

Working together: European workers in the UK economy

A description of EEA employees in the UK

May 2016

In partnership with



This data pack describes the role played by European employees in the UK economy. Our analysis includes countries that are members of the European Union plus Norway, Switzerland, Iceland and Lichtenstein. When we refer to 'EEA', we include Switzerland, which is neither an EU or an EEA member but is part of the single market (this means Swiss nationals have the same rights to live and work in the UK as other EEA nationals). We refer to these countries as the 'EEA'.

It is the first part of a study carried out by the SMF in partnership with Adecco Group UK & Ireland exploring the potential impact of Brexit on the UK labour market. In this part we describe the characteristics of EEA employees that work in the UK.

The referendum on the UK's membership of the European Union will take place on 23 June 2016. The outcome of this referendum is highly uncertain as is the issue of whether UK employers will be able to access EEA workers as they have in the past. Individuals from countries that are members of the European Union and the EEA can seek work in any other country that is a member of the EEA.

Our analysis draws on the latest available data, namely the four quarters (January to December) 2015 of the Labour Force Survey. Apart from where otherwise stated, we report data on employees rather than all workers. Our analysis categorises individuals by place of birth. An EEA employee is someone born in the EEA (not including the UK).

Principal findings

- There is significant reliance on EEA workers by UK employers. They make up 6% of all employees and number some 1.6 million. These workers are more likely to work full-time and more likely to work in the private sector.
- Employers in London, the east of England, the East Midlands and the south east are particularly reliant on European employees, as are those in Northern Ireland. In London, one in eight of all employees is from the EEA.
- EEA employees are particularly prevalent in specific sectors such as manufacturing, and accommodation and food services.
- EEA employees are on average more highly-educated than UK-born employees.
- EEA employees represent a higher proportion of workers in lower occupations such as elementary and process, plant and machine operatives. However, they also represent 5% of all employees amongst high occupations such as managers, directors, professionals and associate professionals.
- In sectors such as financial services and insurance, information and communication, and professional and technical activities, a majority of the jobs occupied by EEA employees are in the highest three of the nine occupational bandings, such as 'Managers, Directors and Senior Officials', 'Professional Occupations', and 'Associate Professional and Technical Occupations'. In sectors such as accommodation and food service, transport and storage and admin and support, a large proportion of employees occupy one of the lower six occupations.

Proportion and numbers of EEA workers in the UK

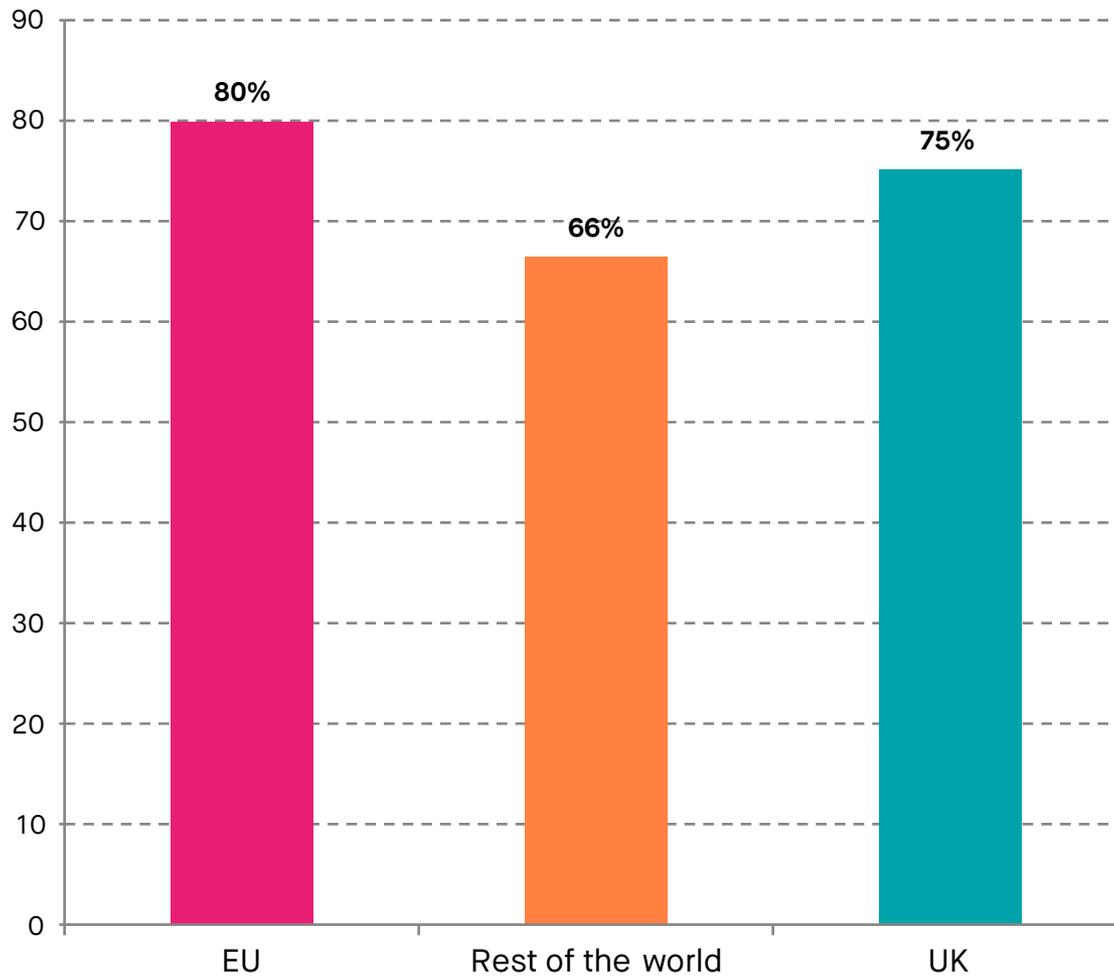
Of the UK's 31 million workers, 2 million were born in the EEA (excluding the UK)

Of employees employed in the public or private sector by employers in the UK:

	Percent	Number
UK	85%	22.5 million
EEA	6%	1.6 million
Rest of the World	9%	2.4 million
Grand Total	100%	26.5 million

Employment rates of working age adults in the UK

Employment rate (%) by place of birth (individuals aged 16 to 64)

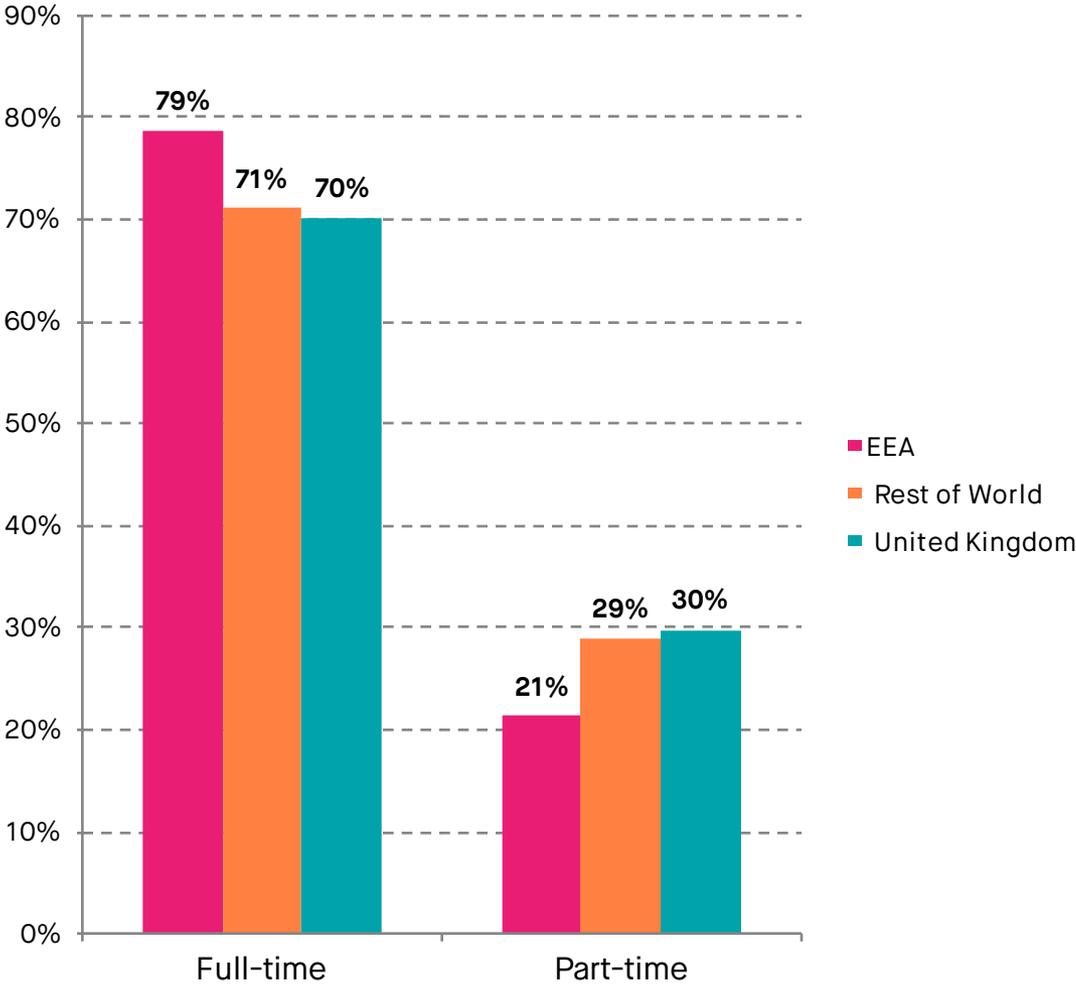


Working-age EU nationals born outside the UK have a higher employment rate (80%) than individuals born in the UK (75%). They are also more likely to be working than working-age adults born outside of the EU (66%) (ONS, February 2016)

*Note: these statistics refer specifically to the European Union (rather than the EEA).

Full-time / part-time status

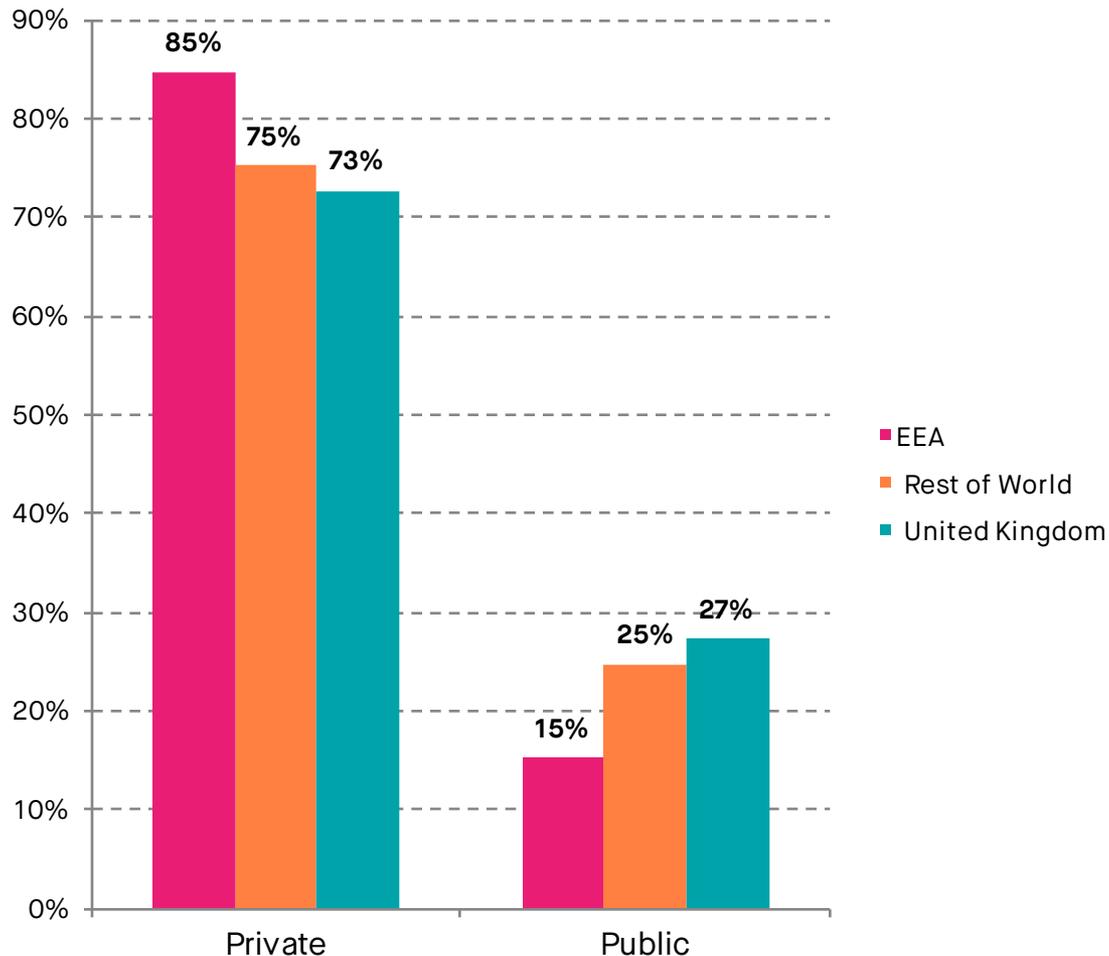
Proportion of employees working part-time vs full-time



EEA nationals are more likely to work full-time. Eight in ten EEA employees in the UK work full-time compared with seven in ten of other workers (UK nationals and workers born outside of the EEA).

Private sector versus public sector

Proportion of employees working in public / private sectors



A high proportion (85%) of EEA employees in the UK work in the private sector compared to only 15% of employees in the public sector. This is in contrast to those born in the UK 27% of whom work in the public sector and 73% in the private sector.

Reliance on EEA employees by region

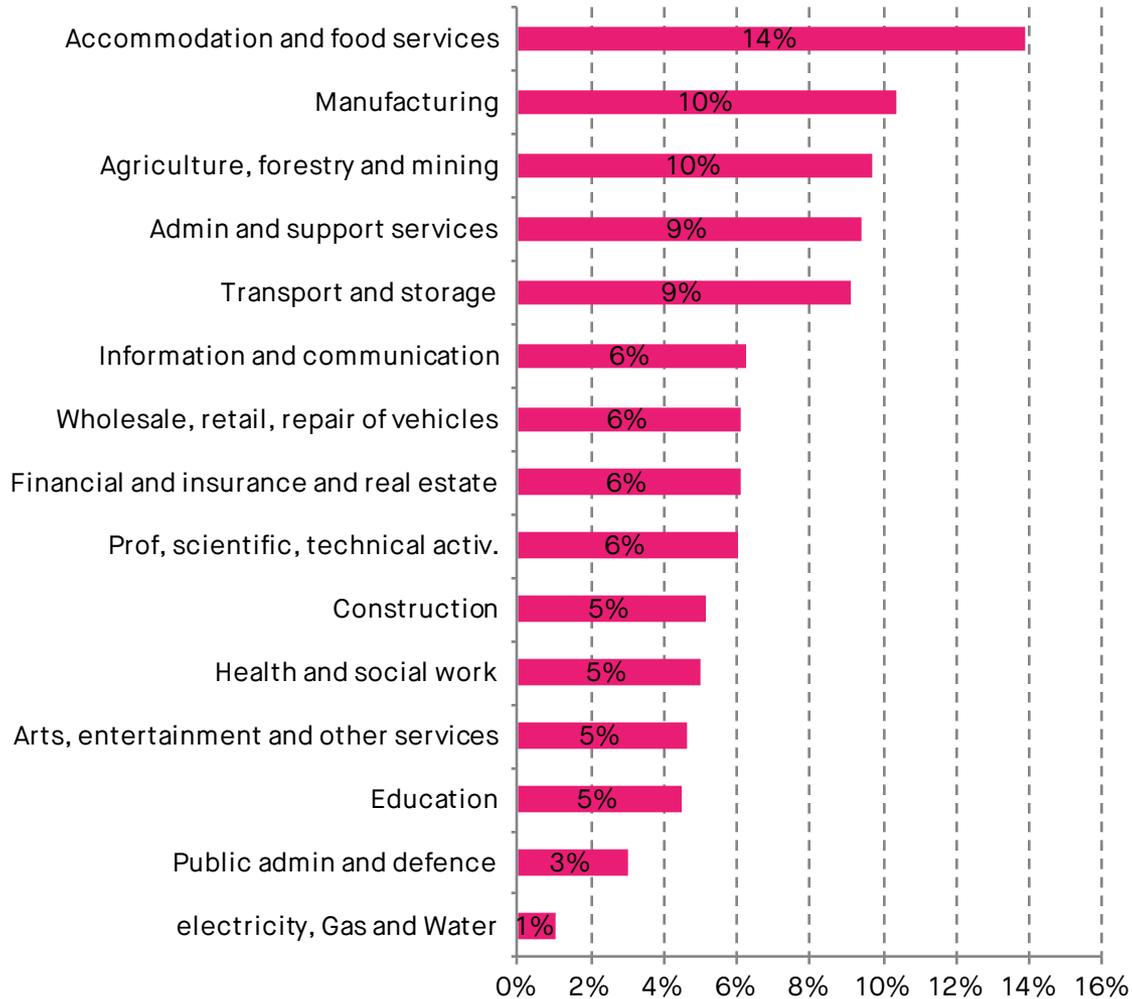
Proportion of employees in each region that were born in the EEA



Employers in London, the east of England, the east midlands and the south east are particularly reliant on European employees, as are those in Northern Ireland. In London, one in eight of all employees was born in the EEA.

EEA employees by sector

Proportion of employees in each sector that were born in the EEA

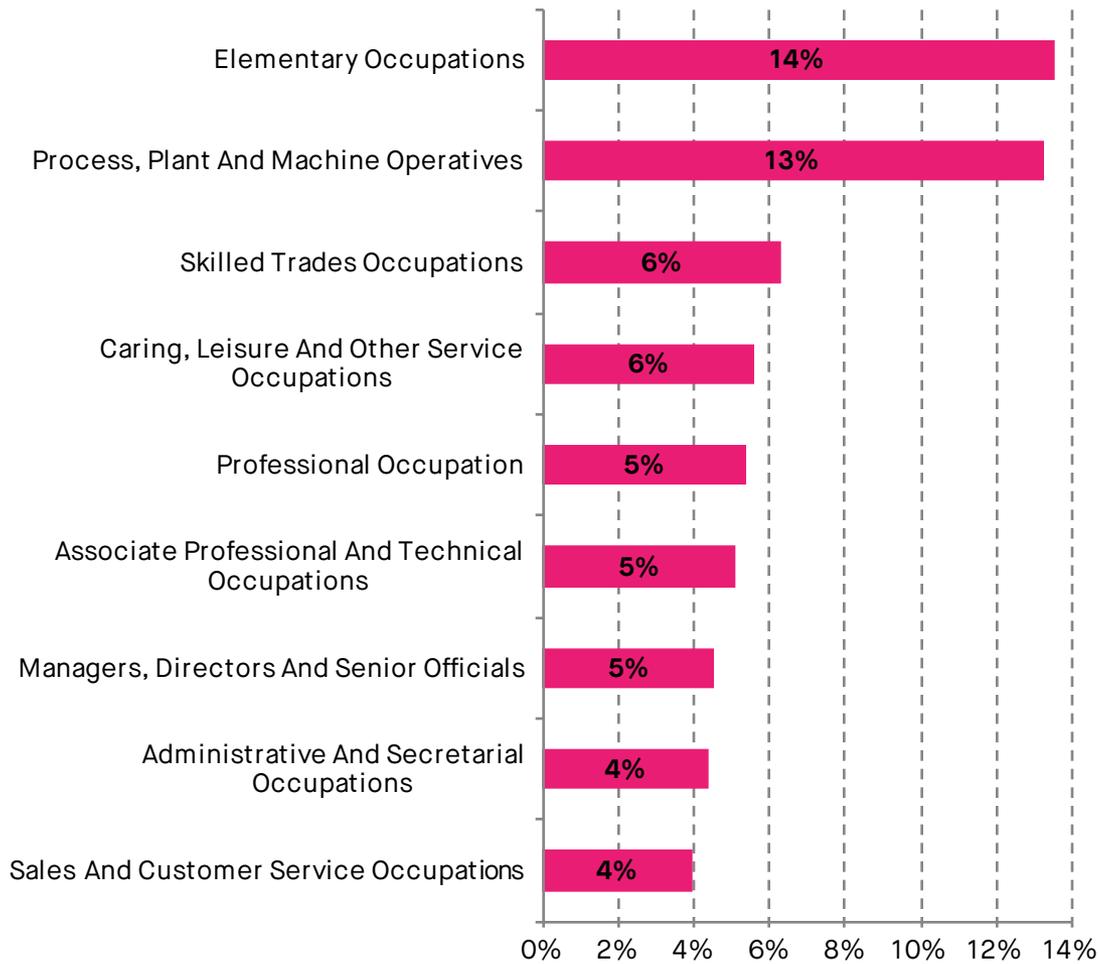


A number of sectors are particularly reliant on EEA employees. These include accommodation and food services (14%), and manufacturing (10%).

* Note: the sample sizes for 'Agriculture, forestry and mining' and 'Electricity, gas and water' are relatively small and should be treated with caution.

Share of each occupation made up by EEA employees

Proportion of employees in each occupation that were born in the EEA



EEA employees make up a large proportion of the workforce among ‘process, plant and machine operatives’ (13%) and within ‘elementary’ occupations (14%).

They also make up a significant minority of other occupations such as skilled trades (6%), professional occupations (5%) and managers and directors (5%).

EEA employees by sector and occupation

Proportion of employees in each sector that were born in the EEA split by higher and lower occupation bands

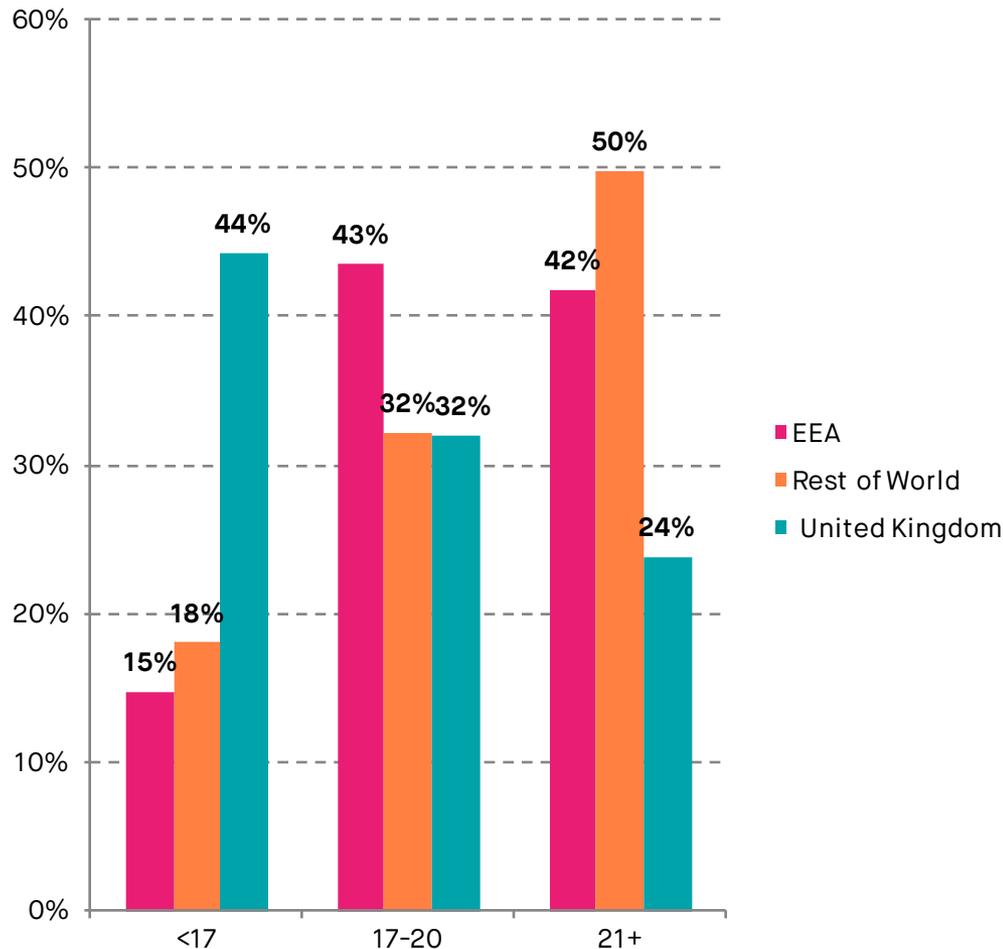


In sectors such as financial services and insurance, information and communication, and professional and technical activities, a majority of the jobs occupied by EEA employees are in the three highest of the nine occupational bandings ('Managers, Directors and Senior Officials', 'Professional Occupations', 'Associate Professional and Technical Occupations').

In sectors such as accommodation and food service, transport and storage and admin and support, a high proportion of employees occupy one of the lower six occupations.

Education levels of employees

Age at which employee left education



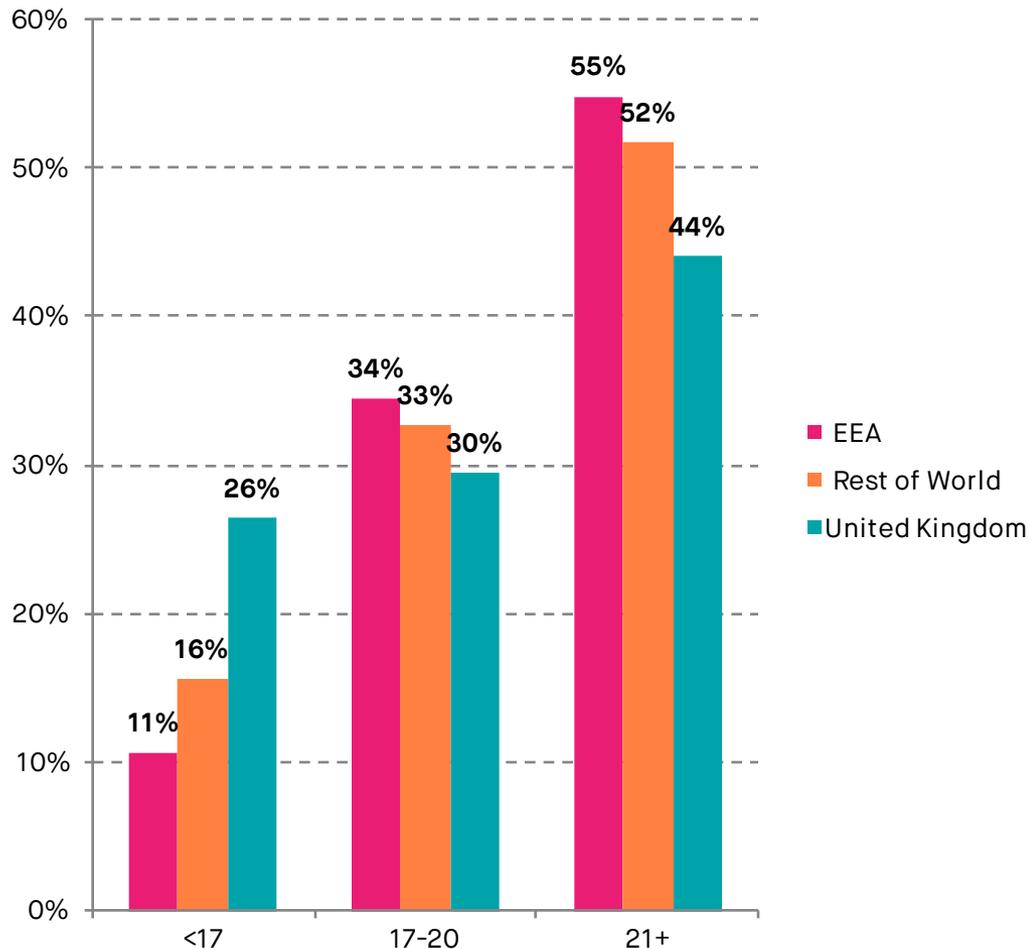
The evidence suggests that employees born in the EEA are more highly-educated than UK-born workers. Only 15% of EEA employees left formal education before the age of 17 compared to 44% of UK-born workers.

Meanwhile, 42% of EEA employees were educated beyond the age of 21 compared to 24% of UK-born workers.

On this measure, immigrants from outside the EEA are more likely to have studied to age 21 or beyond, but are also more likely to have left education before age 17.

Education levels of employees in London

Age at which employee left education (London employees)



In London, employees born in the EEA emerge as the most highly-educated group. Only 11% of EEA employees left formal education before the age of 17 whilst 55% were employed to age 21 or beyond.