

# The Welsh Workforce – Employment in Wales

August 2014

## Introduction

This is the fourth 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 12,000 fewer people are in employment in April – June 2014 than were in employment in January – March 2014, and 9,000 fewer people are in employment than in April – June 2013.
- Wales was the only one of the UK nations to see a decrease in the number of people employed over the previous quarter and previous year.

The Office for National Statistics (ONS) states that the latest estimates for Wales have been below the record high levels recorded towards the end of last and start of this year. The large decrease in employment has been accompanied by a large increase in inactivity, rather than unemployment.<sup>1</sup>

<sup>1</sup> Office for National Statistics,

**Table 1: Number of people aged 16 and over in employment in UK nations April – June 2009 to April – June 2014 (a)**

UK Nation	Number of people in employment in Apr - Jun 2014	Change since previous quarter, Jan - Mar 2014	Change since Apr - Jun 2013	Change since Apr - Jun 2009
Wales	1,357,000	↓ Decrease of 12,000	↓ Decrease of 9,000	↑ Increase of 40,000
Scotland	2,594,000	↑ Increase of 9,000	↑ Increase of 63,000	↑ Increase of 90,000
Northern Ireland	821,000	↑ Increase of 11,000	↑ Increase of 24,000	↑ Increase of 74,000
England	25,825,000	↑ Increase of 159,000	↑ Increase of 742,000	↑ Increase of 1,494,000
UK	30,597,000	↑ Increase of 167,000	↑ Increase of 820,000	↑ Increase of 1,697,000

Sources: Research Service calculations from Office for National Statistics, [Regional Labour Market Statistics August 2014 – Headline LFS indicators for all regions and Labour Market Statistics August 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>

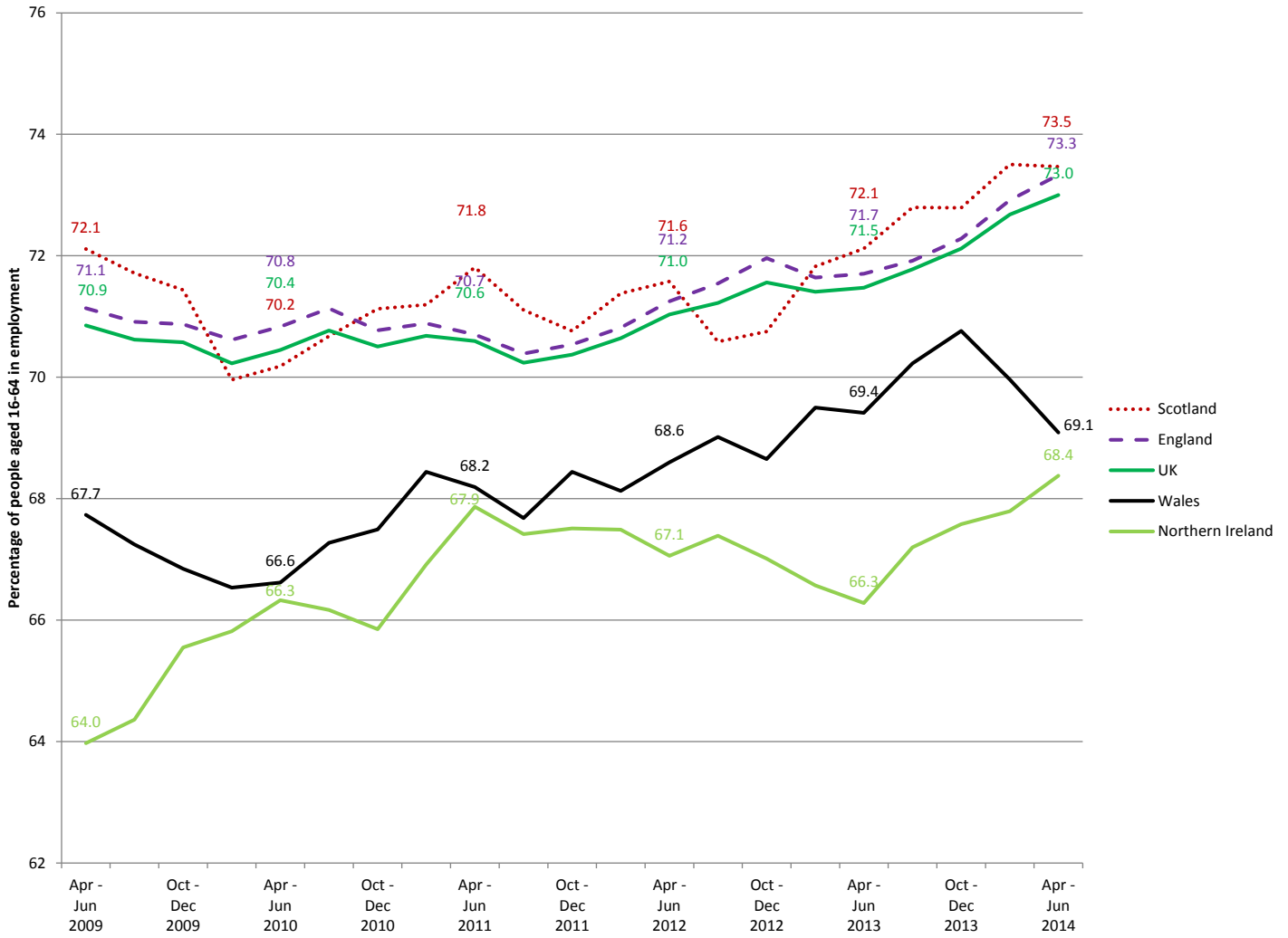
Figure 1 shows the percentage of people aged 16-64 that are in employment in each of the UK nations for each quarter from April – June 2009 to April – June 2014. Figure 1 shows that:

- Of the UK nations, Wales and Scotland have seen the joint lowest percentage point increase in the working age employment rate over the past five years, of 1.4 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, April – June 2009 to April – June 2014 (a)**



Sources: Research Service calculations from Office for National Statistics, **Regional Labour Market Statistics August 2014 – Headline LFS indicators for all regions** and **Labour Market Statistics August 2014 – Summary of Labour Market Statistics**

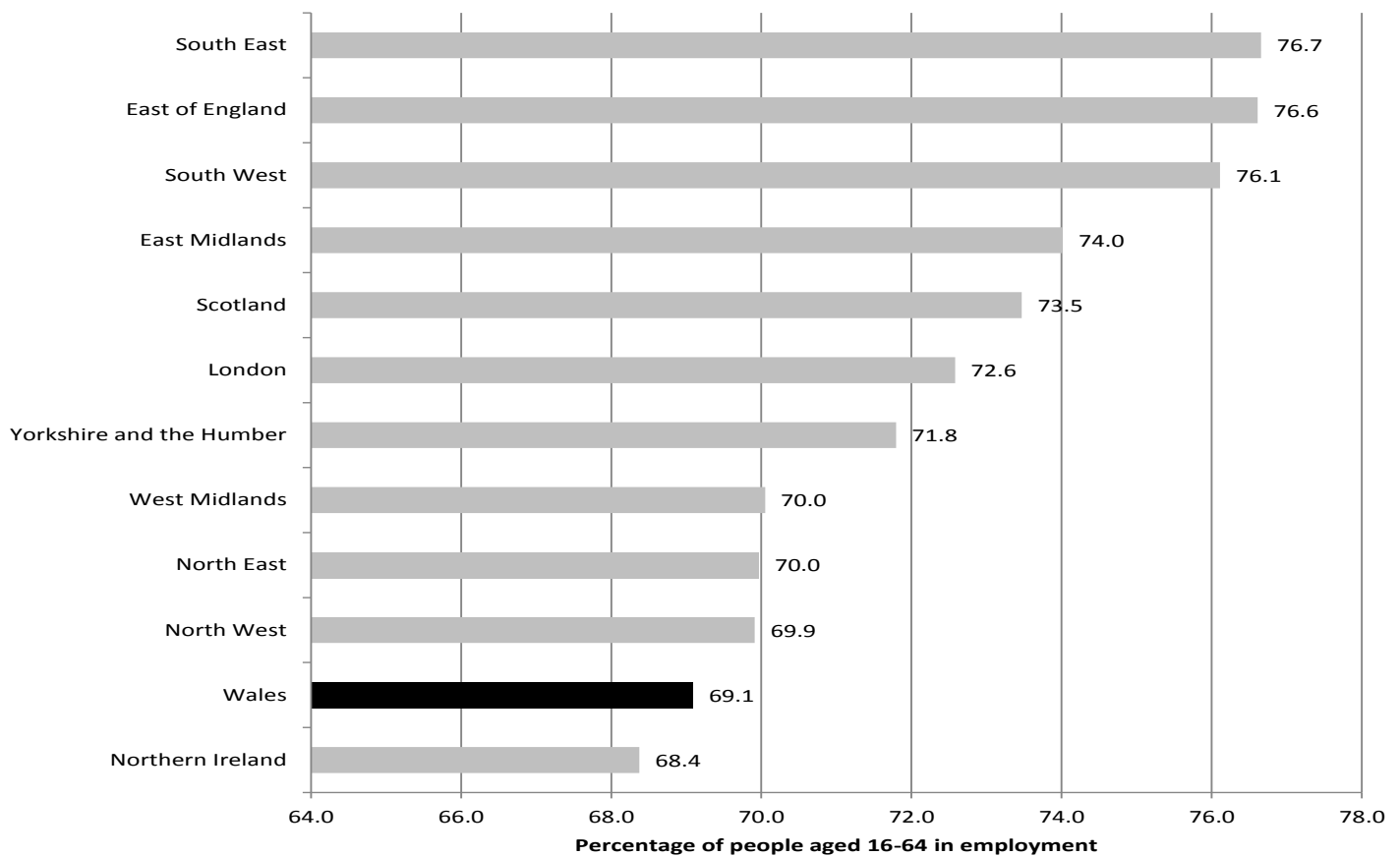


Figure 2 shows the percentage of people aged 16-64 in employment in the devolved nations and English regions in April – June 2014. This data allows for comparisons to be made between Wales and individual English regions, rather than simply looking at the overall English figure which is substantially increased by the high working age employment rates seen in the South East, South West and East of England.

In April – June 2014, it can be seen that:

- Wales had a higher working age employment rate than Northern Ireland, but lower than all of the 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 2 percentage points higher than any other English region.

**Figure 2: Percentage of people aged 16-64 in employment in devolved nations and English regions, April -June 2014**



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

## 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 addition, these figures do not take into account the reclassification of the Royal Mail to the private sector in quarter 4, 2013 and the reclassification of Lloyds Bank to the private sector from quarter 1, 2014. The ONS is currently working on developing a dataset that removes the impact of these changes.<sup>3</sup>

Comparisons have been made between quarter 1 of 2013 and quarter 1 of 2014. In respect of quarter 1 in 2014, 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 21,000 lower than the previous quarter, the only one of the UK nations to see a decrease.
- However, over the past year, private sector employment in Wales has increased by 47,000.

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<sup>3</sup> Office for National Statistics, **Public Sector Employment, Q1 2014** [accessed 15 August 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 1, 2014	Change since previous quarter, quarter 4, 2013	Change since quarter 1, 2013	Number of people employed in the private sector, quarter 1, 2014	Change since previous quarter, quarter 4, 2013	Change since quarter 1, 2013
Wales	318,000 (24.0%)	↓ Decrease of 6,000	↓ Decrease of 16,000	1,007,000 (76.0%)	↓ Decrease of 21,000	↑ Increase of 47,000
Scotland	545,000 (21.2%)	↓ Decrease of 21,000	↓ Decrease of 36,000	2,021,000 (78.8%)	↑ Increase of 29,000	↑ Increase of 97,000
Northern Ireland	220,000 (27.6%)	↑ Increase of 1,000	↑ Increase of 2,000	576,000 (72.4%)	↑ Increase of 11,000	↑ Increase of 17,000
England	4,316,000 (16.9%)	↓ Decrease of 71,000	↓ Decrease of 227,000	21,176,000 (83.1%)	↑ Increase of 352,000	↑ Increase of 1,008,000
UK	5,423,000 (17.8%)	↓ Decrease of 99,000	↓ Decrease of 278,000	25,047,000 (82.2%)	↑ Increase of 350,000	↑ Increase of 1,087,000

Source: Research Service calculations from Office for National Statistics, **Public Sector Employment, Q1 2014** (tables 6 and 7)

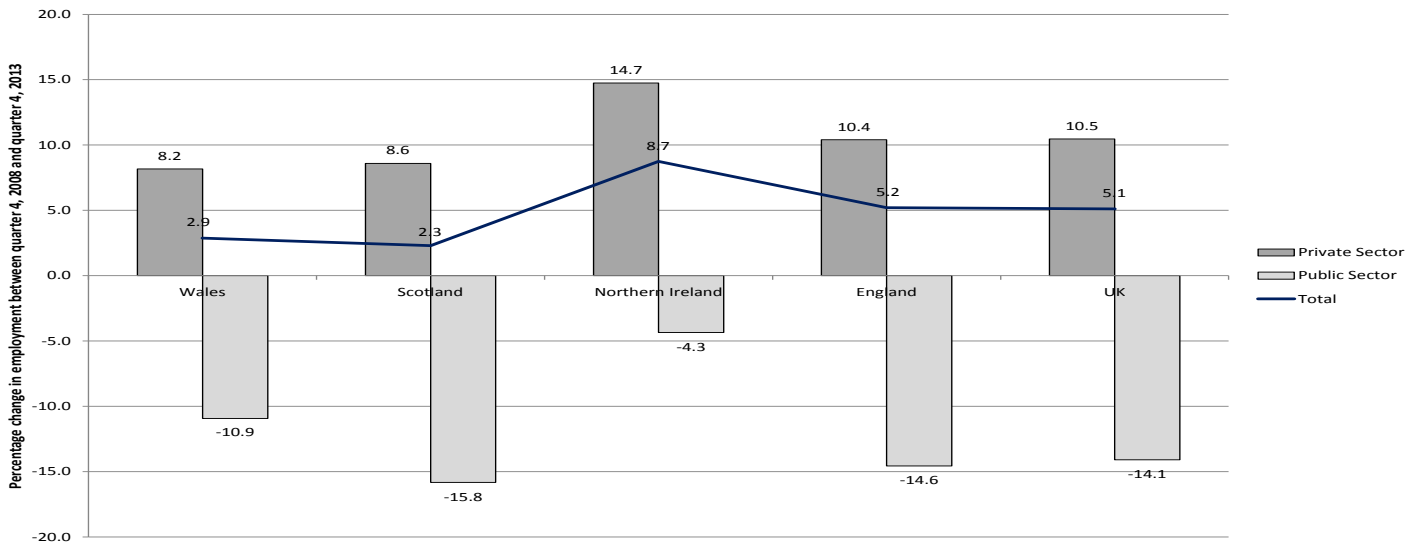
Notes:

- (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 1 of 2009 to quarter 1 of 2014. It can be seen from figure 3 that:

- Total employment in Wales was 2.9% higher in quarter 1 of 2014 than in quarter 1 of 2009. At 8.2%, the percentage increase in private sector jobs was the lowest of all UK nations. 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 1, 2009 and quarter 1, 2014, by sector (a), (b), (c)**



Source: Research Service calculations from Office for National Statistics, **Public Sector Employment, Q1 2014** (tables 6 and 7)  
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 1 of 2014. It can be seen that in quarter 1 of 2014:

- While there is a spread across a number of categories, 15.6% 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 and manufacturing.
- 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 1 of 2014 (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	221,000	15.6	4,872,000	14.7	0.9
Human health and social work activities	208,000	14.7	4,239,000	12.8	1.9
Manufacturing	143,000	10.1	2,583,000	7.8	2.3
Education	140,000	9.9	2,881,000	8.7	1.2
Construction	100,000	7.1	2,107,000	6.4	0.7
Accommodation and food service activities	96,000	6.8	2,043,000	6.2	0.6
Public administration and defence; compulsory social security	88,000	6.2	1,543,000	4.7	1.5
Administration and support service activities	88,000	6.2	2,735,000	8.3	-2.1
Transportation and Storage	55,000	3.9	1,532,000	4.6	-0.7
Arts, Entertainment and Recreation	52,000	3.7	962,000	2.9	0.8
Professional, scientific and technical activities	46,000	3.3	2,764,000	8.4	-5.1
Agriculture, Forestry and Fishing	40,000	2.8	460,000	1.4	1.4
Other Service Activities	32,000	2.3	836,000	2.5	-0.2
Financial and insurance activities	31,000	2.2	1,136,000	3.4	-1.2
Information and communication	29,000	2.0	1,298,000	3.9	-1.9
Other	46,000	3.3	1,060,000	3.2	0.0
<b>Total</b>	<b>1,415,000</b>		<b>33,051,000</b>		

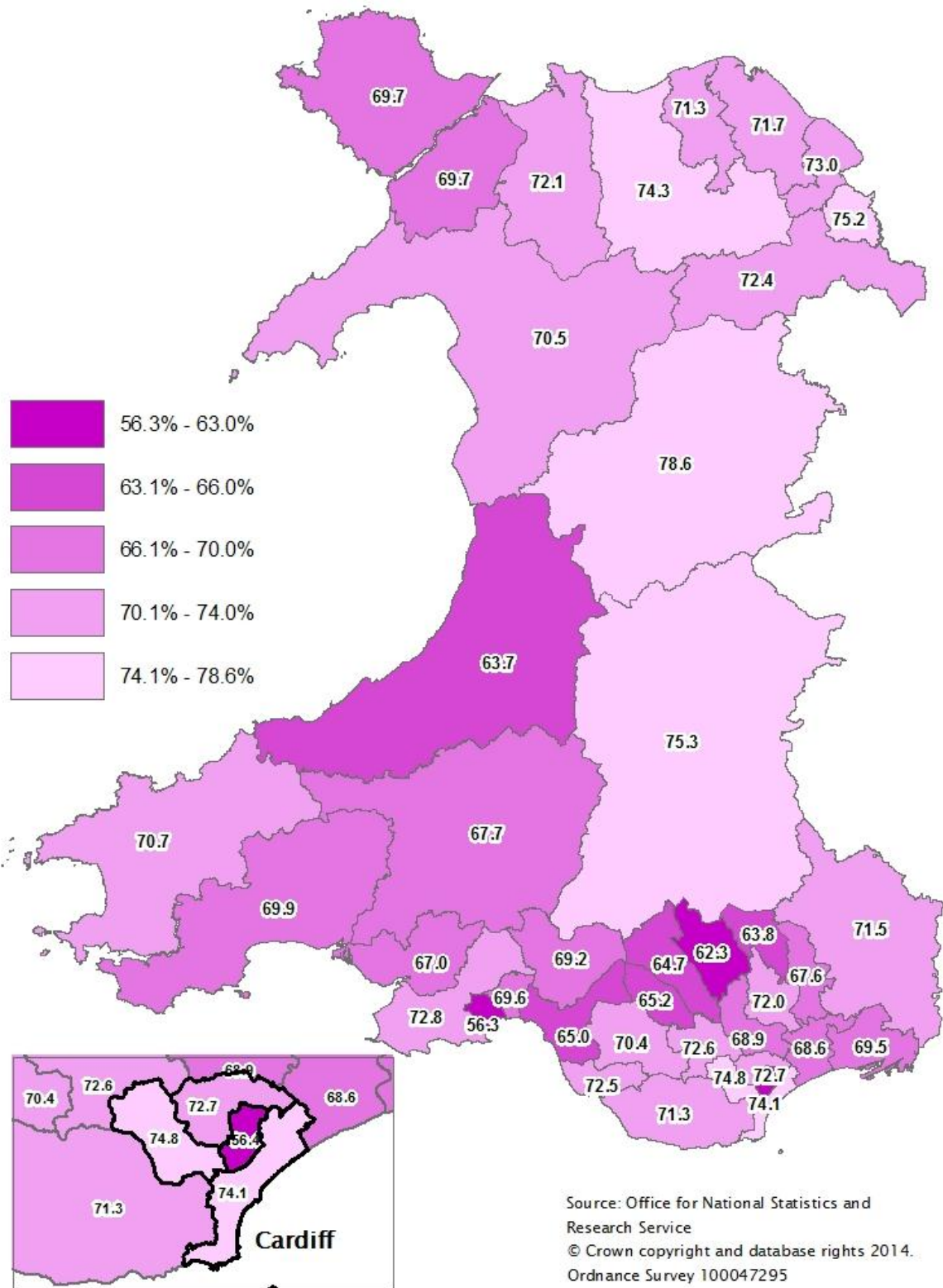
Source: NOMIS – Official Labour Market Statistics, [Labour Market Profile Wales](#)

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; Real Estate; 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, April 2013 – March 2014





## 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 August 2014**
- Office for National Statistics, **Regional Labour Market Statistics, August 2014**
- **NOMIS – Official Labour Market Statistics**

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