West Midlands Futures

The Everyday Economy in the WMCA

West Midlands Combined Authority

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THE EVERYDAY ECONOMY IN THE WMCA

A REPORT FOR WEST MIDLANDS COMBINED AUTHORITY

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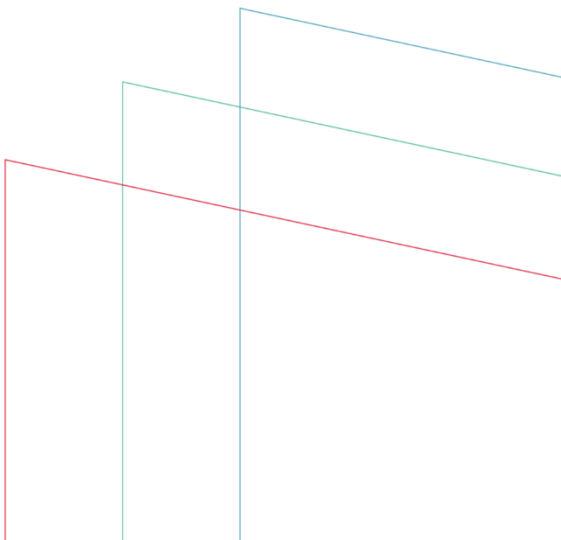

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EXECUTIVE SUMMARY

Recent industrial policy and strategies for economic growth have often prioritised a few high-tech export sectors, with a focus on raising output through productivity improvements. While such approaches may lead to higher GDP in certain parts of a region's economy, they risk overlooking those parts where the majority of people are employed, which provide the services and goods that provide the underpinning of daily life in any place. These Everyday Economy (EE) sectors and occupations are vital to achieving broad-based, inclusive economic development and improvements in living standards. In this report commissioned by the West Midlands Combined Authority (WMCA), we develop a definition of the EE in the city-region in alignment with the WMCA's Inclusive Growth Framework, provide an evidence base on the current state of the EE, its composition, challenges and opportunities, create case studies of innovative approaches to supporting the EE, and make policy recommendations for how the WMCA can support and grow the EE in future.

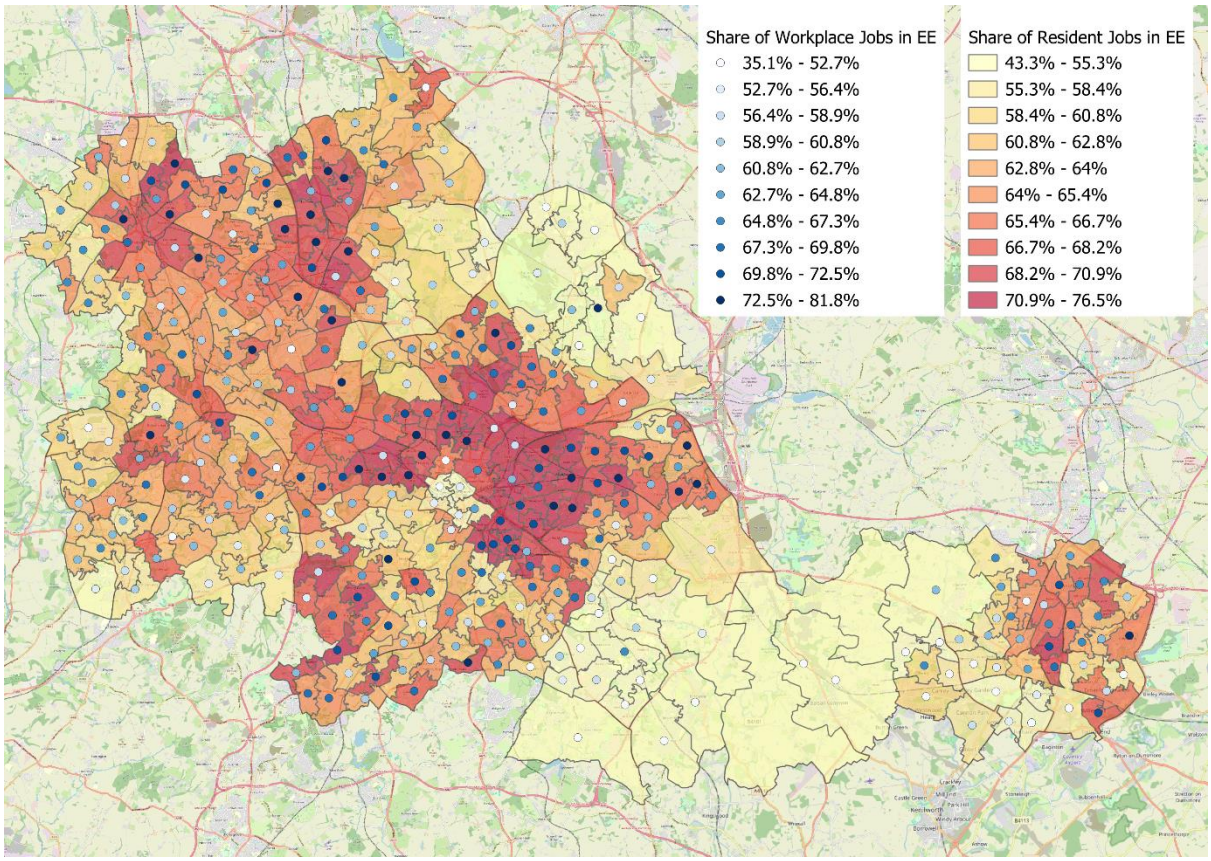
We establish a definition for the EE sectors using several objective criteria. These are relatively more labour-intensive economic activities, where there are limits to how much capital-intensity can be achieved without compromising service quality. They are also non-tradable activities that serve a local market rather than being exported. These characteristics mean that productivity changes, output growth and job quality evolve in different ways in EE sectors compared to non-EE sectors. Broadly speaking, our definition of the EE encompasses the following sectors: health, education, social care, public administration, protective services, retail, hospitality, leisure, personal services, the arts, tourism, construction, utilities, domestic transport and production of food.

Next, using a range of data sources, we look at the current state of employment, job quality and firm characteristics in the EE in the WMCA. Jobs in EE occupations make up 63.0% of all jobs in the city-region, with the highest number of jobs occurring in occupations such as nursing and care, retail, teaching, road transport drivers, hospitality, construction and elementary service roles. There is significant variation in the share of resident employment in the EE by local area (MSOA),[1] with the areas of highest deprivation tending to have the highest share of resident jobs in EE

occupations (Figure 1). Some residents are over-represented in the EE workforce relative to the population as a whole: on average EE workers are younger, more ethnically diverse and more likely to be female, disabled or born abroad. EE workers are more likely to provide 20 hours or more per week of unpaid care than non-EE workers.

Figure 1: There is a clear spatial pattern to the share of resident jobs in the EE

Share of EE among resident jobs (red/yellow polygons) and workplace jobs (blue markers) by MSOA in the WMCA from Census 2021



Source: NEF analysis of Census 2021 (Occupation - minor groups) and ONS shapefiles

People in EE occupations are also found to have shorter commutes to work, being more likely to walk or commute by bus but less likely to drive. This may be indicative of the relationship between poor housing quality, insecure work, low pay and limited transport options that limits economic opportunities for those affected. Some of the largest EE occupations by job count exhibit poor job quality across a number of dimensions including low pay, high rates of insecure work and low union density, although the issues with different components of job quality vary by sector within the EE. Early evidence on the use of AI and automation suggests that

technology is being adopted more widely in the EE but at different speeds by sector and firm size, in line with the nature of the work affected. There is some evidence that EE jobs, which are more likely to involve manual or relational forms of work, are more resilient to changes from AI.

We review several examples of innovative practice in supporting the EE from combined authorities (CAs) and local authorities (LAs), looking at the advantages and disadvantages of different approaches that the WMCA and its member local authorities could consider. These include the Foundational Economy Innovation Fund model pursued by Greater Manchester Combined Authority, the Good Work Charters that several other CAs have put in place, the use of planning levers and commissioning at LA level, and the Ownership Hubs recently operated by WMCA and the South Yorkshire Mayoral Combined Authority.

To conclude, we assess the evidence above and the available levers at the central government, CA and LA levels to make recommendations on how the WMCA can support the EE. We conclude from the available evidence that the concept of productivity increases (e.g. increasing GVA per hour worked) conceals both good measures, that tend to improve job and service quality in line with productivity, and bad measures, that damage job and service quality. Many EE sectors appear to be stuck on a 'low road' path, where poor job quality and damaging forms of productivity measures—such as forcing down wages and conditions or intensifying work—reinforce each other. We provide examples of alternative 'high road' approaches such as retailers accommodating pay increases through better staff training and redeployment, or organisations shortening their working week by empowering staff to redesign their team's way of working to raise productivity. We propose a range of levers, from national regulation, sectoral bargaining, CA and LA level conditionality to voluntary charters. They could, in theory, be used to move more firms towards a 'high road' approach that sustains improvements to job and service quality.

We conclude with a set of recommendations for supporting the EE at different levels, shown in full in the concluding chapter of the report:

Central Government Level

- Advocate to central government for additional sectoral bargaining mechanisms in the largest EE employer sectors or those with the lowest job quality, and for tax reforms that de-risk further investment in skills for businesses and workers.

WMCA Level

- Plan for which parts of the EE should be targeted for sector-wide improvements in job quality and productivity, and develop economic strategies for targeted EE sectors to improve work and service quality.
- Use adult education funding to support local EE employers in investing in worker skills and alleviating upskilling costs.
- Utilize the devolved retrofit program to help build a local supply chain for retrofit jobs.
- Consider options to create an EE innovation fund, including by using proceeds from Levelling Up Zone retained business rates, and assess how to incorporate an EE productivity and job quality focus into existing business support.
- Disseminate information on EE issues and potential forms of intervention across WMCA teams.

Local Authority Level within WMCA

- Engage planning teams to maximize job quality benefits from property development under Investment Zones, Levelling Up Zones, and housing development.
- Review council-owned properties for potential to let out space to EE sector firms with social value and job quality commitments.
- Explore opportunities for insourcing or council-owned companies to provide EE services with higher service quality and job quality.

Further Research

- Review WMCA's investment funding streams for opportunities for conditionality to improve job quality in EE sectors.
- Assess the impact of the Employment Rights Bill on key EE sectors and prepare support options.
- Investigate the interaction between poor-quality work, housing, and transport for people working in low-paid EE occupations.

1. DEFINING THE EVERYDAY ECONOMY

In the search for a way out of the UK's sluggish productivity and GDP growth,[2] the government's economic strategies have typically focused on high-tech, export-oriented sectors.[3,4] But while sectors such as advanced manufacturing, digital technology and green industry have a relatively strong potential to contribute to GDP growth, their benefits are not necessarily felt across the wider population and an exclusive focus on high-tech export sectors such as these risks overlooking the largest part of the economy where many people work and live their lives.[5] There has been a growing appreciation among policymakers and researchers that the sectors providing the goods and services that underpin our daily lives should be considered as an important part of economic strategies.[6] This has manifested in a substantial body of academic research on those everyday sectors under the concept of the Foundational Economy (FE)[7], which has translated into innovative economic policies from the Welsh Government.[8] The Chancellor of the Exchequer, Rachel Reeves, has also recognised the importance of these sectors in a 2018 pamphlet focused on the related concept of the Everyday Economy (EE).[9]

Key challenges remain in this rapidly developing area of research and policy. There is a need to define what success looks like in the FE and EE, given that targeting traditional metrics such as productivity and GDP may not be desirable or even feasible in these sectors. Most importantly, there is an evidence gap on what central and local government can do to help these sectors thrive. Our report aims to begin to fill these gaps, looking at the current state of these sectors in the West Midlands Combined Authority (WMCA) area, and what could be done to make such improvements. The New Economics Foundation was commissioned to deliver this project by WMCA, to develop a definition of the FE in the city-region in alignment with the WMCA's Inclusive Growth Framework, to provide an evidence base on the current state of the FE, its composition and challenges and opportunities, to create case studies of innovative approaches to supporting the FE, and to make policy recommendations for how the WMCA can support and grow the FE in future.

This may inform new economic policies that can be applied to sectors of the WMCA's economy that are not the focus of the frontier strategy contained in the *Plan*

for Growth.[10] In doing this we also want to address the *grand challenges*, especially the challenge of "breaking out of the low productivity, low wage, and high deprivation equilibrium created by the West Midlands' economic system", which is highly relevant to the choice of sectors to address in the current research.[11] We are aiming to focus on the kind of jobs that are done by large numbers of people in the city-region, that are especially prevalent in areas of high deprivation, and that are likely to be a persistent feature of the West Midlands' economy over the coming decades (rather than being lost or transformed over time through rapid innovation and global competitive forces).

In the research that follows, we have chosen to use the term EE rather than FE. It recognises that the set of economic sectors and occupations we include is wider than the previous definitions of the FE used in academic research, as we include some goods and services that are not purely serving foundational everyday needs, such as arts and construction. Our choice of sectors is based primarily on the economic characteristics of how they produce and distribute their goods and services, rather than a primary focus on everyday use or meeting needs within limits, although these aspects remain relevant to the sectors we cover.

This opening chapter of the report reviews existing definitions of this part of the economy and sets out our chosen definition of the EE. Chapter 2 presents new analysis of the current state of the EE in the WMCA city-region. Chapter 3 contains some case studies of innovative policies used to support EE sectors, while Chapter 4 sets out broad recommendations for policies the WMCA and other levels of government could apply to supporting the EE.

PREVIOUS WORK ON DEFINING THE FOUNDATIONAL AND EVERYDAY ECONOMY

The original definition of the FE was set out by a group of academics known as the Foundational Economy Collective from around 2013 onward. It was initially intended to cover the goods and services that people rely on every day to live well, with entitlement to foundational provision seen as the basis that allows people to exercise citizenship to shape their own lives and secure their fundamental rights.[12]

This early work included a spreadsheet defining the FE in terms of industry sectors at a detailed level.[13] This defined three types of FE sector: the material FE (networks of capital-intensive infrastructure such as utilities, transport and food), the providential FE (more labour-intensive essential services such as health, care, education, public safety, housing) and the overlooked FE (goods and services culturally defined as essential and requiring occasional purchase, such as clothing, furniture, hospitality and tourism).

This definition closely matches the concepts used by the Welsh government, which has increasingly focused on the FE. They define the FE as providing:

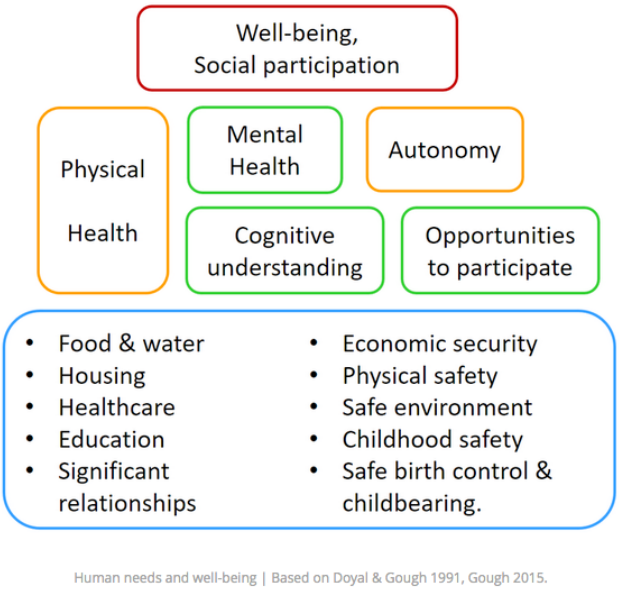
> "those basic goods and services on which every citizen relies and which keep us safe, sound and civilized. Care and health services, food, housing, energy, construction, tourism and retailers on the high street are all examples of the foundational economy. The industries and firms that are there because people are there."[14]

The FE Collective's definition has evolved in recent years, while remaining true to many of the concepts used in their initial definition. The overarching focus is now on society and the economy sustaining and improving "liveability", which is defined as "the capacity to thrive by enjoying freedom", at the household level. The FE then focuses on the sectors that contribute to this liveability, which start with the universal basics of housing, utilities, food, transport. To this they add "accessible, quality essential services, both pipe and cable utilities and welfare state services like health, education and care" and "social infrastructure like parks, libraries, community centres, leisure centres and so on, which sustain sociability."[15] All of this is underpinned by a liveable climate, meaning that there is a stronger emphasis on decarbonisation and green transition than in the FE Collective's recent work than previously.

A separate but related set of concepts are covered by the extensive academic literature on meeting needs within limits. The FE Collective's work is underpinned by Amartya Sen's capability approach, which aims for individuals to be supported to fulfil their potential and to be given as much freedom and choice as possible in doing so.[16] Others have instead focused on defining human needs, i.e. things "that if they are not satisfied then serious harm of some objective kind will result".[17] In the

needs-based approach established by Doyal and Gough (1991), "wellbeing can be understood roughly as a pyramid, with basic need satisfaction at the bottom underpinning physical, mental health and autonomy, culminating in wellbeing and social participation".[18]

Figure 2: Basic needs relate to the FE sectors needed to fulfil them.
Framework underpinning the needs-based approach, based on Doyal and Gough (1991)[19]



Key: red = universal goals; yellow = basic needs, "the universalisable preconditions for non-impaired participation in any form of life"; green = requirements to exercise autonomy; blue = universal need satisfiers[20]

This in turn can be used to determine which economic sectors are essential in meeting these needs,[21] and has more recently been applied to assess what a doughnut economy, which meets people's needs within planetary limits, would look like.[22] This framework provides a theoretical basis for categorising different parts of the economy and an objective way to separate those parts that meet everyday and essential needs from the sectors more focused on growth, profitability and international competition.[23]

In summary, the concept of the FE is well established in academic and devolved government literature as the parts of the economy that every person relies on in their daily lives to live well. Whether the starting point is giving people the freedom to fulfil their capabilities and potential in life (as the FE Collective assumes) or meeting their universal needs for living well (as other academic research has proposed), this

leads us to a commonly agreed set of FE sectors: the parts of the economy that provide us with the basics - food, utilities, housing, transport, education, healthcare, social care, a safe environment to live in - and occasional but socially essential goods and services - such as holidays, non-luxury retail and the arts.

The focus on defining needs or capabilities, however, was seen as overly normative for the purposes of this project and also may unnecessarily exclude some parts of the economy that share many economic characteristics with the FE sectors for the purposes of Combined Authority policymaking. For these reasons, the sections that follow look into the characteristics of certain economic sectors within the broader EE to form an objective basis for our choice of sectors to focus on. We go on to define this broader EE sector(s) in further detail below.

DEFINING CHARACTERISTICS OF THE EVERYDAY ECONOMY

1. Labour intensity of economic activities

Labour intensity (the extent to which labour rather than capital or other inputs features in the cost of production in a sector) varies significantly across the economy and within the sectors usually included in the EE. This has important implications for how growth is achieved, for the potential for productivity increases and for the impact of those productivity increases on job and service quality.

Several key EE sectors are among the most labour-intensive services (e.g. health, social care, education, emergency services, public administration, arts, restaurants and bars, personal services) and appear to have limited scope for long-term productivity growth, with data suggesting that they have experienced little increase in output per hour worked over recent decades.[24]

One potential explanation for slow productivity growth is the inherently labour-intensive nature of these economic activities. Some labour-intensive services are fundamentally incompatible with an increase in capital intensity because the service is heavily reliant on human interaction and building strong relationships (e.g. delivering high-quality domiciliary social care requires trust and understanding between both parties).[25] In other labour-intensive sectors, it is impossible to deliver

the service to an acceptable standard by substituting capital for labour beyond a certain point (e.g. most forms of live arts performance cannot be done by a machine, while customers at a luxury restaurant or hotel would not accept being attended to by a machine). In such situations, there is limited or no scope to become more capital intensive. This cuts off one of the most common approaches to raising productivity typically applied in sectors such as manufacturing or mining, where in contrast machinery can be substituted for human labour while maintaining or even improving the quality of the final product. The inherently labour-intensive nature of some forms of EE work also has implications for their resilience to automation and AI, as we explore in more detail in Chapter 2.

The same inherent labour intensity means that what productivity increases can be achieved in these sectors, e.g. by paying workers less or getting more labour from each working day, may have damaging effects to the quality of their output.[26] The labour-intensive nature of these sectors creates the strong link between job quality and service quality, meaning that the kinds of productivity improvements that hurt job quality offer a false economy, saving money on labour but in return for a worse service standard. For example, measures to reduce the length of domiciliary social care appointments to 15-minute blocks have at times led to poor quality or rush care.[27] Similarly, the fact that these care workers are rarely paid for time spent travelling between appointments (equivalent to one fifth of their total working time)[28] has damaging consequences for their wellbeing and financial security.[29] Shortening appointment times and not paying for travel time both increase narrowly-defined productivity, at the cost of service and job quality.

A few EE sectors are quite capital-intensive (e.g. utilities, housebuilding, transport). In these sectors, there may be greater scope for traditional forms of productivity growth, albeit the considerations for how these productivity increases translate to quality of output and job quality remain relevant.

2. Tradable and non-tradable sectors, growth and productivity

An important distinction in reaching our definition is between tradable sectors, where the good or service produced can be consumed in other locations, and non-

tradable sectors, where the output has to be consumed locally. There is likely to be significant overlap between the non-tradable parts of the economy and the EE, because many of the economic activities that people rely on day to day need to be locally available and, in some cases, cannot be delivered without extensive in-person contact. While many EE sectors are non-tradable, a few important ones are tradable, such as food, medicines and some digital versions of existing sectors (e.g. everyday banking).

The focus on whether a sector is tradable has important implications for how it performs over time and what policies are suitable for the sector:

- Tradable sectors face global competitive economic forces, because they have to compete with firms around the world who can supply the same output to the West Midlands. For example, manufacturers of goods for export cannot offer an inferior or more expensive product than their competitors producing abroad if they want to retain market share. This forces firms in these sectors to achieve productivity increases in line with their competitors and limits the extent to which public policy can impact these sectors, in a free market.
- This is also likely to affect the persistence of jobs in tradable sectors: they are required by market forces to increase productivity, which due to the nature of their products, tends to imply more capital-intensive forms of production and falling employment in the long-term unless output can ramp up substantially. Likewise, the faster pace of innovation in these sectors increases the risk of certain jobs becoming obsolete more quickly than in non-tradable sectors. In the long-term, firms in tradable sectors have the ability to relocate to other parts of the UK or abroad, with implications for employment in the WMCA.
- Tradable sectors have greater growth potential as their market is not limited to local residents or those who can access the site of production in person.
- This in turn affects an important difference in how productivity increases translate into wage levels in tradable and non-tradable sectors. In tradable sectors, increased productivity can be translated into a cheaper unit cost in production, lower product or service prices and increased sales. These factors lead to higher total sales revenue that can potentially be used to raise wages, allowing productivity improvements to feed through to people working in tradable sectors.

Different characteristics apply to the dynamics of growth, productivity and costs in non-tradable sectors:

- Non-tradable sectors have more limited options for demand and output growth because they are constrained to serving a local area. For example, a more productive schoolteacher cannot respond by teaching more children in the local area, and a more productive hairdresser cannot give local people haircuts more frequently than before. Some non-tradable sectors have limited capacity to add demand from outside the WMCA, e.g. restaurants, performing arts or local attractions that may attract in visitors with their services, but this does not offer the same potential for rapid output growth enjoyed by tradable firms.
- This has implications for how productivity growth affects job quality metrics such as wages. A firm in a non-tradable sector has less capacity to expand sales through cheaper, more efficient forms of production, because demand for their outputs is less responsive to price reductions. This has been suggested as an explanation for why productivity increases in non-tradable sectors have tended not to increase production but instead have often reduced wages for the same amount of production as before.[30]
- There is a difference in the way that wages and costs in tradable and non-tradable sectors affect the wider economy. As many non-tradable local services are essential and need to be consumed by people regardless of which sector they work in, the price of these services has a knock-on effect on the minimum viable level of local wages in tradable sectors and hence on international competitiveness. For example, local housing, food and transport costs affect the wage levels that tradable sector firms can pay while still ensuring a good standard of living for their employees, which has a knock-on effect on the prices that they can charge for the exports they produce.
- In the opposite direction, economist William Baumol's modelling looks at how productivity growth in the tradable sectors may feed through to higher costs and lower productivity in non-tradable sectors – a phenomenon dubbed 'Baumol's Disease'.[31] The basic model proposes that if productivity increases translate directly into higher wages in the tradable sectors, this will bid up wages in the non-tradable part of the economy as tradable and non-tradable sectors have to compete for the same workers. When combined with low or no productivity growth in the non-tradable sectors, this implies that non-tradable sectors will become less productive over time through rising labour costs and gradually take up a larger share of total employment. It is not clear that Baumol's model fully describes the dynamics of productivity and wages in the UK in recent years. For example, in the context of economy-wide productivity growth of approximately 0.5% per year,[32] pay in non-tradable sectors in the UK[33] (adjusted for CPIH inflation)[34] mostly saw no growth from 2009 to 2019. The stagnation of pay in public sector non-tradable services during the 2010s[35] was constrained during this period by policies such as pay caps

and freezes,[36] rather than dictated by competition between tradable and non-tradable employers.

3. Customer base and public provision by sector

There are important implications for how sectors grow and respond to productivity changes based on their customer base, i.e. whether the sector primarily serves the public or private sector. Public sectors have fewer ways to absorb rising costs such as an increase in minimum wage levels, as they are less able to raise prices for their services. The Low Pay Commission has identified challenges accommodating these wage rises in certain consistently underfunded public sectors such as childcare and adult social care.[37] Likewise, the funding envelopes that largely public sectors work with will reflect political priorities (e.g. savings targets) and non-financial targets (e.g. service quality metrics) rather than just the level of market demand for their services.

4. Spatial pattern of economic activities

We will explore the spatial layout of production and employment further down. This is likely to map closely onto sector tradability. Non-tradable sectors, by virtue of the product or service they offer have to be ubiquitous and easily reachable by residents. Because they are exposed to international market forces and because their output can be consumed anywhere, tradable sectors tend to cluster to take advantage of economies of scale, logistical infrastructure, etc. to remain competitive globally.

5. The WMCA Inclusive Growth Framework

The WMCA Inclusive Growth Framework,[38] which will inform our definition to some extent, is well aligned with both the needs-based approach and the Foundational Economy Collective definitions. In a similar way to the needs-based approach, the framework takes a 'doughnut economics' approach of looking at how the economy can meet needs within planetary limits, and in the eight Inclusive Growth Fundamentals begins to define what these needs and limits are. The Inclusive Growth Fundamentals cover all of the sectors that meet essential needs (the blue box in Figure 2) in some way, except for food and utilities. This means that

applying a needs-based approach in reaching our definition will also be aligned with the Inclusive Growth Framework.

Given the urgency of the climate crisis and the prominence of this in the Inclusive Growth Framework, ecological limits will be an important factor to consider in the work going forward. This is also likely to be implicitly supported by the sectors we focus on. Data suggests that service sectors, in particular the most labour-intensive ones that feature prominently in the FE, are among the least energy-intensive forms of economic activity (with the exception of transport).[39] Additionally, the more localised nature of the EE is likely to entail reduced travel emissions and shorter supply chains.

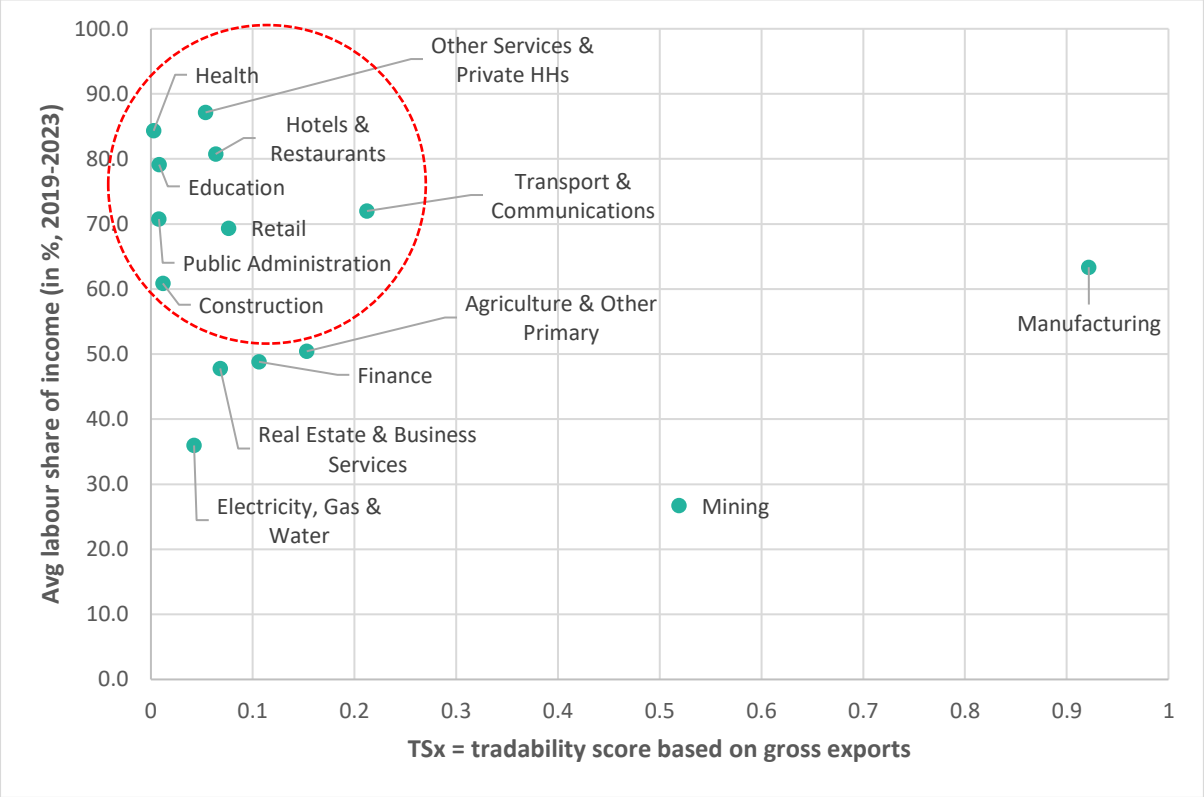
OUR DEFINITION OF THE EVERYDAY ECONOMY

Past efforts in economic policy and industrial strategy have often focused on the frontier economic sectors, such as advanced manufacturing and life sciences, which exhibit relatively high productivity growth.[40] While many regions have a plan for growth in the frontier sectors, combined authorities also have a responsibility to look at the other parts of the economy to achieve forms of growth that are more inclusive. This means looking at how they can improve job quality, productivity (where possible), product quality and standards of living in the non-frontier sectors that make up what we term the EE. These sectors need to be relatively homogeneous so that they can be targeted with similar policies and interventions. While past concepts such as the FE apply normative values to decide whether different services or products are considered 'essential', this is not meaningful for our purposes and unnecessarily excludes otherwise similar sectors/occupations. Thus, a definition, based on objective criteria - labour intensity and tradability - is seen as more appropriate.

To ensure we have sectors with common features, problems and relevant policy levers, we have based our definition on a combination of the characteristics covered above. We define the EE as the relatively more labour-intensive and less tradable sectors (Figure 3).

Figure 3: EE sectors are among the most labour intensive and the least tradable

Labour intensity (labour share of income, UK, 2019-2023)[41] and tradability score (an index based on gross exports, 46 European countries, 1995-2014)[42] of broad economic sectors,[43] with EE sectors circled in red



Source: NEF analysis of WIIW tradability scores and ONS labour share of income data

Broadly speaking, our definition encompasses the following sectors: health, education, social care, public administration, protective services, retail, hospitality, leisure, personal services, the arts, tourism, construction, utilities, domestic transport and production of food. For the analysis that follows, we have developed classifications of which occupations and industry sectors fall within the EE in the UK. The full classifications are shown in Appendices A and B at the end of this report.

2. EVIDENCE ON THE EVERYDAY ECONOMY IN THE WMCA

In this chapter, we look at what existing data tells us about the scale of the EE in terms of employment by occupation and number of enterprises by sector, the spatial and demographic characteristics of the EE workforce, and their wages and travel patterns. We supplement this with a review of evidence on pay and job quality in a number of key EE sectors and occupations.

EMPLOYMENT IN EE OCCUPATIONS IN THE WMCA

In this section, we apply our classification of EE occupations by 3-digit SOC code to data from Census 2021, giving a picture of EE employment in March 2021.[a][44] The very large sample size of Census 2021 allows employment data to be broken down into detailed occupational groups and at highly localised scale. In the following section, we consider *resident jobs*, i.e. the jobs held by the residents of an area who are formally employed, and *workplace jobs*, i.e. the jobs held by people whose workplace is in that area. We look at the smallest geography for which data was available, the Middle Layer Super Output Area (MSOA). Each MSOA typically contains 2,000 to 6,000 households, or 5,000 to 15,000 people.[45] The WMCA is divided into 357 MSOAs.

Total resident employment in the EE by occupation

There were an estimated 759,493 jobs in EE occupations in the WMCA in 2021, representing 63.0% of all jobs in the city-region. The share of resident employment in EE occupations varied widely between MSOAs, ranging from a minimum of 43.3% to a maximum of 76.5%. But as expected, the EE accounted for a substantial share of local employment in every area, making up more than half of local jobs in 96.7% of MSOAs.

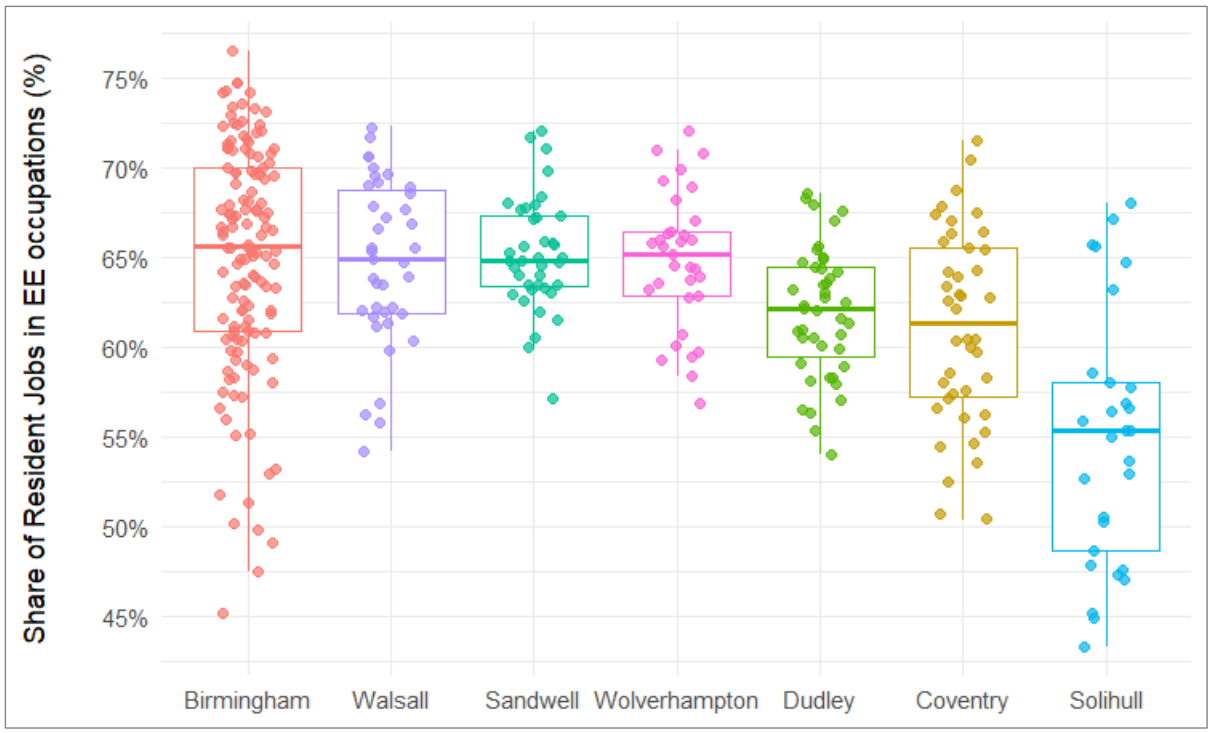
[a] Please see Appendix A and B for our approach to occupation and industrial sector classification

Based on the population weighted average of MSOAs, the share of EE jobs was highest in Birmingham, Sandwell, Walsall and Wolverhampton, with all having 64-65% of residents working in the EE. The share of resident EE jobs was lower in Dudley (62%), Coventry (61%) and especially Solihull (54%).

Birmingham had the largest variance in EE employment by MSOA (Figure 4), containing all of the top 16 areas for EE job share but also a small number of areas with relatively low resident EE employment. EE job shares also varied widely in Solihull, although most of its MSOAs had a relatively low share compared to the rest of the WMCA. Wolverhampton and Sandwell had the lowest variation between their MSOAs, meaning that the share of EE jobs was more uniformly above the WMCA average across each of these districts.

Figure 4: The share of residents working in the EE varies between and within MSOAs across the WMCA

Share of resident jobs in EE occupations (3-digit SOC codes) by MSOA from Census 2021



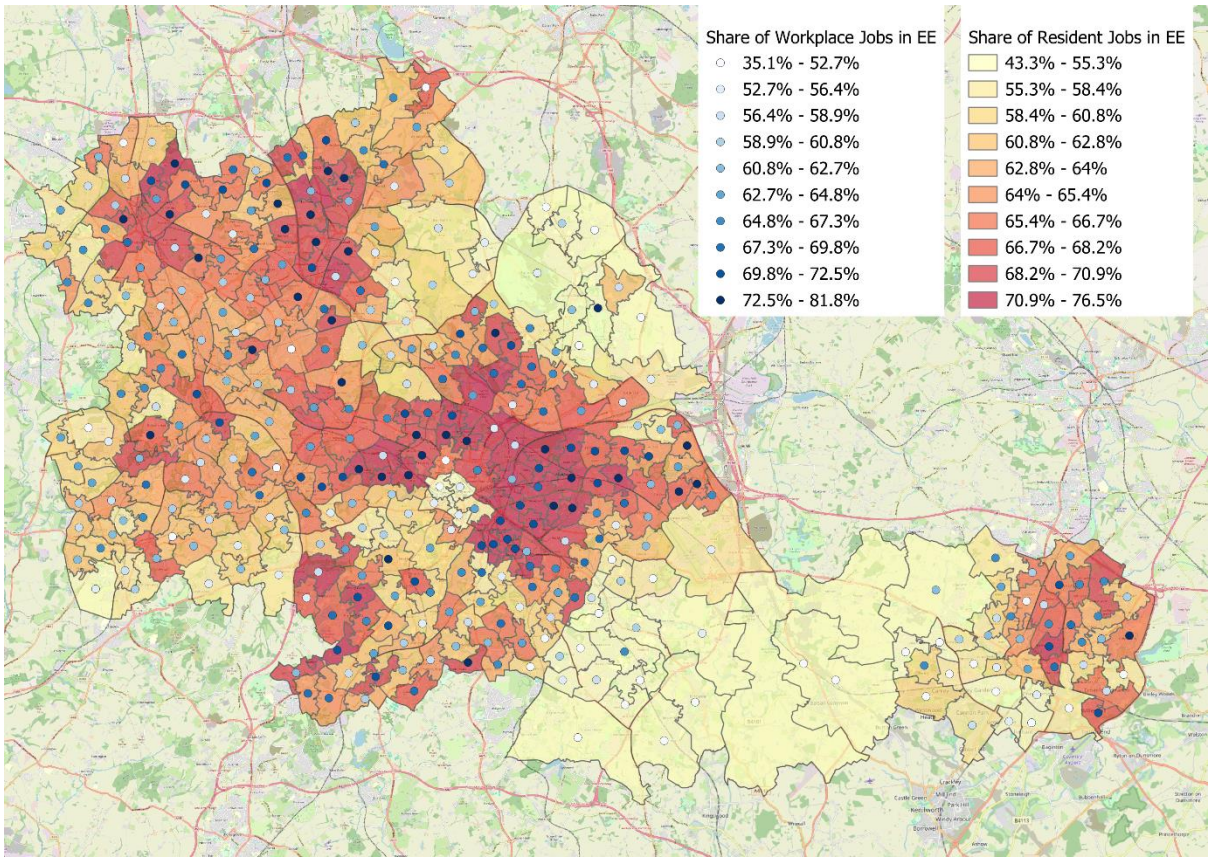
Source: NEF analysis of Census 2021 (Occupation - minor groups)

Mapping this data across the city-region indicates clear spatial patterns in resident employment in the EE (Figure 5). Areas of Birmingham to the north, west and especially east of the city centre have some of the highest shares of resident EE employment, as do certain areas of the southern and southwestern peripheries of

Birmingham. Other hotspots of high resident EE employment are visible in central and western areas of Walsall, the centre of Wolverhampton and the northern and eastern areas of Coventry. Areas with the lowest shares of residents working in the EE include most of Solihull, Sutton Coldfield, southwestern parts of Birmingham and Coventry, and some western areas of Wolverhampton and Dudley.

Figure 5: There is a clear spatial pattern to the share of resident jobs in the EE

Share of EE among resident jobs (red/yellow polygons) and workplace jobs (blue markers) by MSOA in the WMCA from Census 2021



Source: NEF analysis of Census 2021 (Occupation - minor groups) and ONS shapefiles

The blue markers in Figure 5 show the share of workplace jobs in the EE in each MSOA. An important caveat to this dataset comes from the context of Census 2021, which was collected just over a year after the first lockdown in response to COVID-19 and in the early stages of a phased lifting of the third national lockdown in England. The weighted average rate of working from home was 24.0% across the whole economy, 13.9% in EE occupations, and 41.1% in non-EE occupations. The workplace jobs dataset assigns jobs to the MSOA where people live if they were working from home at that time, but assigns jobs to the MSOA where their

workplace is located for those who were still commuting. This likely leads to an underestimation of the proportion of EE workplace jobs in areas where many non-EE workers live, as their jobs may be recorded in their home MSOA rather than the area where they actually work. Being mindful of this caveat, the mapping does indicate tentative patterns, allowing us to see areas of four different types:

- High resident and workplace share of EE jobs: this may be indicative of a lot of residents working locally in the EE, or of an absence of non-EE occupations locally. These areas include MSOAs to the west and east of Birmingham city centre, central Wolverhampton, the western part of Walsall, and peripheral areas such as Druids Heath, Weoley Castle and Frankley in Birmingham and Chelmsley Wood in Solihull.
- High resident share but low workplace share: this may reflect significant numbers of residents commuting to EE jobs elsewhere. Occupations such as care workers and nursing assistants and elementary storage workers seem to exhibit this spatial pattern. These areas include Aston and Nechells to the north of Birmingham, part of Smethwick to the west, Woodgate further to the southwest, Old Heath east of Wolverhampton, and New Mills to the south of Walsall.
- Low resident share but high workplace share: this may reflect flows of EE workers commuting in from elsewhere and spatial hubs of major EE occupations. These areas include the areas around the Queen Elizabeth Hospital in Birmingham and the Good Hope Hospital in Sutton Coldfield, the centre of Solihull, and Tile Hill and Keresley in Coventry (potentially due to schools and a logistics park, respectively).
- Low resident and workplace share: this may reflect areas where the share of non-EE sectors is higher than usual. These places include Birmingham city centre, Sutton Coldfield and areas west of there towards Aldridge, most of Solihull, especially more rural parts, and the southwestern part of Coventry.

Resident employment in major EE occupations

Within the EE in the WMCA, employment is concentrated in a number of major occupations and types of occupation. Taking a closer look at this data helps to

illustrate which parts of the EE affect the most residents in terms of job quality and productivity, and what is driving the overall spatial patterns shown above.

Of the 104 3-digit SOC occupations across the economy, 69 occupations contain at least some EE jobs and the remaining 35 are entirely non-EE occupations. The ten largest EE occupations account for 53% of resident EE jobs, while the 20 largest account for 72%.

The 20 largest occupations are shown in Table 1, with a number of categories emerging. Nursing and care roles are major employers, as are jobs in transport and storage as drivers or warehouse operatives. Other prominent categories include retail, teaching, hospitality, construction, and elementary service jobs in security and cleaning.

Table 1: Largest 20 occupations in the WMCA in terms of resident EE jobs

Occupation	Description	EE jobs	Share of all EE jobs
613 Caring personal services	Care workers, nursing assistants	73,045	9.6%
711 Sales assistants and retail cashiers	Sales and retail assistants, cashiers, pharmacy assistants	60,914	8.0%
821 Road transport drivers	Delivery drivers, taxi and ride-share drivers, LGV drivers, bus and coach drivers	46,423	6.1%
231 Teaching and other educational professionals	Teachers: primary, secondary, SEND, nursery, further education, higher education, English as a foreign language	44,046	5.8%
925 Elementary storage occupations	Warehouse operatives	38,329	5.0%
922 Elementary cleaning occupations	Cleaners and domestics, refuse workers	33,216	4.4%
926 Other elementary services occupations	Kitchen and catering assistants, waiters and waitresses, bar staff, coffee shop workers	30,637	4.0%
223 Nursing and midwifery professionals	Community, specialist and mental health nurses, nurse practitioners	29,481	3.9%

Occupation	Description	EE jobs	Share of all EE jobs
531 Construction and building trades	General construction workers, carpenters, plumbers, bricklayers, window fitters, roofers	29,302	3.9%
611 Teaching and childcare support occupations	Teaching assistants, early education and childcare, educational support assistants	22,770	3.0%
115 Managers and directors in retail and wholesale	Single category: same as SOC title	18,780	2.5%
543 Food preparation and hospitality trades	Chefs, cooks, catering and bar managers, butchers, bakers	17,951	2.4%
923 Elementary security occupations	Security guards, school midday and crossing patrol	17,788	2.3%
524 Electrical and electronic trades	Electricians and electrical fitters, maintenance of telecoms and computers	13,808	1.8%
421 Secretarial and related occupations	Receptionists, school and medical secretaries. Substantial non-EE portion excluded (43%, e.g. personal assistants, legal secretaries)	12,810	1.7%
221 Medical practitioners	Generalist and specialist medical practitioners	12,295	1.6%
713 Shopkeepers and sales supervisors	Retail sales supervisors, shopkeepers and owners	12,168	1.6%
322 Welfare and housing associate professionals	Youth and community workers, housing officers, child and early years officers, counsellors	11,936	1.6%
225 Other health professionals	Pharmacists, dentists, optometrists, radiographers, paramedics	11,822	1.6%
411 Administrative occupations: Government and related organisations	Administrative occupations in central and local government	11,358	1.5%

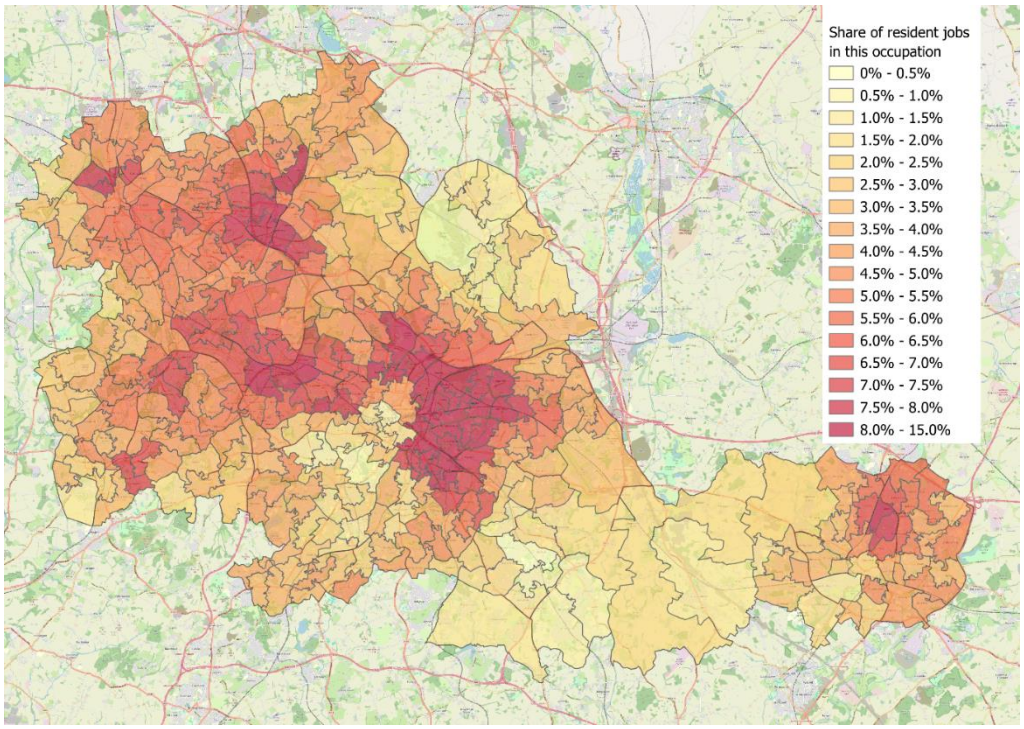
The spatial patterns for the share of residents working in these key EE occupations vary. The following maps apply a constant scale to give an idea of the absolute

shares of resident employees in each occupation. This allows for a comparison between occupations – e.g. illustrating that as the largest employer, social care (SOC 613) is a prominent occupation even in areas where its share is relatively low – but inevitably means that the occupations that account for fewer total jobs may exhibit less relative variation on the maps.

Some occupations have a similar spatial distribution as the total resident EE jobs map, with the highest resident share being in the same areas of Birmingham, Walsall, Wolverhampton and Coventry mentioned above. These include social care (613), retail (711), road transport drivers (821), and elementary jobs in cleaning (922), security (923) and storage (925).

Figure 6: The share of residents working as road transport drivers closely matches the pattern for the EE as a whole

*Share of **SOC 821 Road transport drivers** among resident jobs by MSOA in the WMCA from Census 2021*

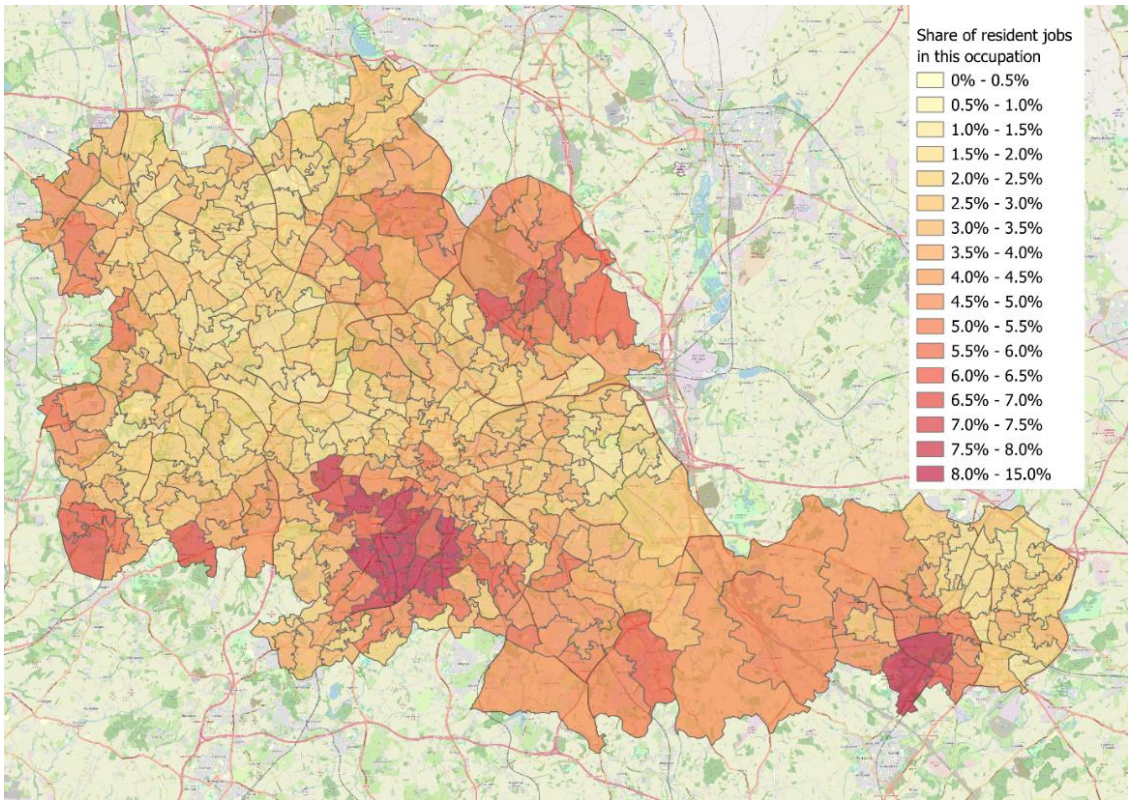


Source: NEF analysis of Census 2021 (Occupation - minor groups) and ONS shapefiles

Other occupations have a different spatial pattern to the overall EE pattern. Teaching professionals (231) make up a higher share of residents in less deprived areas and the pattern appears to reflect clusters around universities and some schools.

Figure 7: Areas with a higher share of teaching professionals are clustered differently

*Share of **SOC 231 Teaching and other educational professionals** among resident jobs by MSOA in the WMCA from Census 2021*



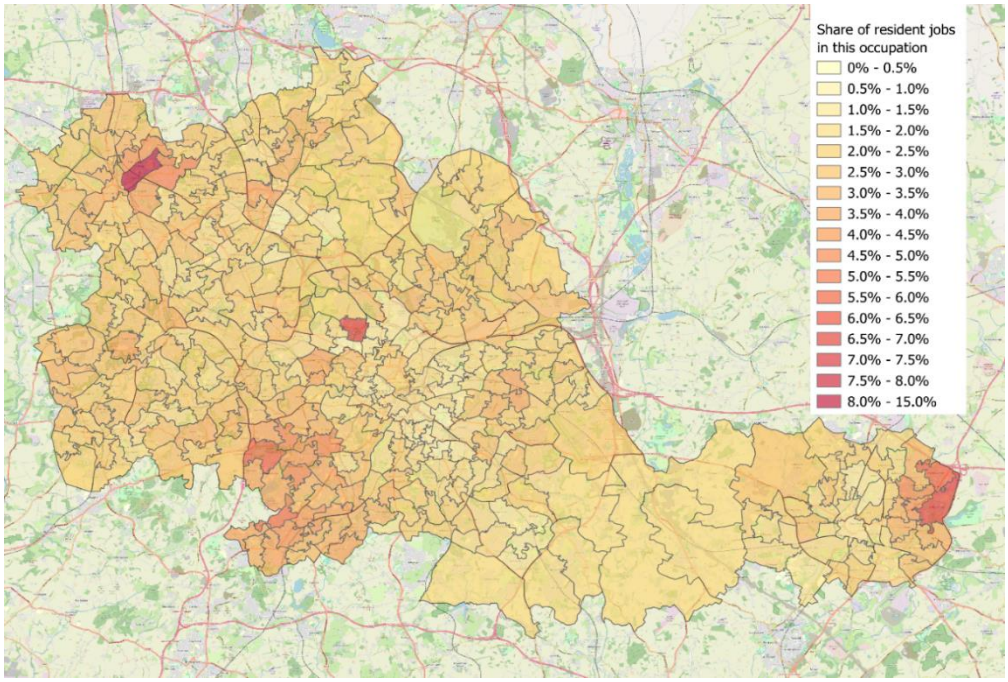
Source: NEF analysis of Census 2021 (Occupation - minor groups) and ONS shapefiles

Health-related occupations show a different pattern again. Nursing and midwifery professionals (223) are quite evenly spread across the city-region, albeit with a few clusters near hospitals and a higher share of residents in the south of Birmingham. Medical practitioners (221), and to a lesser extent other health professionals (225), also show some clustering around hospitals and tend to live in less deprived parts of the WMCA.

Construction (531), electrical trades (524) and secretarial occupations (421) show a clear suburban pattern, with the share of residents in these jobs being higher, the further an MSOA is from its local urban centres.

Figure 8: Nursing professionals are quite ubiquitous, with some clusters around hospitals

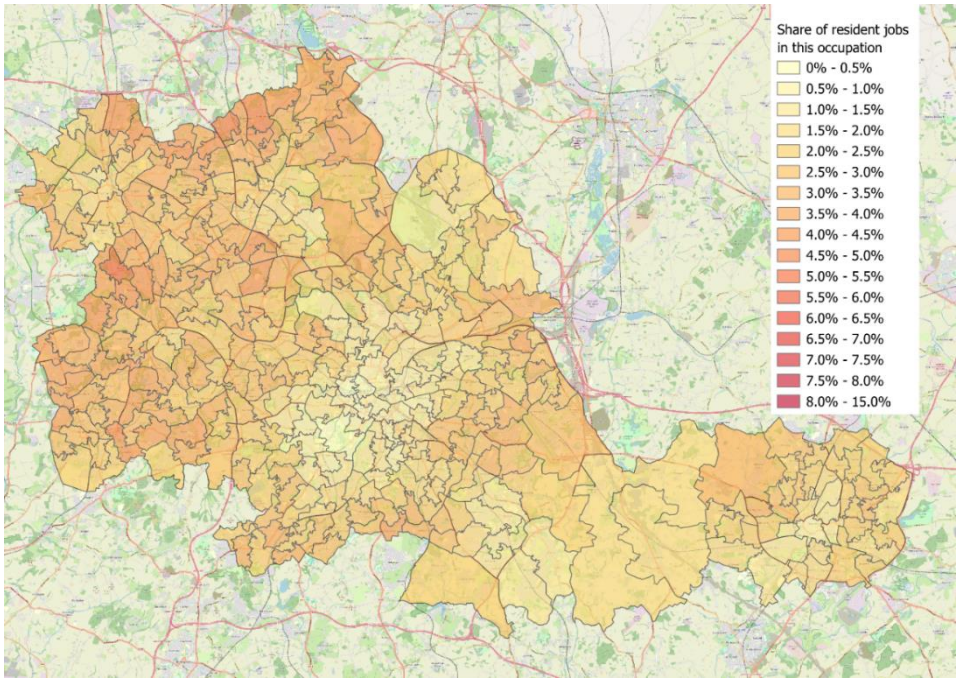
*Share of **SOC 223 Nursing and midwifery professionals** among resident jobs by MSOA in the WMCA from Census 2021*



Source: NEF analysis of Census 2021 (Occupation - minor groups) and ONS shapefiles

Figure 9: The share of residents in construction work is higher in suburban areas

*Share of **SOC 531 Construction and building trades** among resident jobs by MSOA in the WMCA from Census 2021*



Source: NEF analysis of Census 2021 (Occupation - minor groups) and ONS shapefiles

Workplace employment in major EE occupations

The overall share of workplace jobs in the EE across the WMCA as recorded in Census 2021 was 62.7%, representing only a slight difference from the figure for resident jobs, which is likely to come from EE workers commuting between the WMCA and outside local authorities. The share of workplace EE jobs varies more between MSOAs than the share of resident EE jobs, with a wider range from a minimum of 35.1% to a maximum of 81.8%. However, in the middle of the distribution it is similar to the resident jobs measure, with most places having between 58% and 70% of workplaces in the EE.

A number of different spatial patterns are present in the locations of workplaces with a high number of jobs in the major EE occupations. In the maps that follow, we illustrate the absolute number of workplace EE jobs in a specific occupation, rather than its share, to better capture the concentration of a greater number of jobs in a few MSOAs.

These findings should be relatively robust to working from home: the data captures those who are working from home in their home MSOA,[46] but for the occupations described in the following paragraphs on workplace jobs, fewer than 9.0% of workers in each case were working from home. The exceptions to this were other health professionals (225, 12.0% home working) and teaching assistants (611, 10.9% home working).

Some key EE occupations have workplaces that are evenly spread across many areas of the WMCA, reflecting the decentralised layout of where their service is delivered. These include construction (531) and electrical trades, and childcare and teaching assistants (611).

Unsurprisingly, the health-related key EE occupations show their own pattern. The workplaces of medical practitioners (221), nursing and midwifery professionals (223), and to some extent other health professionals (225) are clustered around major hospitals and local urban centres.

Figure 10: The share of workplace jobs for teaching and childcare assistants is evenly spread

*Share of **SOC 611 Teaching and childcare support occupations** among workplace jobs by MSOA in the WMCA from Census 2021*

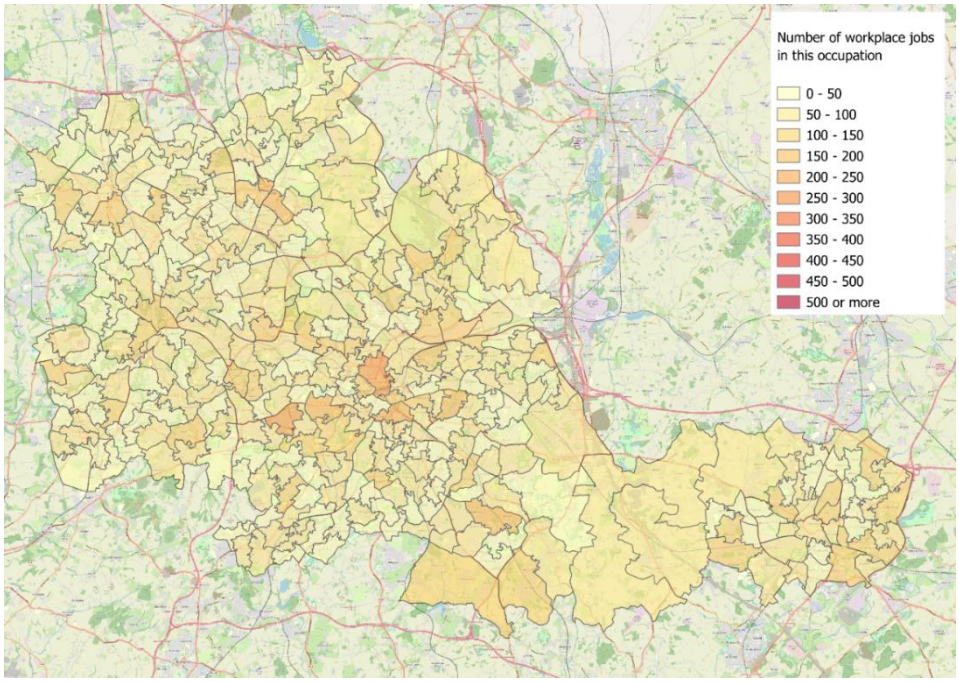
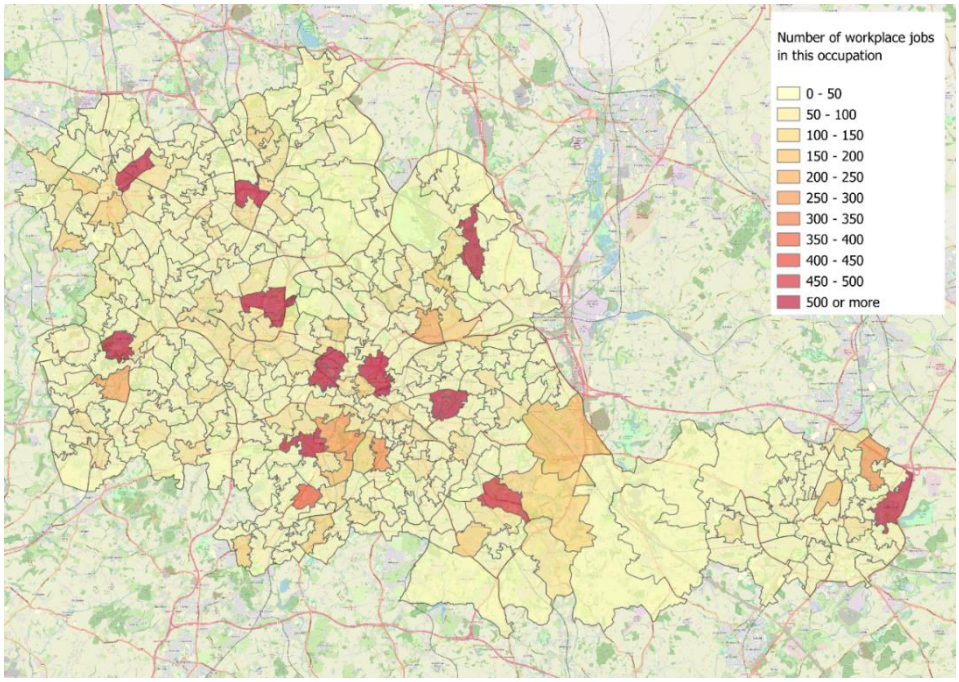


Figure 11: Workplace jobs for nursing and midwifery professionals are highly clustered

*Share of **SOC 223 Nursing and midwifery professionals** among workplace jobs by MSOA in the WMCA from Census 2021*

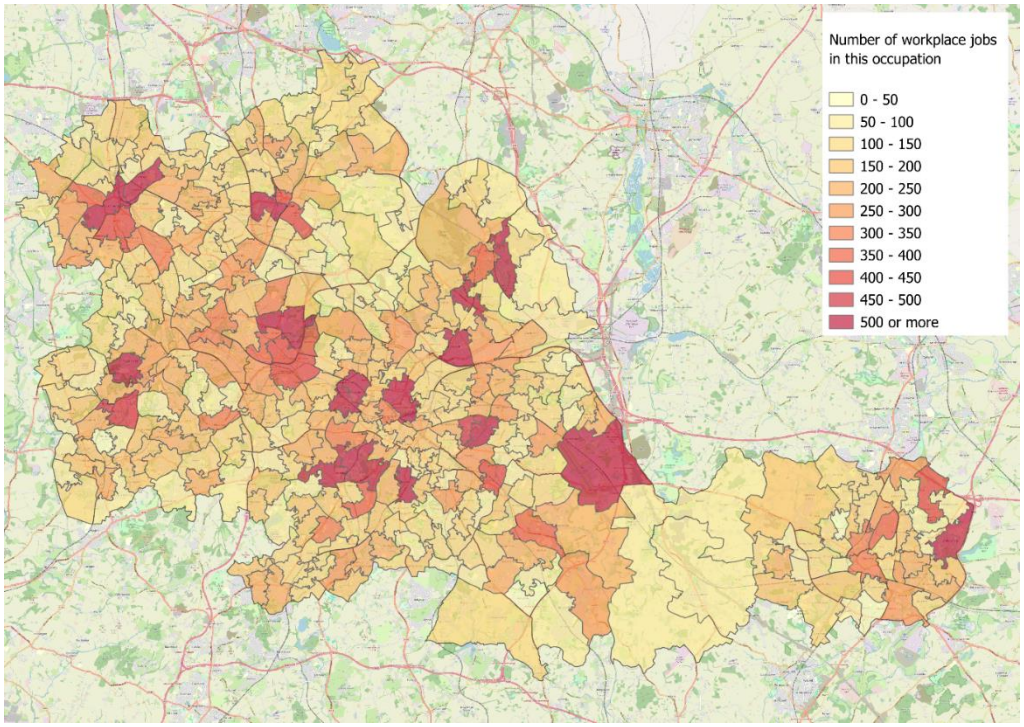


Source: NEF analysis of Census 2021 workplace population (Occupation - minor groups) and ONS shapefiles

Social care and nursing workers (613) show some of the same workplace clusters as health, but combined with a wide and ubiquitous share of workplace jobs across the city-region.

Figure 12: Workplace jobs for care workers and nursing assistants are widely spread, with some clusters

*Share of **SOC 613 Caring personal services** among workplace jobs by MSOA in the WMCA from Census 2021*



Source: NEF analysis of Census 2021 workplace population (Occupation - minor groups) and ONS shapefiles

Another pattern emerging relates to transport corridors. The workplaces of elementary logistics workers (925) are clustered around major roads such as the M6 heading east from Birmingham and the M5 to the west and the area containing Birmingham Airport. The workplaces of road transport drivers (821) show some of this pattern but are more ubiquitous, possibly reflecting that some of these workers are taxi and delivery drivers who work across many different areas.

Figure 13: Workplace jobs in warehousing are clustered around transport corridors

*Share of **SOC 925 Elementary storage occupations** among workplace jobs by MSOA in the WMCA from Census 2021*

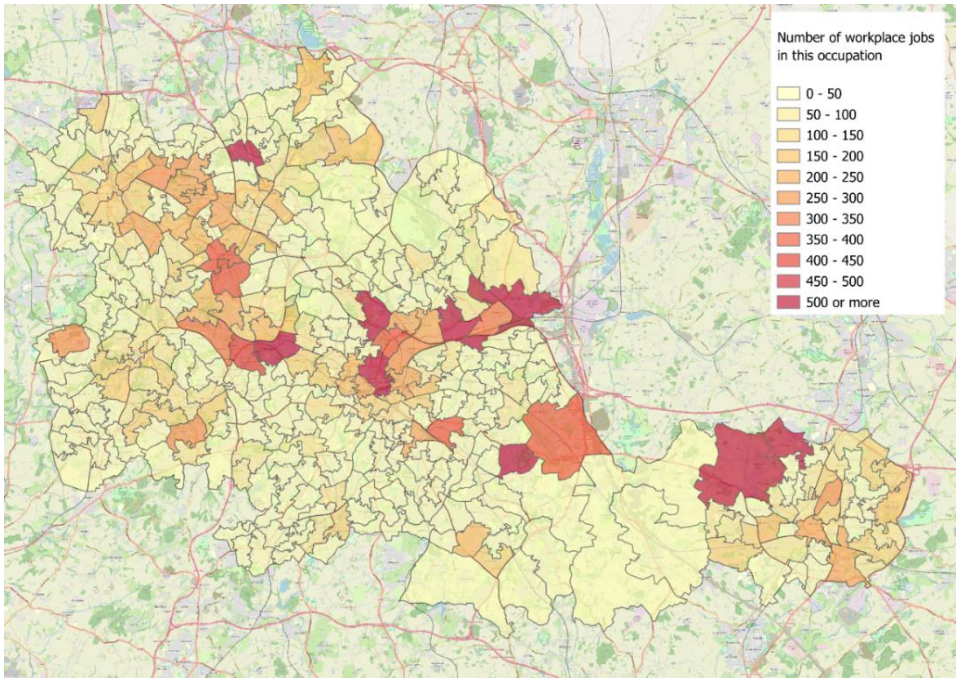
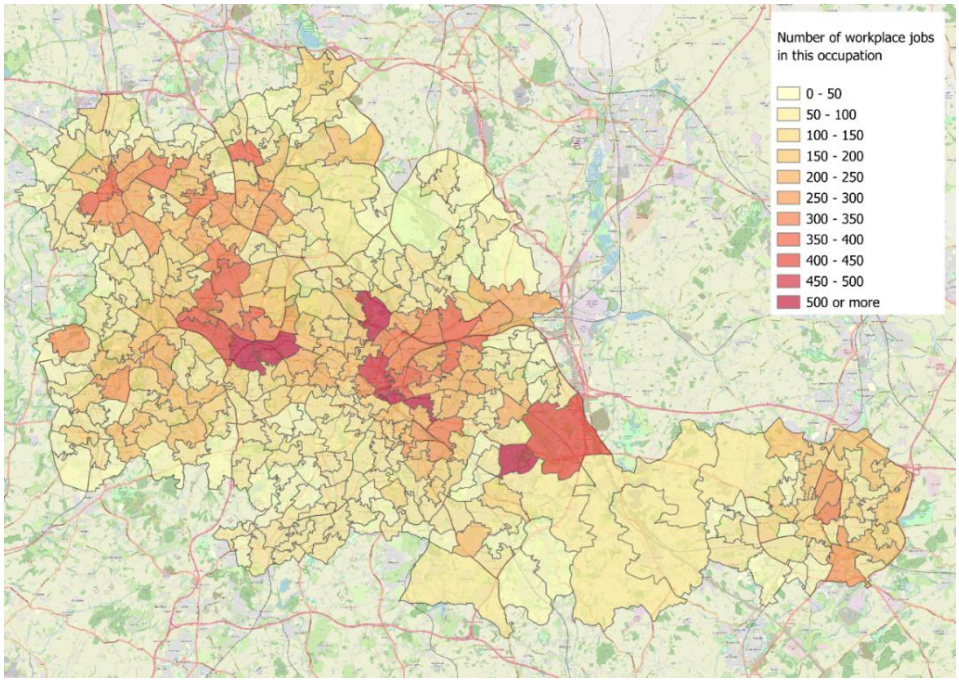


Figure 14: Workplace jobs for drivers are widely spread, with some transport corridor clusters

*Share of **SOC 821 Road transport drivers** among workplace jobs by MSOA in the WMCA from Census 2021*

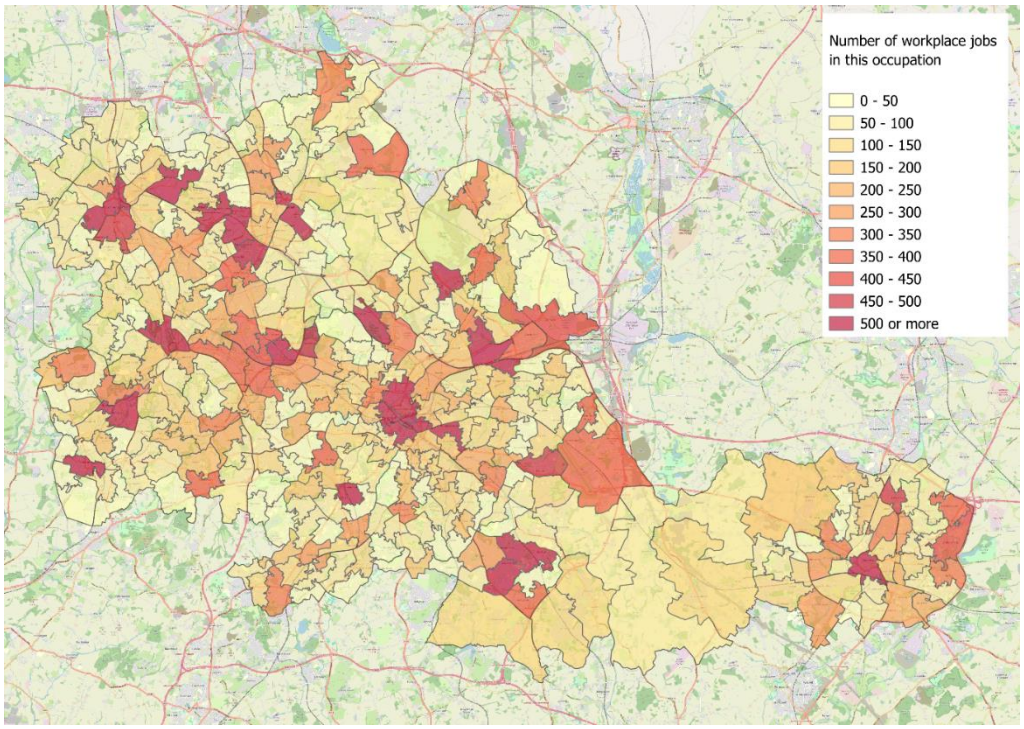


Source: NEF analysis of Census 2021 workplace population (Occupation - minor groups) and ONS shapefiles

One more pattern comes from occupations whose workplaces are clustered in urban centres. These include retail (711), elementary hospitality (926), food preparation (543) and elementary security (923). The area around Birmingham Airport also emerges as a cluster for this category, especially in the case of elementary security (923). Retail workplaces exhibit additional clusters in local centres, including shopping centres. In spite of these patterns, hospitality and retail workplaces are quite ubiquitous, having some presence in many areas, including in places where there are fewer total EE jobs such as the western peripheries of the WMCA and the green belt areas of Solihull.

Figure 15: Retail workplaces are widely spread, with clusters in urban and local centres

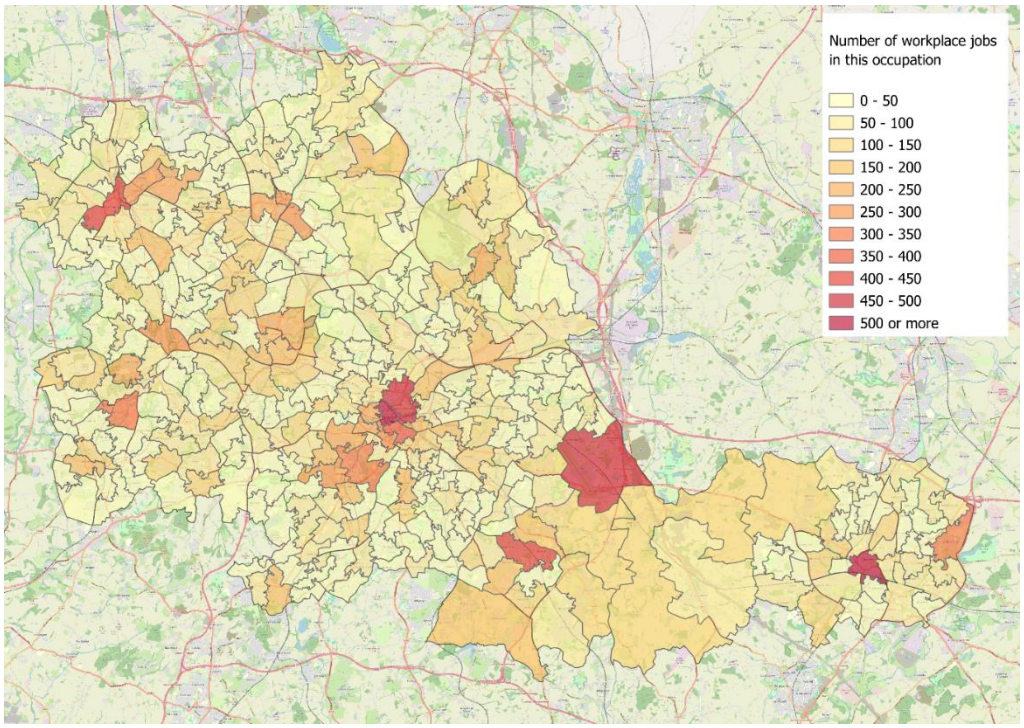
*Share of **SOC 711 Sales assistants and retail cashiers** among workplace jobs by MSOA in the WMCA from Census 2021*



Source: NEF analysis of Census 2021 workplace population (Occupation - minor groups) and ONS shapefiles

Figure 16: Elementary hospitality workplace jobs are clustered in urban centres

*Share of **SOC 926 Other elementary services occupations** among workplace jobs by MSOA in the WMCA from Census 2021*



Source: NEF analysis of Census 2021 workplace population (Occupation - minor groups) and ONS shapefiles

RELATIONSHIP BETWEEN EE, EMPLOYMENT AND DEPRIVATION

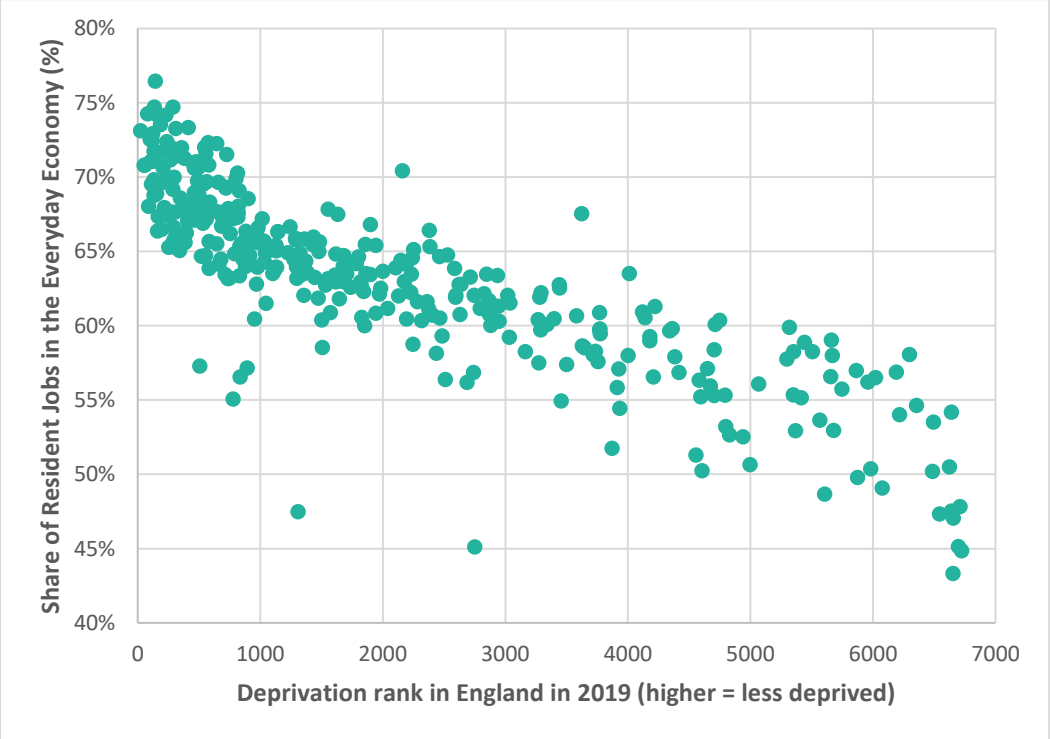
Looking at the Index of Multiple Deprivation (IMD) ranking by MSOA in 2019, a correlation with the share of residents working in the EE emerges. This analysis uses an MSOA-level IMD dataset developed by the University of Sheffield, the Ministry of Housing, Communities and Local Government and mySociety.[47] It covers 352 MSOAs across the WMCA, with five MSOAs omitted because they could not be matched to the IMD dataset due to changes to MSOA boundaries between 2011 and 2021.[48]

There is a high correlation between the level of deprivation in an MSOA area in 2019 and its share of resident jobs in the EE in 2021. Looking at the deprivation ranking of all 6,791 MSOAs in England, the areas within the WMCA where the share of

residents' jobs in the EE exceeds two-thirds are almost entirely in the most deprived 1,000 in England. This partly reflected the absence of non-EE jobs - in absolute as well as relative terms - in the same areas of high deprivation. The MSOAs with the lowest number of resident non-EE jobs were much more likely to be among those in the most deprived 1,000 in England.

Figure 17: Higher deprivation is correlated with a higher share of resident EE jobs in the WMCA

Share of resident jobs in EE occupations and Index of Multiple Deprivation 2019 ranking by MSOA



Source: NEF analysis of Census 2021 (Occupation - minor groups) and IMD data

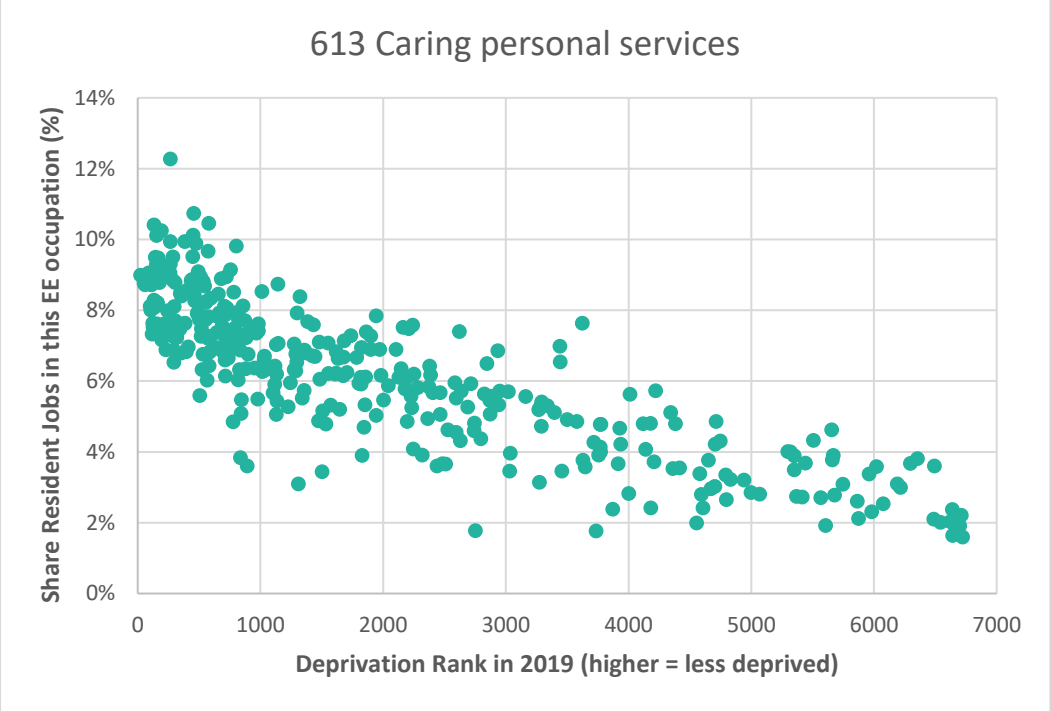
There are five MSOAs in the WMCA that are in the 100 highest-deprivation places in England, all of them in Birmingham, and in all of these areas a high share of the residents who are employed work in the EE. These are Sparkbrook North (24th highest for deprivation, 73% of resident employment in the EE), Druids Heath (53rd, 71%), Kingstanding South (60th, 71%), Lozells West (81st, 74%) and Hawkesley (88th, 68%).

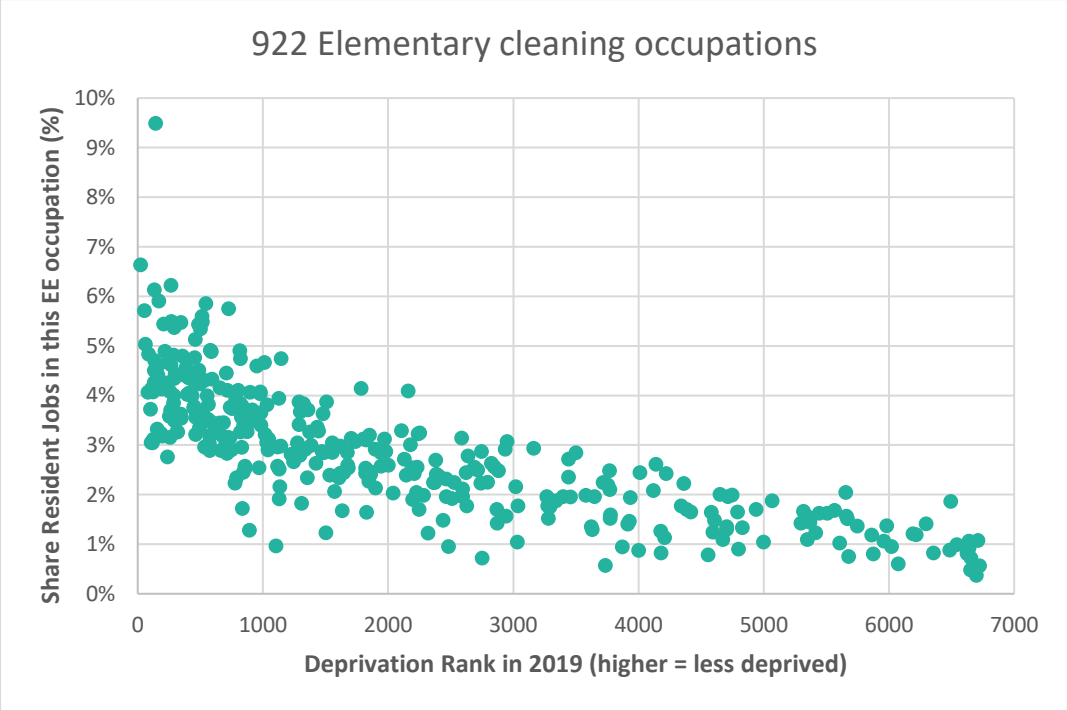
Several major occupations within the EE have a similarly strong correlation between deprivation and resident employment share. These are social care, nursing assistants and ambulance workers (SOC 613), drivers of trucks, buses, taxis and delivery

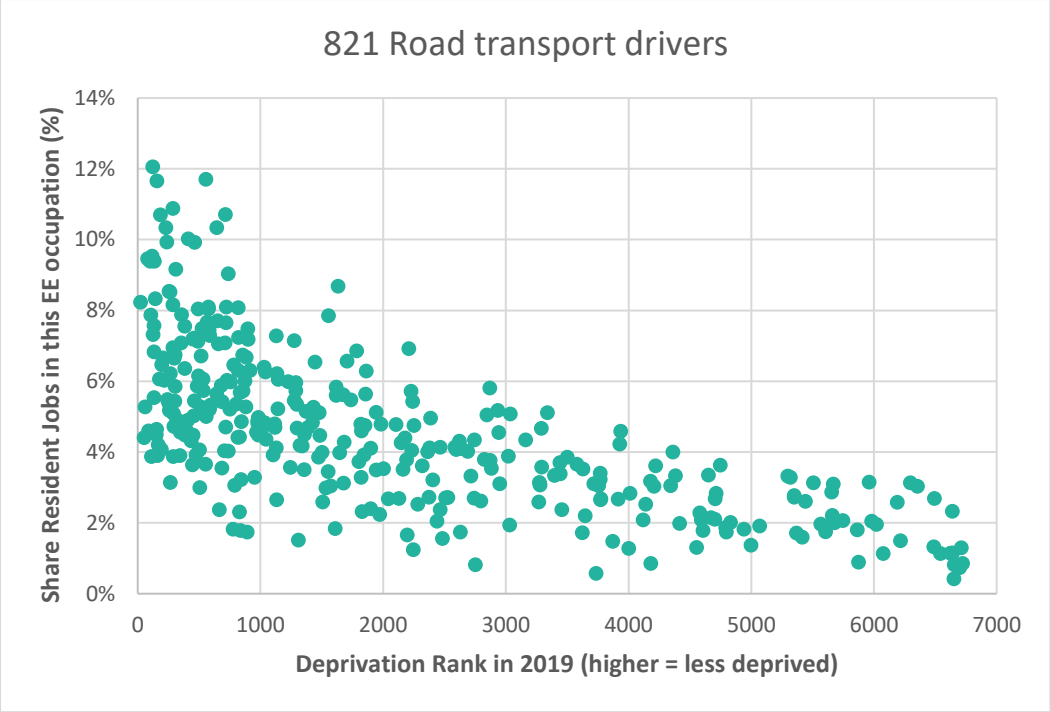
vehicles (821), and elementary jobs in security (923), cleaning (922) and storage (925). A similar, but weaker, relationship of this kind appears between deprivation and employment in retail (711) and elementary hospitality jobs (926).

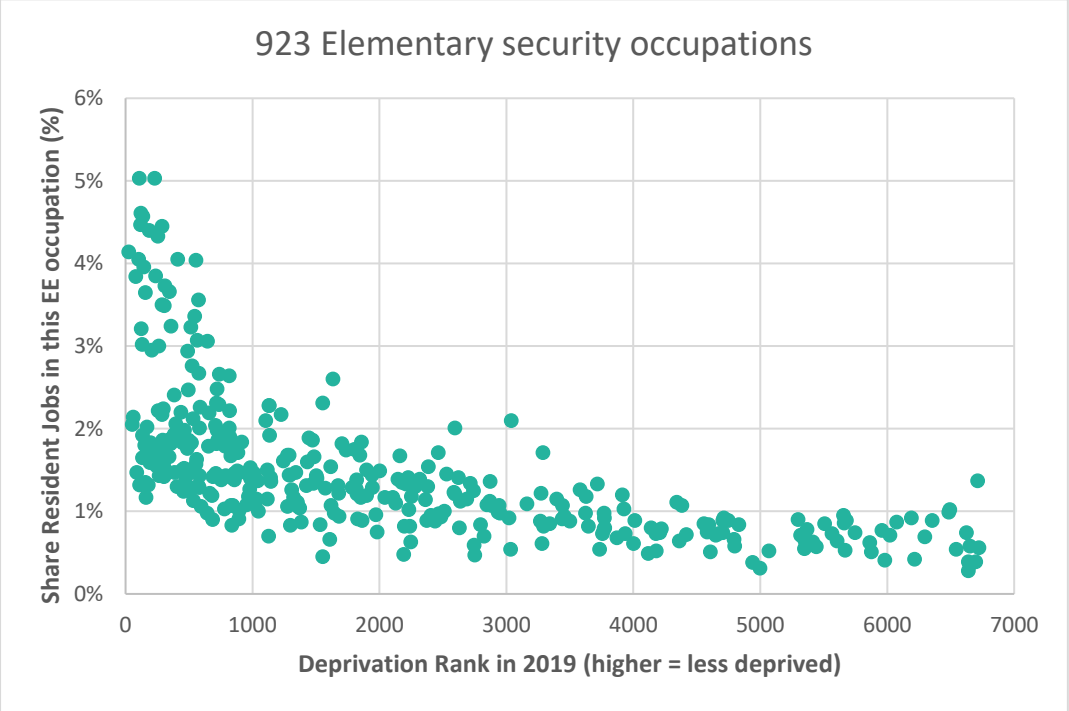
Figure 18: Higher deprivation is correlated with a higher share of residents working in social care, cleaning, road transport and security occupations

Share of resident jobs in EE occupations and Index of Multiple Deprivation 2019 ranking by MSOA









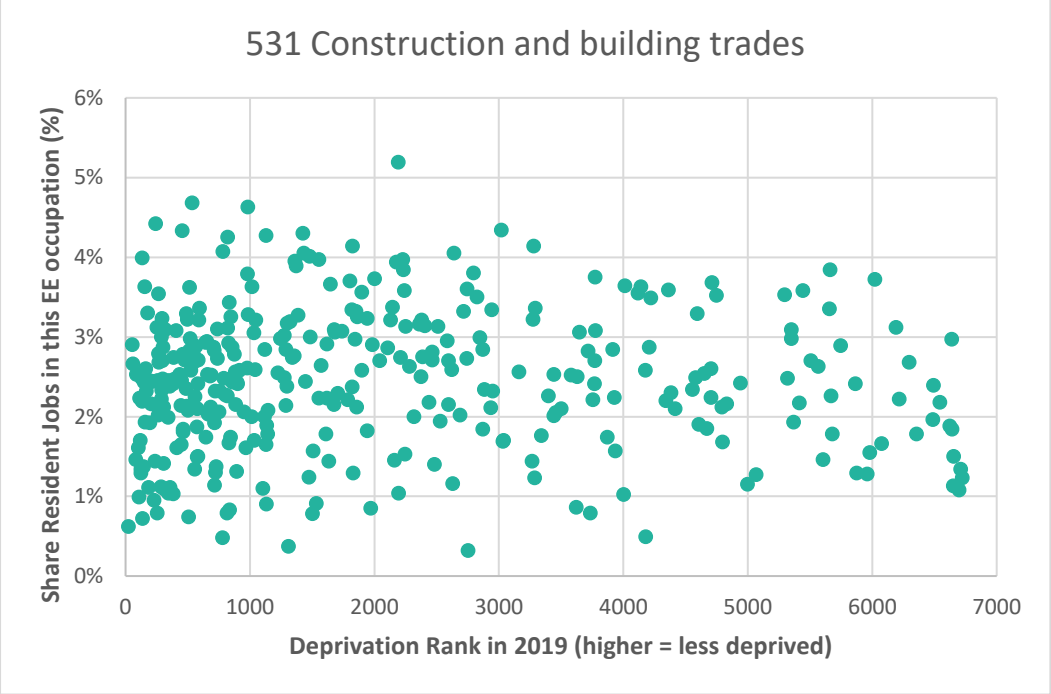
Source: NEF analysis of Census 2021 (Occupation - minor groups) and IMD data

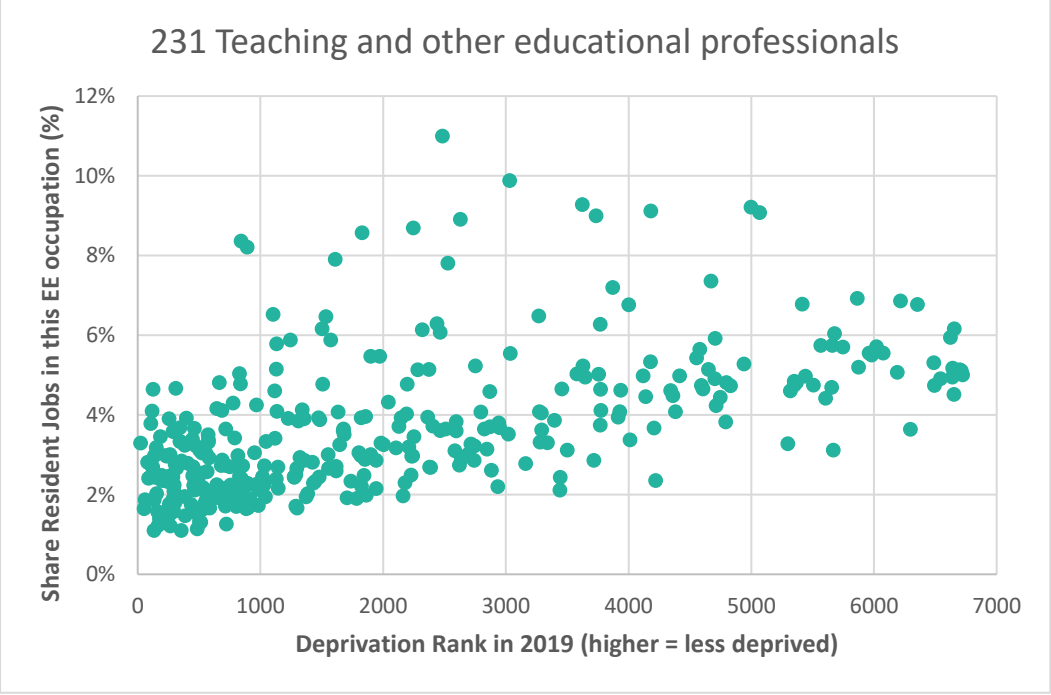
On the other hand, there are a few major EE occupations where there is little or no correlation between residents' job share and deprivation. These include occupations where there is no clear correlation, such as construction (531), electrical trades (524), childcare and teaching assistants (611), nursing and midwifery professionals (223), and community, welfare and youth workers (322). The share of residents working in

these occupations appears similar for low, medium and high deprivation areas. For teaching professionals (231), the share of residents in these occupations appears to some extent to be higher in less deprived areas.

Figure 19: Higher deprivation is correlated with a higher share of residents working in social care, cleaning, road transport and security occupations

Share of resident jobs in EE occupations and Index of Multiple Deprivation 2019 ranking by MSOA



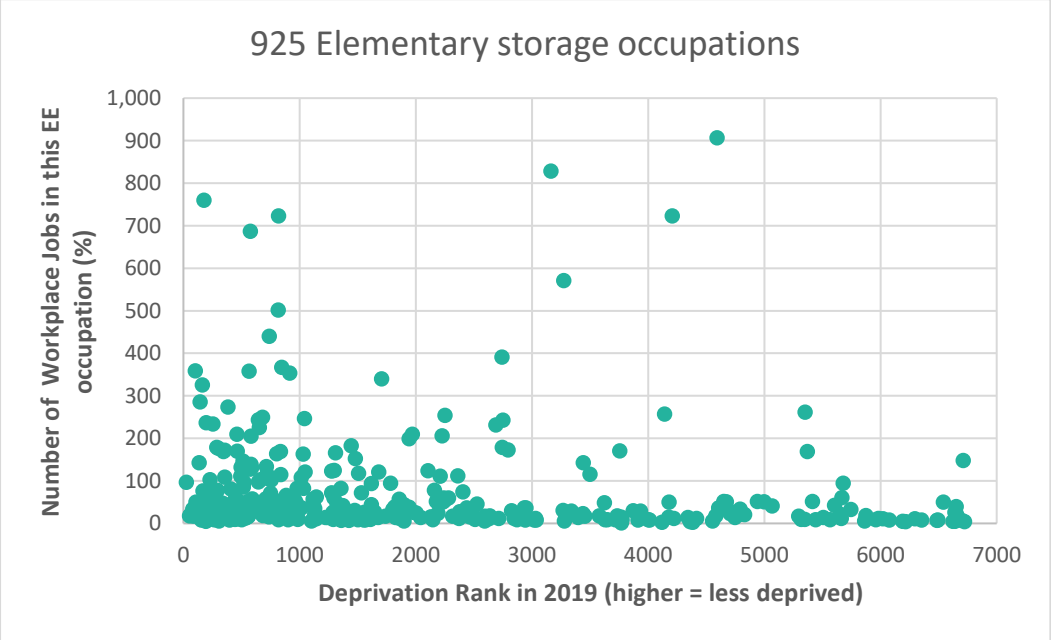


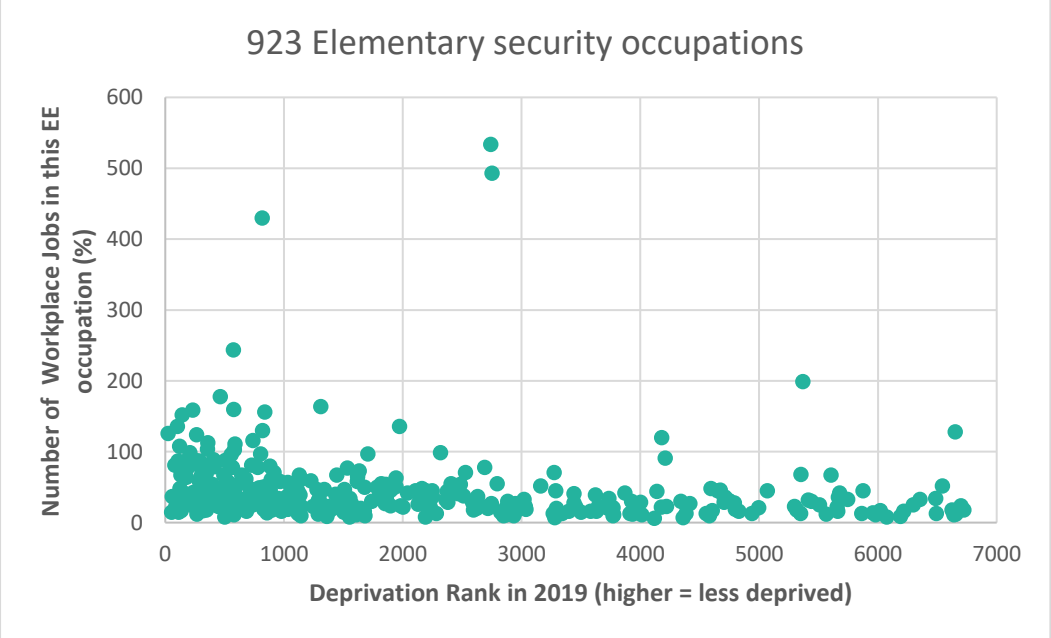
Source: NEF analysis of Census 2021 (Occupation - minor groups) and IMD data

The correlation between a neighbourhood's deprivation level and the number of workplace jobs in the EE is weaker than for resident jobs. For a few occupations, a weak correlation emerges. The MSOAs in the WMCA with the highest number of jobs in occupations like elementary storage, social care and elementary security tend to be among the most deprived 1,000 in England.

Figure 20: The MSOAs with the highest number of jobs in elementary storage and security tend to have relatively high deprivation

Share of workplace jobs in EE occupations and Index of Multiple Deprivation 2019 ranking by MSOA





Source: NEF analysis of Census 2021 (Occupation - minor groups) and IMD data

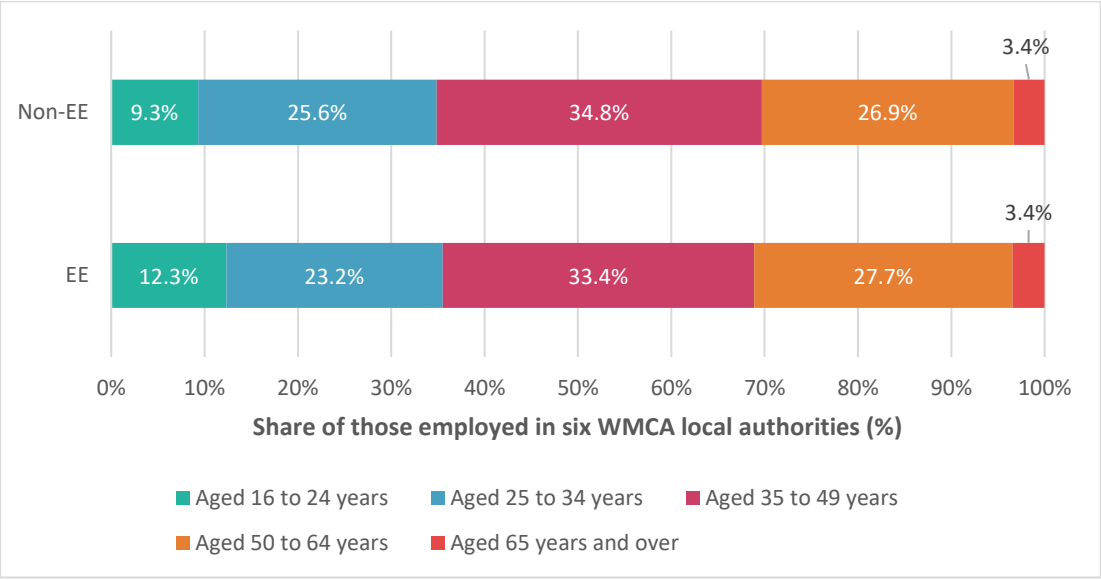
CHARACTERISTICS OF THE EE WORKFORCE

Data from Census 2021 covering demographics and occupation can illustrate who is more likely to form part of the EE workforce in the WMCA. The following section includes six of the seven local authorities in the WMCA, with Wolverhampton being unavailable due to its sample size being too small to prevent disclosure of personal data.[49]

People working in the EE in the WMCA had a different age profile to workers in non-EE sectors, with a substantially higher share in the 16-24 age band (12.3% in EE occupations versus 9.3% in non-EE). The share of 50-64 year olds working in EE occupations was also slightly higher than in non-EE occupations, and the share of people in age bands from 25 to 49 was slightly lower. Two occupations in the EE had a high share of total jobs and a much higher share of 16-24 year olds: elementary hospitality roles (SOC code 926, 35% of employees aged 16-24) and retail (711, 28%). On the other hand, the share of workers aged 50 or older was much higher in elementary cleaning (922, 48%) and for road transport drivers (821, 41%) than for the EE workforce and overall workforce (31% in both cases).

Figure 21: The proportion of the youngest workers in the the EE workforce is larger compared to non-EE workforce

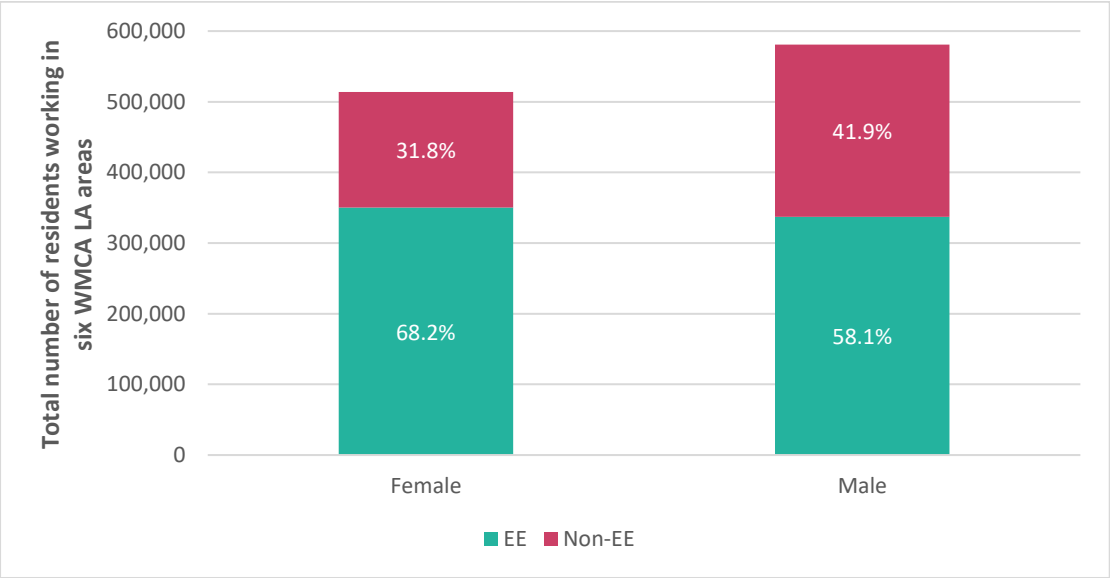
Residents in EE and non-EE occupations (3-digit SOC codes) by age band from Census 2021



Source: NEF analysis of Census 2021 (Occupation - minor groups) by demographic characteristics

Looking at Census 2021 data on the sex of workers by occupation illustrates clear differences between EE and non-EE jobs. The share of female workers in the EE sectors (50.9%) is far higher than in non-EE sectors (40.2%), with the share of the overall workforce lying in the middle (46.9%). Because the EE accounts for nearly two-thirds of all jobs, this means that female workers in the WMCA, excluding Wolverhampton, are significantly more likely to work in the EE (68.2%) than male workers (58.1%). A number of major EE occupations drive this trend, including secretarial occupations (SOC code 421, 92% female), teaching and childcare (611, 92%), nursing and midwifery professionals (223, 88%), care workers (613, 81%), community, welfare and youth workers (322, 75%), teaching professionals and elementary cleaning (231 and 922, both 68%), government administration (411, 64%) and retail and elementary hospitality (711 and 926, both 62%).

Figure 22: Female workers are much more likely to work in EE occupation than male
Residents in EE and non-EE occupations (3-digit SOC codes) by sex from Census 2021

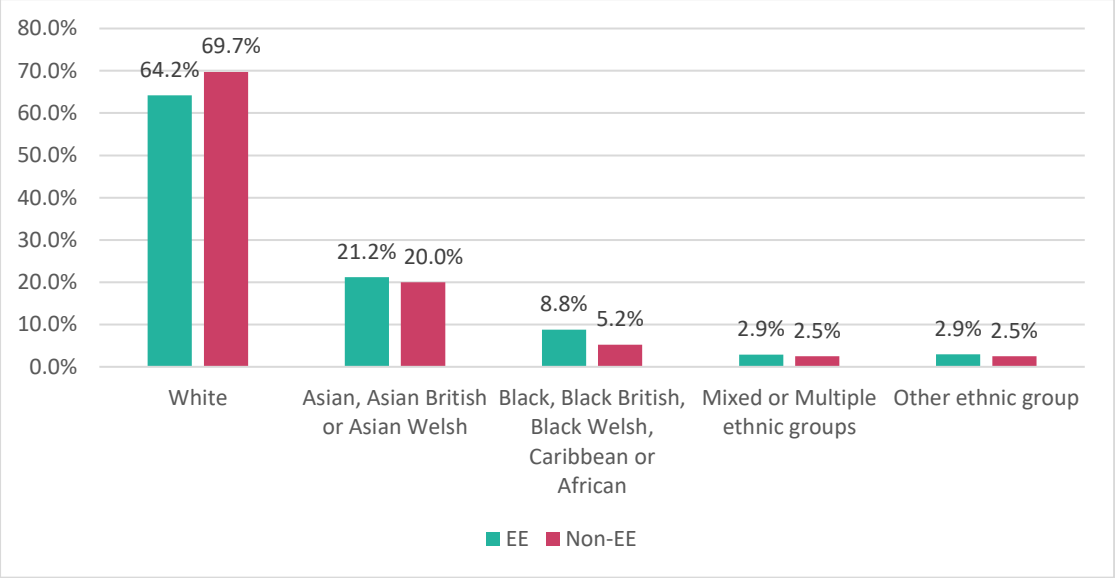


Source: NEF analysis of Census 2021 (Occupation - minor groups) by demographic characteristics

The EE workforce was more ethnically diverse than those working in non-EE occupations. Black, Black British, Black Welsh, Caribbean or African in particular made up a much larger share of workers in EE occupations than in non-EE, with people from Mixed or Multiple ethnic groups and other ethnic groups also making up a larger share of the EE workforce than non-EE. Asian, Asian British or Asian Welsh workers made up a marginally higher share of EE workers than workers in non-EE occupations. Among major EE occupations, workers with a Black, Black

British, Black Welsh, Caribbean or African background made up a relatively high share of welfare professionals (SOC code 246, 23.4% of the total workforce), care and nursing assistants (613, 20.1%), nursing and midwifery professionals (223, 18.5%), cleaning occupations (922, 15.6%) and community, welfare and youth workers (322, 13.9%). People of Asian, Asian British or Asian Welsh ethnicity were prominent among those working as medical (221, 50.8%) and other health professionals (225, 50.0%), road transport drivers (821, 37.1%), food preparation (543, 36.0%) and security workers (923, 34.8%).

Figure 23: Ethnic diversity is higher among the EE workforce than in non-EE jobs
Residents in EE and non-EE occupations (3-digit SOC codes) by ethnicity from Census 2021



Source: NEF analysis of Census 2021 (Occupation - minor groups) by demographic characteristics

Of those in employment during the census, 9.4% were disabled under the Equality Act, compared to 17.7% of the general population aged 16 or older. The EE workforce was more likely to be disabled (9.9%) than those working in non-EE occupations (8.6%). Among the major EE occupations with a higher rate of disabled employees were government administrative occupations (SOC code 411, 16.2%), community, welfare and youth workers (322, 15.2%), artistic, literary and media occupations (341, 13.4%), care workers and nursing assistants (613, 12.4%), cleaning (922, 11.9%), retail (711, 11.5%) and security (923, 11.4%).

Those working in EE occupations were more likely to have migrated to the UK, with EE occupations accounting for 62.0% of the UK-born workforce but 68.2% of the workforce born abroad, and 70.8% of the workforce born outside Europe. The share

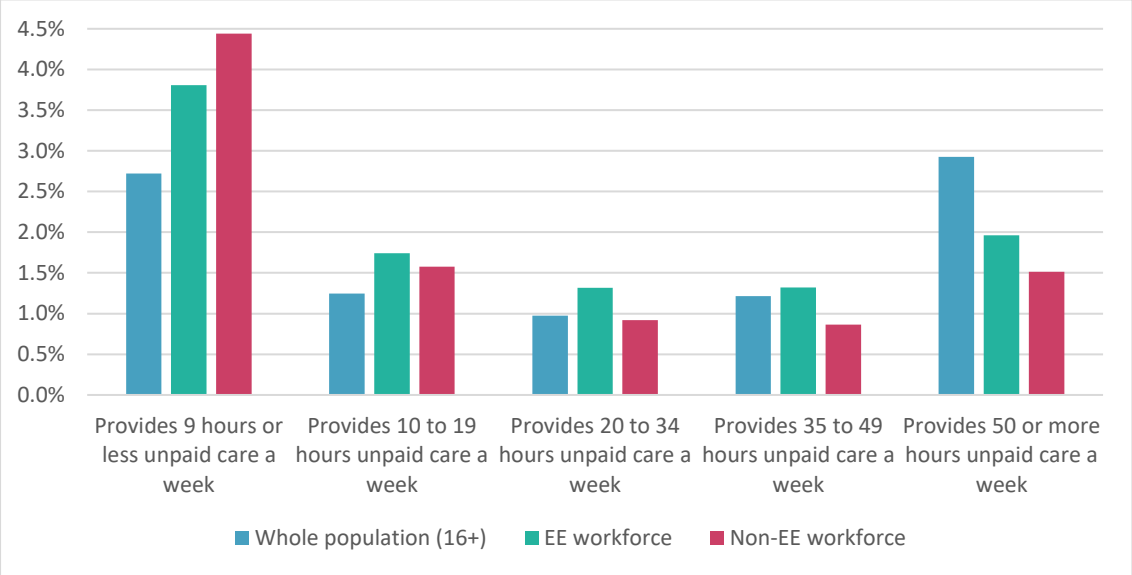
of WMCA residents born abroad was 24.3%. The highest shares of workers born abroad in major EE occupations were among medical practitioners (SOC 221, 55.0%), food preparation (543, 48.2%), elementary storage (925, 46.6%), road transport drivers (821, 43.9%) and elementary cleaning (922, 37.0%) and security (923, 34.1%). The same occupations, as well as nursing and midwifery (223) and care work (613) had the highest share of employees born outside Europe among EE occupations. This pattern was also reflected in the language skills of EE workers, with EE occupations accounting for 62.8% of total employment but 74.0% of those employed who could not speak English well or at all and did not have it as their main language.

EE workers are more likely than non-EE workers to provide long hours of unpaid care each week. This means that while the EE occupations account for 62.8% of workers in the WMCA excluding Wolverhampton, they account for 70.2% of workers who provide 20 or more hours of unpaid care per week. Among the major EE occupations where the highest share of workers provide 20 or more hours of unpaid care per week are care workers and nursing assistants (SOC code 613, 10.7%), elementary security workers (6.9%) and teaching and childcare assistants (611, 5.9%). There are various ways in which this relationship may operate: people in these occupations may be more likely to come from demographic groups more likely to provide large amounts of unpaid care, or their wages may create an inability to afford paid care, or their caring responsibilities may affect the occupations they are able to work in (e.g. through flexibility of hours).

Unpaid care can have an important impact on the types of work people can take up. A 2023 survey by the Work Foundation found that the availability of care and childcare, and the cost of each, were more often factors that limited the job choices of insecure workers (versus secure workers).[50] The cost of care was a greater constraint for workers from Asian / British-Asian (20% cited this constraint), Black (19%) and mixed (20%) backgrounds than for white workers (11%). Carers were also far more likely to be limited in their ability to take up a job by the impact it would have on their household benefits: this affected 23% of carers, versus 14% of non-carers.[51]

Figure 24: People working in EE occupations are more likely to provide 20+ hours of unpaid care each week

Residents in EE and non-EE occupations (3-digit SOC codes) by unpaid care provision from Census 2021



Source: NEF analysis of Census 2021 (Occupation - minor groups) by unpaid care provided

OVERLAP BETWEEN EE OCCUPATIONS AND EE INDUSTRY SECTORS

While we have looked at the employment of people across the WMCA in EE occupations and sectors, these classifications do not neatly separate out the EE part of the economy. There is a degree of overlap, such as when people work EE occupations in non-EE sectors (e.g. security guards at a factory) or non-EE occupations in EE sectors (e.g. customer service workers in the health sector).

Looking at Census 2021 data on the number of jobs in an area by 2-digit SIC industry sector and 3-digit SOC occupation, we can analyse this overlap and spot outliers. Because this data is so granular, it was not available for all local authorities in the WMCA, but we present some findings for the geographies where data was available: Coventry local authority and the Birmingham and Solihull Integrated Care Board area.

Split of occupations within EE industry sectors

We first look at each industry sector, and compare the share of that sector's jobs in EE occupations with whether or not the sector itself has been classified as EE.

Among the EE sectors with a low share of EE occupations, the utilities immediately stand out as the extreme cases. The water supply and treatment (SIC code 36), electricity and gas (35), telecommunications (61) sectors had only 23-29% of their jobs in EE occupations in Birmingham and Solihull and 19-32% in Coventry. Similarly, waste management (39) had only 44% of its jobs in EE occupations in Coventry and 50% in Birmingham and Solihull. We defined these sectors as EE because they are networks providing non-tradable everyday services, but a lot of their occupations are more technical and professional than the typical EE occupation elsewhere in the economy.

The sectors covering construction (SIC codes 41 to 43) the sale and repair of motor vehicles (45) were both classed as EE sectors but had around 40% of their jobs in non-EE occupations in both areas. Both sectors had a very wide variety of occupations, including roles in sales, marketing, administration, customer service, research, and professions such as finance, business associates and architects in the case of construction. In the construction sector, 9-10% of workers were in the occupation 112 Production managers and directors, which may be a result of misclassification or the tendency of the sector to contain a higher share of very small firms and sole traders.

Split of industry sectors within EE occupations

Next, we look at each occupation, comparing the share of jobs in that occupation that are in EE industry sectors with whether or not the occupation itself has been classified as EE.

The occupations that we classified as fully or mostly EE (85-100%) are typically also well aligned into EE industry sectors: in 49 out of these 50 occupations in both Coventry and Birmingham and Solihull, they have at least 60% of their jobs in EE sectors. The outliers, EE occupations where at least 10% of the jobs are in non-EE sectors, included some construction jobs, elementary storage or agriculture jobs. One such outlier was elementary security occupations, where 34% of jobs are in security

firms which are defined as a non-EE sector, but a further 35% are in education sector firms, likely to relate to crossing guards and exam invigilators. Jobs in protective services occupations occurred quite frequently in non-EE sectors such as financial services, legal and accounting, and private security firms. Two further outliers were electrical trades (of which a significant share are in non-EE telecoms, manufacturing and computer consultancy activities), and vehicle trades (some of which are in the non-EE vehicle manufacturing sector, with many more in the retail and repair of vehicles sector which we defined as only partly EE).

On the other hand, the EE occupations with the largest number of jobs were typically almost entirely within EE sectors. For example in Birmingham and Solihull, between 90% and 98% of jobs in major care, retail, elementary hospitality, food preparation, teaching, childcare, nursing and cleaning occupations were also in EE industry sectors. Elementary storage occupations (SOC 925) were an exception, with 30% of jobs falling in non-EE sectors, partly due to the prominence of these occupations in manufacturing sectors.

Among the occupations we classified as non-EE, there is substantial variation in the likelihood of them occurring in EE sectors. Some major non-EE jobs where half or more were in EE sectors included senior managers in production and logistics, customer service workers, some office administrative occupations, R&D professionals and researchers.

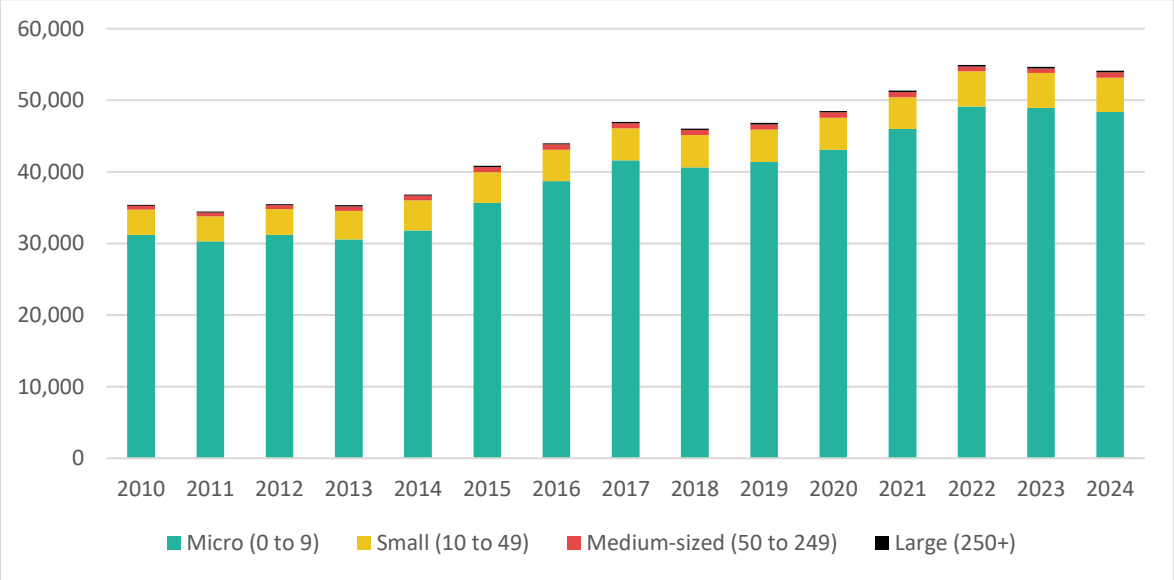
BUSINESSES IN EE INDUSTRY SECTORS IN THE WMCA

Looking at data from the Inter Departmental Business Register (IDBR), we can track any changes in the number of EE sector enterprises between 2010 and 2024.[52] The IDBR dataset classifies firms by 5-digit SIC sector and by size band in terms of number of employees: micro (0 to 9 employees), small (10 to 49), medium-sized (50 to 249) and large (250+). This dataset rounds the count to the nearest five firms, meaning that there is some loss of precision when looking at the count of medium or large firms for a specific sector, as the total number is likely to be small (often fewer than 10-20 firms). On the other hand, it gives us some clearer insight into the growth of small and especially micro enterprises by sector.

There were 91,940 enterprises in the WMCA as of 2024, of which an estimated 54,180 (59%) were in EE sectors. The share of EE businesses among all businesses has risen from 53-54% each year from 2010 to 2020, to 57% in 2021, and 59% from 2022 to 2024. The shares of enterprises in the different size bands were very similar in the EE sectors as in the economy as a whole, with 89.3% of EE firms in WMCA being micro businesses (compared with 88.9% of all firms), 9.2% small (8.9%), 1.4% medium-sized (1.6%) and 0.4% large (0.5%). This means that firm size in the EE was only marginally smaller than in the wider economy in 2024 (and indeed throughout the period back to 2010).

Figure 25: Micro enterprises continue to make up the vast majority of EE firms and all firms

Business count by size band in EE sectors only in the WMCA since 2010, from IDBR data



Source: NEF analysis of IDBR data

The growth of the EE's share of all enterprises in WMCA was driven by an increase of 5,000-6,000 in the number of EE micro enterprises since 2020, which did not occur in micro enterprises across the economy as a whole. The top 10 sectors for growth in the number of EE micro enterprises between 2020 and 2024 are shown in Table 2.

Table 2: Sectors contributing the most to growth in EE micro enterprises in the WMCA

5-digit SIC sectors that saw the largest increase in micro enterprises in the WMCA since 2020, from IDBR data

Industry sector (5-digit SIC)	Change in micro enterprises (2020-2022)	Change in micro enterprises (2020-2024)
47910 : Retail sale via mail order houses or via Internet	525	540
41202 : Construction of domestic buildings	445	505
53202 : Unlicensed Carriers	610	275
96020 : Hairdressing and other beauty treatment	180	250
86900 : Other human health activities	35	240
43220 : Plumbing, heat and air-conditioning installation	140	220
56102 : Unlicensed restaurants and cafes	180	210
45112 : Sale of used cars and light motor vehicles	165	205
47110 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	125	200
56103 : Take away food shops and mobile food stands	205	200

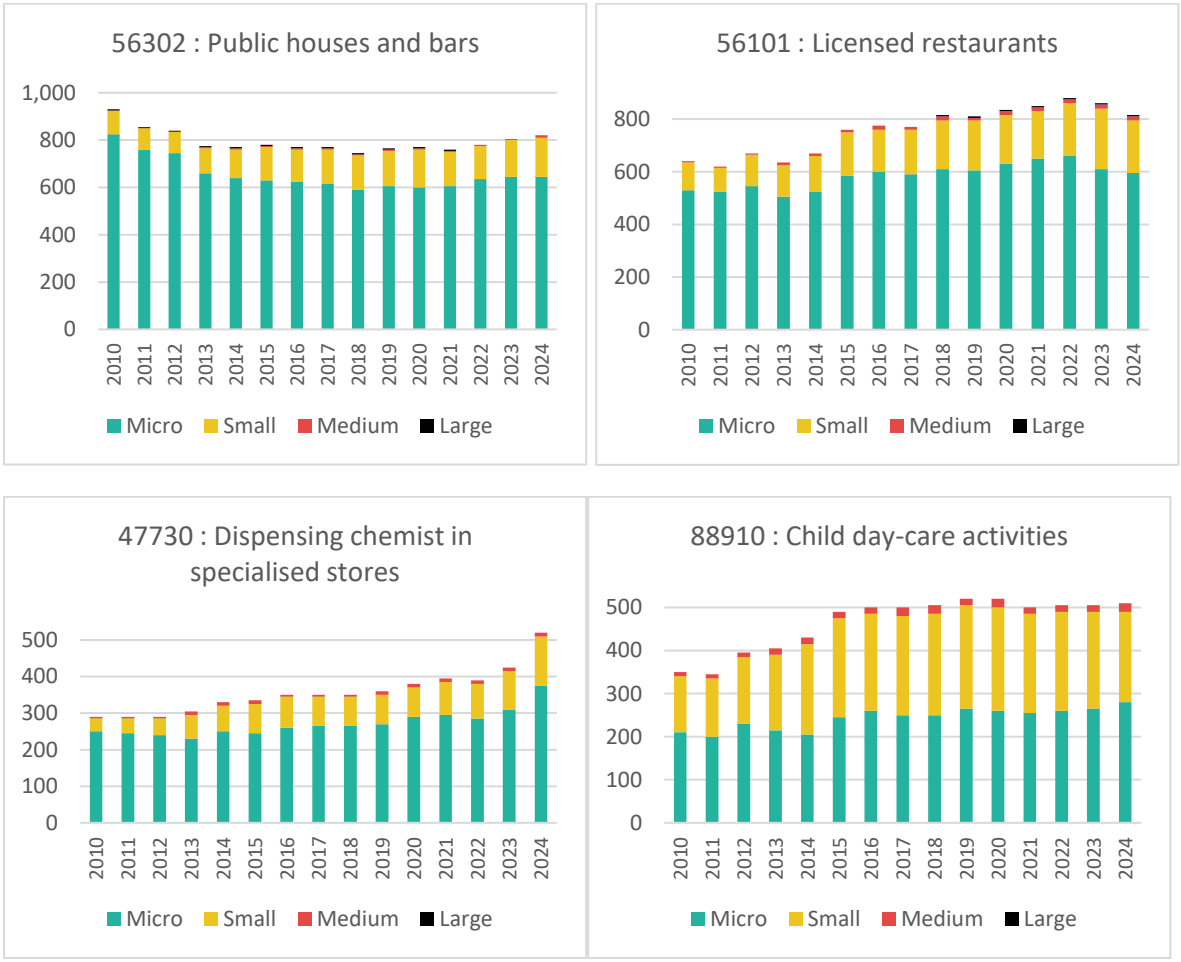
Source: NEF analysis of IDBR data

Looking at some of the largest industry sectors in terms of number of EE enterprises, we can see some broad economic trends playing out in significant changes in the size of businesses in these sectors in the past 15 years.

Among the sectors where ownership consolidated and the average firm size became larger (Figure 26) were pubs, where a shift away from micro enterprises towards small firms from 2012-15 was maintained, and an increase in medium-sized firms was recorded in 2024. This partly reflects the national trend of pub closures over the past decade.[53] In restaurants similarly, the share of small and medium-sized firms increased in the early 2010s and has been sustained since. Chemists and childcare firms also saw some consolidation in this period.

Figure 26: Some EE sectors have shown consolidation, with a fall in the share of micro enterprises relative to larger size bands

Count of enterprises by size band in major EE sectors in the WMCA between 2010 and 2024, from IDBR data

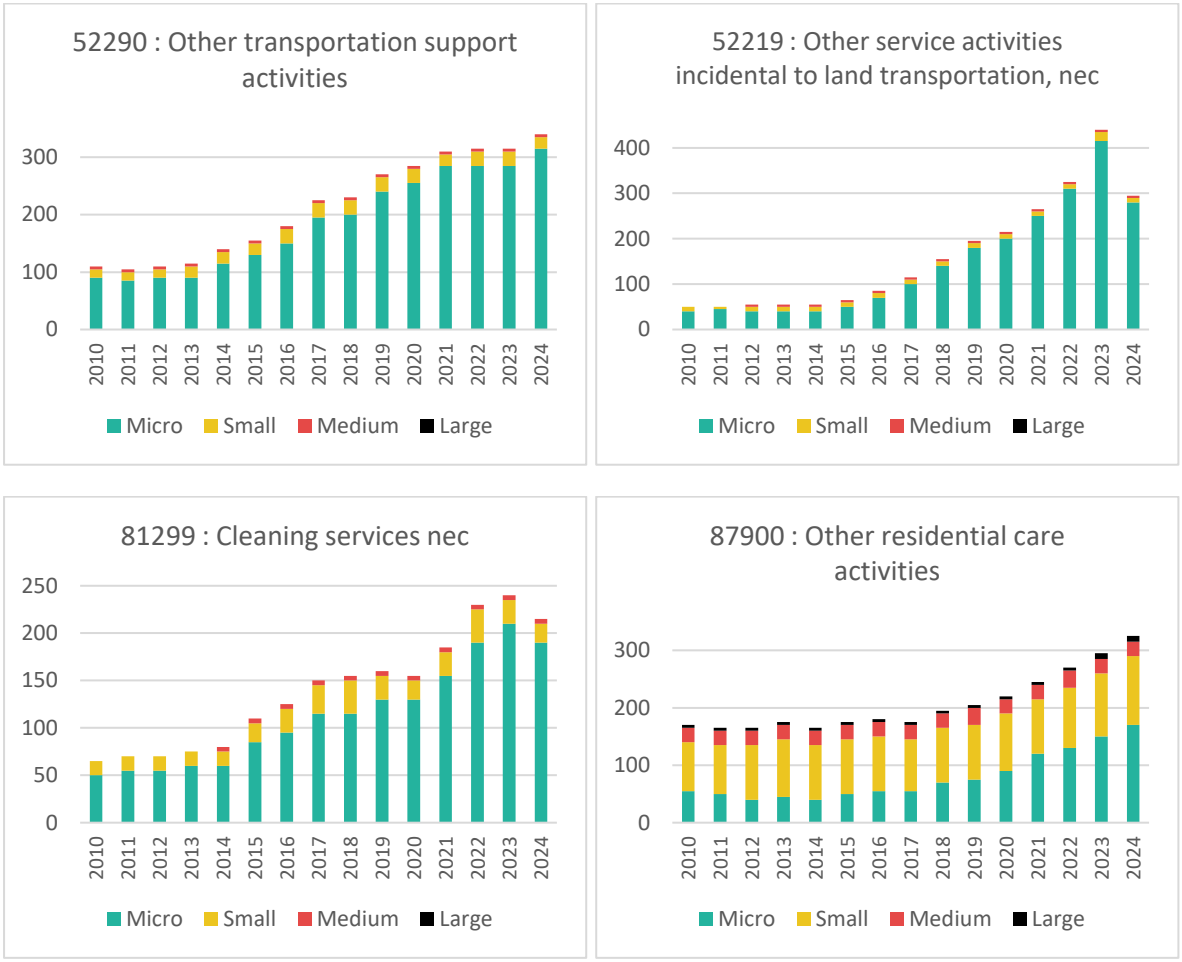


Source: NEF analysis of IDBR data

In other sectors, the size distribution shifted towards a higher share of smaller firms. These included three sectors relating to transport that saw a major increase in the share of micro enterprises since 2015, possibly relating to the growth of ride sharing apps or outsourcing of delivery drivers' work. Firm size also shifted towards micro enterprises in the cleaning and residential care sectors. It is unclear what drove this shift.

Figure 27: Other EE sectors have seen a significant increase in the share of micro enterprises

Count of enterprises by size band in major EE sectors in the WMCA between 2010 and 2024, from IDBR data



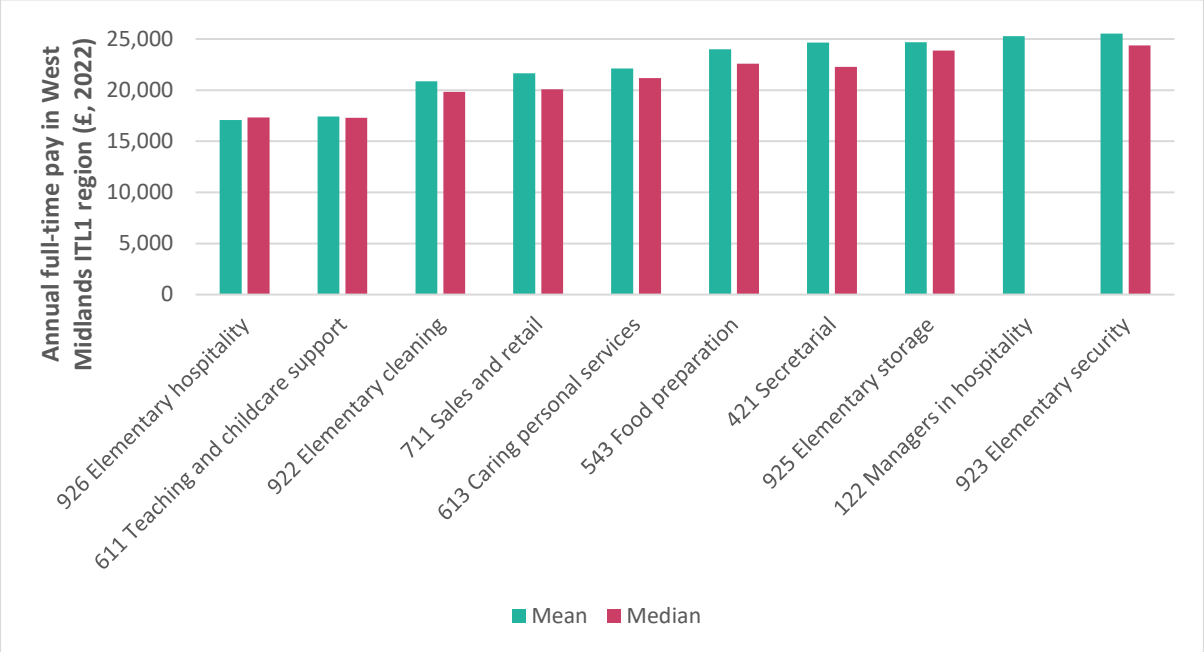
Source: NEF analysis of IDBR data

WAGES AND JOB QUALITY IN EE OCCUPATIONS IN THE WMCA

The Low Pay Commission stated in its 2023 National Minimum Wage report that 71% of jobs paying the statutory minimum (the 'National Living Wage') are found in a few low-paying industries.[54] The list of low-paying industries contains several of the largest EE sectors, including retail, hospitality, social care, cleaning, leisure, childcare, security, hair and beauty, transport and storage, nursing assistants and certain teaching occupations.

Figure 28: EE sectors with large numbers of jobs feature prominently among the worst paid occupations in the West Midlands ITL1 region

Gross annual earnings of full-time employees in the West Midlands ITL1 region in 2022, from ASHE data



Source: NEF analysis of ASHE - Table 15.7a

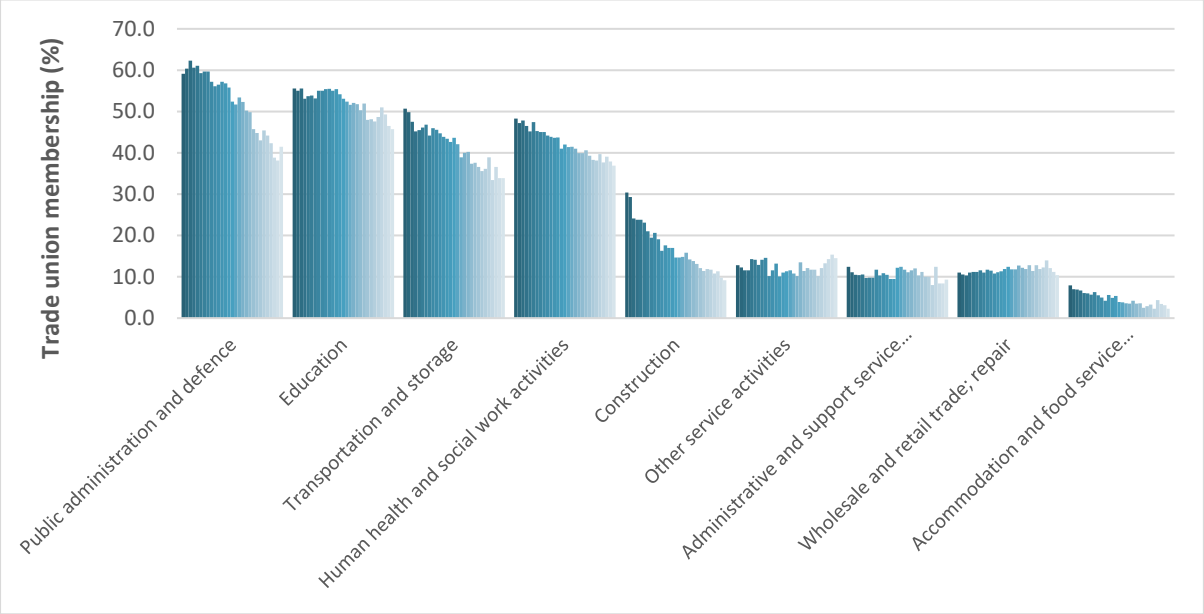
Data from the ONS Annual Survey of Hours and Earnings (ASHE) indicates that several of the EE occupations that employ the most people in the WMCA area were among the lowest paid in the West Midlands ITL1 region in 2022. The levels of mean and median annual pay for the occupations shown in Figure 27 were very low compared to the equivalent of one year on minimum wage for people aged 23 and over (£18,525),[55] the annualised real living wage (£21,255)[56] or the minimum income standard for a single person (£25,500) in the same year.[57]

Relatively high increases in the minimum wage rates in recent years have coincided with rising wages and a relatively tight labour market among the lowest paid occupations, and the Low Pay Commission has been given the remit to aim to raise the minimum to two-thirds of median income and to gradually extend the same minimum wage to all workers aged 18 or over (where 18-20 year-olds can currently be paid less).[58] There has been some compression of low pay since 2015, with the gap between the National Living Wage and the median pay level having narrowed. At the same time, low-paid workers have reported rising use of food banks, indebtedness, struggles with cost of living, and problems getting sufficient hours of

work.[59] There is evidence from 2023 of some EE sectors struggling to accommodate the recent increases in the minimum wage. Smaller businesses have been finding it more difficult to adjust to rising minimums, and low-pay sectors have tended to be more concerned than average about rising costs (such as labour and energy) and falling demand. Businesses feel they have little additional room to pass on costs into prices, and in sectors like adult social care and childcare they are 'highly constrained' from passing on costs. The rising National Living Wage has also been narrowing differentials within the pay structures of employers in these sectors.[60]

Figure 29: Union membership has fallen or remains at very low levels in many key EE sectors

Trade union membership by EE industry sector in the UK, 1995 to 2023, from LFS data[61]



Source: Department for Business and Trade statistics from LFS data

Trade union membership has fallen across the economy in the UK and West Midlands ITL1 region in recent years[62] and the EE sectors have been no exception, with some of the major public sectors with the highest union density in the mid-1990s having seen the steepest decline. Other major EE sectors such as retail and especially hospitality have had very low trade union membership for at least the past twenty years. Lower levels of trade union membership in EE sectors imply the absence of a number of mechanisms for maintaining or improving job quality at the employee and firm levels. Trade unions tend to offer a route for employees to raise concerns over their conditions and treatment with less fear of reprisal, to have a

greater say in strategic decisions that affect their jobs, and can facilitate collective bargaining within firms to improve pay and other aspects of job quality.[63]

TECHNOLOGY AND AUTOMATION IN THE EE IN THE WMCA

In the past few years, there have been rapid advances in applications of labour-saving or labour-enhancing technologies across the economy in general and in EE sectors.[64] This has included greater automation of physical tasks and most recently, applications of machine learning and so-called artificial intelligence (AI) to cognitive tasks. It is difficult to make accurate predictions about how different forms of work and occupations will be affected by automation. For example, while a much-publicised 2013 piece of research predicted that 47% of US jobs were at risk of being lost to computerisation within a decade or two,[65] data for 2013 to 2019 has showed growth in job numbers among some of the occupations predicted to be most at risk[66] and in general, job losses of that scale have not yet materialised in the subsequent 12 years. While we cannot make precise predictions, we can draw general insights from the latest research on how automation and AI will affect different occupations and job quality, with a focus on the EE and any evidence specific to the WMCA.

To begin with, there is emerging evidence that at least some automation is occurring in a significant portion of the UK economy. The Pissarides Review into the Future of Work and Wellbeing, concluded in January 2025, looked at how automation is affecting job quality in Britain.[67] Its survey of businesses (with a sample designed to be very over-representative of larger firms, who were more likely to automate) found that 79% of firms had automated some physical tasks in the past three years. Similarly, 79% of firms had automated some cognitive or non-physical tasks.[68] There was a mixed picture on the basic impacts of this automation: 78% of firms said that new technology had created jobs, while 55% said it had eliminated or replaced jobs. Likewise, 83% said it increased demand for certain new skills, while 54% said it reduced need for other skills.[69] The Low Pay Commission (LPC) found some variation in approach among firms in 2024, with some firms, especially larger ones, making significant investments to automate production in response to rising minimum wage levels while others, especially small firms, said that rising wage

costs prevented them from investing.[70] Their review of survey data from 2024 indicated that the share of firms using automation, machinery, equipment or technology to respond to rising wages increased to nearly 20%, from 15% the previous year. Around 15% of firms reported using generative AI as a response to higher minimum wages, but data on the change relative to 2023 was not available. These forms of automation were a less common response than general measures such as improving business practices or morale and motivation, which were both used by more than one quarter of firms in response to minimum wage rises.[71]

The LPC's summary of recent evidence suggested a varying uptake of automation by sector, with 68% of major retailers surveyed by the British Retail Consortium having already invested in increased automation in response to the rising minimum wages and 36% of respondents to a Food and Drink Federation survey having increased automation in response to difficulties finding workers.[72] On the other hand, the LPC heard from hospitality sector employers in 2023 that there was less scope for automation, as they see their operations as "an experience business", where the quality of the service would be compromised by replacing human labour too extensively.[73] A hospitality employer interviewed in 2024 similarly noted that too much automation in the case of a four-star hotel would not allow them to meet the standard of personal engagement that their customers expect.[74]

Looking at the process of increased automation, the Pissarides Review concludes from existing evidence that AI is more likely to augment jobs rather than replacing them, while emphasising that technology should be understood as something that is socially constructed, with its impacts dependent on the choices of managers and wider society.[75] This aligns with the findings of their quantitative research, which finds that investing more in "high-involvement" human resources management tends to lead to relatively higher job quality in firms that implement automation.[76]

Another body of research gives us some forecasts of how much automation could happen in the coming years and which occupations will be affected. The Department for Education looked at the potential impact by occupation in the UK in 2023,[77] reapplying the AI Occupational Exposure scores developed for US occupations by Felten, Raj and Seamans in 2023.[78] They find varying exposure by sector, with the most exposure in non-EE sectors such as finance and insurance, ICT, professional

jobs and real estate. Some EE sectors have relatively high exposure, such as public administration, education, while the lowest exposure to AI is in accommodation and food services. Other partially EE sectors with relatively low exposure are transport and storage and construction.[79] They also find higher exposure to AI among occupations with a higher qualifications requirement, while the occupations with lower requirements (Level 1 qualifications, i.e. general compulsory education) are mostly less exposed than average to changes from AI.[80] One exception to this is elementary security jobs, which are seen as more exposed to changes such as video monitoring by AI or robotic patrol machines. Based on recent ILO research,[81] the DfE finds that only a few 4-digit SOC2010 occupations have a high risk of job replacement through AI, as opposed to a larger number of occupations that are expected to be augmented but not replaced.[82] Some of the jobs at the highest risk of replacement are EE occupations, such as librarians, authors and writers, clerks and administrators in banks, post offices, finance, pensions and insurance, and travel agents. Many prominent EE occupations are expected to be augmented but not replaced, including teachers, doctors, pharmacists, performing artists, elementary hospitality and security roles, and workers in personal services, leisure, sports and fitness.[83]

In a cross-country analysis of labour markets of advanced economies from 2019 to 2023, PwC identified evidence of a similar variation in the impact of AI by occupation.[84] Using the measure of AI exposure developed by Felten, Raj and Seamans,[85] they found that job growth was faster in occupations less exposed to AI, while the rate of change in skills required was faster in occupations more exposed to AI.[86] This suggests that many EE occupations, being towards the less exposed end, may have more stable skills requirements, increasing the future benefit from training that remains relevant for longer than in the relatively exposed occupations.

Another recent modelling exercise from the Tony Blair Institute used data on the task content of every occupation to estimate the potential time savings that could be possible through implementation of various forms of automation: free AI software, low-cost AI software, bespoke AI systems, low-cost sensory devices with AI, and high-cost equipment or robotics.[87] By occupation, they find the largest potential time savings in administrative and secretarial roles (46% of total working time), sales and

customer service (33%), associate professionals (28%) and professionals (27%). Most of the savings in these occupations would come from software tools, with the savings from free and low-cost software forming the largest part for the administrative, secretarial, sales and customer service categories. They estimate the lowest time savings are available for skilled trades (10%), caring, leisure and other service occupations (12%), elementary occupations (13%) and process, plant and machine operatives (18%). The latter two categories are the only ones where sensory devices, equipment and robotics make up a substantial part of the estimated time savings. Elementary occupations in particular have the lowest time savings from AI software (excluding hardware). This reflects a greater focus on manual physical tasks.[88] The differences in the form and extent of automation potential by occupation are highly relevant for the EE, considering that a number of EE occupations that account for a large number of jobs have a stronger focus on manual work.

Primary research under the Pissarides Review gives us some evidence on the impact that automation is having on job quality in Britain. The authors conclude however that this relationship remains under-researched and emphasise the need to proactively shape how automation is applied to avoid reductions in job quality.[89] A survey of 4,800 workers representative of the UK workforce in June 2023 found mixed effects on job quality from different forms of automation.[90] Automation was found to improve opportunities to learn, workers' ability to apply their own ideas and be creative, flexibility of working location, feelings of doing useful work, and job prospects. On the other hand, greater automation was found to worsen job security, the intensity of working pace, the volume of tasks, workers' sense of health and safety, the repetitiveness of work, abusive customer behaviour, undesirable night and weekend shifts, and unwanted surveillance at work.[91] The research identified significant concerns from workers who had been subject to AI or robotics automation measures that their job security would worsen and that they were at risk of eventually being replaced. Related research found that greater use of digital ICT such as laptops and tablets tended to improve wellbeing (albeit with variation in different aspects of wellbeing at work), but greater use of wearables, AI and robotics tended to reduce wellbeing. Workers who always use wearables saw the largest reduction in quality of life from automation.[92]

The Pissarides Review's firm survey cited above identified a statistically significant and negative effect of automation on job quality in the utilities, administrative and support services and education sectors, among firms that are already implementing automation.[93] Likewise, they identified a marginally statistically significant negative relationship of this kind in the construction and ICT sectors and professional occupations.

The review also produced a Disruption Index that aims to assess how much technological change is happening and will happen in different NUTS2 regions. Its two sub-components are the Technological Transformation Index (TTI: how much technology is actually being adopted) and the Readiness Index (RI: how suitable the region's economy and workforce are for further adoption).[94] On the TTI, there is a divide between a few high-scoring regions (London, a few of the Home Counties, Oxfordshire and East Anglia) and the rest of the country. The leading areas attracted more investments, higher-qualified workers and spent more on R&D and implementing new technologies. The West Midlands (NUTS2 area) scores relatively high among the rest of the country on its TTI but is behind the leading regions and did not close this gap from 2016 to 2020. Within the drivers of the TTI, the West Midlands has relatively stronger investment in technology but more average performance on technology creation and adoption.[95] The divide in RI scores between regions is not as large as for TTI scores, and the West Midlands occupies a similar ranking nationally as for the TTI, coming in behind the leading regions but ahead of many other regions.[96] Among the drivers of the RI, the West Midlands ranks poorly on the human capital aspects but ranks well on infrastructure metrics.[97] There was some evidence to suggest that regions with better Disruption Index scores were better able to adopt technological changes without reducing job quality.[98] This in turn suggests a risk that regions that are already less wealthy are more prone to automating in a way that hurts job quality, so that the increasing automation over the coming years could widen regional inequalities.

A number of conclusions for the present research on the EE and job quality can be inferred from the evidence above. Automation is gathering pace across the economy but is not yet universal and is happening unevenly, with larger firms more able to do it and hence doing more of it, while some firms and sectors struggle to afford the

investment needed to automate. Some sectors such as major retailers and manufacturing are doing more than others, and there are limits to how much automation is possible in more human-centred service work. Similarly, there is variation in the potential for and risk from automation for different occupations. The occupations with the highest risk and potential for automation are typically non-EE office-based services jobs, whereas more manual or relational forms of work appear to have lower potential for automation and may be more resilient in the long-term. This underlines the importance of the EE for local industrial and economic strategies in the face of coming technological changes: these jobs and sectors are more likely to persist than the jobs in high-productivity sectors, as the latter are both easier to automate due to the nature of the work and more likely to be automated in the course of productivity measures that steadily increase capital intensity. Automation needs to be considered carefully and sufficient HR resources need to be applied, if it is to avoid worsening job quality. Its effects on job quality are complex and vary between different forms of automation, sectors, occupations and levels of HR support.

SKILLS AND QUALIFICATIONS IN THE EE

While EE sectors are commonly viewed as having lower barriers to entry relating to skills and qualifications, the picture is very mixed. While the 2021 Census suggests that key EE sectors such as transportation, retail, food and accommodation do employ workers with below average qualification levels, this should not necessarily be mistaken for low skill levels. Furthermore, some EE sectors, such as education and health and social work have well above-average qualification levels.[99]

A useful lens through which to view the skills issue is through changes over time in skills needs and skills investment. The UK as a whole has been through a period of relatively high employment, but low productivity growth and relatively widespread skills shortages. Skills shortage vacancies surged across the country and across most sectors in the period from 2022, immediately following the initial years of the Covid-19 pandemic.[100] The occupations most in-demand are found in the care industry and relate to roles categorised at level 2 out of 4 on the government's skill-level ranking

(i.e. somewhat lower-skilled).[101] There is elevated demand for highly skilled jobs (skill level 4) which are split fairly evenly between EE sectors (particularly secondary education teaching professionals) and non-EE sectors (notably programming). Clearly, however, skills barriers are only one barrier of many that hold back employment in these shortage sectors, with pay and other factors affecting job desirability important to these trends.

Access to qualifications and skills can be a barrier to progress both to those wishing to progress within EE sectors and those wishing to move out. Those barriers have risen in the past two decades as businesses and the government have pulled back spending on adult education. While the retreat of government funding from adult education has been widely documented,[102] less attention has been given to the simultaneous withdrawal of private funding. The Employer Skills Survey (ESS) suggests that between 2011 and 2022, real-terms spending per employee on skills and training reduced by 15% in the West Midlands ITL1 region, a slightly better outcome than the English average decline of 19%.[103] The ESS suggests this decline has been led by the education, construction, and food and accommodation sectors. On the other hand, the absolute level of average spending per employee on skills and training in the West Midlands ITL1 region was 7% below the English average as of 2022. Sample size issues mean that caution should be applied in interpreting these results.

One suspected driver of this withdrawal is the increase seen in employee turnover. Turnover disincentivises employers from investing in their staff due to the risk that investment might quickly be lost. Growing rates of employee turnover have been driven in part by the structure of pay in the UK, which sees employees who change job better compensated than those who stay.[104] High employee turnover is far more prevalent in the EE sectors and indeed, the rate of staff turnover forms one of the key differences between an EE and non-EE sector. Analysis from 2018 suggested that while 71% of professional and scientific sector employees are likely to be with the same employer one year-on, just 56% of employees in accommodation and food services are.[105]

As the UK economy is in a state of flux, and with further changes to jobs and skills demand likely to continue through factors such as the rise of green industries and

wider adoption of automation, an added consideration is the need for a workforce that is mobile between occupations and sectors. Ultimately, businesses will only invest in skills which benefit their business activities, not those which benefit other emerging sectors or areas of demand. This is typically where the state can step in, but the decline of key workforce mobility resources, such as the Open University and other forms of accessible part-time adult education presents major problems, particularly alongside increased course costs and reluctance among the adult population to take on additional student debt.

The withdrawal of the state and the private sector from funding adult education has left workers to fend for themselves. Against the backdrop of a decade of stagnant real incomes, and particularly low pay in EE sectors, workers have insufficient resources to 'invest in themselves' at the same time as meeting the high cost-of-living. These issues are at their most acute in the EE, and particularly so in the WMCA.

TRANSPORT AND THE EE IN THE WMCA

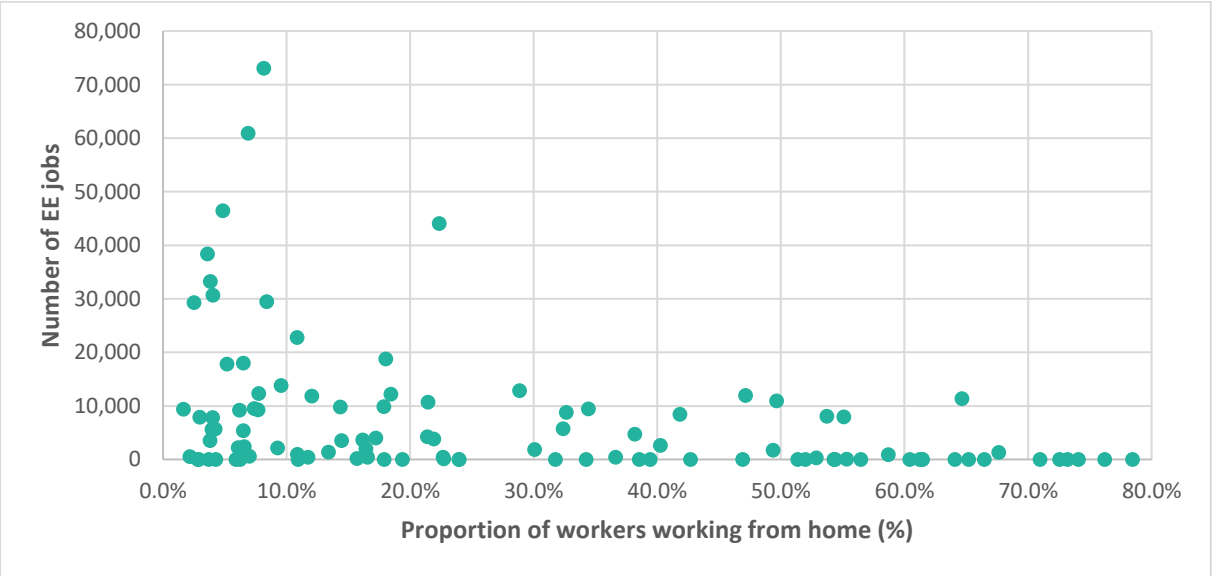
Data from Census 2021 gives some insights into the commuting travel patterns of workers in the EE. The timing of the census on the 21st March 2021 means that it captured some atypical commuting and home working behaviour that will have changed to some extent since then. Census day occurred just over a year after the first lockdown in response to COVID-19 and in the early stages of a phased lifting of the third national lockdown in England. It occurred during a period of elevated home working, restrictions on the operation of sectors such as non-essential retail, hospitality and leisure, and just a few weeks after the reopening of primary and secondary schools.[106] Nonetheless, with this caveat in mind, we felt that census data on commuting in the EE was still granular enough to offer new insights. We focus on data covering the whole of the WMCA, illustrating the distance travelled to work and mode of commute for broad industry sectors (18 SIC sections, to each of which we applied an EE share by aggregating the more detailed SIC code list) and detailed occupations (104 3-digit SOC codes).

Distance travelled to work

The rate of working from home varied widely between different occupations, partly reflecting the characteristics of the work being delivered. There were 25 out of 104 occupations for which more than half of workers were home-based at the time of Census 2021, of which only seven had any EE jobs. On the other hand, the largest three EE occupations by number of jobs all had very low rates of home working: Caring personal services (8.2%), Sales assistants and retail cashiers (6.9%) and Road transport drivers (4.8%). The industry sectors with the lowest rate of home working were accommodation and hospitality, transport and storage, and wholesale and retail. The weighted average rate of working from home was 24.0% across the whole economy, 13.9% in EE occupations, and 41.1% in non-EE occupations.

Figure 30: Workers in key EE occupations were less likely to work from home in March 2021

Proportion of employees resident in WMCA working from home by 3-digit SOC occupation, from Census 2021



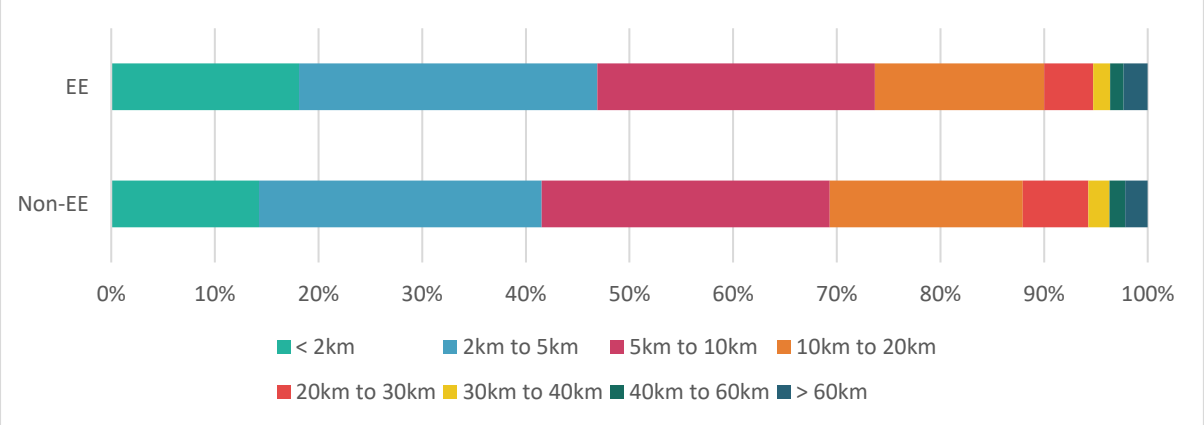
Source: NEF analysis of Census 2021 (Distance travelled to work)

Classifying the EE by industry sector and excluding those who work from home, offshore, in no fixed place, or outside UK, we see that EE workers are more likely to work within less than 2km from home (18.1% of EE commuters, versus 14.3% of non-EE commuters) and 2km to 5km from home (28.8% for EE versus 27.3% for non-EE). At the same time, non-EE workers are more likely to commute over longer distances of 20km or more (12.0% of non-EE commuters versus 10.0% of EE commuters). Our

more detailed occupational EE classification yields similar conclusions, albeit the gap in the share of commuters travelling less than 2km is wider: 19.0% of EE commuters versus 13.0% of non-EE commuters.

Figure 31: People working in EE sectors had shorter commuting distances than non-EE workers

Proportion of employees in WMCA by distance of commute in EE and non-EE sectors, from Census 2021



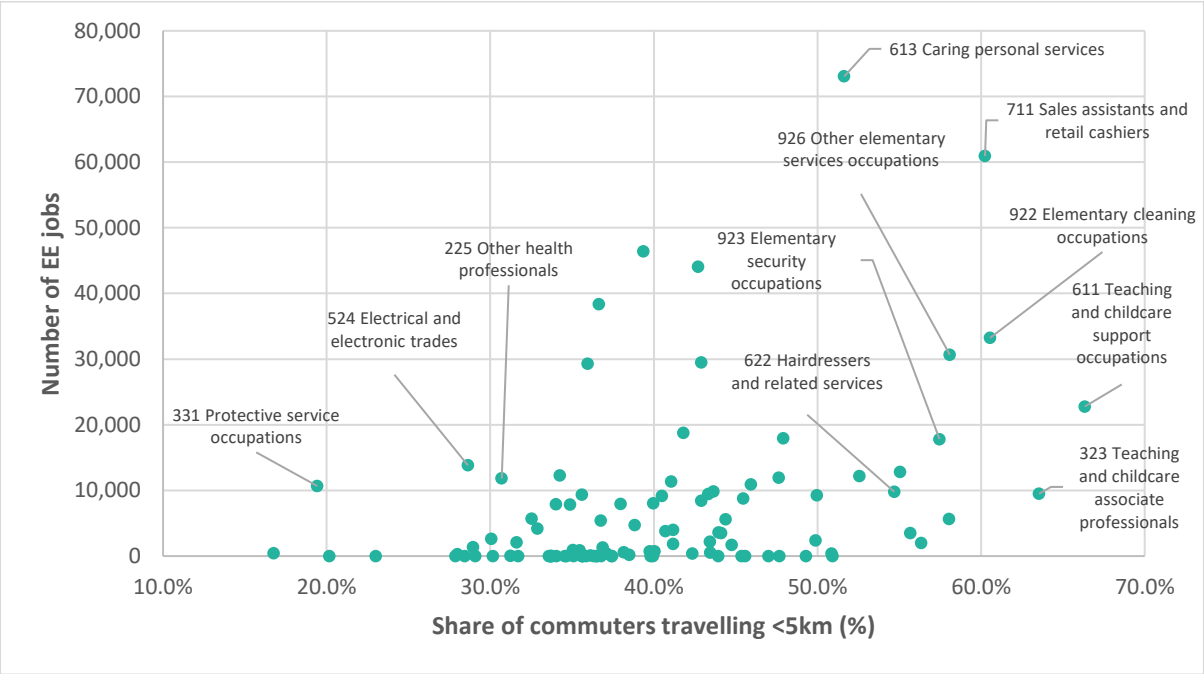
Source: NEF analysis of Census 2021 (Distance travelled to work)

The industry sectors with the higher proportion of people commuting less than 5km were also EE sectors. In descending order, these were education (55.0% of commuters travelling 5km or less), accommodation and hospitality (51.3%), wholesale and retail (49.4%) and human health and social work (47.3%). On the other hand, some major EE sectors such as construction (34.0%) and public administration and defence (31.9%) had a low share of these shorter commutes.

A number of the largest EE occupations have a high share of shorter distance commutes (Figure 32). People working in childcare and teaching have the highest share of commutes under 5km of any occupation, followed by those working in cleaning, retail, and elementary hospitality and security jobs. Among the EE workers who are least likely to have this short a commute are people working in protective services (i.e. police, fire, prisons or military occupations), electrical trades or other health professionals such as pharmacists, optometrists or dentists.

Figure 32: Several larger EE occupations had the highest shares of shorter commutes

Number of people employed and proportion of commuters in WMCA travelling <5km by 3-digit SOC occupation, from Census 2021



Source: NEF analysis of Census 2021 (Distance travelled to work)

A similar pattern applies for very short commuting distances of 2km or less. The highest shares of these very short commutes were among teaching assistants and childcare workers (SOC 611, 34.3%, and SOC 323, 30.8%) and elementary security workers (923, 33.9%). Other occupations that had more than one quarter of commutes under 2km were elementary cleaning and hospitality roles and retail. The jobs with the highest share of employees commuting under 2km in WMCA were also the lowest paid occupations in the West Midlands ITL1 region based on 2022 mean annual full-time pay (excluding elementary security workers, who had a somewhat higher level of pay).[107] This may indicate that an inability to afford a car or a longer commute by other modes of transport is a driver of shorter commuting patterns.

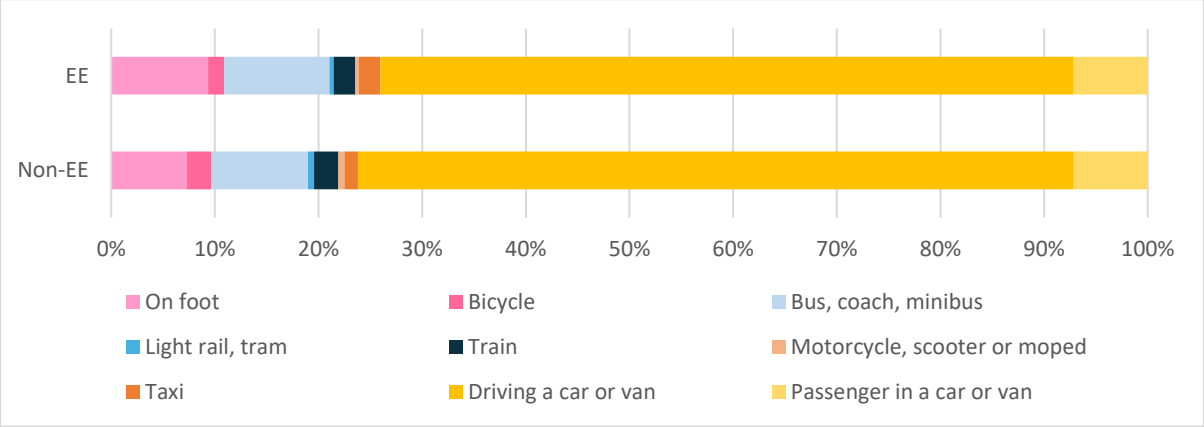
Mode of transport to work

Excluding those who worked from home and the 1% of respondents who defined their mode as "other method", we look at the mode of transport taken to commute to work in the EE.

Workers in EE sectors were more likely to walk to work (9.3% of commutes, versus 7.3% for non-EE sectors), as expected from the analysis on shorter distance commutes above. This was especially true for those working in accommodation and food services (14.9% of commutes were on foot), education (11.2%) and wholesale and retail (9.1%). Workers in EE sectors were less likely to cycle (1.5%, versus 2.3% of non-EE commutes) but overall they were more likely to take active travel.

Figure 33: People working in EE sectors were more likely to walk or take the bus

Proportion of employees in WMCA by mode of commute in EE and non-EE sectors, from Census 2021



Source: NEF analysis of Census 2021 (Method used to travel to work)

Four of the five occupations with the highest share of commuting on foot were major EE occupations: jobs in elementary security (SOC 923, where 23.5% commuted on foot), hospitality (926, 21.6%) and cleaning (922, 17.9%) as well teaching and childcare (611, 21.0%). Other large EE occupations featured in the top 20 included retail (SOC 711, 17.1%), food preparation (543, 15.3%) and secretarial occupations (42, 10.8%). Cost is likely to be an important factor in explaining the differences in mode of travel by occupation, considering that many of these EE occupations have some of the lowest average pay in the economy. Transport costs can be substantial for those on the lowest incomes: a 2012 study of the 9% of people in the UK who were pushed into poverty by these expenses found that this group was spending an average of 24% of their income on transport costs.[108]

Workers in the EE were also more likely to commute by bus (10.1% of commutes, versus 9.4% in non-EE sectors), with workers in accommodation and food services (14.4%), wholesale and retail (10.2%) and human health and social work (10.0%) being among the top sectors for bus commutes. The commuters most likely to take

the bus to work by occupation were in cleaning and housekeeping roles (SOC 922, 25.9% of commutes by bus, SOC 624, 22.5%, and SOC 623, 22.0%). A high share of bus commutes was also recorded for people in elementary hospitality (SOC 926, 20.8%), retail (711, 17.8%), care (613, 16.7%), elementary storage (16.2%) and government administration (411, 15.2%).

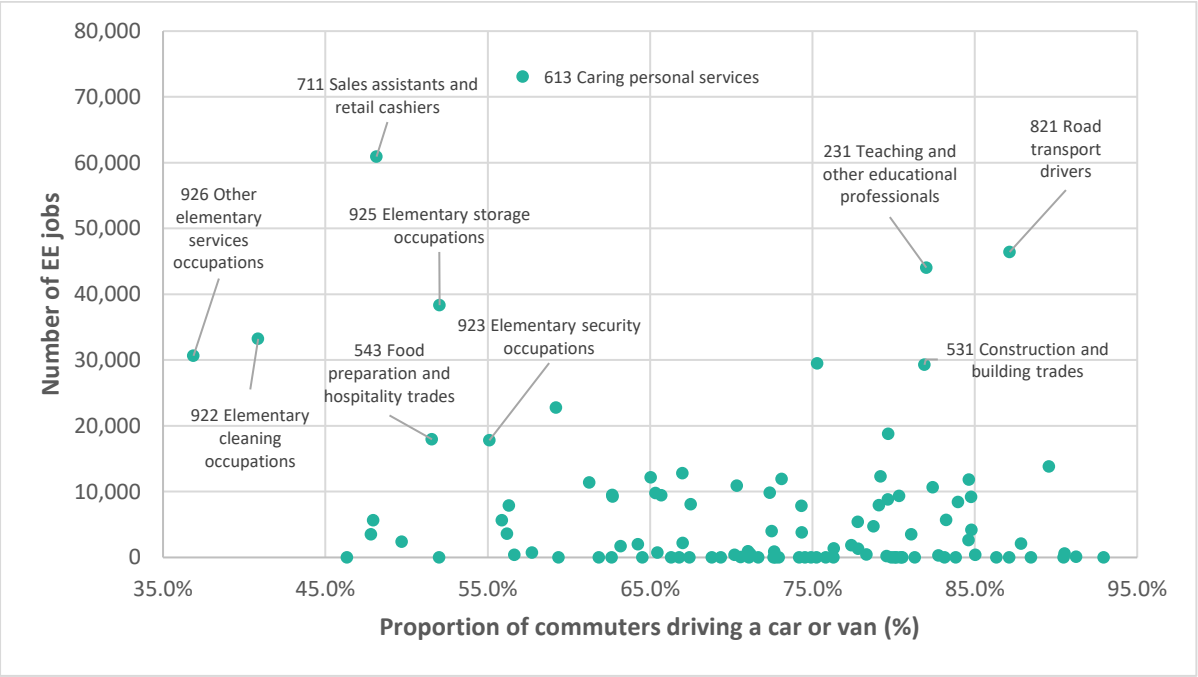
On the other hand, workers in EE sectors are less likely to drive to work in a car or van (66.8% of EE commutes, versus 69.1% for non-EE sectors). The share of commuters driving to work varied widely by occupation (Figure 34). Two EE occupations, elementary hospitality (SOC 926, 36.9% of commuters driving to work) and elementary cleaning (922, 40.9%) had by far the lowest share. Major EE occupations in retail, food preparation, security and care all had low shares of workers driving to work. This may relate to a higher share of workers being unable to afford to own and operate a car, as these occupations are among the lowest paid in the economy. On the other hand, some EE occupations such as construction workers and educational professionals were among the most likely to commute by driving.

The fact that many of the same occupations have the shortest commuting distances may indicate a link between a need to find a job nearby due to not having access to a car or van. There is growing evidence that people in insecure employment are more likely to live in private rented housing and that there can be a mutually reinforcing relationship between poor quality housing and poor quality employment.[109] People in low-paid work have more trouble competing for scarce private-rented homes, having to settle for worse quality housing, while insecure shifts and pay can contribute to problems with rent arrears and prevent them getting a mortgage to own their own home. At the same time, more frequent relocation due to insecure housing makes it harder to hold down secure employment, while poor-quality housing creates health problems, and higher housing costs mitigate against saving or investing in education or training.[110] It is possible that issues of housing and employment quality are being compounded by a lack of transport options for people in these occupations.[111] The nexus of employment, transport and housing for people working in low-paid EE occupations is a potential avenue for further research, to

better understand the issues and policy options for these groups of WMCA residents.

Figure 34: Several larger EE occupations had the lowest rates of driving to work

Number of people employed and proportion of commuters in WMCA driving a car or van, by 3-digit SOC occupation, from Census 2021



Source: NEF analysis of Census 2021 (Method used to travel to work)

There is some evidence of people in these major EE occupations compensating for not driving by travelling to work either by taxi or as a passenger in a car or van. The rate of commuting as a passenger in a car or van is highest for elementary construction occupations (SOC 912, 27.7% of commutes) and is relatively high in EE occupations like elementary agriculture (911, 20.5%), storage (925, 15.2%) and sales (924, 14.3%) as well as process operatives, elementary hospitality, food preparation, retail and cleaning.

While only 1.9% of commutes across the economy were by taxi, the share in EE sectors was higher, at 2.1% of commutes versus 1.3% in the non-EE sectors. The share of commuters taking taxis to work was far higher in several of the major EE occupations. These include care workers and nursing assistants (SOC 613, 5.2% of commutes), elementary hospitality (926, 3.6%), elementary sales (924, 3.4%) and nursing and midwifery professionals (223, 2.9%). The next highest shares

commuting by taxi among EE occupations were for warehousing (925), veterinarians (224), retail (711) and process operatives (811). This may partly reflect a reliance on taxis among people on lower wages who are unable to afford to own and operate a car, and where they cannot use public transport easily to get to work or their workplace is in a peripheral area that is not well served by other modes. Perceptions of safety while travelling may also affect transport choices in occupations where shifts begin very early or finish very late in the day: people in general, especially women, feel less safe walking and taking public transport after dark.[112] On the other hand, the use of taxis may have risen due to concern about health risks from COVID-19 or changes to travel options arising from the third lockdown. More research would be needed to fully understand the elevated levels of taxi use for some occupations.

3. INNOVATIVE PRACTICE IN SUPPORTING THE EVERYDAY ECONOMY

This chapter contains several case studies of policy levers that have been used to target improvements in EE sectors, focusing on precedents at the combined and local authority levels. These examples illustrate what has worked well and what the challenges have been in trying to raise job quality and productivity in key EE sectors.

FOUNDATIONAL ECONOMY INNOVATION FUNDS

Greater Manchester Combined Authority (GMCA) has embarked on an ambitious effort to support its foundational economy through a key initiative known as the Foundational Economy Innovation Fund (FEIF). This fund is part of a broader strategy to address inequalities that previous growth strategies—focused on "shiny" frontier sectors—have failed to tackle. While Greater Manchester has seen substantial economic growth over the past two decades, much of this growth has been concentrated in high-profile sectors like advanced manufacturing, financial services, and property development. This growth has not significantly reduced inequalities, especially in more deprived areas like Rochdale, in contrast to wealthier areas like Trafford. The FEIF aims to counter this imbalance by supporting sectors that employ large numbers of people, such as health and social care, early years childcare, retail, and hospitality.

The FEIF is a two-year, £1 million GMCA-funded programme designed to support innovation in foundational economy sectors. The fund's goal is to address some of the core challenges faced by these sectors, such as low wages, limited career progression, and poor working conditions. The fund's focus extends beyond traditional financial support, as it seeks to reimagine how foundational sectors can innovate. This innovation is defined not in the typical sense often associated with high-tech start-ups, but in more practical, incremental productivity improvements, such as transitioning from paper-based to digital systems. The FEIF largely focuses on process innovation rather than product innovation, including workforce development, hiring those far from work, environmental impact, local supply chains, and how effectively products and services are delivered.

The fund operates with a clear sectoral focus on health and social care, early years childcare, retail and personal services, and hospitality, leisure, and tourism. The design of the fund—which includes support for businesses to create innovative services, improve workforce conditions, and contribute to localising supply chains—and the choice of sectoral focus was shaped by a review of literature and extensive engagement with stakeholders, including insights from the Welsh Government's FE Challenge Fund and efforts in Amsterdam to implement Kate Raworth's Doughnut Economics model. As part of its design, the FEIF adopted a two-stage process. The first stage required applicants to submit a 250-word expression of interest. This simple, low-barrier process allowed for participation from a diverse range of organisations, many of which would not ordinarily apply for traditional public funding. Successful applicants were then invited to apply for more substantial funding in the second phase, with grants of up to £60,000.

The fund's design is complemented by three key "wrap-around" contracts that provide additional support to participating businesses. The first is a monitoring and evaluation contract, to collect and analyse qualitative and quantitative data on the fund's impacts. This is essential for both accountability and iterative learning. The second is a community of practice contract, which is designed to create a shared learning environment where businesses and partners with similar goals can collaborate, exchange knowledge, and build collective expertise. However, this community of practice has been one of the less successful elements of the initiative, as engagement has been lower than expected and the CA is now reflecting on how to better incentivise participation. Finally, the development support contract provides businesses with tailored advice and support from Greater Manchester's Business Growth Hub. This bespoke support is available even to businesses that are no longer funded, ensuring that organisations that do not progress to later funding rounds can still access developmental resources.

The role of the community of practice and development support has shown that improving the foundational economy requires more than grants. It also requires networks, partnerships, and ongoing support for struggling businesses.

Several early successes have emerged from the fund's implementation. The most notable is its ability to engage businesses that would not normally interact with the

CA. The low-barrier expression of interest process, in particular, was praised by stakeholders as an inclusive and effective entry point. This approach shifted much of the administrative burden onto the CA's internal team, but it was seen as a worthwhile trade-off because it broadened participation from small and previously disengaged businesses. The fund's initial design also allowed for rapid learning and adaptation, enabling the CA to refine its approach to later rounds of funding.

The GMCA's Good Employment Charter, which we discuss in greater detail in a subsequent case study, has played an influential role in aligning the FEIF's goals with broader employment policy. Although not legally binding, the Charter is a voluntary framework that encourages better employment practices, including the payment of the real living wage. This alignment has been a way to strengthen the focus on job quality as a core outcome of the foundational economy strategy. Through the fund's activities, Greater Manchester's work on the foundational economy has gained a higher profile and more recognition within both local and regional economic development circles.

While the fund has had notable successes, there have also been challenges. Limited capacity among small businesses has been a persistent barrier. Small enterprises with only a handful of staff found it difficult to engage with the programme while also managing daily business operations. This issue highlights the difficulty of working with a "dispersed and complex" business environment, a hallmark of the foundational economy. Another challenge has been the lack of resources or skills, especially in care and retail sectors, to adopt new technologies or processes, even when they are made available. For instance, while moving from paper-based systems to online platforms may seem like a simple innovation, some small businesses face significant operational and technical hurdles in making this shift.

Looking ahead, GMCA plans to launch a second round of the FEIF. Early reflections suggest that more effort may be needed to increase business capacity, support digital transformation, and strengthen the community of practice. Additionally, GMCA's experience with the foundational economy has helped reframe regional growth strategies. While Greater Manchester's economic success has been tied to high-tech, frontier sectors in the past, there is now a growing consensus that tackling inequalities requires sustained investment in the foundational economy.

GOOD WORK CHARTERS AT COMBINED AUTHORITY LEVEL

Good Work Charters have emerged as a significant, yet contested, policy tool for promoting better employment practices within the EE. Over the past five years, several CAs in England, including Greater Manchester, Liverpool City Region, North of Tyne, and West Yorkshire, have implemented these charters.[113] Despite their increasing prominence, however, their effectiveness remains unclear. Questions persist about whether these initiatives genuinely shift employer behaviour or simply attract already "good" employers seeking public recognition.

Good Work Charters are voluntary frameworks aimed at encouraging employers to adopt better employment practices. Their goals often include promoting fair pay, secure contracts, better working conditions and greater employee bargaining power. Unlike legal mandates, charters rely on voluntary employer participation, offering a form of soft regulation that encourages, rather than compels, behavioural change. These initiatives differ from broader business charters, which might also include commitments on supplier payments or environmental goals.

The appeal of these charters lies in their ability to engage employers positively. Rather than regulating or imposing sanctions, they offer reputational benefits through public endorsement. For many firms, especially smaller ones or those with close ties to local communities, this form of recognition is a valuable incentive. The logic underpinning charters is that public endorsement can encourage firms to adopt higher employment standards, while the process of meeting charter requirements may also serve as a learning opportunity for participating businesses.

These charters vary in design and emphasis. For example, the Greater Manchester Good Employment Charter, one of the earliest, was a flagship policy of Mayor Andy Burnham. It was introduced as a top-down initiative, promising a significant shift in employer practices across the region. Over time, it has inspired similar efforts in other city-regions. They also differ in terms of in-built flexibility and enforcement. The West Yorkshire Fair Work Charter, for instance, takes a more flexible approach, allowing firms to meet different sets of criteria rather than enforcing a single, uniform standard.

A key challenge for Good Work Charters is their ability to engage employers in EE sectors. Several stakeholders, including policymakers and campaigners, have expressed doubts about whether charters can meaningfully shift employer behaviour in these sectors. Evidence from Greater Manchester's experience highlights that the employers most likely to join the charter tend to be from higher-paying sectors, such as professional services, rather than foundational sectors where employment conditions are often poorer.

Another issue concerns the role of workers and trade unions within these frameworks. Evidence suggests that most charters engage directly with employers but rarely involve workers or unions in the process. This exclusion raises questions about whose voice is prioritised when determining what constitutes good employment. While some campaigners have argued for greater worker participation in the governance of charters, this remains largely absent from the current models.

The TUC's report on *Linking Employment Charters to Procurement* outlines how procurement contracts could require bidders to demonstrate how they meet charter criteria, such as paying the real living wage, using secure contracts, or promoting equality and diversity.[114] However, some legal and operational challenges persist, including uncertainty over whether such conditions are enforceable under current procurement laws. Without clear mechanisms for monitoring and enforcement, there is a risk that contractors will make symbolic commitments without genuine follow-through.

Despite these challenges, several CAs continue to explore the use of public procurement to reinforce charter objectives but more robust evidence is needed to drive substantial change. Two evaluations of the Greater Manchester Good Employment Charter were conducted, but neither produced strong evidence of employer behaviour change.[115, 116] This has led some researchers to call for more rigorous evaluation methodologies that go beyond self-reported data from employers.[117] Without this evidence, it is difficult to determine if charters genuinely improve employment standards or simply reward good employers who were already meeting these standards.

A further concern is the potential for displacement and dilution. When employers sign up for a charter, they may use their membership as a public relations tool,

deflecting attention from more substantive critiques of their employment practices. For example, some campaigners noted the reluctance of charters to "shame" firms that fail to meet commitments. This reluctance is strategic—publicly criticising employers who leave the charter might discourage new firms from joining—but it also reduces the accountability of employers who fall short.

Another unresolved issue is how to handle low-wage, labour-intensive sectors like care, cleaning, and hospitality. As is well established, many firms in these sectors operate on thin profit margins and face intense competition. For these firms, meeting charter commitments, like paying the real living wage, could pose significant financial challenges.

LOCAL AUTHORITY INITIATIVES TO RAISE JOB QUALITY IN EVERYDAY ECONOMY SECTORS

Barking and Dagenham (B&D), a borough in East London, faced significant socio-economic challenges related to low-income work, precarious employment, and underinvestment in essential sectors like care. The local authority aimed to improve living standards while reducing inequality—a shift from a traditional productivity-driven approach to one focused on better quality jobs and living standards. This case study explores two aspects of B&D's approach to foundational economy development: transforming the care sector to improve wages, career progression, and service quality, and using planning powers to shape business practices, enforce job quality, and secure social value from development projects.

Barking and Dagenham's approach to care sector reform sought to address low pay, limited career progression, and financialised business models. The care sector's reliance on private providers created a significant challenge for the council, as many providers prioritised profit distribution to shareholders over paying higher wages. To counter this, B&D leveraged its role as a commissioner of care services to incentivise providers to increase wages and create better job progression opportunities for care workers. One intervention focused on demonstrating that providers who paid higher wages often had lower insurance premiums. Data revealed that firms with lower-paid workforces had higher accident rates and staff

turnover, which drove up insurance costs. The council used this insight to encourage providers to shift their business models, advocating for a reallocation of their financial resources to prioritise wages. Additionally, B&D introduced pathways for skills development and job progression. By linking training to wage increases, the council sought to create career pathways for care workers. For instance, they explored models where carers could train in specialist roles, such as phlebotomy, and receive higher pay due to the increased skill level and ability to perform more specialised tasks. However, a key challenge was the risk that trained care workers might leave for better-paying roles in the NHS, thereby depleting the workforce in the local care sector. The council's interventions were designed to mitigate this risk and data suggests that this risk has not materialised, with the district's rate of staff turnover in social care[118] being substantially below the London average in recent years.[119]

B&D's care sector reforms highlighted several transferable lessons. They demonstrated that business models in care could be restructured to improve wages while maintaining financial efficiency. They also showed that sectoral interventions in job progression could yield long-term improvements in pay and conditions, though such initiatives require sustained political support and financial stability.

Alongside care sector reform, Barking and Dagenham used planning powers to shape business practices and embed social value into private development projects. The council's approach went beyond the traditional use of planning obligations under Section 106. In a high-profile example, B&D refused planning permission for an Amazon warehouse on the grounds that it did not meet the council's social value requirements. This decision was made possible because B&D's ownership of valuable brownfield land in London gave it significant negotiating leverage. This refusal sent a strong message to developers that social value commitments were non-negotiable, signaling the council's intention to use planning as a tool to drive up local job quality.

When outright refusal was not possible, B&D used negotiation tactics to influence planning applications. For instance, in negotiations over new commercial developments, the council required developers to embed job quality commitments in the tenancy agreements of commercial units.[120] This meant that downstream

tenants—not just the initial developers—were bound by conditions requiring that a set percentage of their jobs be paid the real living wage. This approach sought to create enduring job quality improvements that extended beyond the development phase. B&D's planning strategy did not rely solely on moral persuasion. The council established enforcement mechanisms, including annual reporting obligations for developers. If developers failed to meet job quality commitments, they faced financial penalties. The council's decision to impose penalties on underperformance was bolstered by its strong negotiating position, particularly where developers were eager to access high-demand sites in the borough.

The lessons from B&D's planning interventions are significant for other local and combined authorities. By linking planning permissions to long-term employment outcomes, councils can influence job quality in sectors beyond their direct control. This approach also shows how authorities can shape the behaviour of commercial actors through creative use of planning obligations and contract conditions. While some of these measures might face legal challenges, B&D's experience suggests that developers are often willing to comply to avoid project delays and maintain positive relationships with the council.

B&D's approach offers several lessons for other combined authorities seeking to develop the everyday economy. One key lesson is the importance of aligning business models with public good. The experience of B&D's care sector interventions shows that it is possible to incentivise providers to pay higher wages by demonstrating the financial benefits of such changes, such as lower insurance costs. Another lesson is the need for local authorities to leverage their roles as commissioners of public services. By attaching wage and job quality conditions to contracts (e.g. tied to existing standards such as the real living wage or the Unite Construction Charter), councils can drive changes in sectors where they have limited regulatory power. This approach is particularly relevant for combined authorities seeking to influence foundational sectors like care, logistics, and catering.

B&D's planning interventions also offer lessons in how to embed social value into development projects. By using Section 106 obligations to impose conditions on commercial tenants, the council set a precedent for how authorities can use planning

to drive employment improvements. This tactic is applicable for combined authorities that have significant control of public land or brownfield sites.

B&D's experience highlights the risks and limitations of such interventions. While planning obligations and commissioning conditions can deliver significant improvements, these changes are vulnerable to policy shifts and financial pressures. Financial factors have limited the effectiveness of initiatives to drive up wages in social care. These risks underscore the need for sustained political commitment and financial resilience to support the everyday economy over the long term.

COMBINED AUTHORITY EMPLOYEE OWNERSHIP HUBS

The Ownership Hub is a programme aiming to set up more worker co-operatives and employee-owned businesses. Under this programme, combined authorities have worked together with Co-operatives UK and the Employee Ownership Association to establish city-region level ownership hubs in the South Yorkshire Mayoral Combined Authority, the WMCA and the Greater London Authority.[121] To understand progress to date and what has been learned about this form of intervention, we interviewed stakeholders from the South Yorkshire Ownership Hub (SYOH) and the West Midlands Ownership Hub (WMOH).

The WMOH differs from the other two ownership hubs in its sectoral focus, aiming to support co-operatives and employee ownership (EO) in the creative industries. Following the DCMS definition,[122] this covers a broad range of organisation types, from large commercial film studios to public museums and creative freelancers. It encompasses several EE sectors (e.g. performing arts, museums) as well as non-EE sectors (e.g. advertising, architecture, publishing and IT). The creative industries have a relatively high share of freelancers compared to other parts of the economy, meaning work can be precarious and even those well established in their sector may struggle to maintain a steady pipeline of work for several months ahead. Other creative sectors, such as video game development,[123] have specific problems with long working hours. For some freelancers in these sectors, forming a co-operative was seen as a way to become more resilient, to secure better working conditions or to pool resources. Previous examples of the latter model include a group of dancers

in Birmingham forming a co-operative to improve access to funding, space and work,[124] and an artist-led gallery, workspace and bar that aims to provide exhibition space to those starting out in the sector.[125]

On the other hand, the SYOH and the London Ownership Hub have supported people from lots of different sectors. The narrower sectoral focus of the WMOH was seen as an advantage over the other two hubs, as it allowed its Co-ordinator, Jo Ind, to bring her knowledge of working in the sector, to develop trust with those receiving support and to consistently build the relationships needed to deliver the work of the hub. Having the support labelled as a creative initiative, rather than as 'business support', was seen as key to successfully reaching people in the sector who do not see themselves as businesspeople and may not usually seek out business support. Colette Harvey, the Co-ordinator of the SYOH, similarly raised the importance of building on existing networks and trust when talking to people about the potential to switch to a co-operative or EO model, which represents quite a dramatic change for the owners involved. A sector-by-sector approach is likely to provide better defined networks to build on in this way, and can be tailored to the challenges most prevalent in a given EE sector.

The regular activities of the WMOH have typically included conversations with interested parties, workshops envisioning alternative ownership for some of these organisations, and maintaining a presence or delivering seminars at events and conventions. The WMOH has additionally prioritised efforts to improve diversity within the co-operative and EO sectors, which have typically been under-representative of ethnic minorities. As of May 2025, these efforts will have resulted in 22 outreach events, co-produced with people from underrepresented communities, including creatives from Hong Kong or of Caribbean heritage. This co-production approach has been helpful in developing networks for alternative ownership models and understanding how such models can respond to challenges faced by each community in particular.

The main focus of the SYOH was on raising awareness of both co-operatives and EO as organisational structures, finding that covering both models was mutually complementary in getting its message out in the city-region, whereas the WMOH

focused mostly on co-operatives as it did not identify many businesses that were founder-owned and suitable candidates to transition to EO.

In both cases, co-operative and EO models were presented as options for businesses, which may not be the right fit after all in every case. The approach was to start with the challenges and context facing a given freelancer, group of people or firm, and to determine the best way forward and organisational model on that basis. Co-operatives tend to emerge in areas of market failure and may derive from the relatively radical thinking and organisational structures prioritised by their founders, whereas EO models are more often implemented within an existing business and tend to retain similar structures as before in aspects of the firm other than ownership.

The significance of a shift to either ownership model means that impact from ownership hubs has an inherently long timeline, as noted in both interviews. For most businesses that eventually become co-operatives or employee-owned, it takes several years from becoming aware of the model and its benefits to implementing it. With SYOH having begun its marketing in November 2022 and WMOH having launched in 2023, the successful engagement and early-stage support offered in each place has not yet translated to many co-operatives or employee-owned firms in operation, but some of the benefits of each intervention are likely to continue over the coming years. At the same time, achieving these shifts would create significant potential for improvements to job quality (through retaining money and investments among employees as owners, and through more democratic decision-making) and productivity.[126]

4. POLICY RECOMMENDATIONS FOR THE EVERYDAY ECONOMY IN THE WMCA

In this final chapter, we take a look at the challenges to address in EE sectors, review the available policy levers and upcoming developments in national and regional policies, and propose ways in which the WMCA can support better productivity, job quality and service quality in the EE.

CHALLENGES TO ADDRESS IN THE EE

Pay and job quality

We established in Chapter 2 that some of the largest EE occupations in terms of employment in the WMCA are among the lowest paid. Other issues of job quality persist in EE sectors, such as a lack of guaranteed hours and the use of zero-hours contracts, a lack of job security, limited progression and training, a low level of employee involvement in decision making, weak employee voice and low trade union membership. An estimated 21% of workers in the WMCA meet the Work Foundation's combined definition of severely insecure work.

These negative features in EE sectors can become stubborn and self-sustaining, as poor-quality jobs tend to reduce productivity. Poor job quality and job security coincides with high staff turnover in a number of EE sectors, especially hospitality, retail, other services and social care.[127] This in turn drives a wasteful use of society's resources in various ways. The cost of hiring rises with turnover and employers bear the costs of less experienced and worse trained staff as a result, with less capacity to reap the benefits of training if employees regularly leave. People in severely insecure work tend to earn £3,276 less per annum on average and are twice as likely to experience job related stress for more than half of each week.[128] Wider society bears the cost of worse quality services in sectors like care and education, where building long-term trust and relationships improves service quality, and the public pays for the social safety net needed when people are regularly out of work. Low wages

across large parts of the economy weaken demand, making it harder to shift the economy back onto a higher wage pathway.

The scale of this waste of resources and potential suggests that if these faults of job design, job quality and service quality can be overcome, it can create space for sustainable improvements to pay and job quality.

Rethinking productivity at the regional level

Just as poor job quality hurts productivity, in the opposite direction low productivity can tend to lock in poor job quality. An excessive focus on minimising labour costs can set in, through the mistaken impression that labour-intensive service providers should crack down on staff - their largest category of cost. Firms can become stuck in a 'low road' approach of providing a low-quality service at minimum cost. For example, research into the book retailer, Borders, showed how that company's use of understaffing, high workload and high staff turnover led to low-quality customer service and weaker profitability.[129] The adult social care sector at present also appears to be stuck in a low road equilibrium, as even employers widely acknowledge that the biggest change needed is higher pay,[130] but they cite an inability to raise pay, seemingly through a lack of confidence in their ability to deliver good productivity improvements, and have not raised it except to the extent that the minimum wage has risen.

Qualitative research into the contracting of cleaning, a commonly outsourced, low-paid, labour-intensive service, illustrate the problems that occur in a low road approach.[131] Short-duration contracts introduced to keep costs down for the procuring organisation disincentivised the suppliers from training their staff, as they have a shorter period to see the benefits of investing in training. Even where the real living wage was stipulated in the contract, the supplier often used other cost-cutting measures to compensate for this, damaging job quality in other ways. This included the use of zero-hours contracts, paying less for overtime, offering a lower pay premium for qualifications or experience, and shortening breaks in work. Cleaning firms were reluctant to offer better pay even as they lost staff to other jobs that paid better, seeing changes to shift patterns or working time as a cheaper alternative way to attract staff.

On the other hand, there are examples of a 'high road' approach that can deliver improvements in job quality hand in hand with pro-worker productivity improvements that raise service standards for the end user. In our case study interview with Barking and Dagenham Council we heard about their council-owned catering company that is successfully supplying schools across the district while paying the real living wage. The company can compete with lower-cost outsourcing firms by offering food of a higher nutritional quality that other suppliers cannot match and that schools are willing to pay for. A case study of the high road approach in retail was IKEA's adjustment to its commitment to paying the real living wage. The company accommodated this pay increase and other pay increases across junior and sub-contracted staff via a drive to reduce staff turnover (through contracts tied to actual hours worked and a right to regular time off), improve its flexibility (through more efficient scheduling and training staff to work on a wider scope of tasks) and increase customer satisfaction.[132] Another recent example of a high road approach to productivity was the move to a four-day week by the Welsh housing association, Merthyr Valleys Homes, which allowed its staff within each team to design their own approaches to achieve the productivity gains to facilitate a shorter working week with no reduction in pay.[133]

These examples show that in the EE, the traditional concept of productivity expressed as output per hour or GVA per hour can hide a multitude of different things, good and bad. Approaches focused on cost-cutting by reducing job quality may not always be as damaging in tradable sectors, where increasing capital intensity can deliver a high-quality product with less labour, but in EE sectors the service quality is inextricably tied to the person providing the service and in turn to the various parts of their job quality. In this way it may be more useful to take an approach suggested by FE expert Julie Froud in our interview, to "focus on things that allow people to do the job better, in a more fulfilling way". This may involve identifying criteria for good productivity gains as things that allow for better quality work, rather than simply thinking about productivity in terms of work intensification or substituting technology for labour.

There are various different policy levers that could be applied to shift firms and sectors towards a high road approach. At the central government level, labour

regulations set job quality floors and raising these minimums, when combined with other incentives or supports, could require firms to begin designing and implementing good productivity measures. Various organisational forms could be used to facilitate changes to job design or practices in this way, from national sectoral bargaining structures, to bodies like the Social Care Fair Work Forum in Wales, which has operated since 2020 to convene government, employers and trade unions to consider how to implement fair work in the sector,[134] to regional structures such as anchor networks.

Weak transport options and poor housing conditions

A number of interrelated issues of job quality, housing quality and transport provision began to emerge in the data in Chapter 2, as well as in the wider literature, that should be kept in mind when formulating EE policies. People working in several of the major EE occupations tended to have the shortest commuting distances, were more likely to walk or take the bus to work, were less likely to drive to work (probably relating in part to ability to afford to own a car) and were more likely in some cases to usually take a taxi to work (possibly incurring higher costs). The Low Pay Commission also found in 2023 that people working for minimum wage were more likely to walk to work and less likely to drive than in 2019, and that low-paid workers' ability to take on work was significantly affected by access to affordable public transport.[135]

Transport constraints appear to make people more likely to have to resort to poor quality work locally. A 2023 survey of 4,000 people in a mix of insecure and secure work explored similar problems, finding people in insecure jobs were more likely to have faced constrained choices when taking up their job.[136] People in insecure work were more likely to have cited constraints from limited job opportunities in their area (29%, versus 25% for secure workers) and transportation availability (18% vs 13%), while women in insecure work were especially affected in their choices by needing a job not too far from where they lived (38%, versus 31% for men in insecure work) and limited job opportunities in their area (32% vs 25%).[137] People in severely insecure work are far more likely to live in private rented housing (20.9%) than people in secure work (14.5%), especially for Black (38.0%) or Asian (37.5%) severely insecure workers, and the availability and cost of housing is likely to combined with

the available transport options to limit the kind of work people in these groups can access.

These issues illustrate the value of the concept of foundational liveability and residual income as the measure of success, as recently applied by academic researchers from the FE Collective. Interventions to lower the costs of transport or housing of people working in EE occupations may improve their leftover income after meeting their essential needs, ultimately improving their wellbeing. Further work would be needed to determine the final approach to implementing discounted or free travel to people working in certain EE occupations, but a few precedents indicate some options. These include offering discounts to workers under certain employers,[138] schemes only for the lowest-paid workers in a given organisation as implemented for TfL employees and contractors in London recently,[139] and occupation-level discounts negotiated with private transport operators and accessed via work passes,[140] membership of sectoral bodies[141] or sectoral discount schemes[142] (e.g. focusing on carers, NHS workers or teachers).

POLICY LEVERS AND SPHERES OF INFLUENCE

With the broad scope of economic activities contained in the EE, there is a long list of policy levers available at the central, CA and LA levels of government and among local communities to shape how these parts of the economy develop. We list these here based on our primary and secondary research, before discussing the differing extent to which government can have an influence on practice in various EE sectors. A number of important levers are available to the central government over the EE:

- The central government has the ability to set **minimum standards** for many aspects of job quality, through decisions on the level of minimum wages and the remit of the Low Pay Commission in advising on these, as well as a host of **regulations** around job conditions such as those proposed in the forthcoming Employment Rights Bill.
- In a number of public EE sectors, such as health, education in LA-maintained schools and protective services the central government has direct influence over the rates of pay by shaping the remit of independent **pay review bodies** and deciding on how to implement their recommendations.[143]

- The central government can also convene processes of formal **negotiation** or informal **discussion** on job quality and service standards between employers, employees and trade unions in key EE sectors, including to agree improvements under **sectoral collective bargaining**.
- The central government **regulates** the operation of certain prominent EE sectors by setting rules for ownership, service standards, profit margins or pricing, including in energy, water, transport and telecommunications.
- The central government has the power to introduce **licensing** of certain occupations to regulate minimum standards, qualifications and thereby affect the supply of workers into these occupations. Licensing was introduced for nursery workers and security guards in the 2000s, for example, with suggestions that it led to an improvement in service standards in each case. Other major EE sectors that are licensed in other countries, such as construction, are currently not subject to as much licensing in the UK.[144]
- The central government can adjust tax credits, subsidies and student financing offers to encourage training and skills development, e.g. using the design of payroll tax credits to reduce the risk to workers and employers of investing in skills.[145]

At the level of combined authorities and local authorities (referred to below as 'local government'), various levers are available. The following is a long-list of options that could be pursued in theory, but it is important to note that in practice many of these interventions would require significant investment of capacity by the relevant local government bodies to implement them successfully:

- Local and combined authorities can set the terms and conditions of people they **directly employ**, as an important lever to directly affect job quality in the local economy, including through accreditation to schemes such as the real living wage or the Unite Construction Charter in the case of property development.
- Local and combined authorities can extend these job quality conditions to a wider part of the local economy through **insourcing** of public services that have previously been outsourced to private suppliers. Often this has focused on labour-intensive services, including street cleansing and waste collection, but it has also been applied to buildings cleaning, housing maintenance and grounds management.[146]
- Local authorities can establish **council-owned trading companies** to provide products and services in their local economy with direct control over job quality, e.g. as done in school catering in the example of Barking and Dagenham, or in housing development companies established by some local authorities.
- Local and combined authorities can set conditions on their **procurement** of goods and services to encourage its suppliers to adopt certain practices, including job

quality measures such as higher wages or banning harmful contracting practices, in addition to other requirements such as sustainability. Local government can also use its approach to commissioning public services to shape how they are delivered, e.g. by tendering contracts in a way that allows more local providers to bid.

- Local and combined authorities can convene networks of like-minded **anchor institutions** to extend the reach of improvements to job quality among people directly employed by the network's members and procurement undertaken by different members.
- Local authorities can use **planning levers** to require certain practices (e.g. local employment or expenditure targets) and job quality within property developments it approves via mechanisms such as Section 106 agreements, and to negotiate commitments on job quality in the resulting commercial property once constructed. Planning levers can also be used to secure affordable workspace within new developments that could be let out at reduced rents to EE firms with social value conditions attached.[147] For example, Islington Council uses planning negotiations to secure a certain proportion of new workspace developed, on a long lease and peppercorn rent, and then in turn lets the space at a peppercorn rent to tenants who commit to meet certain social value outcomes.[148] This model has been applied since 2019 to operate a workspace focused on tech-for-good and cooperative development in North London.[149] These powers could in theory be used by combined authorities instead, under structures where they become the local planning authority instead of the local council, such as Mayoral Development Corporations.
- Local authorities and anchor institutions such as housing associations can use their **existing property** to let out space to EE firms at reduced rents with conditions on social value or job quality metrics, including through structures such as social value leases or through council policies on VCSE lettings.[150] Similarly, publicly-owned land can be repurposed or developed to support EE sectors or transferred into community ownership for this purpose through structures such as community land trusts.
- Local and combined authorities can develop **voluntary charters** on job quality as described in Chapter 3, to celebrate good practice, spread awareness of good employers and potentially apply as a condition on their procurement or grant disbursement. These good work standards can also raise awareness of the need for improvement among EE workers and indirectly support improvements in job quality by providing a reference for trade union campaigns. Research on the good work concept used by the Scottish Government found that trade unions had successfully referred back to good work at times in winning improved conditions or deterring threats such as fire and rehire.[151] The Mayor of the West Midlands proposed bringing forward a Good Work standard in his 2024 election manifesto.[152]

- Local and combined authorities can use their **business support** programmes to work directly with EE firms on initiatives that improve job quality and productivity in tandem, such as changes to job design or processes, or pooling resources to take advantage of economies of scale. This can extend to support for bigger changes in structure (e.g. employee ownership).
- Combined authorities can apply their **skills and adult education** powers and funding to tailored programmes for EE sectors to improve training, progression and contribute to a longer-term rise in service quality.
- Combined authorities can provide **grant funds** with conditions to target EE enterprises and certain improvements in job quality and productivity. The element of conditionality could take many different forms and it would be up to the combined authority to work out the exact conditions, to make it impactful on job quality while remaining achievable and not overly onerous for itself or for the recipient. For example, this might include requiring the recipient to make a plan to improve a given aspect of job quality (e.g. raising the share of workers paid at real living wage rates or above over time) or having a provision to claw back a set proportion of the grant if certain targets are not met. The scope for making grants conditional may vary depending on the source of the grant funding.
- Combined authorities can apply their **transport powers** to change the way local public transport serves areas where a high share of EE workers live, or routes to key EE workplaces, and can offer targeted discounted fare schemes, including to people from certain occupations, of a given age or seeking work.
- Local and combined authorities have powers over **housing development** that could incorporate more appreciation of the EE and the issues affecting lower-paid workers locally. For example, a large part of the funding for housing at CA level comes through brownfield grants, which tend to support traditional private developer schemes. There may be additional scope to use conditions on this funding or for local government to intervene more actively in local land and housing markets, to secure more genuinely affordable housing for people working in the EE. Another option available to local authorities, applied more frequently in the 1990s and 2000s, is to repurchase homes to convert into social housing.[153] Combined authorities can provide funding to local authorities to support this, as has occurred in recent years under the Greater London Authority's Council Housing Acquisition Programme.[154]
- Although it is primarily the remit of various national agencies, local government can support the **enforcement** of labour laws, provided sufficient resources are made available. One example of this nascent area for influence is the Employment Rights Hub run by Newham Council in East London, a physical location where residents can get free confidential support on their employment rights and how to take action in response to violations.

Beyond the scope of the public sector, there are a few levers for change that involve residents directly taking the lead:

- **Public campaigns** can form an important part of winning improvements in job quality in a place, creating pressure for change. Localised living wage initiatives have at times appealed to a much wider group of residents beyond just those in the jobs affected.
- **Worker organising** is a key component of improving job quality in the EE. Enlisting people working in EE sectors to develop their own proposals for change is an essential approach in overcoming the informational issues: local government cannot know the detailed issues occurring in every workplace nearly as well as those affected day to day. Likewise, having an organised and engaged workforce can yield more effective solutions, including working out how to implement productivity improvements without sacrificing job quality, and ensure that change is sustained over time without backsliding. There is potential for local government bodies to support improved union organising in their areas, e.g. through informational campaigns to raise membership, trade union requirements in council procurement, or making property available for these activities on an ongoing basis.

The policy levers outlined in the long-list above correspond to different EE sectors and spheres of influence. The variety of activities and economic structures across the EE requires that the policy response should be different in each sector. A sector's proximity to government will inform the approach to some extent:

- EE sectors engaged in the direct delivery of public services, e.g. civil servants, LA-maintained schools, protective services and the NHS, and workers in similar services that have the potential for insourcing can be influenced directly by policies on pay, conditions and job design.
- EE sectors that regularly supply central or local government can see steady improvement through conditions on procurement, collaboration on workforce planning, skills and productivity, and potentially sectoral forums or negotiations.
- Some EE sectors interact only sporadically with local government, e.g. at moments where they require planning approval to develop a premises to operate from, or when receiving a grant as part of an investment zone. It is vital that these opportunities for influence are used effectively, to set conditions in return for granting the use of land within the district or releasing subsidies to a company.
- Some EE sectors such as retail and hospitality are largely independent of direct public sector influence, as they do not supply local government or require regular approvals. Nonetheless, efforts can be made to influence these firms, either by

offering a 'carrot' through innovation funds, sectoral forums or charters, or with the 'stick' of strong minimums in labour laws and stronger worker organising.

RELEVANT POLICY DEVELOPMENTS

A few important policy developments at central government level will potentially have significant effects for the EE. The instruction to the Low Pay Commission to raise the 'National Living Wage' to two-thirds of median earnings is likely to raise pay in a number of key EE sectors, as will the abolishing of the lower minimum wage rates currently applicable to 18-20 year-olds, especially in sectors like hospitality that employ a high share of the youngest employees.

The Employment Rights Bill (ERB) is particularly significant for the EE, containing a wide variety of potentially ambitious changes to labour laws that would affect many EE workers. This will take a few years to introduce and implement: the current timeline from the government suggests consultation in 2025, with the majority of reforms taking effect in 2026, some of these in late 2026.[155] The government's economic analysis of the potential impact of the ERB and its individual measures provides a wealth of insight into the issues the ERB aims to address.[156] We know that the impacts will be concentrated in certain sectors where job quality is currently worst, many of which are EE sectors. The provisions of the ERB would include curtailing the use of zero-hours contracts by offering people a right to guaranteed hours, reasonable notice of shifts and compensation for shift cancellation.[157] The ERB would additionally strengthen sick pay, rights to parental leave and protection against unfair dismissal, give trade unions much greater freedom to operate and establish a single enforcement body for labour laws called the Fair Work Agency.

A further important aspect of the ERB would be its introduction of sectoral bargaining in the adult social care sector, through a Fair Pay Agreement that is expected to improve pay and conditions in that sector. This would be the first attempt by this government to introduce sectoral collective bargaining into a sector of this scale and job quality, and if successful could serve as a precedent to advocate for more sectors to be covered by future Fair Pay Agreements. There is a good case for expanding this approach into other EE sectors,[158] although the Labour Party has

reduced its ambitions on this policy between 2021 and 2024. Research has proposed that sectors such as childcare, rail, construction, warehousing and cleaning are good candidates for further FPAs after adult social care.[159, 160] Sectoral agreements of this kind are a proven mechanism for raising job quality in a sector and moving firms onto a 'high road' approach to productivity,[161] as shown by the history of one of the best examples of such an agreement at present, the Joint Industry Board (JIB) for the Electrical Contracting Industry.[162] The JIB has set standards, pay and conditions in the electrical contracting industry for many years and could be a precedent to aim for in some EE sectors.

The combined effect of minimum wage and ERB measures will hopefully be to create an impetus for a shift towards high road approaches in EE sectors. The task for local government in this context is to be prepared to make the most of this opportunity and embed sustainable improvements to job quality.

There are also a range of upcoming policies to be delivered by WMCA using recently devolved powers and funding that may have potential to incorporate some aspect of support for the EE. These include:

- Additional flexibility in spending from the integrated settlement;
- Investment Zones across the WMCA aiming to catalyse major investments in frontier sectors and regeneration;
- Levelling Up Zones providing a funding stream through business rates retention, with various aims including making the most of new tram lines, encouraging frontier investment and regeneration, and supporting inclusive growth;
- An ongoing Place Pilot to make best use of public assets locally;
- A devolved retrofit scheme for the CA;
- Transport powers and an ongoing process considering options for bus franchising.

RECOMMENDATIONS

We propose the following recommendations to maximise the use of available levers to better support the EE.

Central government level

- Advocate for a plan for additional sectoral bargaining mechanisms to be introduced in the largest EE employer sectors or those with the lowest job quality at present. Make use of the opportunity afforded by the upcoming adult social care Fair Pay Agreement process to demonstrate the benefits of this approach.
- Advocate for national level tax reforms which can incentivise business to invest in their employees and programmes aimed at supporting workers with the financial and other constraints to adult education and upskilling.

WMCA level

- Use the evidence of this report and other research to plan for which EE sectors should be targeted for sector-wide improvements in job quality and productivity (moving to a high road approach). This should consider the number of people who would benefit, the scale of the potential improvement, available policy levers and scope to incorporate interventions into existing programmes, potentially including a place-based approach in an area where a high number of workers in that EE sector are located.
- Develop EE economic strategies for target EE sectors, setting out the improvements in the quality of work and services that will be sought in the coming years and interventions to achieve these. These could include an assessment of the different components of job quality, service quality and productivity that need to be addressed in the sector, matched to proposals for how the CA and its member LAs will apply available policy levers over a defined timescale, with outcomes and outputs to be measured against the desired changes. The WMCA Inclusive Growth Framework is a potential foundation in which to anchor the desired impact in these sectors, in addition to the needs identified in preliminary data analysis.
- Explore how WMCA adult education funding can be used to give local EE employers greater security to invest in the skills of their workers, to crowd in private financing into skills funding and to alleviate the cost-of-living barrier to upskilling.
- Plan for how the devolved retrofit programme can be used to steadily build a local supply chain for retrofit in the city-region that delivers good quality jobs.
- Investigate options for creating an EE innovation fund, including by making use of or pooling proceeds from the Levelling Up Zone retained business rates.
- Consider how business support through Business Growth West Midlands could incorporate a focus on raising productivity and job quality in the EE.

- Disseminate information to teams within the WMCA on the EE, the issues affecting those working in the EE and the full range of levers available to intervene in the EE, working with them to determine opportunities for aligning their work with this focus or making greater use of levers they oversee.

Local authority level within WMCA

- Engage local authority planning teams to make plans to maximise the job quality benefits of upcoming property development under the Investment Zones, Levelling Up Zones and housing development, aiming to introduce conditionality in the Section 106 process to drive improvements in job quality and local spending during and after construction.
- Review the council-owned commercial and community properties within the LAs and the potential for these sites to be let out to EE sector firms while securing social value and job quality commitments through leases.
- Scope the potential for insourcing or council-owned companies to provide EE services that are currently outsourced at local authority level with higher service quality and job quality than is currently delivered.

Further research

- Conduct a review of WMCA's investment funding streams in major economic programmes such as the Investment Zones, Levelling Up Zones and the brownfield housing funding, identifying opportunities for conditionality to improve job quality in the EE, including among EE occupations employed within frontier sector sites that will receive public subsidy.
- Review the opportunities and challenges that will arise from the Employment Rights Bill in key EE sectors and prepare options for how the CA will respond to support the most affected sectors to make a sustained improvement in job quality and good productivity.
- Conduct further research into how poor-quality work, poor-quality housing and transport options interact for people in the lowest-paid EE occupations and the areas of highest share of these jobs.

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APPENDIX A: EVERYDAY ECONOMY OCCUPATIONAL CLASSIFICATION

EE share of occupations in the WMCA (SOC2020, 3-digit)

Occupation (SOC 2020)	EE share
111 Chief executives and senior officials	0
112 Production managers and directors	0
113 Functional managers and directors	0
114 Directors in logistics, warehousing and transport	0
115 Managers and directors in retail and wholesale	1
116 Senior officers in protective services	0.57
117 Health and social services managers and directors	1
121 Managers and proprietors in agriculture related services	0.20
122 Managers and proprietors in hospitality and leisure services	0.97
123 Managers and proprietors in health and care services	1
124 Managers in logistics, warehousing and transport	0.56
125 Managers and proprietors in other services	0.47
211 Natural and social science professionals	0
212 Engineering professionals	0
213 Information technology professionals	0
214 Web and multimedia design professionals	0
215 Conservation and environment professionals	0
216 Research and development (R&D) and other research professionals	0
221 Medical practitioners	1
222 Therapy professionals	1
223 Nursing and midwifery professionals	1
224 Veterinarians	1
225 Other health professionals	1
231 Teaching and other educational professionals	1
232 Other educational professionals	1
241 Legal professionals	0
242 Finance professionals	0
243 Business, research and administrative professionals	0
244 Business and financial project management professionals	0
245 Architects, chartered architectural technologists, planning officers, surveyors and construction professionals	0
246 Welfare professionals	1
247 Librarians and related professionals	0.67
248 Quality and regulatory professionals	0.05
249 Media professionals	0
311 Science, engineering and production technicians	0
312 CAD, drawing and architectural technicians	0

Occupation (SOC 2020)	EE share
313 Information technology technicians	0
321 Health associate professionals	0.90
322 Welfare and housing associate professionals	1
323 Teaching and childcare associate professionals	1
324 Veterinary nurses	1
331 Protective service occupations	0.91
341 Artistic, literary and media occupations	1
342 Design occupations	0
343 Sports and fitness occupations	0.87
351 Transport associate professionals	0
352 Legal associate professionals	0
353 Finance associate professionals	0.20
354 Business associate professionals	0
355 Sales, marketing and related associate professionals	0
356 Public services associate professionals	1
357 HR, training and other vocational associate guidance professionals	0.07
358 Regulatory associate professionals	1
411 Administrative occupations: Government and related organisations	1
412 Administrative occupations: Finance	0.43
413 Administrative occupations: Records	0.60
414 Administrative occupations: Office managers and supervisors	0
415 Other administrative occupations	0
421 Secretarial and related occupations	0.57
511 Agricultural and related trades	1
521 Metal forming, welding and related trades	0.10
522 Metal machining, fitting and instrument making trades	0
523 Vehicle trades	0.91
524 Electrical and electronic trades	0.93
525 Skilled metal, electrical and electronic trades supervisors	0
531 Construction and building trades	1
532 Building finishing trades	1
533 Construction and building trades supervisors	1
541 Textiles and garments trades	0.87
542 Printing trades	0
543 Food preparation and hospitality trades	1
544 Other skilled trades	0.14
611 Teaching and childcare support occupations	1
612 Animal care and control services	0.10
613 Caring personal services	1
621 Leisure and travel services	0.85
622 Hairdressers and related services	1
623 Housekeeping and related services	1
624 Cleaning and housekeeping managers and supervisors	1
625 Bed and breakfast and guest house owners and proprietors	1

Occupation (SOC 2020)	EE share
631 Community and civil enforcement occupations	1
711 Sales assistants and retail cashiers	0.99
712 Sales related occupations	0.58
713 Shopkeepers and sales supervisors	1
721 Customer service occupations	0
722 Customer service supervisors	0
811 Process operatives	0.50
812 Metal working machine operatives	0
813 Plant and machine operatives	0.53
814 Assemblers and routine operatives	0.05
815 Construction operatives	1
816 Production, factory and assembly supervisors	0
821 Road transport drivers	0.85
822 Mobile machine drivers and operatives	0
823 Other drivers and transport operatives	0.57
911 Elementary agricultural occupations	1
912 Elementary construction occupations	1
913 Elementary process plant occupations	0
921 Elementary administration occupations	1
922 Elementary cleaning occupations	0.97
923 Elementary security occupations	1
924 Elementary sales occupations	1
925 Elementary storage occupations	0.95
926 Other elementary services occupations	1

EE share of occupations (SOC2020, 4-digit)

4-digit code	Occupation (SOC 2020)	EE share
1111	Chief executives and senior officials	1
1112	Elected officers and representatives	0
1121	Production managers and directors in manufacturing	0
1122	Production managers and directors in construction	1
1123	Production managers and directors in mining and energy	1
1131	Financial managers and directors	0
1132	Marketing, sales and advertising directors	0
1133	Public relations and communications directors	0
1134	Purchasing managers and directors	1
1135	Charitable organisation managers and directors	0
1136	Human resource managers and directors	0
1137	Information technology managers directors	0

4-digit code	Occupation (SOC 2020)	EE share
1139	Functional managers and directors n.e.c.	1
1140	Directors in logistics, warehousing and transport	1
1150	Managers and directors in retail and wholesale	1
1161	Officers in armed forces	0
1162	Senior police officers	1
1163	Senior officers in fire, ambulance, prison and related services	1
1171	Health services and public health managers and directors	1
1172	Social services managers and directors	1
1211	Managers and proprietors in agriculture and horticulture	1
1212	Managers and proprietors in forestry, fishing and related services	0
1221	Hotel and accommodation managers and proprietors	1
1222	Restaurant and catering establishment managers and proprietors	1
1223	Publicans and managers of licensed premises	1
1224	Leisure and sports managers and proprietors	1
1225	Travel agency managers and proprietors	0
1231	Health care practice managers	1
1232	Residential, day and domiciliary care managers and proprietors	1
1233	Early education and childcare services proprietors	1
1241	Managers in transport and distribution	1
1242	Managers in storage and warehousing	0
1243	Managers in logistics	0
1251	Property, housing and estate managers	0
1252	Garage managers and proprietors	1
1253	Hairdressing and beauty salon managers and proprietors	1
1254	Waste disposal and environmental services managers	1
1255	Managers and directors in the creative industries	0
1256	Betting shop and gambling establishment managers	0
1257	Hire services managers and proprietors	0
1258	Directors in consultancy services	0
1259	Managers and proprietors in other services n.e.c.	1
2111	Chemical scientists	0
2112	Biological scientists	0
2113	Biochemists and biomedical scientists	0
2114	Physical scientists	0
2115	Social and humanities scientists	0
2119	Natural and social science professionals n.e.c.	0
2121	Civil engineers	0
2122	Mechanical engineers	0
2123	Electrical engineers	0
2124	Electronics engineers	0
2125	Production and process engineers	0
2126	Aerospace engineers	0
2127	Engineering project managers and project engineers	0
2129	Engineering professionals n.e.c.	0

4-digit code	Occupation (SOC 2020)	EE share
2131	IT project managers	0
2132	IT managers	0
2133	IT business analysts, architects and systems designers	0
2134	Programmers and software development professionals	0
2135	Cyber security professionals	0
2136	IT quality and testing professionals	0
2137	IT network professionals	0
2139	Information technology professionals n.e.c.	0
2141	Web design professionals	0
2142	Graphic and multimedia designers	0
2151	Conservation professionals	0
2152	Environment professionals	0
2161	Research and development (R&D) managers	0
2162	Other researchers, unspecified discipline	0
2211	Generalist medical practitioners	1
2212	Specialist medical practitioners	1
2221	Physiotherapists	1
2222	Occupational therapists	1
2223	Speech and language therapists	1
2224	Psychotherapists and cognitive behaviour therapists	1
2225	Clinical psychologists	1
2226	Other psychologists	1
2229	Therapy professionals n.e.c.	1
2231	Midwifery nurses	1
2232	Registered community nurses	1
2233	Registered specialist nurses	1
2234	Registered nurse practitioners	1
2235	Registered mental health nurses	1
2236	Registered children's nurses	1
2237	Other registered nursing professionals	1
2240	Veterinarians	1
2251	Pharmacists	1
2252	Optometrists	1
2253	Dental practitioners	1
2254	Medical radiographers	1
2255	Paramedics	1
2256	Podiatrists	1
2259	Other health professionals n.e.c.	1
2311	Higher education teaching professionals	1
2312	Further education teaching professionals	1
2313	Secondary education teaching professionals	1
2314	Primary education teaching professionals	1
2315	Nursery education teaching professionals	1

4-digit code	Occupation (SOC 2020)	EE share
2316	Special and additional needs education teaching professionals	1
2317	Teachers of English as a foreign language	1
2319	Teaching professionals n.e.c.	1
2321	Head teachers and principals	1
2322	Education managers	1
2323	Education advisers and school inspectors	1
2324	Early education and childcare services managers	1
2329	Other educational professionals n.e.c	1
2411	Barristers and judges	0
2412	Solicitors and lawyers	0
2419	Legal professionals n.e.c.	0
2421	Chartered and certified accountants	0
2422	Finance and investment analysts and advisers	0
2423	Taxation experts	0
2431	Management consultants and business analysts	0
2432	Marketing and commercial managers	0
2433	Actuaries, economists and statisticians	0
2434	Business and related research professionals	0
2435	Professional/Chartered company secretaries	0
2439	Business, research and administrative professionals n.e.c.	0
2440	Business and financial project management professionals	0
2451	Architects	0
2452	Chartered architectural technologists, planning officers and consultants	0
2453	Quantity surveyors	0
2454	Chartered surveyors	0
2455	Construction project managers and related professionals	0
2461	Social workers	1
2462	Probation officers	1
2463	Clergy	1
2464	Youth work professionals	1
2469	Welfare professionals n.e.c.	1
2471	Librarians	1
2472	Archivists, conservators and curators	0
2481	Quality control and planning engineers	0
2482	Quality assurance and regulatory professionals	0
2483	Environmental health professionals	1
2491	Newspaper, periodical and broadcast editors	0
2492	Newspaper and periodical broadcast journalists and reporters	0
2493	Public relations professionals	0
2494	Advertising accounts managers and creative directors	0
3111	Laboratory technicians	0
3112	Electrical and electronics technicians	0
3113	Engineering technicians	0

4-digit code	Occupation (SOC 2020)	EE share
3114	Building and civil engineering technicians	0
3115	Quality assurance technicians	0
3116	Planning, process and production technicians	0
3119	Science, engineering and production technicians n.e.c.	0
3120	CAD, drawing and architectural technicians	0
3131	IT operations technicians	0
3132	IT user support technicians	0
3133	Database administrators and web content technicians	0
3211	Dispensing opticians	1
3212	Pharmaceutical technicians	1
3213	Medical and dental technicians	1
3214	Complementary health associate professionals	0
3219	Health associate professionals n.e.c.	1
3221	Youth and community workers	1
3222	Child and early years officers	1
3223	Housing officers	1
3224	Counsellors	1
3229	Welfare and housing associate professionals n.e.c.	1
3231	Higher level teaching assistants	1
3232	Early education and childcare practitioners	1
3240	Veterinary nurses	1
3311	Non-commissioned officers and other ranks	0
3312	Police officers (sergeant and below)	1
3313	Fire service officers (watch manager and below)	1
3314	Prison service officers (below principal officer)	1
3319	Protective service associate professionals n.e.c.	1
3411	Artists	1
3412	Authors, writers and translators	1
3413	Actors, entertainers and presenters	1
3414	Dancers and choreographers	1
3415	Musicians	1
3416	Arts officers, producers and directors	1
3417	Photographers, audio-visual and broadcasting equipment operators	1
3421	Interior designers	0
3422	Clothing, fashion and accessories designers	0
3429	Design occupations n.e.c.	0
3431	Sports players	0
3432	Sports coaches, instructors and officials	1
3433	Sports coaches, instructors and officials	1
3511	Aircraft pilots and air traffic controllers	0
3512	Ship and hovercraft officers	0
3520	Legal associate professionals	0
3531	Brokers	0

4-digit code	Occupation (SOC 2020)	EE share
3532	Insurance underwriters	1
3533	Financial and accounting technicians	0
3534	Financial accounts managers	0
3541	Estimators, valuers and assessors	0
3542	Importers and exporters	0
3543	Project support officers	0
3544	Data analysts	0
3549	Business associate professionals n.e.c.	0
3551	Buyers and procurement officers	0
3552	Business sales executives	0
3553	Merchandisers	0
3554	Advertising and marketing associate professionals	0
3555	Estate agents and auctioneers	0
3556	Sales accounts and business development managers	0
3557	Events managers and organisers	0
3560	Public services associate professionals	1
3571	Human resources and industrial relations officers	0
3572	Careers advisers and vocational guidance specialists	1
3573	Information technology trainers	0
3574	Other vocational and industrial trainers	0
3581	Inspectors of standards and regulations	1
3582	Health and safety managers and officers	1
4111	National government administrative occupations	1
4112	Local government administrative occupations	1
4113	Officers of non-governmental organisations	1
4121	Credit controllers	0
4122	Book-keepers, payroll managers and wages clerks	0
4123	Bank and post office clerks	1
4124	Finance officers	1
4129	Financial administrative occupations n.e.c.	1
4131	Records clerks and assistants	0
4132	Pensions and insurance clerks and assistants	1
4133	Stock control clerks and assistants	1
4134	Transport and distribution clerks and assistants	1
4135	Library clerks and assistants	1
4136	Human resources administrative occupations	0
4141	Office managers	0
4142	Office supervisors	0
4143	Customer service managers	0
4151	Sales administrators	0
4152	Data entry administrators	0
4159	Other administrative occupations n.e.c.	0
4211	Medical secretaries	1

4-digit code	Occupation (SOC 2020)	EE share
4212	Legal secretaries	0
4213	School secretaries	1
4214	Company secretaries and administrators	0
4215	Personal assistants and other secretaries	0
4216	Receptionists	1
4217	Typists and related keyboard occupations	0
5111	Farmers	1
5112	Horticultural trades	1
5113	Gardeners and landscape gardeners	1
5114	Groundsmen and greenkeepers	1
5119	Agricultural and fishing trades n.e.c.	0
5211	Sheet metal workers	0
5212	Metal plate workers, smiths, moulders and related occupations	0
5213	Welding trades	0
5214	Pipe fitters	1
5221	Metal machining setters and setter-operators	0
5222	Tool makers, tool fitters and markers-out	0
5223	Metal working production and maintenance fitters	0
5224	Precision instrument makers and repairers	0
5225	Air-conditioning and refrigeration installers and repairers	0
5231	Vehicle technicians, mechanics and electricians	1
5232	Vehicle body builders and repairers	1
5233	Vehicle paint technicians	0
5234	Aircraft maintenance and related trades	0
5235	Boat and ship builders and repairers	0
5236	Rail and rolling stock builders and repairers	1
5241	Electricians and electrical fitters	1
5242	Telecoms and related network installers and repairers	1
5243	TV, video and audio servicers and repairers	0
5244	Computer system and equipment installers and servicers	1
5245	Security system installers and repairers	0
5246	Electrical service and maintenance mechanics and repairers	1
5249	Electrical and electronic trades n.e.c.	1
5250	Skilled metal, electrical and electronic trades supervisors	0
5311	Steel erectors	0
5312	Stonemasons and related trades	1
5313	Bricklayers	1
5314	Roofers, roof tilers and slaters	1
5315	Plumbers and heating and ventilating installers and repairers	1
5316	Carpenters and joiners	1
5317	Glaziers, window fabricators and fitters	1
5319	Construction and building trades n.e.c.	1
5321	Plasterers	1

4-digit code	Occupation (SOC 2020)	EE share
5322	Floorers and wall tilers	1
5323	Painters and decorators	1
5330	Construction and building trades supervisors	1
5411	Upholsterers	1
5412	Footwear and leather working trades	1
5413	Tailors and dressmakers	1
5419	Textiles, garments and related trades n.e.c.	0
5421	Pre-press technicians	0
5422	Printers	0
5423	Print finishing and binding workers	0
5431	Butchers	1
5432	Bakers and flour confectioners	1
5433	Fishmongers and poultry dressers	1
5434	Chefs	1
5435	Cooks	1
5436	Catering and bar managers	1
5441	Glass and ceramics makers, decorators and finishers	0
5442	Furniture makers and other craft woodworkers	0
5443	Florists	1
5449	Other skilled trades n.e.c.	0
6111	Early education and childcare assistants	1
6112	Teaching assistants	1
6113	Educational support assistants	1
6114	Childminders	1
6116	Nannies and au pairs	1
6117	Playworkers	1
6121	Pest control officers	1
6129	Animal care services occupations n.e.c.	0
6131	Nursing auxiliaries and assistants	1
6132	Ambulance staff (excluding paramedics)	1
6133	Dental nurses	1
6134	Houseparents and residential wardens	1
6135	Care workers and home carers	1
6136	Senior care workers	1
6137	Care escorts	1
6138	Undertakers, mortuary and crematorium assistants	1
6211	Sports and leisure assistants	1
6212	Travel agents	1
6213	Air travel assistants	0
6214	Rail travel assistants	1
6219	Leisure and travel service occupations n.e.c.	1
6221	Hairdressers and barbers	1
6222	Beauticians and related occupations	1

4-digit code	Occupation (SOC 2020)	EE share
6231	Housekeepers and related occupations	1
6232	Caretakers	1
6240	Cleaning and housekeeping managers and supervisors	1
6250	Bed and breakfast and guest house owners and proprietors	1
6311	Police community support officers	1
6312	Parking and civil enforcement occupations	1
7111	Sales and retail assistants	1
7112	Retail cashiers and check-out operators	1
7113	Telephone salespersons	0
7114	Pharmacy and optical dispensing assistants	1
7115	Vehicle and parts salespersons and advisers	1
7121	Collector salespersons and credit agents	0
7122	Debt, rent and other cash collectors	0
7123	Roundspersons and van salespersons	1
7124	Market and street traders and assistants	1
7125	Visual merchandisers and related occupations	0
7129	Sales related occupations n.e.c.	1
7131	Shopkeepers and owners - retail and wholesale	1
7132	Sales supervisors - retail and wholesale	1
7211	Call and contact centre occupations	0
7212	Telephonists	1
7213	Communication operators	1
7214	Market research interviewers	0
7219	Customer service occupations n.e.c.	0
7220	Customer service supervisors	0
8111	Food, drink and tobacco process operatives	1
8112	Textile process operatives	0
8113	Chemical and related process operatives	0
8114	Plastics process operatives	0
8115	Metal making and treating process operatives	0
8119	Process operatives n.e.c.	0
8120	Metal working machine operatives	0
8131	Paper and wood machine operatives	0
8132	Mining and quarry workers and related operatives	0
8133	Energy plant operatives	1
8134	Water and sewerage plant operatives	1
8135	Printing machine assistants	0
8139	Plant and machine operatives n.e.c.	1
8141	Assemblers (electrical and electronic products)	0
8142	Assemblers (vehicles and metal goods)	0
8143	Routine inspectors and testers	0
8144	Weighers, graders and sorters	0
8145	Tyre, exhaust and windscreen fitters	1

4-digit code	Occupation (SOC 2020)	EE share
8146	Sewing machinists	0
8149	Assemblers and routine operatives n.e.c.	0
8151	Scaffolders, stagers and riggers	1
8152	Road construction operatives	1
8153	Rail construction and maintenance operatives	1
8159	Construction operatives n.e.c.	1
8160	Production, factory and assembly supervisors	1
8211	Large goods vehicle drivers	1
8212	Bus and coach drivers	1
8213	Taxi and cab drivers and chauffeurs	1
8214	Delivery drivers and couriers	1
8215	Driving instructors	1
8219	Road transport drivers n.e.c.	0
8221	Crane drivers	1
8222	Fork-lift truck drivers	1
8229	Mobile machine drivers and operatives n.e.c.	1
8231	Train and tram drivers	1
8232	Marine and waterways transport operatives	1
8233	Air transport operatives	0
8234	Rail transport operatives	1
8239	Other drivers and transport operatives n.e.c.	0
9111	Farm workers	1
9112	Forestry and related workers	0
9119	Fishing and other elementary agriculture occupations n.e.c.	1
9121	Groundworkers	1
9129	Elementary construction occupations n.e.c.	1
9131	Industrial cleaning process occupations	0
9132	Packers, bottlers, canners and fillers	0
9139	Elementary process plant occupations n.e.c.	0
9211	Postal workers, mail sorters and messengers	1
9219	Elementary administration occupations n.e.c.	1
9221	Window cleaners	1
9222	Street cleaners	1
9223	Cleaners and domestics	1
9224	Launderers, dry cleaners and pressers	1
9225	Refuse and salvage occupations	1
9226	Vehicle valeters and cleaners	0
9229	Elementary cleaning occupations n.e.c.	1
9231	Security guards and related occupations	1
9232	School midday and crossing patrol occupations	1
9233	Exam invigilators	1
9241	Shelf fillers	1
9249	Elementary sales occupations n.e.c.	1

4-digit code	Occupation (SOC 2020)	EE share
9251	Elementary storage supervisors	0
9252	Warehouse operatives	1
9253	Delivery operatives	1
9259	Elementary storage occupations n.e.c.	0
9261	Bar and catering supervisors	1
9262	Hospital porters	1
9263	Kitchen and catering assistants	1
9264	Waiters and waitresses	1
9265	Bar staff	1
9266	Coffee shop workers	1
9267	Leisure and theme park attendants	1
9269	Other elementary services occupations n.e.c.	1

APPENDIX B: EVERYDAY ECONOMY INDUSTRY SECTOR CLASSIFICATION

EE share of industry sectors (SIC2007, 5-digit)

Industry (SIC2007)	EE share
01000 : DEFRA/Scottish Executive Agricultural Data	0
01110 : Growing of cereals (except rice), leguminous crops and oil seeds	0
01120 : Growing of rice	0
01130 : Growing of vegetables and melons, roots and tubers	0
01140 : Growing of sugar cane	0
01150 : Growing of tobacco	0
01160 : Growing of fibre crops	0
01190 : Growing of other non-perennial crops	1
01210 : Growing of grapes	1
01220 : Growing of tropical and subtropical fruits	1
01230 : Growing of citrus fruits	1
01240 : Growing of pome fruits and stone fruits	1
01250 : Growing of other tree and bush fruits and nuts	1
01260 : Growing of oleaginous fruits	1
01270 : Growing of beverage crops	0
01280 : Growing of spices, aromatic, drug and pharmaceutical crops	1
01290 : Growing of other perennial crops	1
01300 : Plant propagation	1
01410 : Raising of dairy cattle	1
01420 : Raising of other cattle and buffaloes	1
01430 : Raising of horses and other equines	1
01440 : Raising of camels and camelids	1
01450 : Raising of sheep and goats	1
01460 : Raising of swinepigs	1
01470 : Raising of poultry	1
01490 : Raising of other animals	1
01500 : Mixed farming	1
01610 : Support activities for crop production	1
01621 : Farm animal boarding and care	1
01629 : Support activities for animal production (other than farm animal boarding and care) nec	1
01630 : Post-harvest crop activities	1
01640 : Seed processing for propagation	1
01700 : Hunting, trapping and related service activities	0
02100 : Silviculture and other forestry activities	0
02200 : Logging	0

Industry (SIC2007)	EE share
02300 : Gathering of wild growing non-wood products	0
02400 : Support services to forestry	0
03110 : Marine fishing	1
03120 : Freshwater fishing	1
03210 : Marine aquaculture	1
03220 : Freshwater aquaculture	1
05101 : Mining of hard coal from deep coal mines (underground mining)	0
05102 : Mining of hard coal from open cast coal working (surface mining)	0
05200 : Mining of lignite	0
06100 : Extraction of crude petroleum	0
06200 : Extraction of natural gas	0
07100 : Mining of iron ores	0
07210 : Mining of uranium and thorium ores	0
07290 : Mining of other non-ferrous metal ores	0
08110 : Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	0
08120 : Operation of gravel and sand pits; mining of clays and kaolin	0
08910 : Mining of chemical and fertiliser minerals	0
08920 : Extraction of peat	0
08930 : Extraction of salt	0
08990 : Other mining and quarrying nec	0
09100 : Support activities for petroleum and natural gas extraction	0
09900 : Support activities for other mining and quarrying	0
10110 : Processing and preserving of meat	0
10120 : Processing and preserving of poultry meat	0
10130 : Production of meat and poultry meat products	0
10200 : Processing and preserving of fish, crustaceans and molluscs	0
10310 : Processing and preserving of potatoes	0
10320 : Manufacture of fruit and vegetable juice	0
10390 : Other processing and preserving of fruit and vegetables	0
10410 : Manufacture of oils and fats	0
10420 : Manufacture of margarine and similar edible fats	0
10511 : Liquid milk and cream production	0
10512 : Butter and cheese production	0
10519 : Manufacture of milk products (other than liquid milk and cream, butter, cheese) nec	0
10520 : Manufacture of ice cream	0
10611 : Grain milling	0
10612 : Manufacture of breakfast cereals and cereals-based foods	0
10620 : Manufacture of starches and starch products	0
10710 : Manufacture of bread; manufacture of fresh pastry goods and cakes	0
10720 : Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	0
10730 : Manufacture of macaroni, noodles, couscous and similar farinaceous products	0

Industry (SIC2007)	EE share
10810 : Manufacture of sugar	0
10821 : Manufacture of cocoa, and chocolate confectionery	0
10822 : Manufacture of sugar confectionery	0
10831 : Tea processing	0
10832 : Production of coffee and coffee substitutes	0
10840 : Manufacture of condiments and seasonings	0
10850 : Manufacture of prepared meals and dishes	0
10860 : Manufacture of homogenised food preparations and dietetic food	0
10890 : Manufacture of other food products nec	0
10910 : Manufacture of prepared feeds for farm animals	0
10920 : Manufacture of prepared pet foods	0
11010 : Distilling, rectifying and blending of spirits	0
11020 : Manufacture of wine from grape	0
11030 : Manufacture of cider and other fruit wines	0
11040 : Manufacture of other non-distilled fermented beverages	0
11050 : Manufacture of beer	0
11060 : Manufacture of malt	0
11070 : Manufacture of soft drinks; production of mineral waters and other bottled waters	0
12000 : Manufacture of tobacco products	0
13100 : Preparation and spinning of textile fibres	0
13200 : Weaving of textiles	0
13300 : Finishing of textiles	0
13910 : Manufacture of knitted and crocheted fabrics	0
13921 : Manufacture of soft furnishings	0
13922 : Manufacture of canvas goods, sacks etc	0
13923 : Manufacture of household textiles (other than soft furnishings of 13921)	0
13931 : Manufacture of woven or tufted carpets and rugs	0
13939 : Manufacture of carpets and rugs (other than woven or tufted) nec	0
13940 : Manufacture of cordage, rope, twine and netting	0
13950 : Manufacture of non-wovens and articles made from non-wovens, except apparel	0
13960 : Manufacture of other technical and industrial textiles	0
13990 : Manufacture of other textiles nec	0
14110 : Manufacture of leather clothes	0
14120 : Manufacture of workwear	0
14131 : Manufacture of men's outerwear, other than leather clothes and workwear	0
14132 : Manufacture of women's outerwear, other than leather clothes and workwear	0
14141 : Manufacture of men's underwear	0
14142 : Manufacture of women's underwear	0
14190 : Manufacture of other wearing apparel and accessories	0
14200 : Manufacture of articles of fur	0
14310 : Manufacture of knitted and crocheted hosiery	0
14390 : Manufacture of other knitted and crocheted apparel	0

Industry (SIC2007)	EE share
15110 : Tanning and dressing of leather; dressing and dyeing of fur	0
15120 : Manufacture of luggage, handbags and the like, saddlery and harness	0
15200 : Manufacture of footwear	0
16100 : Sawmilling and planing of wood	0
16210 : Manufacture of veneer sheets and wood-based panels	0
16220 : Manufacture of assembled parquet floors	0
16230 : Manufacture of other builders' carpentry and joinery	0
16240 : Manufacture of wooden containers	0
16290 : Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	0
17110 : Manufacture of pulp	0
17120 : Manufacture of paper and paperboard	0
17211 : Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper	0
17219 : Manufacture of paper and paperboard containers other than sacks and bags	0
17220 : Manufacture of household and sanitary goods and of toilet requisites	0
17230 : Manufacture of paper stationery	0
17240 : Manufacture of wallpaper	0
17290 : Manufacture of other articles of paper and paperboard	0
18110 : Printing of newspapers	0
18121 : Manufacture of printed labels	0
18129 : Printing (other than printing of newspapers and printing on labels and tags) nec	0
18130 : Pre-press and pre-media services	0
18140 : Binding and related services	0
18201 : Reproduction of sound recording	0
18202 : Reproduction of video recording	0
18203 : Reproduction of computer media	0
19100 : Manufacture of coke oven products	0
19201 : Mineral oil refining	0
19209 : Other treatment of petroleum products (excluding mineral oil refining petrochemicals manufacture)	0
20110 : Manufacture of industrial gases	0
20120 : Manufacture of dyes and pigments	0
20130 : Manufacture of other inorganic basic chemicals	0
20140 : Manufacture of other organic basic chemicals	0
20150 : Manufacture of fertilisers and nitrogen compounds	0
20160 : Manufacture of plastics in primary forms	0
20170 : Manufacture of synthetic rubber in primary forms	0
20200 : Manufacture of pesticides and other agrochemical products	0
20301 : Manufacture of paints, varnishes and similar coatings, mastics and sealants	0
20302 : Manufacture of printing ink	0
20411 : Manufacture of soap and detergents	0

Industry (SIC2007)	EE share
20412 : Manufacture of cleaning and polishing preparations	0
20420 : Manufacture of perfumes and toilet preparations	0
20510 : Manufacture of explosives	0
20520 : Manufacture of glues	0
20530 : Manufacture of essential oils	0
20590 : Manufacture of other chemical products nec	0
20600 : Manufacture of man-made fibres	0
21100 : Manufacture of basic pharmaceutical products	0
21200 : Manufacture of pharmaceutical preparations	0
22110 : Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	0
22190 : Manufacture of other rubber products	0
22210 : Manufacture of plastic plates, sheets, tubes and profiles	0
22220 : Manufacture of plastic packing goods	0
22230 : Manufacture of builders﷽ ware of plastic	0
22290 : Manufacture of other plastic products	0
23110 : Manufacture of flat glass	0
23120 : Shaping and processing of flat glass	0
23130 : Manufacture of hollow glass	0
23140 : Manufacture of glass fibres	0
23190 : Manufacture and processing of other glass, including technical glassware	0
23200 : Manufacture of refractory products	0
23310 : Manufacture of ceramic tiles and flags	0
23320 : Manufacture of bricks, tiles and construction products, in baked clay	0
23410 : Manufacture of ceramic household and ornamental articles	0
23420 : Manufacture of ceramic sanitary fixtures	0
23430 : Manufacture of ceramic insulators and insulating fittings	0
23440 : Manufacture of other technical ceramic products	0
23490 : Manufacture of other ceramic products	0
23510 : Manufacture of cement	0
23520 : Manufacture of lime and plaster	0
23610 : Manufacture of concrete products for construction purposes	0
23620 : Manufacture of plaster products for construction purposes	0
23630 : Manufacture of ready-mixed concrete	0
23640 : Manufacture of mortars	0
23650 : Manufacture of fibre cement	0
23690 : Manufacture of other articles of concrete, plaster and cement	0
23700 : Cutting, shaping and finishing of stone	0
23910 : Production of abrasive products	0
23990 : Manufacture of other non-metallic mineral products nec	0
24100 : Manufacture of basic iron and steel and of ferro-alloys	0
24200 : Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	0
24310 : Cold drawing of bars	0

Industry (SIC2007)	EE share
24320 : Cold rolling of narrow strip	0
24330 : Cold forming or folding	0
24340 : Cold drawing of wire	0
24410 : Precious metals production	0
24420 : Aluminium production	0
24430 : Lead, zinc and tin production	0
24440 : Copper production	0
24450 : Other non-ferrous metal production	0
24460 : Processing of nuclear fuel	0
24510 : Casting of iron	0
24520 : Casting of steel	0
24530 : Casting of light metals	0
24540 : Casting of other non-ferrous metals	0
25110 : Manufacture of metal structures and parts of structures	0
25120 : Manufacture of doors and windows of metal	0
25210 : Manufacture of central heating radiators and boilers	0
25290 : Manufacture of other tanks, reservoirs and containers of metal	0
25300 : Manufacture of steam generators, except central heating hot water boilers	0
25400 : Manufacture of weapons and ammunition	0
25500 : Forging, pressing, stamping and roll-forming of metal; powder metallurgy	0
25610 : Treatment and coating of metals	0
25620 : Machining	0
25710 : Manufacture of cutlery	0
25720 : Manufacture of locks and hinges	0
25730 : Manufacture of tools	0
25910 : Manufacture of steel drums and similar containers	0
25920 : Manufacture of light metal packaging	0
25930 : Manufacture of wire products, chain and springs	0
25940 : Manufacture of fasteners and screw machine products	0
25990 : Manufacture of other fabricated metal products nec	0
26110 : Manufacture of electronic components	0
26120 : Manufacture of loaded electronic boards	0
26200 : Manufacture of computers and peripheral equipment	0
26301 : Manufacture of telegraph and telephone apparatus and equipment	0
26309 : Manufacture of communication equipment (other than telegraph and telephone apparatus and equipment)	0
26400 : Manufacture of consumer electronics	0
26511 : Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment	0
26512 : Manufacture of electronic industrial process control equipment	0
26513 : Manufacture of non-electronic instruments and appliances for measuring, testing and navigation, except industrial process control equipment	0

Industry (SIC2007)	EE share
26514 : Manufacture of non-electronic industrial process control equipment	0
26520 : Manufacture of watches and clocks	0
26600 : Manufacture of irradiation, electromedical and electrotherapeutic equipment	0
26701 : Manufacture of optical precision instruments	0
26702 : Manufacture of photographic and cinematographic equipment	0
26800 : Manufacture of magnetic and optical media	0
27110 : Manufacture of electric motors, generators and transformers	0
27120 : Manufacture of electricity distribution and control apparatus	0
27200 : Manufacture of batteries and accumulators	0
27310 : Manufacture of fibre optic cables	0
27320 : Manufacture of other electronic and electric wires and cables	0
27330 : Manufacture of wiring devices	0
27400 : Manufacture of electric lighting equipment	0
27510 : Manufacture of electric domestic appliances	0
27520 : Manufacture of non-electric domestic appliances	0
27900 : Manufacture of other electrical equipment	0
28110 : Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0
28120 : Manufacture of fluid power equipment	0
28131 : Manufacture of pumps	0
28132 : Manufacture of compressors	0
28140 : Manufacture of other taps and valves	0
28150 : Manufacture of bearings, gears, gearing and driving elements	0
28210 : Manufacture of ovens, furnaces and furnace burners	0
28220 : Manufacture of lifting and handling equipment	0
28230 : Manufacture of office machinery and equipment (except computers and peripheral equipment)	0
28240 : Manufacture of power-driven hand tools	0
28250 : Manufacture of non-domestic cooling and ventilation equipment	0
28290 : Manufacture of other general-purpose machinery nec	0
28301 : Manufacture of agricultural tractors	0
28302 : Manufacture of agricultural and forestry machinery (other than agricultural tractors)	0
28410 : Manufacture of metal forming machinery	0
28490 : Manufacture of other machine tools	0
28910 : Manufacture of machinery for metallurgy	0
28921 : Manufacture of machinery for mining	0
28922 : Manufacture of earthmoving equipment	0
28923 : Manufacture of equipment for concrete crushing and screening roadworks	0
28930 : Manufacture of machinery for food, beverage and tobacco processing	0
28940 : Manufacture of machinery for textile, apparel and leather production	0
28950 : Manufacture of machinery for paper and paperboard production	0
28960 : Manufacture of plastics and rubber machinery	0

Industry (SIC2007)	EE share
28990 : Manufacture of other special-purpose machinery nec	0
29100 : Manufacture of motor vehicles	0
29201 : Manufacture of bodies (coachwork) for motor vehicles (except caravans)	0
29202 : Manufacture of trailers and semi-trailers	0
29203 : Manufacture of caravans	0
29310 : Manufacture of electrical and electronic equipment for motor vehicles	0
29320 : Manufacture of other parts and accessories for motor vehicles	0
30110 : Building of ships and floating structures	0
30120 : Building of pleasure and sporting boats	0
30200 : Manufacture of railway locomotives and rolling stock	0
30300 : Manufacture of air and spacecraft and related machinery	0
30400 : Manufacture of military fighting vehicles	0
30910 : Manufacture of motorcycles	0
30920 : Manufacture of bicycles and invalid carriages	0
30990 : Manufacture of other transport equipment nec	0
31010 : Manufacture of office and shop furniture	0
31020 : Manufacture of kitchen furniture	0
31030 : Manufacture of mattresses	0
31090 : Manufacture of other furniture	0
32110 : Striking of coins	0
32120 : Manufacture of jewellery and related articles	0
32130 : Manufacture of imitation jewellery and related articles	0
32200 : Manufacture of musical instruments	0
32300 : Manufacture of sports goods	0
32401 : Manufacture of professional and arcade games and toys	0
32409 : Manufacture of games and toys (other than professional and arcade games and toys) nec	0
32500 : Manufacture of medical and dental instruments and supplies	0
32910 : Manufacture of brooms and brushes	0
32990 : Other manufacturing nec	0
33110 : Repair of fabricated metal products	0
33120 : Repair of machinery	0
33130 : Repair of electronic and optical equipment	0
33140 : Repair of electrical equipment	0
33150 : Repair and maintenance of ships and boats	1
33160 : Repair and maintenance of aircraft and spacecraft	0
33170 : Repair and maintenance of other transport equipment	1
33190 : Repair of other equipment	0
33200 : Installation of industrial machinery and equipment	0
35110 : Production of electricity	1
35120 : Transmission of electricity	1
35130 : Distribution of electricity	1

Industry (SIC2007)	EE share
35140 : Trade of electricity	1
35210 : Manufacture of gas	1
35220 : Distribution of gaseous fuels through mains	1
35230 : Trade of gas through mains	1
35300 : Steam and air conditioning supply	1
36000 : Water collection, treatment and supply	1
37000 : Sewerage	1
38110 : Collection of non-hazardous waste	1
38120 : Collection of hazardous waste	1
38210 : Treatment and disposal of non-hazardous waste	1
38220 : Treatment and disposal of hazardous waste	1
38310 : Dismantling of wrecks	1
38320 : Recovery of sorted materials	1
39000 : Remediation activities and other waste management services	1
41100 : Development of building projects	1
41201 : Construction of commercial buildings	1
41202 : Construction of domestic buildings	1
42110 : Construction of roads and motorways	1
42120 : Construction of railways and underground railways	1
42130 : Construction of bridges and tunnels	1
42210 : Construction of utility projects for fluids	1
42220 : Construction of utility projects for electricity and telecommunications	1
42910 : Construction of water projects	1
42990 : Construction of other civil engineering projects nec	1
43110 : Demolition	1
43120 : Site preparation	1
43130 : Test drilling and boring	1
43210 : Electrical installation	1
43220 : Plumbing, heat and air-conditioning installation	1
43290 : Other construction installation	1
43310 : Plastering	1
43320 : Joinery installation	1
43330 : Floor and wall covering	1
43341 : Painting	1
43342 : Glazing	1
43390 : Other building completion and finishing	1
43910 : Roofing activities	1
43991 : Scaffold erection	1
43999 : Specialised construction activities (other than scaffold erection) nec	1
45111 : Sale of new cars and light motor vehicles	1
45112 : Sale of used cars and light motor vehicles	1
45190 : Sale of other motor vehicles	1

Industry (SIC2007)	EE share
45200 : Maintenance and repair of motor vehicles	1
45310 : Wholesale trade of motor vehicle parts and accessories	1
45320 : Retail trade of motor vehicle parts and accessories	1
45400 : Sale, maintenance and repair of motorcycles and related parts and accessories	1
46110 : Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods	0
46120 : Agents involved in the sale of fuels, ores, metals and industrial chemicals	0
46130 : Agents involved in the sale of timber and building materials	0
46140 : Agents involved in the sale of machinery, industrial equipment, ships and aircraft	0
46150 : Agents involved in the sale of furniture, household goods, hardware and ironmongery	0
46160 : Agents involved in the sale of textiles, clothing, fur, footwear and leather goods	0
46170 : Agents involved in the sale of food, beverages and tobacco	0
46180 : Agents specialised in the sale of other particular products	0
46190 : Agents involved in the sale of a variety of goods	0
46210 : Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	1
46220 : Wholesale of flowers and plants	1
46230 : Wholesale of live animals	1
46240 : Wholesale of hides, skins and leather	1
46310 : Wholesale of fruit and vegetables	1
46320 : Wholesale of meat and meat products	1
46330 : Wholesale of dairy products, eggs and edible oils and fats	1
46341 : Wholesale of fruit and vegetable juices, mineral waters and soft drinks	1
46342 : Wholesale of wine, beer, spirits and other alcoholic beverages	1
46350 : Wholesale of tobacco products	1
46360 : Wholesale of sugar and chocolate and sugar confectionery	1
46370 : Wholesale of coffee, tea, cocoa and spices	1
46380 : Wholesale of other food, including fish, crustaceans and molluscs	1
46390 : Non-specialised wholesale of food, beverages and tobacco	1
46410 : Wholesale of textiles	1
46420 : Wholesale of clothing and footwear	1
46431 : Wholesale of gramophone records, audio tapes, compact discs and video tapes and of the equipment on which these are played	1
46439 : Wholesale of radio and television goods and of electrical household appliances (other than of gramophone records, audio tapes, compact discs and video tapes and the equipment on which these are played) n.e.c.	1
46440 : Wholesale of china and glassware and cleaning materials	1
46450 : Wholesale of perfume and cosmetics	1
46460 : Wholesale of pharmaceutical goods	1
46470 : Wholesale of furniture, carpets and lighting equipment	1
46480 : Wholesale of watches and jewellery	1
46491 : Wholesale of musical instruments	1

Industry (SIC2007)	EE share
46499 : Wholesale of household goods (other than musical instruments) nec	1
46510 : Wholesale of computers, computer peripheral equipment and software	1
46520 : Wholesale of electronic and telecommunications equipment and parts	1
46610 : Wholesale of agricultural machinery, equipment and supplies	0
46620 : Wholesale of machine tools	0
46630 : Wholesale of mining, construction and civil engineering machinery	0
46640 : Wholesale of machinery for the textile industry and of sewing and knitting machines	0
46650 : Wholesale of office furniture	0
46660 : Wholesale of other office machinery and equipment	0
46690 : Wholesale of other machinery and equipment	0
46711 : Wholesale of petroleum and petroleum products	0
46719 : Wholesale of fuels and related products (other than petroleum and petroleum products)	0
46720 : Wholesale of metals and metal ores	0
46730 : Wholesale of wood, construction materials and sanitary equipment	0
46740 : Wholesale of hardware, plumbing and heating equipment and supplies	0
46750 : Wholesale of chemical products	0
46760 : Wholesale of other intermediate products	0
46770 : Wholesale of waste and scrap	0
46900 : Non-specialised wholesale trade	0
47110 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	1
47190 : Other retail sale in non-specialised stores	1
47210 : Retail sale of fruit and vegetables in specialised stores	1
47220 : Retail sale of meat and meat products in specialised stores	1
47230 : Retail sale of fish, crustaceans and molluscs in specialised stores	1
47240 : Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	1
47250 : Retail sale of beverages in specialised stores	1
47260 : Retail sale of tobacco products in specialised stores	1
47290 : Other retail sale of food in specialised stores	1
47300 : Retail sale of automotive fuel in specialised stores	1
47410 : Retail sale of computers, peripheral units and software in specialised stores	1
47421 : Retail sale of mobile telephones in specialised stores	1
47429 : Retail sale of telecommunications equipment (other than mobile telephones) nec, in specialised stores	1
47430 : Retail sale of audio and video equipment in specialised stores	1
47510 : Retail sale of textiles in specialised stores	1
47520 : Retail sale of hardware, paints and glass in specialised stores	1
47530 : Retail sale of carpets, rugs, wall and floor coverings in specialised stores	1
47540 : Retail sale of electrical household appliances in specialised stores	1

Industry (SIC2007)	EE share
47591 : Retail sale of musical instruments and scores in specialised stores	1
47599 : Retail sale of furniture, lighting equipment and other household articles (other than musical instruments) nec, in speci	1
47610 : Retail sale of books in specialised stores	1
47620 : Retail sale of newspapers and stationery in specialised stores	1
47630 : Retail sale of music and video recordings in specialised stores	1
47640 : Retail sale of sporting equipment in specialised stores	1
47650 : Retail sale of games and toys in specialised stores	1
47710 : Retail sale of clothing in specialised stores	1
47721 : Retail sale of footwear in specialised stores	1
47722 : Retail sale of leather goods in specialised stores	1
47730 : Dispensing chemist in specialised stores	1
47741 : Retail sale of hearing aids in specialised stores	1
47749 : Retail sale of medical and orthopaedic goods (other than hearing aids) nec, in specialised stores	1
47750 : Retail sale of cosmetic and toilet articles in specialised stores	1
47760 : Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	1
47770 : Retail sale of watches and jewellery in specialised stores	1
47781 : Retail sale in commercial art galleries	1
47782 : Retail sale by opticians	1
47789 : Other retail sale of new goods in specialised stores (other than by opticians or commercial art galleries), nec	1
47791 : Retail sale of antiques including antique books, in stores	1
47799 : Retail sale of second-hand goods (other than antiques and antique books) in stores	1
47810 : Retail sale via stalls and markets of food, beverages and tobacco products	1
47820 : Retail sale via stalls and markets of textiles, clothing and footwear	1
47890 : Retail sale via stalls and markets of other goods	1
47910 : Retail sale via mail order houses or via Internet	1
47990 : Other retail sale not in stores, stalls or markets	1
49100 : Passenger rail transport, interurban	1
49200 : Freight rail transport	1
49311 : Urban, suburban or metropolitan area passenger railway transportation by underground, metro and similar systems	1
49319 : Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems	1
49320 : Taxi operation	1
49390 : Other passenger land transport nec	1
49410 : Freight transport by road	1
49420 : Removal services	1
49500 : Transport via pipeline	1
50100 : Sea and coastal passenger water transport	1

Industry (SIC2007)	EE share
50200 : Sea and coastal freight water transport	0
50300 : Inland passenger water transport	1
50400 : Inland freight water transport	1
51101 : Scheduled passenger air transport	0
51102 : Non-scheduled passenger air transport	0
51210 : Freight air transport	0
51220 : Space transport	0
52101 : Operation of warehousing and storage facilities for water transport activities of division 50	0
52102 : Operation of warehousing and storage facilities for air transport activities of division 51	0
52103 : Operation of warehousing and storage facilities for land transport activities of division 49	1
52211 : Operation of rail freight terminals	1
52212 : Operation of rail passenger facilities at railway stations	1
52213 : Operation of bus and coach passenger facilities at bus and coach stations	1
52219 : Other service activities incidental to land transportation, nec (not including operation of rail freight terminals, passenger facilities at railway stations or passenger facilities at bus and coach stations)	1
52220 : Service activities incidental to water transportation	0
52230 : Service activities incidental to air transportation	0
52241 : Cargo handling for water transport activities of division 50	0
52242 : Cargo handling for air transport activities of division 51	0
52243 : Cargo handling for land transport activities of division 49	1
52290 : Other transportation support activities	1
53100 : Postal activities under universal service obligation	1
53201 : Licensed Carriers	1
53202 : Unlicensed Carriers	1
55100 : Hotels and similar accommodation	1
55201 : Holiday centres and villages	1
55202 : Youth hostels	1
55209 : Other holiday and other short-stay accommodation (not including holiday centres and villages or youth hostels) nec	1
55300 : Camping grounds, recreational vehicle parks and trailer parks	1
55900 : Other accommodation	1
56101 : Licensed restaurants	1
56102 : Unlicensed restaurants and cafes	1
56103 : Take away food shops and mobile food stands	1
56210 : Event catering activities	1
56290 : Other food service activities	1
56301 : Licensed clubs	1
56302 : Public houses and bars	1

Industry (SIC2007)	EE share
58110 : Book publishing	0
58120 : Publishing of directories and mailing lists	0
58130 : Publishing of newspapers	0
58141 : Publishing of learned journals	0
58142 : Publishing of consumer, business and professional journals and periodicals	0
58190 : Other publishing activities	0
58210 : Publishing of computer games	0
58290 : Other software publishing	0
59111 : Motion picture production activities	0
59112 : Video production activities	0
59113 : Television programme production activities	0
59120 : Motion picture, video and television programme post-production activities	0
59131 : Motion picture distribution activities	0
59132 : Video distribution activities	0
59133 : Television programme distribution activities	0
59140 : Motion picture projection activities	1
59200 : Sound recording and music publishing activities	0
60100 : Radio broadcasting	0
60200 : Television programming and broadcasting activities	0
61100 : Wired telecommunications activities	1
61200 : Wireless telecommunications activities	1
61300 : Satellite telecommunications activities	1
61900 : Other telecommunications activities	1
62011 : Ready-made interactive leisure and entertainment software development	0
62012 : Business and domestic software development	0
62020 : Computer consultancy activities	0
62030 : Computer facilities management activities	0
62090 : Other information technology and computer service activities	0
63110 : Data processing, hosting and related activities	0
63120 : Web portals	0
63910 : News agency activities	0
63990 : Other information service activities nec	0
64110 : Central banking	0
64191 : Banks	0
64192 : Building societies	0
64201 : Activities of agricultural holding companies	0
64202 : Activities of production holding companies	0
64203 : Activities of construction holding companies	0
64204 : Activities of distribution holding companies	0
64205 : Activities of financial services holding companies	0
64209 : Activities of other holding companies (not including agricultural, production, construction, distribution and financial services holding companies) n.e.c	0

Industry (SIC2007)	EE share
64301 : Activities of investment trusts	0
64302 : Activities of unit trusts	0
64303 : Activities of venture and development capital companies	0
64304 : Activities of open-ended investment companies	0
64305 : Activities of property unit trusts	0
64306 : Activities of real estate investment trusts	0
64910 : Financial leasing	0
64921 : Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors	0
64922 : Activities of mortgage finance companies	0
64929 : Other credit granting (not including credit granting by non-deposit taking finance houses and other specialist consumer credit grantors and activities of mortgage finance companies) n.e.c.	0
64991 : Security dealing on own account	0
64992 : Factoring	0
64999 : Other financial service activities, except insurance and pension funding, (not including security dealing on own account and factoring) n.e.c.	0
65110 : Life insurance	0
65120 : Non-life insurance	0
65201 : Life reinsurance	0
65202 : Non-life reinsurance	0
65300 : Pension funding	0
66110 : Administration of financial markets	0
66120 : Security and commodity contracts brokerage	0
66190 : Other activities auxiliary to financial services, except insurance and pension funding	0
66210 : Risk and damage evaluation	0
66220 : Activities of insurance agents and brokers	0
66290 : Other activities auxiliary to insurance and pension funding	0
66300 : Fund management activities	0
68100 : Buying and selling of own real estate	0
68201 : Renting and operating of Housing Association real estate	1
68202 : Letting and operating of conference and exhibition centres	0
68209 : Letting and operating of own or leased real estate (other than Housing Association real estate and conference and exhibition services) n.e.c.	0
68310 : Real estate agencies	0
68320 : Management of real estate on a fee or contract basis	0
69101 : Barristers at law	0
69102 : Solicitors	0
69109 : Activities of patent and copyright agents; other legal activities (other than those of barristers and solicitors) nec	0
69201 : Accounting, and auditing activities	0
69202 : Bookkeeping activities	0

Industry (SIC2007)	EE share
69203 : Tax consultancy	0
70100 : Activities of head offices	0
70210 : Public relations and communication activities	0
70221 : Financial management	0
70229 : Management consultancy activities (other than financial management)	0
71111 : Architectural activities	0
71112 : Urban planning and landscape architectural activities	0
71121 : Engineering design activities for industrial process and production	0
71122 : Engineering related scientific and technical consulting activities	0
71129 : Other engineering activities (not including engineering design for industrial process and production or engineering related scientific and technical consulting activities)	0
71200 : Technical testing and analysis	0
72110 : Research and experimental development on biotechnology	0
72190 : Other research and experimental development on natural sciences and engineering	0
72200 : Research and experimental development on social sciences and humanities	0
73110 : Advertising agencies	0
73120 : Media representation	0
73200 : Market research and public opinion polling	0
74100 : Specialised design activities	0
74201 : Portrait photographic activities	0
74202 : Other specialist photography (not including portrait photography)	0
74203 : Film processing	0
74209 : Other photographic activities (not including portrait and other specialist photography and film processing) nec	0
74300 : Translation and interpretation activities	0
74901 : Environmental consulting activities	0
74902 : Quantity surveying activities	0
74909 : Other professional, scientific and technical activities (not including environmental consultancy or quantity surveying)	0
75000 : Veterinary activities	1
77110 : Renting and leasing of cars and light motor vehicles	0
77120 : Renting and leasing of trucks	0
77210 : Renting and leasing of recreational and sports goods	0
77220 : Renting of video tapes and disks	0
77291 : Renting and leasing of media entertainment equipment	0
77299 : Renting and leasing of other personal and household goods (other than media entertainment equipment)	0
77310 : Renting and leasing of agricultural machinery and equipment	0
77320 : Renting and leasing of construction and civil engineering machinery and equipment	0
77330 : Renting and leasing of office machinery and equipment (including computers)	0

Industry (SIC2007)	EE share
77341 : Renting and leasing of passenger water transport equipment	0
77342 : Renting and leasing of freight water transport equipment	0
77351 : Renting and leasing of passenger air transport equipment	0
77352 : Renting and leasing of freight air transport equipment	0
77390 : Renting and leasing of other machinery, equipment and tangible goods nec	0
77400 : Leasing of intellectual property and similar products, except copyrighted works	0
78101 : Motion picture, television and other theatrical casting	0
78109 : Activities of employment placement agencies (other than motion picture, television and other theatrical casting) nec	0
78200 : Temporary employment agency activities	0
78300 : Other human resources provision	0
79110 : Travel agency activities	1
79120 : Tour operator activities	1
79901 : Activities of tourist guides	1
79909 : Other reservation service activities (not including activities of tourist guides)	0
80100 : Private security activities	0
80200 : Security systems service activities	0
80300 : Investigation activities	0
81100 : Combined facilities support activities	1
81210 : General cleaning of buildings	1
81221 : Window cleaning services	1
81222 : Specialised cleaning services	1
81223 : Furnace and chimney cleaning services	0
81229 : Building and industrial cleaning activities (other than window cleaning, specialised cleaning and furnace and cleaning services) n.e.c.	0
81291 : Disinfecting and extermination services	1
81299 : Cleaning services (other than disinfecting and extermination services) nec	1
81300 : Landscape service activities	0
82110 : Combined office administrative service activities	0
82190 : Photocopying, document preparation and other specialised office support activities	0
82200 : Activities of call centres	0
82301 : Activities of exhibition and fair organizers	0
82302 : Activities of conference organizers	0
82911 : Activities of collection agencies	0
82912 : Activities of credit bureaus	0
82920 : Packaging activities	0
82990 : Other business support service activities nec	0
84110 : General public administration activities	1
84120 : Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security	1
84130 : Regulation of and contribution to more efficient operation of businesses	1

Industry (SIC2007)	EE share
84210 : Foreign affairs	1
84220 : Defence activities	0
84230 : Justice and judicial activities	1
84240 : Public order and safety activities	1
84250 : Fire service activities	1
84300 : Compulsory social security activities	1
85100 : Pre-primary education	1
85200 : Primary education	1
85310 : General secondary education	1
85320 : Technical and vocational secondary education	1
85410 : Post-secondary non-tertiary education	1
85421 : First-degree level higher education	1
85422 : Post-graduate level higher education	1
85510 : Sports and recreation education	1
85520 : Cultural education	1
85530 : Driving school activities	1
85590 : Other education nec	1
85600 : Educational support activities	1
86101 : Hospital activities	1
86102 : Medical nursing home activities	1
86210 : General medical practice activities	1
86220 : Specialist medical practice activities	1
86230 : Dental practice activities	1
86900 : Other human health activities	1
87100 : Residential nursing care activities	1
87200 : Residential care activities for learning disabilities, mental health and substance abuse	1
87300 : Residential care activities for the elderly and disabled	1
87900 : Other residential care activities	1
88100 : Social work activities without accommodation for the elderly and disabled	1
88910 : Child day-care activities	1
88990 : Other social work activities without accommodation nec	1
90010 : Performing arts	1
90020 : Support activities to performing arts	1
90030 : Artistic creation	1
90040 : Operation of arts facilities	1
91011 : Library activities	1
91012 : Archive activities	0
91020 : Museum activities	1
91030 : Operation of historical sites and buildings and similar visitor attractions	1
91040 : Botanical and zoological gardens and nature reserve activities	1
92000 : Gambling and betting activities	1

Industry (SIC2007)	EE share
93110 : Operation of sports facilities	1
93120 : Activities of sport clubs	1
93130 : Fitness facilities	1
93191 : Activities of racehorse owners	0
93199 : Other sports activities (not including activities of racehorse owners) nec	0
93210 : Activities of amusement parks and theme parks	1
93290 : Other amusement and recreation activities	1
94110 : Activities of business and employers membership organisations	0
94120 : Activities of professional membership organisations	0
94200 : Activities of trade unions	0
94910 : Activities of religious organisations	0
94920 : Activities of political organisations	0
94990 : Activities of other membership organisations nec	0
95110 : Repair of computers and peripheral equipment	1
95120 : Repair of communication equipment	1
95210 : Repair of consumer electronics	1
95220 : Repair of household appliances and home and garden equipment	1
95230 : Repair of footwear and leather goods	1
95240 : Repair of furniture and home furnishings	1
95250 : Repair of watches, clocks and jewellery	1
95290 : Repair of other personal and household goods	1
96010 : Washing and (dry-)cleaning of textile and fur products	1
96020 : Hairdressing and other beauty treatment	1
96030 : Funeral and related activities	1
96040 : Physical well-being activities	1
96090 : Other personal service activities nec	1
97000 : Activities of households as employers of domestic personnel	1
98100 : Undifferentiated goods-producing activities of private households for own use	0
98200 : Undifferentiated service-producing activities of private households for own use	0
99000 : Activities of extraterritorial organisations and bodies	0

ENDNOTES

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[21] See an attempt at matching needs to sectors from 2020 here: https://cdn2.opendemocracy.net/media/documents/Gough_Pandenomics_Table_d3XzdRl.pdf

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[41] We measure labour intensity with the average labour share of income (%) for the most recent five years (2019-2023). Where one European NACE sector contains multiple UK SIC2007 sectors, we took the simple average of labour intensity of the relevant UK SIC2007 sectors. Source: https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/datasets/labourcostsandlabourshare

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[43] The sectors plotted represent one or more broad sectors in the European NACE Rev. 2 classification as shown below, in line with the source data on tradability from the Vienna Institute for International Economic Studies.

Category	NACE code	Sector(s)
Agriculture & Other Primary	A	Agriculture, forestry, fishing
Mining	B	Mining and quarrying
Manufacturing	C	Manufacturing
Electricity, Gas & Water	D+E	Electricity, gas, steam, air conditioning; Water, sewerage, waste management
Construction	F	Construction
Retail	G	Wholesale and retail trade
Hotels & Restaurants	I	Accommodation and food service activities
Transport & Communications	H + J	Transportation and storage; Information and communication
Finance	K	Financial and insurance activities
Real Estate & Business Services	L+M+N	Real estate; Professional, scientific and technical services; Administrative and support service activities
Public Administration	O	Public administration
Education	P	Education
Health	Q	Health
Other Services & Private HHs	R+S+T	Arts, entertainment and recreation; Other services (membership orgs, repair, hairdressing, personal services); Employment within households

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[69] *Ibid.*
[70] https://assets.publishing.service.gov.uk/media/679ce5e8a9ee53687470a34e/Low_Pay_Commission_2024_report.pdf p135
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