

# The Welsh Workforce – Employment in Wales

June 2014

## Introduction

This is the third in a quarterly series of research notes that 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 18,000 fewer people are in employment in January – March 2014 than were in employment in October – December 2013. Wales was the only one of the UK nations to see a decrease.** The Office for National Statistics (ONS) states that the latest estimate is inconsistent with other recent estimates, which have shown employment growth. Therefore, the latest estimate should be treated with caution, although it may be an indication that employment growth has not been as strong as shown in recent estimates.<sup>1</sup>

**Over the past year, the number of people aged 16 and over in employment has risen by 8,000 in Wales.**

<sup>1</sup> Office for National Statistics, [Regional Labour Market Statistics, May 2014](#), page 2 [accessed 21 May 2014]

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 January – March 2009 to January – March 2014 (a)**

UK Nation	Number of people in employment in Jan - Mar 2014	Change since previous quarter, Oct - Dec 2013	Change since Jan - Mar 2013	Change since Jan - Mar 2009
Wales	1,369,000	↓ Decrease of 18,000	↑ Increase of 8,000	↑ Increase of 39,000
Scotland	2,585,000	↑ Increase of 29,000	↑ Increase of 67,000	↑ Increase of 55,000
Northern Ireland	810,000	↑ Increase of 2,000	↑ Increase of 16,000	↑ Increase of 56,000
England	25,666,000	↑ Increase of 270,000	↑ Increase of 630,000	↑ Increase of 1,108,000
UK	30,430,000	↑ Increase of 283,000	↑ Increase of 722,000	↑ Increase of 1,258,000

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

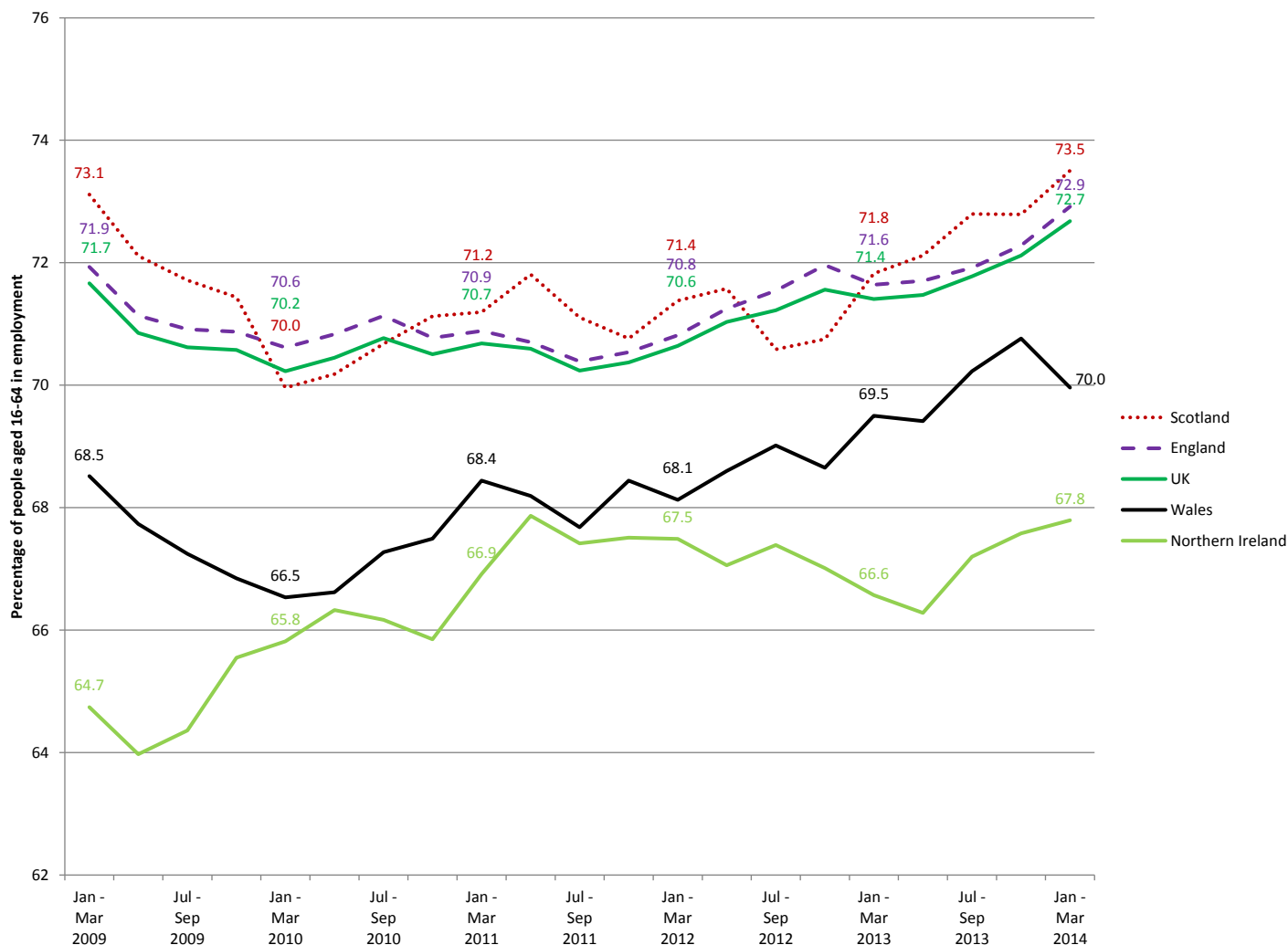
When looking at the percentage of people in employment, the headline measure used by the ONS is for people aged 16-64 (also known as the working age employment rate).<sup>2</sup>

Figure 1 shows the percentage of people aged 16-64 that are in employment in each of the UK nations for each quarter from January – March 2009 to January – March 2014. Figure 1 shows that:

- **Of the UK nations, Wales has seen the second largest percentage point increase behind Northern Ireland in the working age employment rate over the past five years, of 1.5 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.**

<sup>2</sup> Office for National Statistics, [Topic Guide to Employment](#) [accessed 21 May 2014]

Figure 1: Percentage of people aged 16-64 in employment in UK nations, January – March 2009 to January – March 2014 (a)



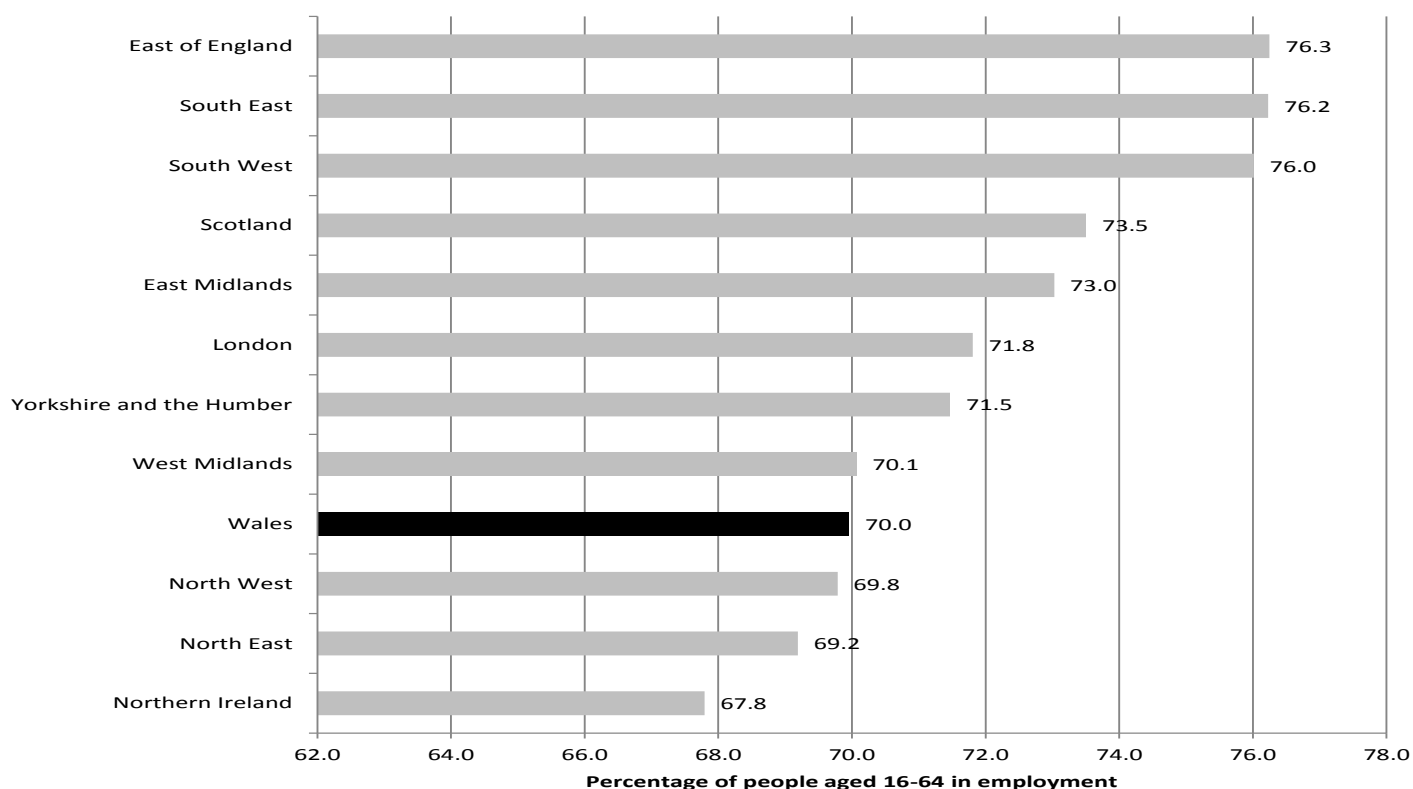
Sources: Research Service calculations from Office for National Statistics, [Regional Labour Market Statistics May 2014 – Headline LFS indicators for all regions](#) and [Labour Market Statistics May 2014 – Summary of Labour Market Statistics](#)

Figure 2 shows the percentage of people aged 16-64 in employment in the devolved nations and English regions in January – March 2014. 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 January – March 2014, it can be seen that:

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

Figure 2: Percentage of people aged 16-64 in employment in devolved nations and English regions, January– March 2014



Source: Office for National Statistics, [Regional Labour Market Statistics May 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.<sup>3</sup> 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

<sup>3</sup> Office for National Statistics, [Reclassification of Further Education Corporations and Sixth Form Colleges in England](#), May 2012 [accessed 21 May 2014]

education colleges and sixth form college corporations as if they had been reclassified to the private sector throughout. **In addition, the figures will have been affected by the reclassification of Royal Mail from the public to the private sector in quarter 4 of 2013.<sup>4</sup> Comparisons have been made between quarter 4 of 2012 and quarter 4 of 2013.** In respect of quarter 4 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 12,000 higher than the previous quarter, and 79,000 higher than the previous year.

<sup>4</sup> Office for National Statistics, [Public Sector Employment, Q4 2013](#) [accessed 21 May 2014]

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 4, 2013	Change since previous quarter, quarter 3, 2013	Change since quarter 4, 2012	Number of people employed in the private sector, quarter 4, 2013	Change since previous quarter, quarter 3, 2013	Change since quarter 4, 2012
Wales	324,000 (24.0%)	↓ Decrease of 5,000	↓ Decrease of 10,000	1,028,000 (76.0%)	↑ Increase of 12,000	↑ Increase of 79,000
Scotland	566,000 (22.1%)	↓ Decrease of 14,000	↓ Decrease of 14,000	1,992,000 (77.9%)	↑ Increase of 23,000	↑ Increase of 104,000
Northern Ireland	219,000 (27.9%)	↑ Increase of 3,000	↑ Increase of 1,000	565,000 (72.1%)	↓ Decrease of 2,000	↑ Increase of 16,000
England	4,389,000 (17.4%)	↓ Decrease of 90,000	↓ Decrease of 174,000	20,821,000 (82.6%)	↑ Increase of 175,000	↑ Increase of 516,000
UK	5,514,000 (18.2%)	↓ Decrease of 139,000	↓ Decrease of 207,000	24,705,000 (81.8%)	↑ Increase of 181,000	↑ Increase of 681,000

Source: Research Service calculations from Office for National Statistics, [Public Sector Employment, Q4 2013](#) (tables 6a and 7a)

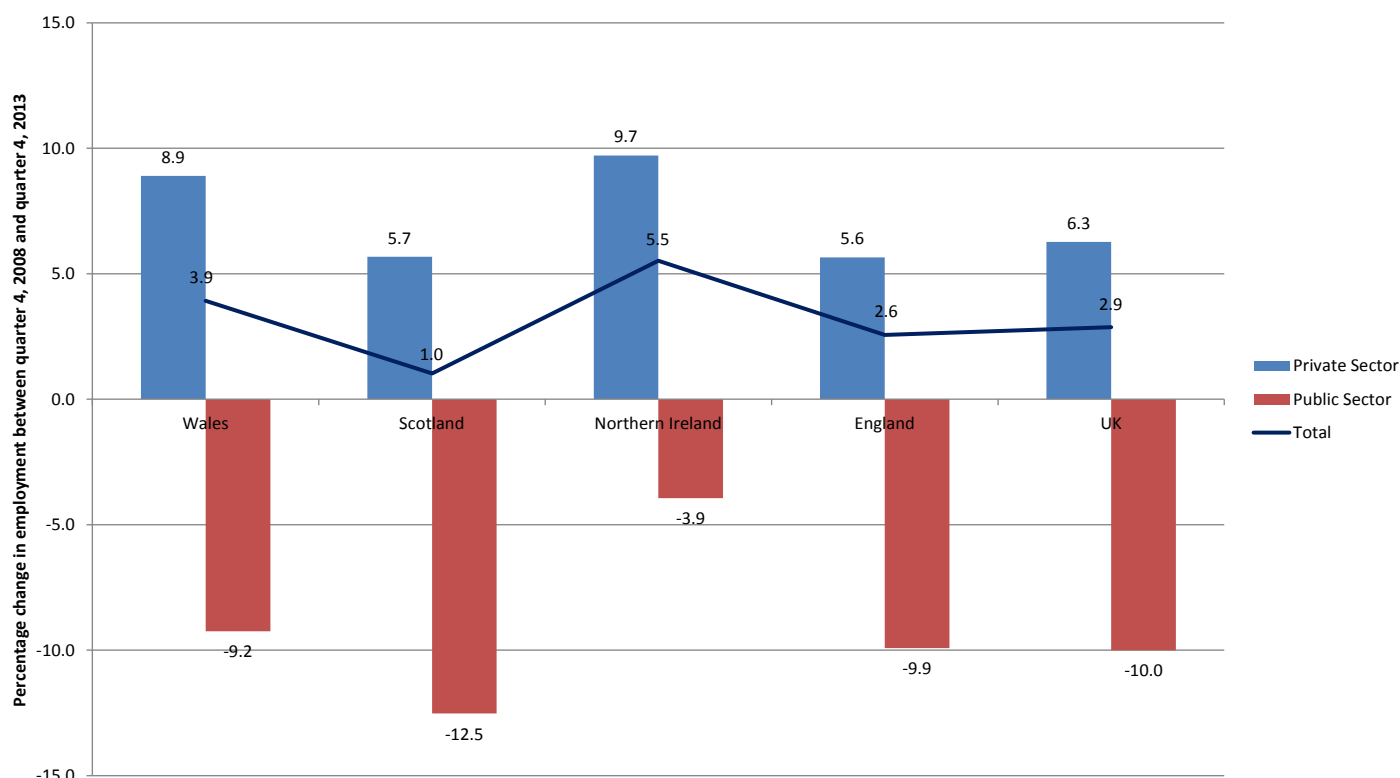
Notes:

- (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 4 of 2013. It can be seen from figure 3 that:

- **Total employment in Wales was 3.9% higher in quarter 4 of 2013 than in quarter 4 of 2008. At 8.9%, 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 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 4, 2013, by sector (a), (b), (c)



Source: Research Service calculations from Office for National Statistics, **Public Sector Employment, Q4 2013** (tables 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 4 of 2013. It can be seen that in quarter 4 of 2013:

- **While there is a spread across a number of categories, 15.8% of all workforce jobs in Wales were in the wholesale and retail trade and repair of motor vehicles.** Other categories which provide at least 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 4 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	217,000	15.8	4,886,000	14.9	0.9
Human health and social work activities	201,000	14.6	4,159,000	12.7	1.9
Manufacturing	143,000	10.4	2,576,000	7.9	2.5
Education	138,000	10.0	2,867,000	8.8	1.2
Construction	99,000	7.2	2,118,000	6.5	0.7
Public administration and defence; compulsory social security	88,000	6.4	1,542,000	4.7	1.7
Accommodation and food service activities	87,000	6.3	2,006,000	6.1	0.2
Administration and support service activities	81,000	5.9	2,727,000	8.3	-2.4
Arts, Entertainment and Recreation	52,000	3.8	920,000	2.8	1.0
Transportation and storage	48,000	3.5	1,502,000	4.6	-1.1
Professional, scientific and technical activities	46,000	3.3	2,693,000	8.2	-4.9
Agriculture, Forestry and Fishing	35,000	2.5	420,000	1.3	1.2
Financial and Insurance Activities	31,000	2.3	1,127,000	3.4	-1.1
Other Service Activities	31,000	2.3	830,000	2.5	-0.2
Real Estate Activities	28,000	2.0	588,000	1.8	0.2
Other	49,000	3.6	1,753,000	5.4	-1.8
<b>Total</b>	<b>1,374,000</b>		<b>32,714,000</b>		

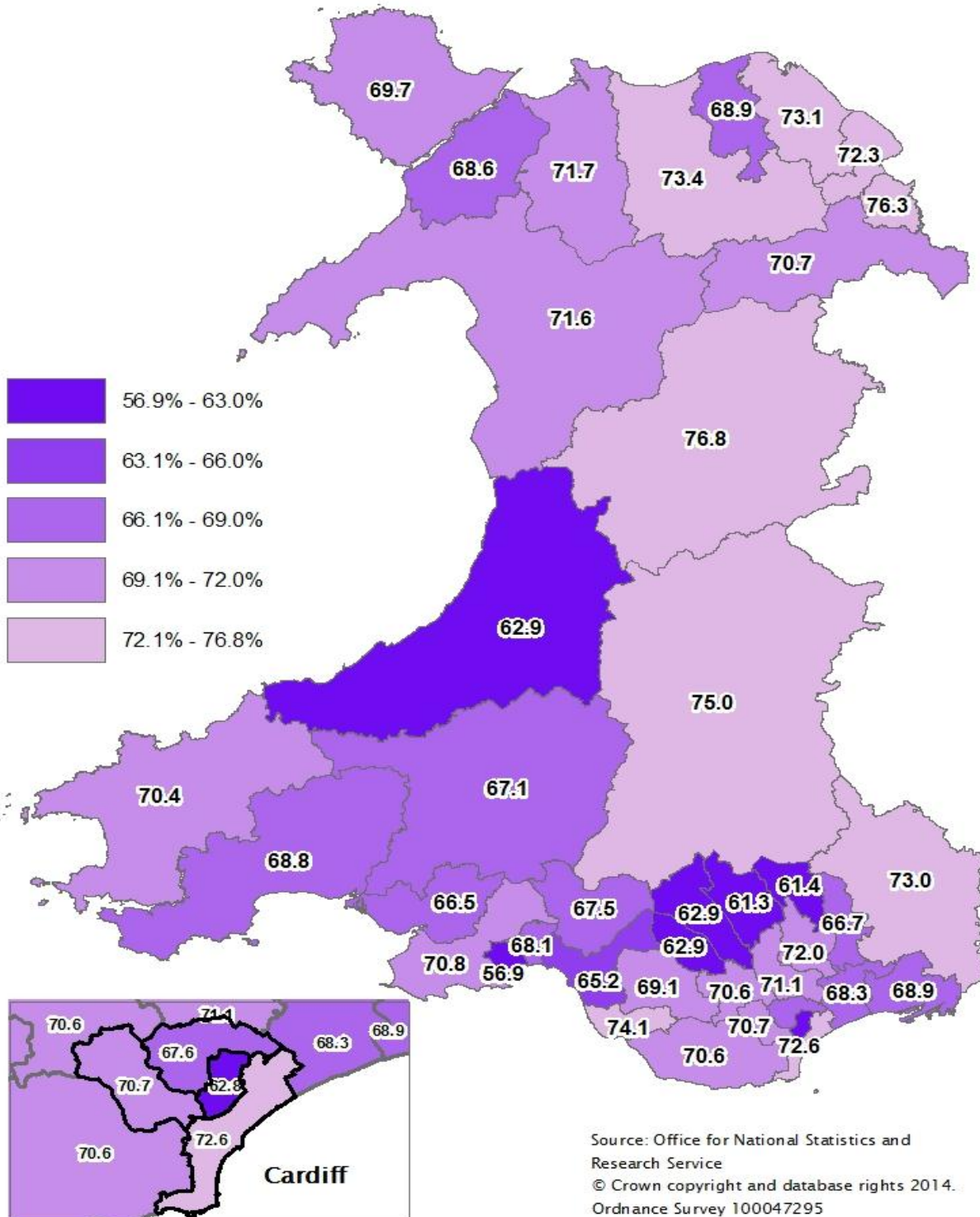
Source: NOMIS – Official Labour Market Statistics, [Labour Market Profile Wales](#)

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; 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, January – December 2013





## Further information

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

### See also:

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

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