ARTICLE

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The changing face of public sector employment 1999–2009

SUMMARY

This article presents an analysis of public sector employment (PSE) and makes comparisons with the private sector, using data from the Labour Force Survey¹ and Annual Survey of Hours and Earnings². It looks at the nature of employment in the public sector before discussing the characteristics that differentiate people employed in both the public and private sector, comparing proportions of public and private sector workers in different groups: by sex, age, ethnicity, disability, working pattern, education, occupation and earnings. This article serves as an update to the 2007 Economic and Labour Market Review (ELMR) article 'Characteristics of public sector workers' (Machin and Millard 2007).

Public sector employment

Over the past decade the Office for National Statistics (ONS) has led a cross-departmental programme that sought to improve the quality of public sector employment estimates. This work stemmed from an increased demand for robust quality estimates of employment in the public sector. Several government reviews had clearly identified the need for improvements within this area as a policy imperative, including the Atkinson Review of Measurement of Government Output³, the Allsop Review of Statistics for Economic Policymaking⁴ and the ONS's Employment and Jobs Review⁵.

In response, ONS made significant improvements to the coverage, timeliness and accuracy of public sector employment estimates. In March 2005 improved estimates were published. For example, for the first time quarterly estimates of public sector employment were made available on a headcount and full-time equivalent basis. Also, standard definitions for sources of public sector employment were agreed and a new Quarterly Public Sector Employment Survey (QPSES) was established. In July 2005, ONS published the first of what is now a regular quarterly release, 'Public Sector Employment statistical bulletin'⁶ and provided quarterly estimates three months after the period to which they referred, compared with a year or more prior to this point in time.

Developments have continued. As part of the Q3 2009 Public Sector Employment statistical bulletin⁷ ONS published estimates

of regional public sector employment based on returns from public sector organisations rather than using the Labour Force Survey (LFS) as a proxy. This change marked a substantial improvement to the survey's outputs and met increased user needs for estimates of this type.

This article is presented in four parts. First, there is a brief discussion to provide context with regards to measuring and (re)defining the public sector. Second, an overview of public sector employment is presented in which public sector employment is analysed by sector classification, industry, region and then in comparison to the private sector. Third, the paper shifts focus, through use of the Labour Force Survey, to look at the characteristics of public sector workers in comparison to their counterparts in the private sector, by sex, age, ethnicity, disability status, working pattern, education, occupation and earnings. Finally a synthesis is provided together with pointers to further research that may be undertaken to improve understanding of public sector employment in the UK.

Measuring and (re)defining the public sector

PSE statistics are derived from a range of sources. The primary source is the QPSES (Quarterly Public Sector Employment Survey). The QPSES comprises three separate data collections; the home Civil Service, Local Governments in England and Wales and public corporations and Non-Departmental Public Bodies (NDPBs) in

Table 1
External sources for public sector employment estimates

Employment	Geographic coverage	Source
Central government		
HM Forces	UK	Ministry of Defence (MoD): Defence Analytical Services and Advice (DASA)
National Health Service	England	Information Centre for Health and Social Care (IC)
	Wales	Welsh Assembly Government (WAG)
	Scotland	Scottish Government
	Northern Ireland	Quarterly Employment Survey (QES): Department of Enterprise Trade and Investment Northern Ireland (DETINI)
Other central government	England and Wales	Home Office (National Probation Service and Police Service Strength)
	NI	QES: Department of Enterprise Trade and Investment Northern Ireland (DETINI)
Local government		
Local authorities	Scotland	Joint Staffing Watch: Scottish Government
	Northern Ireland	QES: Department of Enterprise Trade and Investment Northern Ireland (DETINI)
Police (including civilians)	England and Wales	Home Office
	Scotland	Joint Staffing Watch: Scottish Government
	Northern Ireland	Department of Enterprise Trade and Investment Northern Ireland (DETINI)
Public corporations		
	Northern Ireland	Department of Enterprise Trade and Investment Northern Ireland (DETINI)

Source: Office for National Statistics

Table 2
Public sector financial intermediation (SIC division 65) headcount, 1999–2009

United Kingdom		Numbers, not seasonally adjusted	
Period	Headcount	Full-time equivalent	
2008 Q1 ^{1,2}	9,300	8,700	
2008 Q2	9,400	8,800	
2008 Q3 ³	10,700	10,100	
2008 Q4 ^{4,5}	238,800	217,800	
2009 Q1	241,500	219,500	
2009 Q2	235,500	214,900	
2009 Q3	230,800	209,600	
2009 Q4	220,100	200,100	

Notes:

Source: Public Sector Employment

- 1 Bank of England classified as a public financial corporation on 7 February 2008 from its inception (1946).
- 2 Northern Rock classified as a public financial corporation from 9 October 2007.
- 3 Bradford and Bingley plc classified as a public financial corporation from 26 September 2008.
- 4 Lloyds Banking Group classified as a public financial corporation from 13 October 2008.
- 5 Royal Bank of Scotland Group classified as a public financial corporation from 13 October 2008.

Great Britain. The survey(s) aims to achieve a complete census of the relevant sectors.

So that estimates of total PSE can be made it is necessary for further information to be gathered from external sources (**Table 1**). These are collected from respondents on a quarterly basis.

The variables collected from each contributor are the number of permanent and temporary/casual employees in full and part-time jobs by gender. Information is required on both a headcount and full-time equivalent basis and data are requested in line with agreed standard definitions. Consistent time-series are available from the Office for National Statistics website back to 1999 on a seasonally adjusted basis (www.statistics.gov.uk/statbase/tsdtables1.asp?vlnk=pse).

The public sector comprises central government, local government and public corporations, as in the UK National Accounts. The ONS is responsible for the UK National Accounts⁸, which provide an internationally comparable accounting framework.

All institutional units operating within the UK economy are classified to an institutional sector and all transactions between the sectors of the economy are categorised. Work on the classification of entities to sectors and of economic transactions is a key input in the production of National Accounts and employment figures alike.

Changes to the classification of individual institutional units can have a noticeable effect on employment statistics at a

sector level. Among the most significant reclassifications to take place recently were the transfers of major financial providers such as the Bank of England⁹, Northern Rock¹⁰, Bradford and Bingley¹¹, the Royal Bank of Scotland Group^{12 13} and Lloyds Banking Group^{12 13} from the private to the public sector.

Table 2, provides a time-series demonstrating the full impact of the reclassification of financial corporations to the public sector (based on Standard Industrial Classification 2003 division 65 (financial intermediation)).

The total effect of these reclassifications was noticeable in both overall public sector employment estimates as well as the regional statistics. For instance, a comparison of first and fourth quarter PSE estimates for 2008 shows that employment within public corporations increased by 230,000 (64 per cent) and 'other public sector' by 242,000 (33 per cent). At a regional level the effect of the reclassification was most pronounced in the South East (54,000 increase; 8.3 per cent), London (48,000 increase; 6.7 per cent) and Scotland (47,000 increase; 8.2 per cent).

The changing face of the public sector, 1999–2009

The public sector has changed markedly over the past 10 years. Even prior to the reclassification of financial organisations, the number of employees in the public sector was increasing. **Figure 1** shows year-on-year growth between 1999–2005, then a three year slowdown and finally a rapid spurt, largely as a consequence of reclassification. In total, there are now more than 6 million people employed in the public sector compared to about 5.2 million ten years previously (a 16 per cent increase).

Figure 2 details the actual annual changes in employment that have taken place in the public sector over the past 10 years. It shows that growth was fairly consistent on an annual basis between 2000 and 2005 (approximately 100,000 per year), before a period of slight decline, mainly due to a contraction in employment in central government, before a sharp rise in employment, in 2008/9, (293,000 in the year) predominantly as a result of the large-scale bank reclassification¹³.

By removing the banks from estimates of public sector employment, growth is still apparent over the 10 year period, albeit not so dramatic. **Figure 3** clearly shows an upward trend in employment, a 12 per cent increase, between 1999 and 2009. The principal difference in estimates

Figure 1
UK public sector employment headcount, 1999–2009

Source: Public Sector Employment

Figure 2
UK annual changes in public sector employment headcount, 1999–2009

Source: Public Sector Employment

Figure 3
UK public sector employment headcount including and excluding the major financial institutions, 1999–2009

Source: Public Sector Employment

Figure 4
UK Civil Service employment headcount, 1999–2009

Source: Public Sector Employment

of public sector employment, when the major financial institutions classified to the public sector are removed for analysis purposes, is that public sector employment peaked in 2005, in contrast to 2009 when they are included. If the banks had not been reclassified, public sector employment in the UK would not have passed 6 million.

Public sector employment by sector classification

When disaggregated by sector, different patterns of growth are evident. Between 1999 and 2009, central government employment (including employment in the NHS which increased by 366,000) increased by 454,000 (22 per cent), local government by 176,000 (6.4 per cent), and largely due to reclassifications, public corporations by 219,000 (61 per cent).

Figure 4 shows Civil Service employment for the selected decade. Following a period of growth and then steady decline, Civil Service employment in 2009 was 4.8 per cent higher than in 1999. Levels of Civil Service employment throughout the decade have remained constant at around 10 per cent of all public sector employment.

Public sector employment by industry

Public sector employment can also be broken down by industry based on the 2003 Standard Industrial Classification (SIC 2003). The largest increase over the decade 1999–2009 was in the National Health Service (NHS) where headcount grew by 366,000, representing growth of 30 per cent. Employment in the NHS has fluctuated throughout the last ten years with decreases in employment being recorded for the period 2005–2007; however it has predominantly increased, on average by 37,000 per annum. Recent publications of public sector employment estimates have indicated that the NHS is continuing to grow, increasing by 68,000 (4.5 per cent) in the year to Q2 2009.

Other areas of growth over the ten year period include the police (67,000; 30 per cent); 'other public sector' covering a wide range of activities including leisure centres, catering, industrial cleaning, accountancy, call centres, architecture engineering and the nationalised banks (221,000; 30 per cent); education (276,000; 24 per cent) and public administration (38,000; 3.2 per cent). However, in construction (-62,000; -53 per cent); 'other health and social work' (-40,000; -10 per cent) and HM Forces (-21,000; -10 per cent) there have been marked declines in employment.

Table 3
Public sector employment: by region and country of workplace^{1,2,3}

United Kingdom	Headcount, thousands										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 ⁴	2009 ⁴
North West	590	607	648	663	671	680	688	678	684	670	699
North East	239	235	234	251	254	253	268	263	263	284	290
Yorkshire and the Humber	437	443	456	439	471	510	492	494	473	504	538
West Midlands	429	438	430	456	468	464	485	494	492	489	507
East Midlands	317	319	313	323	331	358	359	372	355	369	385
East	410	416	429	430	446	479	484	463	453	440	459
London	715	713	686	725	722	725	745	761	769	713	764
South East	625	627	641	643	648	676	695	690	677	652	687
South West	428	429	454	461	481	475	499	509	498	487	518
England	4,191	4,228	4,292	4,390	4,492	4,621	4,714	4,725	4,665	4,609	4,847
Wales	290	287	300	292	311	311	302	304	314	328	341
Scotland ⁵	529	531	533	540	551	565	576	584	580	576	614
Great Britain	5,009	5,046	5,125	5,222	5,354	5,496	5,593	5,613	5,559	5,513	5,801
Northern Ireland ⁶	197	199	201	204	209	214	219	221	221	224	229

Notes:

Source: Labour Force Survey (1999–2007); returns from public sector organisations (2008–2009)

1 Annual figures relate to June Q2 except 1999 which relates to December Q4.

2 Estimates are based on where people are employed.

3 Northern Rock classified to the public sector from 9 October 2007. Bradford and Bingley classified to public sector from 26 September 2008. Royal Bank of Scotland Group and Lloyds Banking Group classified to the public sector from 13 October 2008.

4 Figures for 2008 and 2009 have not been seasonally adjusted.

5 Estimates of PSE for Scotland are supplied by Scottish Government and were published as part of the ONS article 'Regional analysis of public sector employment' published in Economic and Labour Market Review; September 2009.

6 Estimates of PSE for Northern Ireland for 2008 and 2009 will differ from those published by DETINI. The ONS figures include HM Forces personnel.

Regional public sector employment

As part of the third quarter Public Sector Employment Statistical Bulletin (published on 16 December 2009) the first regional estimates of employment based on returns from public sector organisations were provided by ONS. These estimates superseded previous estimates of regional employment derived via the Labour Force Survey (LFS). LFS estimates were based on four-quarter rolling averages to reduce the effect of sampling variability. Presenting the results in this manner, however, dampened the effect of sudden changes in employment. The most recent collecting frame is much more sensitive to changes of this kind.

Table 3 shows that in all areas of the UK public sector employment increased in the ten years to 2009. By English region, the largest increases in employment were in North West (109,000; 18 per cent), Yorkshire and the Humber (101,000; 23 per cent) and the South West (90,000; 21 per cent).

London is the region with the largest number of employees (764,000), followed by the North West (699,000), the South East (687,000) and Scotland (614,000).

England (656,000; 16 per cent), Scotland (85,000; 16 per cent) and Wales (51,000; 18 per cent) all showed an increase in public sector employment in the period 1999–2009. This contributed to an increase in public sector employment for Great Britain (792,000; 16 per cent). Public sector employment in Northern Ireland for the

period 1999–2009 increased by the same proportion (32,000; 16 per cent).

A more comprehensive article detailing public sector employment by region will be published by ONS in 2010.

Public and private sector employment

Private sector employment totals are derived as the difference between Labour Force Survey employment estimates for the whole economy and public sector employment estimates collected directly from public sector organisations. The Labour Force Survey is ONS's preferred source for estimates of employment levels for the whole economy, because it has comprehensive coverage of the UK and is conducted on a regular frequency, using a rolling sample, thus making it a good monitor of change.

Public sector employment as a proportion of total employment rose from 19.3 per cent in 1999 to a peak of 21.0 per cent in 2009 (Figure 5). The large increase in the proportion of individuals employed in the public sector between 2008 and 2009 is a result of the reclassification of the banks from the private to the public sector. However, it should also be noted that both sectors have shown an increase in employment over the last 10 years; the public sector by 16 per cent and the private sector by 4.2 per cent.

In the last year, largely as a result of the reclassification of the major financial institutions, public sector employment has continued to grow (293,000; 5.1 per cent), whereas private sector employment has declined (-934,000; -3.9 per cent). This has largely been driven by a decrease in total employment for the United Kingdom

Figure 5
Public sector employment headcount as a proportion of all in employment 1999–2009

Source: Public Sector Employment

Table 4
Proportions employed within the public and private sectors: by sex¹

United Kingdom	Per cent			
	Men		Women	
	Public	Private	Public	Private
1999	36.3	59.1	63.7	40.9
2000	36.6	59.1	63.4	40.9
2001	35.3	59.2	64.7	40.8
2002	35.4	59.4	64.6	40.6
2003	35.1	59.4	64.9	40.6
2004	34.5	59.7	65.5	40.3
2005	35.2	59.6	64.8	40.4
2006	34.9	59.5	65.1	40.5
2007	34.4	59.6	65.6	40.4
2008	34.7	59.4	65.3	40.6
2009	34.5	58.9	65.5	41.1

Notes:

Source: Labour Force Survey

1 Annual figures relate to December (Q4).

Table 5
Proportions of men and women employed within the public and private sectors¹

United Kingdom	Per cent					
	Men ¹		Women ¹		All ²	
	Public	Private	Public	Private	Public	Private
1999	14.0	86.0	29.1	70.9	19.3	80.7
2000	14.5	85.5	29.7	70.3	19.3	80.7
2001	13.8	86.2	29.9	70.1	19.5	80.5
2002	13.9	86.1	30.2	69.8	19.7	80.3
2003	14.3	85.7	31.1	68.9	20.1	79.9
2004	14.2	85.8	31.9	68.1	20.4	79.6
2005	14.8	85.2	32.0	68.0	20.4	79.6
2006	14.2	85.8	31.2	68.8	20.1	79.9
2007	14.0	86.0	31.4	68.6	19.9	80.1
2008	14.5	85.5	31.9	68.1	19.6	80.4
2009	15.1	84.9	32.7	67.3	21.0	79.0

Notes:

Source: Labour Force Survey and returns from public sector organisations

1 Annual figures relate to December (Q4).

2 Annual figures relate to June (Q2)..

(-641,000; -2.2 per cent) as the country went into recession.

Employees in the public and private sectors

Whilst estimates based on returns from public sector organisations are now the preferred source of official UK statistics on trends in public sector employment, this source only provides limited information on the characteristics of employees. For this the Labour Force Survey (LFS) offers a much richer data set. The LFS is a large household survey carried out continuously across the UK, sampling about 60,000 households. The LFS provides the UK's primary measure of the number of people in employment as a whole and characteristics of public sector employees can be drawn from this; however, as already mentioned, it is not the ONS's preferred measure of the total number of employees in the public sector.

There are several drawbacks. LFS public/private sector and industry classifications are made on the basis of survey

respondents' views about the organisations for which they work. As a consequence, reporting error is endemic. For example, university staff and GPs often state that they are part of the public sector, whereas according to the National Accounts such personnel should be counted as part of the private sector. As such, for the purposes of this analysis LFS estimates have therefore been adjusted to match more closely National Accounts definitions.

Self-designation of this kind suggests that LFS estimates of public sector employment are around one million higher than those collected directly from public sector employers. A more detailed synopsis of the limitations of the LFS for providing estimates of public sector employment is included in Machin and Millard (2007).

Sex

Table 4 compares the percentages of male and female workers in the public and private sectors from 1999 to 2009. The table highlights that there are almost twice as

many women (66 per cent in 2009) as men (35 per cent) working in the public sector; whereas in the private sector men provide the greater proportion at 59 per cent compared to 41 per cent for women. These patterns appear reasonably consistent over the decade.

When these estimates are aligned with the most recent estimates of public sector employment for the UK (2009) it indicates that just over 2 million public sector employees are men and approximately 4 million public sector employees are women.

The proportion of women employed in the public sector as a percentage of the total female workforce has also increased over time (**Table 5**). In 1999, 29 per cent of women were employed in the public sector and 71 per cent in the private sector, compared to 33 per cent in the public sector and 67 per cent in the private sector in 2009, a 4 percentage points change. This is in contrast to men whereby the proportion employed in each sector has remained fairly static over the same 10 year period (14 per cent in the public sector and 86 per cent in the private sector in 1999 compared with 15 per cent in the public sector and 85 per cent in the private sector in 2009).

Age

Table 6 highlights that 70 per cent of those working in the public sector in 2009 are over 35 years of age, compared with 61 per cent of those working in the private sector. There is relatively little difference in the proportions aged 26 to 35 (21 per cent and 22 per cent respectively) while the proportion of public sector workers who are aged under 25 is much lower than in the private sector (8.6 per cent compared with 17 per cent). There is a slight tendency for more private sector employees to continue to work beyond the age of 65.

Since 1999, there have been increases in the proportions of workers aged over 35 years, in both the public and private sectors, especially for those aged 56 years and over. The proportions aged under 25 have changed little, while there has been a decline in both the public and private sectors in the proportions aged 25 to 34 years.

Ethnicity

Table 7 details the percentages of those employed within the public and private sectors that belong to different ethnic groups. For both the public and private sectors in 2009, 9 per cent of employees were from non-white ethnic groups.

The earliest period for which a

Table 6
Proportions employed within the public and private sectors: by age¹

United Kingdom							Per cent
	16-25	26-35	36-45	46-55	56-65	66+	All ages
Public							
1999	8.5	24.5	30.0	26.8	9.6	0.6	100
2000	8.6	23.8	29.9	27.0	10.2	0.6	100
2001	8.4	22.5	30.4	27.3	10.6	0.8	100
2002	8.8	21.9	30.3	27.3	10.9	0.7	100
2003	9.2	22.3	29.7	26.2	11.8	0.8	100
2004	8.8	21.6	30.7	26.1	12.0	0.7	100
2005	8.6	21.5	29.9	26.1	13.0	0.8	100
2006	8.5	20.4	29.7	27.1	13.4	0.9	100
2007	8.1	20.4	29.9	27.2	13.5	0.8	100
2008	8.6	20.9	28.3	27.1	14.1	1.1	100
2009	8.6	21.1	27.9	27.7	13.6	1.2	100
Private							
1999	18.8	26.3	23.4	20.4	9.5	1.6	100
2000	18.2	26.0	24.1	20.2	10.0	1.5	100
2001	18.7	25.1	24.3	20.2	10.2	1.5	100
2002	18.5	24.4	24.6	20.2	10.6	1.6	100
2003	18.8	23.1	25.2	19.7	11.6	1.7	100
2004	19.2	22.6	24.8	19.6	12.0	1.8	100
2005	18.6	22.5	25.0	19.7	12.2	1.9	100
2006	18.9	22.2	24.8	19.6	12.5	2.0	100
2007	18.9	22.0	24.5	19.9	12.7	2.0	100
2008	18.4	21.8	24.7	20.3	12.6	2.1	100
2009	17.4	21.9	24.6	21.0	12.8	2.3	100

Notes: Source: Labour Force Survey and returns from public sector organisations

1 Annual figures relate to December (Q4).

Table 7
Proportions employed within the public and private sectors: by ethnicity^{1,2}

United Kingdom								Per cent
	White	Mixed	Asian	Black	Chinese	Other	Total non-white	All ages
Public								
1999	..	..	..	..	..	..	..	100
2000	..	..	..	..	..	..	..	100
2001	94.0	0.5	2.6	2.2	0.1	0.5	5.9	100
2002	93.8	0.4	2.8	2.2	0.2	0.6	6.2	100
2003	92.9	0.5	3.0	2.6	0.2	0.9	7.1	100
2004	92.8	0.7	3.1	2.4	0.3	0.8	7.2	100
2005	92.4	0.6	3.3	2.3	0.3	1.1	7.5	100
2006	91.9	0.6	3.0	2.8	0.3	1.3	8.0	100
2007	92.1	0.6	3.2	2.7	0.3	1.0	7.9	100
2008	91.1	0.7	3.8	2.9	0.2	1.3	8.9	100
2009	91.3	0.7	4.1	2.4	0.3	1.1	8.6	100
Private								
1999	..	..	..	..	..	..	..	100
2000	..	..	..	..	..	..	..	100
2001	94.1	0.5	3.1	1.6	0.3	0.5	5.9	100
2002	93.5	0.5	3.4	1.5	0.4	0.6	6.4	100
2003	93.3	0.6	3.3	1.6	0.4	0.8	6.7	100
2004	92.8	0.6	3.5	1.7	0.4	0.9	7.1	100
2005	92.4	0.6	3.7	1.7	0.4	1.1	7.6	100
2006	91.6	0.6	4.1	1.9	0.4	1.4	8.4	100
2007	91.2	0.7	4.2	2.0	0.5	1.4	8.8	100
2008	90.5	0.7	4.7	2.0	0.6	1.5	9.4	100
2009	90.5	0.8	4.7	2.1	0.5	1.4	9.4	100

Notes: Source: Labour Force Survey

1 This table uses the National Statistics standard classification of ethnic groups consistent with that used for the 2001 Census of Population. Data for periods prior to this used the old classification. No comparison should be made between the two classifications, because not only are the categories different but the questions and coding of answers underlying the data are also very different.

2 Annual figures relate to December Q4.

breakdown by ethnicity is available on a consistent basis from the LFS is 2001. Since this time, there has been a slight increase (2.7 percentage points) in the proportion of employees in non-white ethnic groups within the public sector, from 5.9 per cent to 8.6 per cent, mainly those of Asian origin. This trend is also mirrored in the private sector (from 5.9 to 9.4 per cent).

Disability

In 2009, 15 per cent of employees within the public sector had a long-term disability compared to 13 per cent in the private sector (Table 8). Although change over the 10 year period for both sectors is slight, there would appear to be a greater upward trend in the proportion of people in the public sector (15 per cent) compared to the private sector (13 per cent) that have a long-term disability in comparison to the proportion of long-term disabled in 1999 (12 per cent for both the private and public sectors).

Working pattern

The majority of employees within both the public and private sectors worked full time in 2009 (71 per cent in the public sector, compared with 74 per cent in the private sector) (Table 9). Over the past 2 years, since the start of the recession in the UK, the proportion of individuals working part-time has increased in the private sector (1.6 percentage points) whereas in the public sector it has remained about the same (0.1 per cent decrease).

Education

There is a stark difference between the highest educational qualification of people employed in the public sector compared to the private sector. In general, individuals in the public sector are more highly qualified than their private sector counterparts (88 per cent of individuals in the public sector have qualifications equivalent to GCSE grades A-C, compared to 79 per cent in the private sector). At the higher end, whereas 38 per cent of public sector workers have a degree or equivalent qualification, only 23 per cent of private sector workers have obtained this level of educational attainment. Educational attainment, for employees in the private sector, peaks at 'GCE A Level or equivalent' (25 per cent). 8 per cent of private sector workers have no qualifications compared to only 4 per cent of public sector employees.

Occupation

Nearly two-thirds (64 per cent) of the public sector workforce is comprised

Table 8
Proportions employed within the public and private sectors: by disability^{1,2}

United Kingdom	Per cent			
	Long-term disabled ¹		Not long-term disabled	
	Public	Private	Public	Private
1999	11.9	11.6	88.1	88.4
2000	11.7	11.8	88.3	88.2
2001	12.7	12.1	87.3	87.9
2002	13.9	12.9	86.1	87.1
2003	12.9	12.8	87.1	87.2
2004	13.8	13.1	86.2	86.9
2005	13.8	13.0	86.2	87.0
2006	14.1	12.7	85.9	87.3
2007	14.1	12.7	85.9	87.3
2008	14.6	12.8	85.4	87.2
2009	14.6	12.8	85.4	87.2

Notes:

Source: Labour Force Survey

- 1 People with a health problem or disability that is expected to last for more than a year.
 2 Annual figures relate to December Q4.

Table 9
Proportions employed within the public and private sectors: by full and part-time status^{1,2}

United Kingdom	Per cent			
	Full-time		Part-time	
	Public	Private	Public	Private
1999	69.9	76.2	30.1	23.8
2000	69.6	76.1	30.4	23.9
2001	69.2	76.3	30.8	23.7
2002	70.0	75.8	30.0	24.2
2003	69.8	75.4	30.2	24.6
2004	70.1	75.8	29.9	24.2
2005	71.2	75.9	28.8	24.1
2006	70.5	75.5	29.5	24.5
2007	70.4	75.8	29.6	24.2
2008	70.8	75.3	29.2	24.7
2009	70.5	74.2	29.5	25.8

Notes:

Source: Labour Force Survey

- 1 Annual figures relate to December Q4.
 2 Full and part-time employment is self-classified by respondent in the Labour Force Survey.

Figure 6**Median gross weekly earnings for full-time employees 1999–2009**

Source: Annual Survey of Hours and Earnings

of those working within 'professional' (23 per cent; for example doctors and secondary education teachers), 'associate professional and technical' (24 per cent; for example nurses), and 'administrative and secretarial' occupations (17 per cent). In stark contrast, half as many (32 per

cent) private sector workers are in these occupations ('professional' (11 per cent), 'associate professional and technical' (12 per cent) and 'administrative and secretarial' (11 per cent)).

There are further clear differences between the occupations of public sector

and private sector employees. For example, while only 5 per cent of public sector employees are in 'skilled trades', 'sales and customer service', and 'process plant and machine operative' occupations, 31 per cent of private sector workers belong to these occupations.

Of those in the public sector, 8 per cent are employed as 'managers and senior officials' compared with 18 per cent of individuals working in the private sector.

Earnings

Since 1999, private sector pay has trended below public sector pay (Figure 6). The median gross weekly pay of full-time employees in the public sector, according to the Annual Survey of Hours and Earnings (ASHE)², was £539 in 2009, up 44 per cent from £375 in 1999. For the private sector the comparable figure was £465, up 38 per cent from £336 in 1999, 6 percentage points lower.

For full-time employees (based on hourly pay excluding overtime) the gender pay comparison decreased from 14 per cent in 1999 to 12 per cent in 2009 in the public sector, compared to a decrease of 1 percentage point in the private sector from 22 per cent to 21 per cent. For part-time employees, the gender pay difference in the public sector was 18 per cent, up substantially from 6.9 per cent in 1999, compared to 0.4 per cent in the private sector, a change from the negative gender pay gap in 1999 of -2.2 per cent. For all employees, the public sector saw a decrease in the gender pay difference to 21 per cent in 2009 from 27 per cent in 1999, while the gender pay comparison for the private sector decreased by only 3 percentage points to 29 per cent, down from 32 per cent in 1999 (Table 10).

Conclusions

The purpose of this article has been to expose the changing face of the public sector over the period 1999 to 2009. Within this decade the public sector has changed markedly and recent developments, such as the classification of major banks to the public sector, have accentuated this change. As a result, public sector employment as a proportion of total employment has risen from 19.3 per cent in 1999 to a peak of 21.0 per cent in 2009.

Over the ten year period, growth has been most marked in central government (454,000; 22 per cent) at a sector classification level driven by the NHS (366,000; 30 per cent) which dominates growth on an industrial basis.

Table 10
Gender pay comparison, 1999–2009

United Kingdom	Per cent, based on median hourly pay excluding overtime		
	Full-time	Part-time	All
Public			
1999	14	6.9	27
2009	12	18	21
Private			
1999	22	-2.2	32
2009	21	0.4	29

Source: Annual Survey of Hours and Earnings

ONS are now able to produce detailed regional estimates of public sector employment based on data returned from public sector organisations. These data have highlighted that, in 2009, London is the region with the largest number of employees (764,000), followed by the North West (699,000), the South East (687,000) and Scotland (614,000).

Despite the limitations of the Labour Force Survey (LFS) as an estimator of public sector employment in the UK, the LFS is still useful as a source for important structural information about both the public and private sector workforces. One of the most striking differences between the public and private sectors relates to male and female employment. Almost twice as many women (66 per cent in 2009) as men (35 per cent) work in the public sector; whereas in the private sector men make up the greater proportion of the workforce (59 per cent compared to 41 per cent for women).

While this analysis is informative it does not take account of a range of factors that may have an impact on the characteristics of employees in the public and private

sectors and what drives choices with regards to individuals' choices of sector of employment. Ongoing longitudinal work will continue to show change over time.

Notes

- 1 Labour Force Survey:
www.statistics.gov.uk/StatBase/Product.asp?vlnk=4756
- 2 Annual Survey of Hours and Earnings:
www.statistics.gov.uk/StatBase/Product.asp?vlnk=15313
- 3 Atkinson Review of Measurement of Government Output:
www.statistics.gov.uk/about/data/methodology/specific/PublicSector/Atkinson/final_report.asp
- 4 Allsop Review of Statistics for Economic Policymaking:
www.hm-treasury.gov.uk/press_32_04.htm
- 5 ONS Employment and Jobs Review:
www.statistics.gov.uk/STATBASE/Product.asp?vlnk=11948
- 6 Public Sector Employment Statistical Bulletin:
www.statistics.gov.uk/StatBase/Product.asp?vlnk=13615

- 7 Public Sector Employment Statistical Bulletin, Quarter 3:
www.statistics.gov.uk/pdfdir/pse1209.pdf
- 8 UK National Accounts:
www.statistics.gov.uk/StatBase/Product.asp?vlnk=818
- 9 Classification of Bank of England:
www.statistics.gov.uk/cci/article.asp?id=1939
- 10 Classification of Northern Rock:
www.statistics.gov.uk/CCI/article.asp?ID=1938
- 11 Classification of Bradford and Bingley:
www.statistics.gov.uk/pdfdir/cbb1108.pdf
- 12 Classification of Royal Bank of Scotland Group plc and Lloyds Banking Group plc:
www.statistics.gov.uk/pdfdir/crbslbg0209.pdf
- 13 Public sector interventions in the financial crisis:
www.statistics.gov.uk/CCI/article.asp?ID=2301

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www.statistics.gov.uk/cci/article.asp?id=1801