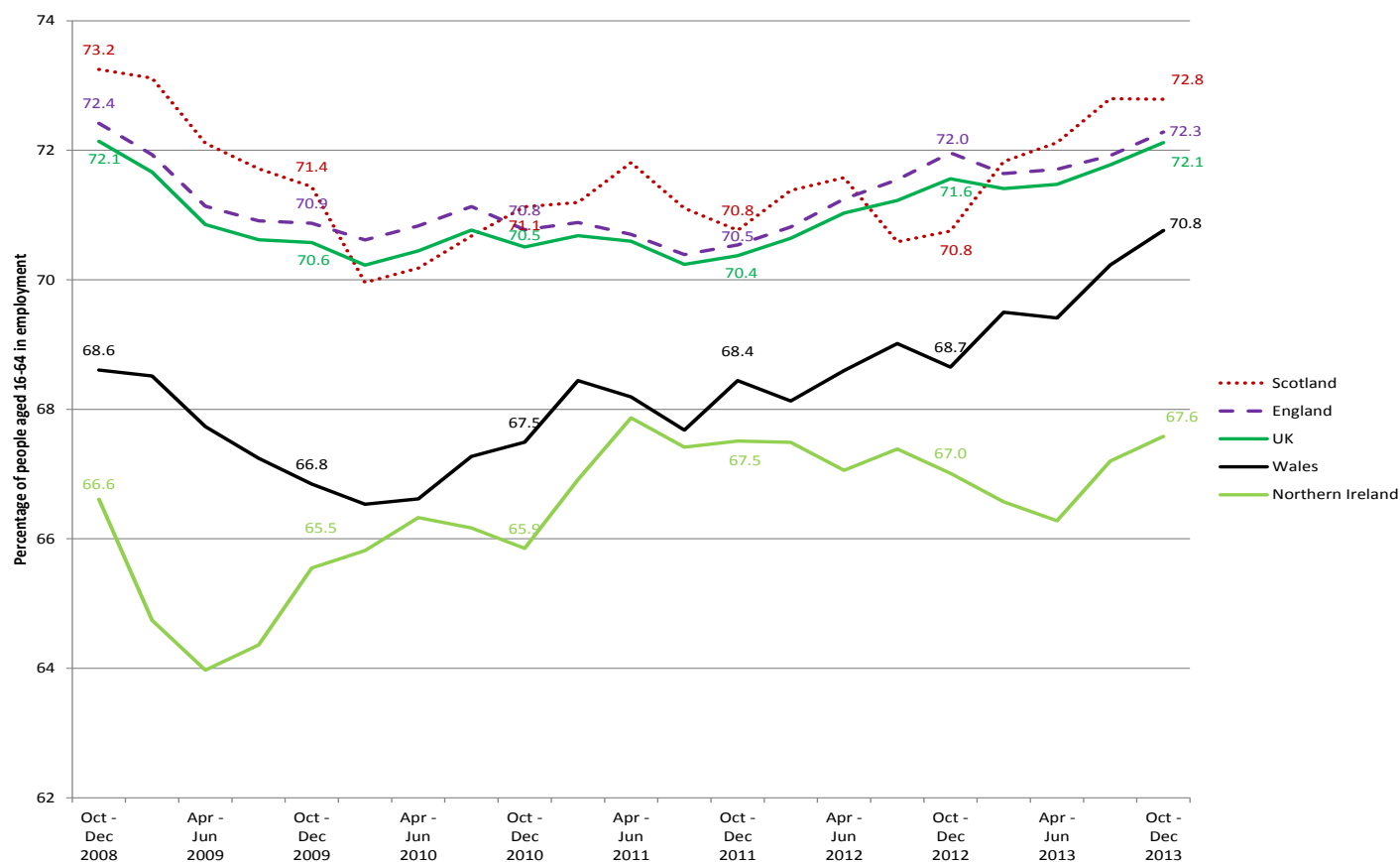
Sources: Research Service calculations from Office for National Statistics, [Regional Labour Market Statistics February 2014 – Headline LFS indicators for all regions](#) and [Labour Market Statistics February 2014 – Summary of Labour Market Statistics](#)

When looking at the percentage of people in employment, the headline measure used by the Office for National Statistics (ONS) is for people aged 16-64 (also known as the working age employment rate).¹ Figure 1 shows the percentage of people aged 16-64 that are in employment in each of the UK nations for each quarter from October – December 2008 to October – December 2013. Figure 1 shows that:

- Of the UK nations, Wales has seen the greatest percentage point increase in the working age employment rate over the past five years, of 2.2 percentage points.
- Over the past five years, the percentage of people aged 16-64 that are in employment in Wales has consistently been lower than in Scotland, England and the UK, but higher than in Northern Ireland. Northern Ireland is the only other UK nations with a positive percentage increase.

¹ Office for National Statistics, [Topic Guide to Employment](#) [accessed 7 February 2014]

Figure 1: Percentage of people aged 16-64 in employment in UK nations, October – December 2008 to October – December 2013 (a)



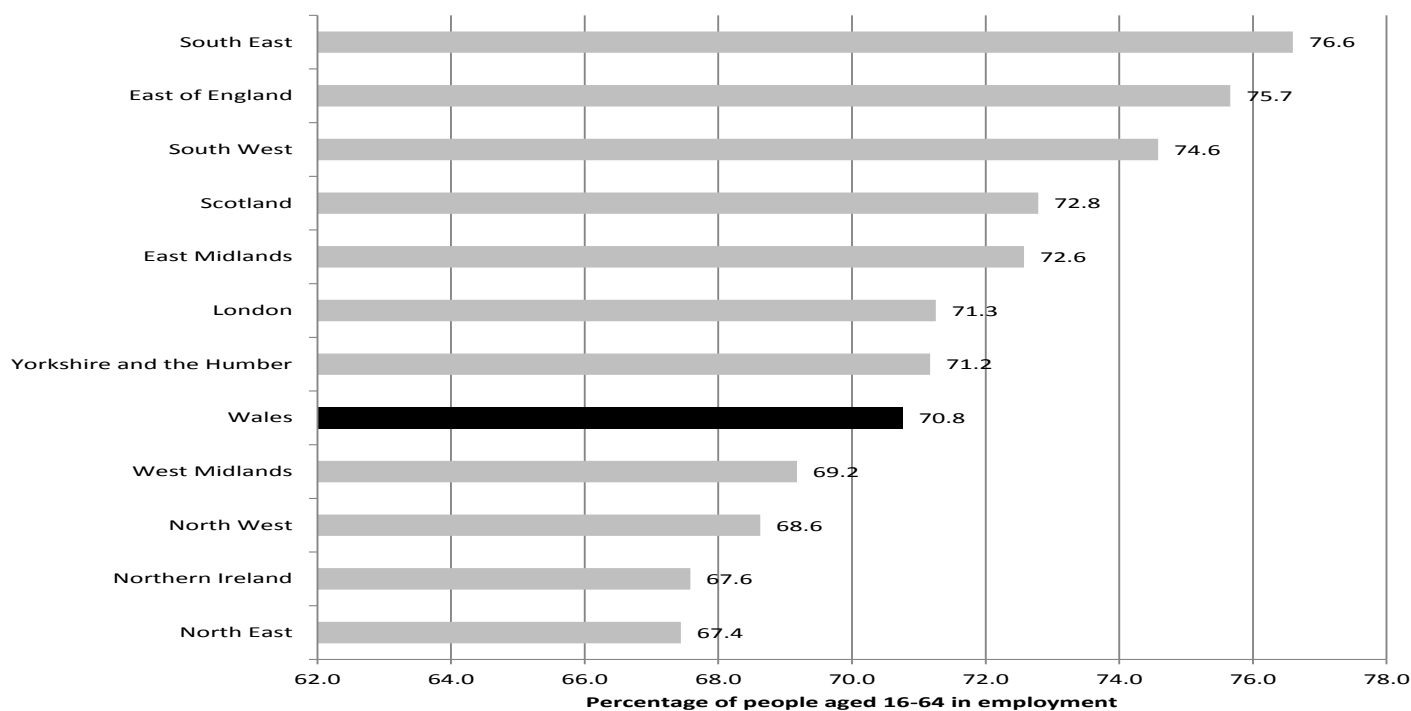
Sources: Research Service calculations from Office for National Statistics, [Regional Labour Market Statistics February 2014 – Headline LFS indicators for all regions](#) and [Labour Market Statistics February 2014 – Summary of Labour Market Statistics](#)

Figure 2 shows the percentage of people aged 16-64 in employment in the devolved nations and English regions in October – December 2013. This data allows for comparisons to be made between Wales and individual English regions, rather than simply looking at the overall English figure which is substantially increased by the high working age employment rates seen in the South East, South West and East of England.

In October – December 2013, it can be seen that:

- **Wales had a higher working age employment rate than the West Midlands, North East and North West of England, and Northern Ireland, but lower than all other English regions and Scotland.**
- The South East and the East of England had a higher working age employment rates than all other English regions, around 3 percentage points higher than any other English region. All other English regions have working employment rates of within 2 percentage points of Wales, with the exception of the North East, where the working age employment rate is over 3 percentage points lower than Wales.

Figure 2: Percentage of people aged 16-64 in employment in devolved nations and English regions, October– December 2013



Source: Office for National Statistics, [Regional Labour Market Statistics February 2014 – Summary of Headline Indicators](#) (table 1)

Public and private sector employment

Table 2 shows the latest figures for the number and percentage of people aged 16 and over employed in the public and private sector in Wales and the UK nations, along with changes over time. **This information is not comparable with the information in the first section of the paper as it is for a different time period.**

In England further education colleges and sixth form college corporations have been reclassified to the private sector since 1 April 2012.² **Due to this, the data for England will not be directly comparable to those for other nations as it has a different definition of the public and private sector.** The data for England used in this analysis treats further education colleges and sixth form college corporations as if they had been reclassified to the private sector throughout. **Comparisons have been made**

² Office for National Statistics, [Reclassification of Further Education Corporations and Sixth Form Colleges in England](#), May 2012 [accessed 24 October 2013]

between quarter 4 of 2008 and quarter 3 of 2013. This is because Lloyds and Royal Bank of Scotland were reclassified from the private to the public sector in quarter 3 of 2008; therefore the first quarter that current data is comparable with is quarter 4 of 2008. In respect of quarter 3 in 2013, it can be seen from table 2 that:

- Of the UK nations, Wales had the second lowest percentage of people aged 16 and over employed in the private sector and the second highest employed in the public sector.
- In Wales, private sector employment was 33,000 higher than the previous quarter, and 59,000 higher than the previous year. **At 1,014,000, Welsh private sector employment is the highest at any point in the past five years.**

Table 2: Public and private sector employment of people aged 16 and over in UK nations (a), (b), (c)

UK Nation	Public sector			Private sector		
	Number of people employed in the public sector, quarter 3, 2013	Change since previous quarter, quarter 2, 2013	Change since quarter 3, 2012	Number of people employed in the private sector, quarter 3, 2013	Change since previous quarter, quarter 2, 2013	Change since quarter 3, 2012
Wales	331,000 (24.6%)	↓ Decrease of 3,000	↓ Decrease of 1,000	1,014,000 (75.4%)	↑ Increase of 33,000	↑ Increase of 59,000
Scotland	580,000 (22.8%)	⇒ No change	↓ Decrease of 1,000	1,969,000 (77.2%)	↑ Increase of 29,000	↑ Increase of 76,000
Northern Ireland	216,000 (27.6%)	↓ Decrease of 3,000	↑ Increase of 1,000	567,000 (72.4%)	↓ Decrease of 5,000	↑ Increase of 7,000
England	4,488,000 (17.9%)	↓ Decrease of 14,000	↓ Decrease of 51,000	20,636,000 (82.1%)	↑ Increase of 299,000	↑ Increase of 422,000
UK	5,642,000 (18.7%)	↓ Decrease of 19,000	↓ Decrease of 51,000	24,535,000 (81.3%)	↑ Increase of 351,000	↑ Increase of 553,000

Source: Research Service calculations from Office for National Statistics, **Public Sector Employment, Q3 2013** (table 6a and 7a)

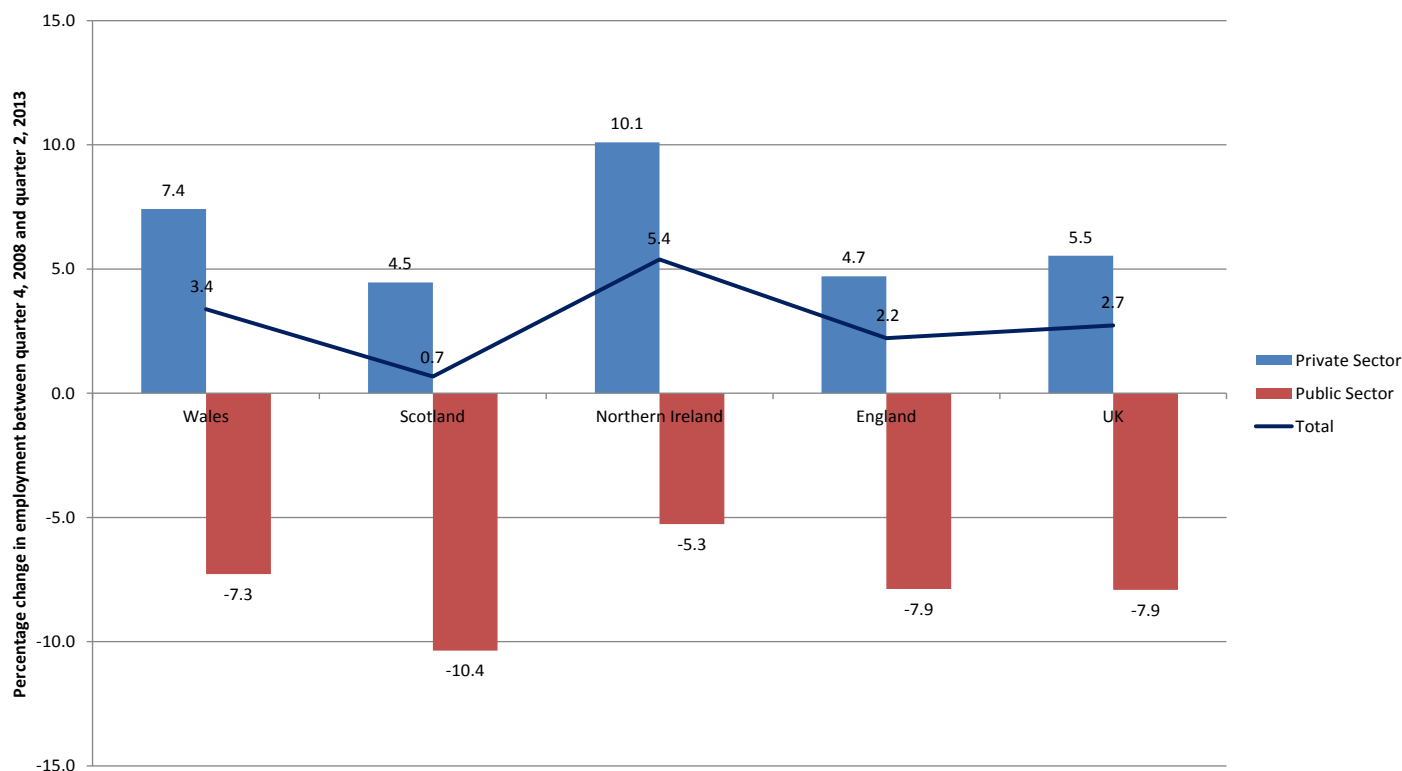
Notes:

- (a) Estimates are based on where people are employed.
- (b) Approximately 30,000 public sector employees that could not be assigned to a total are included in the UK total.
- (c) Figures are not seasonally adjusted

Figure 3 shows the percentage change in the number of people employed from quarter 4 of 2008 to quarter 3 of 2013. It can be seen from figure 3 that:

- **Total employment in Wales was 3.4% higher in quarter 2 of 2013 than in quarter 4 of 2008.** The percentage increase in private sector jobs was the second highest of all UK nations behind Northern Ireland. All nations saw a percentage increase in private sector employment over this period, and also a percentage decrease in public sector employment.
- While the percentage decrease in public sector employment in all UK nations except Northern Ireland and Wales was greater than the percentage increase in private sector employment over this period, **there was an increase in total employment due to the greater size of the private sector.**

Figure 3: Percentage change in employment of people aged 16 and over in UK nations between quarter 4, 2008 and quarter 3, 2013, by sector (a), (b), (c)



Source: Research Service calculations from Office for National Statistics, **Public Sector Employment, Q3 2013** (table 6a and 7a)
The notes are the same as table 2.

Workforce jobs by industry

Table 3 provides a breakdown of the latest workforce jobs figures for Wales and the UK, broken down by industrial classification. They include employment in both public and private sectors using the latest available data, from quarter 3 of 2013. It can be seen that in quarter 3 of 2013:

- **While there is a spread across a number of categories, 16.2% of all workforce jobs in Wales were in the wholesale and retail trade and repair of motor vehicles.** Other categories which provide over 10 per cent of workforce jobs in Wales include human health and social work activities, manufacturing and education.
- At UK level, most people are also employed in the wholesale and retail trade and repair of motor vehicles, although again there is quite a spread across industries. **In Wales a greater percentage of people are employed in human health and social activities, manufacturing and public administration and defence; compulsory social security than across the UK. A greater percentage of the UK workforce is employed in professional, scientific and technical activities and administration and support service activities than in the workforce in Wales.**

Table 3: Workforce jobs in Wales and UK by industry, quarter 3 of 2013 (a)

Industry	Wales		UK		Percentage point difference between percentage of workforce employed in Wales and UK
	Number of people employed	Percentage of all people employed	Number of people employed	Percentage of all people employed	
Wholesale and retail trade; repair of motor vehicles and motorcycles	218,000	16.2	4,871,000	15.1	1.1
Human health and social work activities	204,000	15.2	4,145,000	12.8	2.4
Manufacturing	136,000	10.1	2,574,000	8.0	2.1
Education	136,000	10.1	2,821,000	8.7	1.4
Public administration and defence; compulsory social security	91,000	6.8	1,555,000	4.8	2.0
Construction	90,000	6.7	2,070,000	6.4	0.3
Accommodation and food service activities	87,000	6.5	1,996,000	6.2	0.3
Administration and support service activities	71,000	5.3	2,668,000	8.2	-2.9
Professional, scientific and technical activities	55,000	4.1	2,621,000	8.1	-4.0
Arts, Entertainment and Recreation	51,000	3.8	913,000	2.8	1.0
Transportation and storage	49,000	3.6	1,501,000	4.6	-1.0
Agriculture, Forestry and Fishing	30,000	2.2	365,000	1.1	1.1
Financial and Insurance Activities	30,000	2.2	1,134,000	3.5	-1.3
Other Service Activities	28,000	2.1	825,000	2.6	-0.5
Information and Communication	27,000	2.0	1,257,000	3.9	-1.9
Other	40,000	3.0	1,036,000	3.2	-0.2
Total	1,343,000		32,352,000		

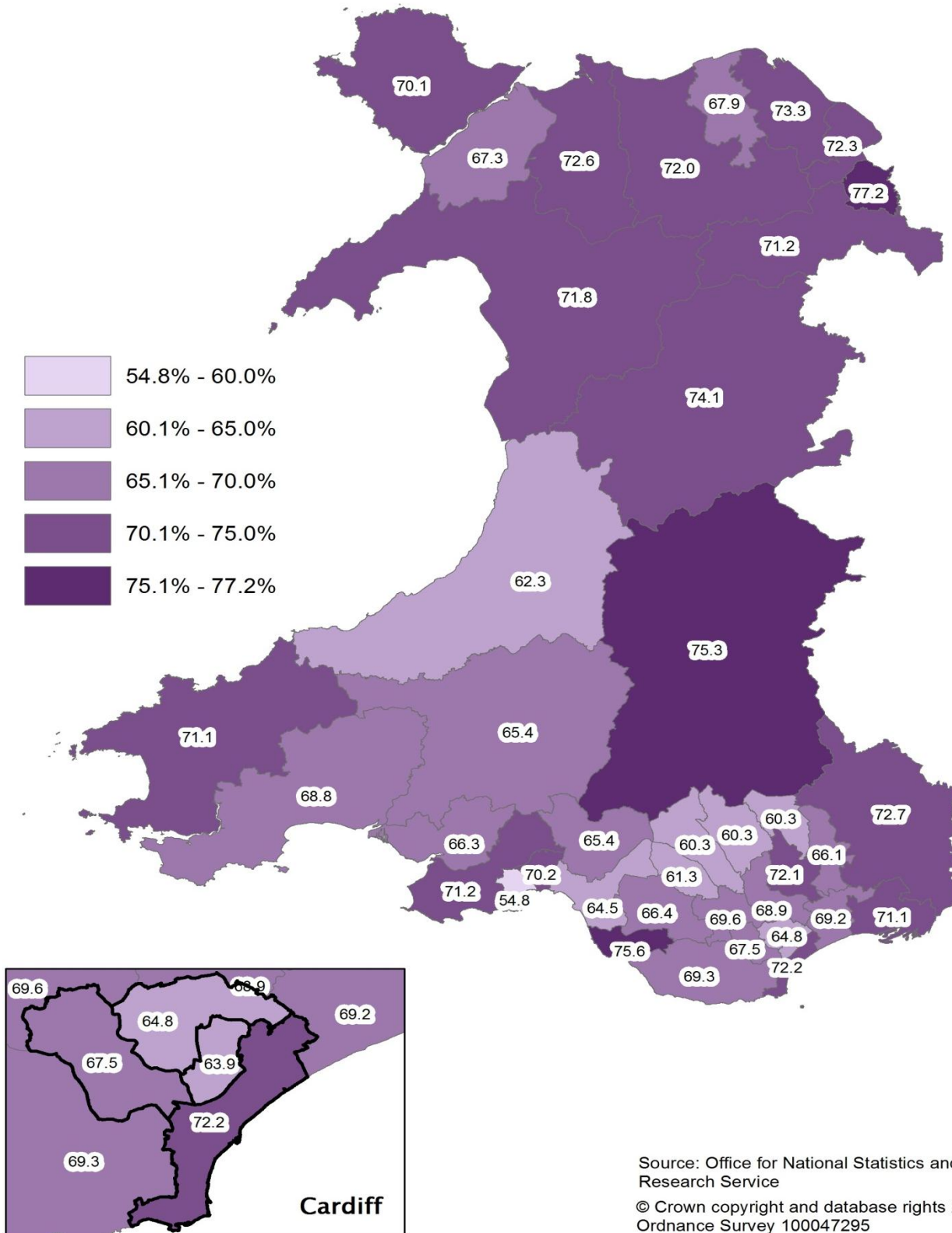
Source: NOMIS – Official Labour Market Statistics [Labour Market Profile Wales](#)

Note:

- (a) Other includes all categories which comprise less than 2 per cent of workforce jobs in Wales, which are Mining and quarrying; Electricity, gas, steam and air conditioning supply; Water supply; sewerage, waste management and remediation activities; Real estate activities and Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use.

Working age employment rate by Welsh Constituency

Figure 4: Working age employment rate by Welsh constituency, October 2012 – September 2013



Source: Office for National Statistics and Research Service
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Ordnance Survey 100047295

Further information

For further information about employment and other aspects of the labour market, please contact **Gareth Thomas** (GarethDavid.Thomas@Wales.gov.uk), Research Service.

See also:

- Research Service, **Unemployment Briefing February 2014**
- Office for National Statistics, **Regional Labour Market Statistics, February 2014**
- **NOMIS – Official Labour Market Statistics**

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