

Employment analysed by sector and industry, 1971-76

Introduction

This article presents mid-year estimates of employment in the United Kingdom from 1971 to 1976 analysed by sector and by broad industry group. Corresponding estimates up to 1975 have been published in previous articles in *Economic Trends*¹, but on this occasion it has been possible to include an analysis by industry group for self-employed persons for the first time. Consequently, Table 1 in the Appendix differs in format from the corresponding tables in the February 1976 and February 1977 issues. Estimates for each year from 1961 to 1970 following the format of Table 1 can be supplied on request².

Definitions of sectors

As before, the tables have been compiled by the Central Statistical Office. The sectors used are the same as in the national accounts. Full definitions of the sectors are given in *National Accounts Statistics: Sources and Methods*, as brought up to date by the Notes in *National Income and Expenditure 1966-76*, the Blue Book.

In brief, the central government sector consists of all government departments (including the Northern Ireland departments), together with HM Forces and Women's Services and a number of other organisations such as the National Health Service, the United Kingdom Atomic Energy Authority, and the Forestry Commission. Civilian employment by central government is therefore much wider than employment in the Civil Service.

The local authorities sector consists of all local government authorities which have power to raise funds by means of rates or levies. It embraces all functions of those authorities (including, for example, their education services and construction departments), and is therefore much wider than the activity 'local government service' as defined in the Standard Industrial Classification.

The public corporations sector consists of the nationalised industries, the Post Office and a number of other public trading bodies (for example, the Bank of England, the British Broadcasting Corporation, the Civil Aviation Authority and, from 1974, the new regional water authorities), whose finances are not subject to detailed control by Parliament. Most companies which are wholly or partly owned directly by the government, and companies which are subsidiaries of the National Enterprise Board, are classified to the companies sector which forms part of the private sector. But companies which are subsidiaries of other public corporations are classified as public corporations.

Sources of the statistics

The figures for total employees in employment* and for self-employed persons (who may or may not have employees) in each industry are compiled and published by the Department of Employment³. Estimates of

* Employees permanently based overseas are excluded.

employment in central government and the public corporations are mostly derived from the central records of the organisations concerned. Efforts are made to ensure as far as is possible, that the figures derived from different sources are consistent. However, the absence of a common source leaves scope for error, particularly in the estimates for the private sector where the figures are derived from residuals (that is, by subtracting the estimates of employment in central government, local authorities and public corporations from the Department of Employment's totals).

Up to and including 1974 the figures for employment in local authorities in Great Britain were based on figures collected and compiled by the Department of Employment with the co-operation of local authorities in England, Wales and Scotland. Additions were made for Northern Ireland, and to include the staffs of magistrates' courts and the probation service, employees of parish councils and certain other local bodies, and the civilian employees of police forces, who were not included in the Department of Employment's survey of local authorities. (They were of course included in the total of employees in employment.)

From 1975, figures from the Joint Manpower Workforce surveys undertaken on behalf of central and local government by the Local Authorities' Conditions of Service Advisory Board form the basis of the figures for England and Wales⁴. This survey covers all the services for which local authorities are responsible, including most of the services of local bodies in England and Wales for which previously separate estimates had to be made. Apart from this increased coverage the new series is broadly comparable with the previous one, although, inevitably, there are some differences because the returns for the new survey are collected on exactly the same basis or for the same purpose as those formerly made to the Department of Employment. Excluding the effect of the wider coverage, the total in the new series at June 1975 for England and Wales together is about 27,000 less than the total reported under the former arrangements. This difference is largely concentrated in education services: it is thought that the returns to the Department of Employment included certain sessional lecturers whom the authorities had 'on their books' were not actually employing during the period covered by the returns.

For 1976, the figures for Scotland are taken from a similar survey now undertaken on behalf of central and local government by the National Joint Council for Local Authority Services (Scottish Councils)⁵. This new series is also broadly comparable with the previous one, but as there are some differences from the former source, the total for the new series for Scotland at June 1976 is a further 5,000 less than the total reported under the former arrangements.

These discontinuities should be borne in mind if figures for 1975 or 1976 are compared with those for earlier years. Employees recruited under the Job Creation Programme

are included in employment by local authorities, both in England and Wales, and in Scotland.

As new or improved information becomes available on employment by organisations in the different sectors it is included in the estimates. Where possible, estimates published earlier are then revised. The 1976 estimates benefit from a closer study of the sectoral analysis of employment in Northern Ireland by the Department of Manpower Services. The main change is in the classification of certain employees between central government and local authorities. However, it has not yet been possible to produce estimates on a comparable basis for earlier years, so the cost of the improved figures for 1976 is the temporary introduction of further small discontinuities into the series.

The results

Analysis by sector

Table 1 shows that, out of a total employed labour force of about 24.8 million in the United Kingdom at June 1976, approximately 17.4 million (70.5 per cent) were employed in the private sector. Of the remaining 7.3 million, 2.0 million (7.9 per cent) were employed by public corporations, 2.3 million (9.5 per cent) by central government, and 3.0 million (12.2 per cent) by local authorities. Table A below gives breakdowns within these broad categories:

TABLE A Employment in central government, local authorities and public corporations, June 1976.

	Thousands
<i>Central government</i>	
HM Forces and Women's Services	336
National Health Service	1,147
Other central government (including the UK civil service and the Northern Ireland civil service)	859
Total central government	2,342
<i>Local authorities</i>	
Education services	1,569
Police (including civilian employees)	186
Other local authority services	1,266
Total local authorities	3,021
Total general government	5,363
<i>Public corporations</i>	
Nationalised industries (including the Post Office)	1,690
Other public corporations	261
Total public corporations	1,951

Thus, education services and the National Health Service accounted for slightly more than half the total employed by 'general government' (i.e. central government plus local authorities) in 1976.

These services (particularly health) also accounted for about 80,000 of the increase of 108,000 in numbers employed by central government and local authorities between June 1975 and June 1976. The public corporations sector was extended during this period by the establishment of the National Enterprise Board, the Scottish and Welsh Development Agencies, and the British National Oil Corporation. However, these developments only contributed

marginally to employment in this sector, and overall there was a reduction of 61,000 in numbers employed in public corporations between June 1975 and June 1976: all the major employers amongst nationalised industries reduced their workforces. With the total employed labour force reduced by 168,000, it is estimated that employment in the private sector fell by 215,000 between June 1975 and June 1976.

Thus, although the increase of 108,000 in general government employment was much less than the increase of 305,000 between June 1974 and June 1975, when coupled with the continued fall in employment by the private sector it reduced that sector's share of total employment from 72.4 per cent at June 1974 and 70.8 per cent at June 1975 to 70.5 per cent at June 1976. However, this trend may now have been reversed. Early indications are that between June 1976 and June 1977 the numbers employed by central government, local authorities and the public corporations were all reduced. Since the provisional estimates of total employment show an increase over this period, this implies an increase in the private sector's share.

June 1974 was close to the peak of the employment cycle. Given that employment in the production industries forms a large proportion of total private sector employment, normal cyclical behaviour suggests that, in a downturn phase, the reduction in employment in the private sector will be sharper than elsewhere in the economy. This may explain, in part, the changes between June 1974 and June 1976 within the context of a trend of increasing employment in services (where most employment by central government plus local authorities is concentrated) and a reduction in agriculture and industrial production (where employment is predominantly in the private sector).

TABLE B Changes in employment June 1974 - June 1976

	Thousands	Percentage change
Total employed labour force	- 299	- 1.2
Private sector	- 701	- 3.9
Public corporations	- 11	- 0.6
General government	+ 413	+ 8.3
of which		
Central government	+ 236	+ 11.2
Local authorities	+ 177	+ 6.2
of which		
Health and social services	+ 230	+ 19
Education services	+ 70	+ 5
Public administration	+ 110	+ 7

The comparisons in Table B do not make any allowance for the discontinuities referred to earlier.

Comparisons over the whole period 1971-1976, which broadly corresponds to a complete cycle, are complicated by the transfers which took place between June 1973 and June 1974 both between local authorities and central government (where there was a transfer of staff following the reorganisation of the national health service) and between local authorities and public corporations (for example, the transfer to public corporations with the setting up of the regional water authorities following the reorganisation of local government in England and Wales). Within an increase of 362,000 in the total employed labour force between June 1971 and June 1976, the total employed

in the private sector fell by an estimated 352,000, and its share fell from 72.9 per cent to 70.5 per cent. The number of employees in public corporations fell by 58,000, but this reduction would have been much larger but for the transfer referred to above. The number employed by central government and local authorities increased by 772,000. The major features of this growth were increases of approximately 400,000 in the numbers employed in health and social services and about 270,000 in education services.

Analysis by industry

Tables D and E illustrate some of the major changes in employment by industry group over the period. Appendix Table 1 provides additional detail.

TABLE C Changes in civilian employment

Industry group	Thousands	
	1974-76	1971-76
Manufacturing	- 626	- 812
Construction	- 72	+ 100
Services excluding transport and communication	+ 454	+ 1,338
Remainder*	- 46	- 232
Total	- 290	+ 394

* Agriculture, forestry, and fishing; mining and quarrying; gas, electricity and water; transport and communication.

Table C shows the reduction in manufacturing employment and the increase in employment in services excluding transport and communication between June 1971 and June 1976. The reduction in manufacturing employment was 10 per cent, whereas the growth in employment in services excluding transport and communication was 12 per cent. Three-quarters of the reduction in manufacturing employment but only one-third of the increase in services excluding transport and communication occurred after June 1974.

TABLE D Changes in civilian employment 1971-1976

Industry group	Thousands	
	Employees	Self-employed
Manufacturing	- 810	- 2
Construction	+ 46	+ 54
Services excluding transport and communication	+ 1,385	- 47
Remainder*	- 204	- 28
Total	+ 417	- 23

* See footnote to Table C.

Table D contrasts the changes in the number of employees and in the number of self-employed between June 1971 and June 1976. It is notable that although employees in services excluding transport and communication increased by 14 per cent, there was a reduction in the number of self-employed in such services.

TABLE E Major changes in civilian employment

		Thousands	
		Private sector	General government
Manufacturing	1971-74	- 188	
	1974-76	- 586	
	1971-76	- 774	
Services excluding transport and communication	1971-74	+ 386	+ 478
	1974-76	+ 81	+ 367
	1971-76	+ 467	+ 845
All industries and services	1971-74	+ 349	+ 382
	1974-76	- 701	+ 422
	1971-76	- 352	+ 804

* Central government plus local authorities.

Table E shows that, in services other than transport and communication, for every five additional people employed in the private sector during the period June 1971 to June 1976, nine more were taken on by central government or local authorities. Between June 1971 and June 1974 the increase in civilian employment in these services was more evenly spread between the sectors than between June 1974 and June 1976, when 80 per cent of the increase was general government.

Thus, within the context of an overall increase of 362,000 in the total employed labour force between June 1971 and June 1976, the major developments have been a reduction of 774,000 in the total employed in private sector manufacturing industries, and an increase of 845,000 in civilians employed in services other than transport and communication by central government and local authorities. The net transfer of resources from the private sector to central government and local authorities will not have been as large as implied by these figures (which are based on numbers of jobs with no adjustment for hours worked) because much of the increase in employment in 'other services' in central government and local authorities between June 1971 and June 1976 was in the number of part-time female employees, whereas much of the fall in private sector manufacturing industries was in full-time male employment.

References

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- Enquiries should be addressed to:
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Central Statistical Office
Great George Street
London
SW1P 3AQ.
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APPENDIX

Employment by sector and by industry group¹: United Kingdom

TABLE 1

	Total employed Thousands	Total employees in employment		Private sector		Self-employed persons ²		Public corporations		Central government		Local authorities			
		Thousands	Thousands	Thousands	Percent. ³	Thousands	Percent. ³	Thousands	Percent. ³	Thousands	Percent. ³	Thousands	Percent. ³	Thousands	Percent. ³
At June 1971															
Employed labour force	24,399		17,799	72.9	1,909	7.8	15,890	65.1	2,009	8.2	1,940	8.0	2,651	10.9	
HM forces and Women's Services	368		—	—	—	—	—	—	—	—	368	100.0	—	—	
Civilian employment	24,031	22,122	17,799	74.1	1,909	7.9	15,890	66.1	2,009	8.4	1,572	6.5	2,651	11.0	
Agriculture, forestry and fishing	736	434	724	98.4	302	41.0	422	57.3	—	—	12	1.6	—	—	
Mining and quarrying	397	396	51	12.8	1	0.3	50	12.6	346	87.2	—	—	—	—	
Manufacturing	8,179	8,056	7,813	95.5	123	1.5	7,690	94.0	290	3.5	76	0.9	—	—	
Construction ⁴	1,594	1,262	1,432	89.8	332	20.8	1,100	69.0	13	0.8	25	1.6	124	7.8	
Gas, electricity and water	377	377	4	1.1	—	—	4	1.1	339	39.9	—	—	34	9.0	
Transport and communication	1,639	1,568	588	35.9	71	4.3	517	31.5	960	58.6	6	0.4	85	5.2	
Other services	11,109	10,029	7,187	64.7	1,080	9.7	6,107	55.0	61	0.5	1,453	13.1	2,408	21.7	
At June 1972															
Employed labour force	24,390		17,711	72.6	1,899	7.8	15,812	64.8	1,929	7.9	1,979	8.1	2,771	11.4	
HM forces and Women's Services	371		—	—	—	—	—	—	—	—	371	100.0	—	—	
Civilian employment	24,019	22,120	17,711	73.7	1,899	7.9	15,812	65.8	1,929	8.0	1,608	6.7	2,771	11.5	
Agriculture, forestry and fishing	711	429	700	98.5	282	39.7	418	58.8	—	—	11	1.5	—	—	
Mining and quarrying	380	379	53	13.9	1	0.3	52	13.7	327	86.1	—	—	—	—	
Manufacturing	7,906	7,778	7,568	95.7	128	1.6	7,440	94.1	270	3.4	68	0.9	—	—	
Construction ⁴	1,673	1,299	1,509	90.2	374	22.4	1,135	67.8	14	0.8	22	1.3	128	7.7	
Gas, electricity and water	356	356	1	0.3	—	—	1	0.3	321	90.2	—	—	34	9.6	
Transport and communication	1,614	1,543	598	37.1	71	4.4	527	32.7	936	58.0	—	—	80	5.0	
Other services	11,379	10,336	7,282	64.0	1,043	9.2	6,239	54.8	61	0.5	1,507	13.2	2,529	22.2	
At June 1973															
Employed labour force	24,970		18,192	72.9	1,947	7.8	16,245	65.1	1,890	7.6	1,998	8.0	2,890	11.6	
HM forces and Women's Services	361		—	—	—	—	—	—	—	—	361	100.0	—	—	
Civilian employment	24,609	22,662	18,192	73.9	1,947	7.9	16,245	66.0	1,890	7.7	1,637	6.7	2,890	11.7	
Agriculture, forestry and fishing	715	434	704	98.5	281	39.3	423	59.2	—	—	11	1.5	—	—	
Mining and quarrying	364	363	59	16.2	1	0.3	58	15.9	305	83.8	—	—	—	—	
Manufacturing	7,953	7,828	7,621	95.8	125	1.6	7,496	94.3	265	3.3	67	0.8	—	—	
Construction ⁴	1,823	1,380	1,660	91.1	443	24.3	1,217	66.8	14	0.8	19	1.0	130	7.1	
Gas, electricity and water	344	344	—	—	—	—	—	—	310	90.1	—	—	34	9.9	
Transport and communication	1,596	1,525	597	37.4	71	4.4	526	33.0	928	58.1	—	—	71	4.4	
Other services	11,814	10,788	7,551	63.9	1,026	8.7	6,525	55.2	68	0.6	1,540	13.0	2,655	22.5	

See footnotes on page 106.

Employment by sector and by industry group¹: United Kingdom

TABLE 1 (continued)

	Total employed	Total employees in employ-ment		Private sector		Self-employed persons ²		Public corporations		Central government		Local authorities			
		Thousands	Thousands	Total	Percent. ³	Thousands	Percent. ³	Employees		Thousands	Percent. ³	Thousands	Percent. ³	Thousands	Percent. ³
								Thousands	Percent. ³						
At June 1974															
Employed labour force	25,060		18,148	72.4	1,925	7.7	16,223	64.7	1,962	7.8	2,106	8.4	2,844	11.3	
HM forces and Women's Services	345		—	—	—	—	—	—	—	—	345	100.0	—	—	
Civilian employment	24,715	22,790	18,148	73.4	1,925	7.8	16,223	65.6	1,962	7.9	1,761	7.1	2,844	11.5	
Agriculture, forestry and fishing	683	417	673	98.5	266	38.9	407	59.6	—	—	10	1.5	—	—	
Mining and quarrying	350	349	51	14.6	1	0.3	50	14.3	299	85.4	—	—	—	—	
Manufacturing	7,993	7,871	7,625	95.4	122	1.5	7,503	93.9	292	3.7	76	1.0	—	—	
Construction ⁴	1,766	1,328	1,609	91.1	438	24.8	1,171	66.3	6	0.3	16	0.9	135	7.6	
Gas, electricity and water	347	347	2	0.6	—	—	2	0.6	343	98.8	2	0.6	—	—	
Transport and communication	1,583	1,506	615	38.9	77	4.9	538	34.0	941	59.4	—	—	27	1.7	
Other services	11,993	10,972	7,573	63.1	1,021	8.5	6,552	54.6	81	0.7	1,657	13.8	2,682	22.4	
At June 1975															
Employed labour force	24,929		17,662	70.8	1,886	7.6	15,776	63.3	2,012	8.1	2,262	9.1	2,993	12.0	
HM forces and Women's Services	336		—	—	—	—	—	—	—	—	336	100.0	—	—	
Civilian employment	24,593	22,707	17,662	71.8	1,886	7.7	15,776	64.1	2,012	8.2	1,926	7.8	2,993	12.2	
Agriculture, forestry and fishing	668	401	658	98.5	267	40.0	391	58.5	—	—	10	1.5	—	—	
Mining and quarrying	353	352	51	14.4	1	0.3	50	14.2	302	85.6	—	—	—	—	
Manufacturing	7,609	7,488	7,268	95.5	121	1.6	7,147	93.9	263	3.5	78	1.0	—	—	
Construction ⁴	1,699	1,313	1,507	88.7	386	22.7	1,121	66.0	13	0.8	15	0.9	164	9.7	
Gas, electricity and water	353	353	3	0.8	—	—	3	0.8	347	98.3	2	0.6	1	0.3	
Transport and communication	1,596	1,518	557	34.9	78	4.9	479	30.0	1,003	62.8	—	—	36	2.3	
Other services	12,315	11,282	7,618	61.9	1,033	8.4	6,585	53.5	84	0.7	1,821	14.8	2,792	22.7	
At June 1976⁵															
Employed labour force	24,761		17,447	70.5	1,886	7.6	15,561	62.8	1,951	7.9	2,342	9.5	3,021	12.2	
HM forces and Women's Services	336		—	—	—	—	—	—	—	—	336	100.0	—	—	
Civilian employment	24,425	22,539	17,447	71.4	1,886	7.7	15,561	63.7	1,951	8.0	2,006	8.2	3,021	12.4	
Agriculture, forestry and fishing	662	395	652	98.5	267	40.3	385	58.2	—	—	10	1.5	—	—	
Mining and quarrying	349	348	53	15.2	1	0.3	52	14.9	296	84.8	—	—	—	—	
Manufacturing	7,367	7,246	7,039	95.5	121	1.6	6,918	93.9	248	3.4	80	1.1	—	—	
Construction ⁴	1,694	1,308	1,493	88.1	386	22.8	1,107	65.3	12	0.7	16	0.9	173	10.2	
Gas, electricity and water	353	353	10	2.8	—	—	10	2.8	335	94.9	2	0.6	6	1.7	
Transport and communication	1,553	1,475	546	35.2	78	5.0	468	30.1	973	62.7	—	—	34	2.2	
Other services	12,447	11,414	7,654	61.5	1,033	8.3	6,621	53.2	87	0.7	1,898	15.2	2,808	22.6	

¹ Industries are classified according to the Standard Industrial Classification, 1968. Components may not add to totals because of rounding.

² With or without employees.

³ Percentage of total employed in the industry.

⁴ The figures for construction are consistent with data published by the Department of Employment. They differ, however, from estimates of construction employees in employment published by the Department of the Environment (for example,

in Table 12 of *Housing and Construction Statistics* relating to Great Britain). The latter estimates include construction workers in building and civil engineering branches of public authorities whose main activities are classifiable to other industries (for example, national or local government service) under the Standard Industrial Classification.

⁵ Provisional, using June 1975 estimates of the numbers of self-employed.