

## New research finds UK employers rely on 1.6 million employees from the EU

- **Those from the EU have a higher employment rate and are more likely to work full-time**
- **UK manufacturing industry particularly reliant on EU employees, with 10% of coming from EU countries**

New research released today by the Social Market Foundation (SMF) think-tank, in partnership with Adecco Group UK & Ireland, has revealed UK employers' heavy reliance on employees from the EU.

The research comes ahead of the referendum on the UK's membership of the European Union on 23 June 2016, the outcome of which is likely to determine how UK employers will be able to access EU workers in the future. UK employers currently have access to workers in the European Economic Area (EEA) and Swiss citizens, who are permitted to seek work in any other country that is a member of the EU and the EEA. The EEA includes the EU as well as Iceland, Liechtenstein and Norway.

Drawing on analysis of the Labour Force Survey (2015), the largest household survey in the UK of employment and unemployment, the research describes the jobs and characteristics of EEA and Swiss employees in the UK and reveals the extent to which UK employers have recruited from the EEA and Switzerland, especially in the private sector, in London and in sectors such as manufacturing.

In this press release, we use the terms "EU workers" and "EU employees" to refer to workers and employees from the EEA and Switzerland (excluding the UK).

### **Key findings from *Working together: European workers in the UK economy* show that:**

- There is significant reliance on EU workers by UK employers. There are currently 1.6 million EU workers employed in the public or private sectors, making up 6% of all UK employees.
- Those from the EU have a higher employment rate (80% compared to 75% amongst UK working age adults), are more likely to work full-time (79% compared to 70%) and are more likely to be employed in the private sector (85% compared to 73%).\*
- Employers in London, the East of England, the East Midlands and the South East are particularly reliant on EU employees, as are those in Northern Ireland. In London, one in eight (13%) of all employees is from the EU.
- EU employees are particularly prevalent in specific sectors such as manufacturing (10% of employees) and accommodation and food services (14% of employees).
- EU employees are on average educated to a higher level than UK-born employees. For example, only 15% of EU employees have left formal education before the age of 17 compared to 44% of UK-born employees. 42% of EU employees were educated beyond the age of 21 compared to 24% of UK-born employees.
- EU employees represent a higher proportion of workers in elementary occupations – jobs requiring no formal qualifications, and which include jobs such as labourers, cleaners, and shelf-fillers (14%). They represent 13% of process, plant and machine operatives. However, they also represent 5% of all employees amongst occupations such as managers, directors, professionals and associate professionals. These high-level jobs are particularly prevalent in

sectors such as financial services and insurance, information and communication, and professional and technical activities.

**Nigel Keohane, co-author and director of research at the Social Market Foundation, commented:**

“This new research shows the extent to which UK organisations employ workers from the EU. Our analysis is based on the latest available data and should provide insights as employers think about their future recruitment strategies.”

**Adam Hawkins, Managing Director and Board Member at Adecco Group UK & Ireland, commented:**

“This research raises serious questions about the potential impact of 'Brexit'. With 1.6m EU workers currently working in the UK, making up 6% of all UK employees, thousands of businesses could be left in limbo for years following a vote to leave.

“Uncertainty is bad for business, particularly those looking to hire and invest in the future. The recruitment industry has seen a significant slowdown in the number of businesses looking to hire permanent staff as we draw nearer to the referendum.

Any change to the UK's relationship with the EU could hinder UK businesses ability to attract the workforce needed for our industries.”

**ENDS**

**Notes to editors:**

A copy of *Working together: European workers in the UK economy* is attached to this release.

1. \*Our statistics on employment rate refer specifically to EU rather than EEA & Switzerland.

**Interviews and comment**

- **Nigel Keohane, SMF research director**, is available for interview and comment on request. Please contact Sam Williams at MHP Communications on [sam.williams@mhpc.com](mailto:sam.williams@mhpc.com) / 07741 249 139.
- **Adam Hawkins, Managing Director and Board Member at Adecco Group UK & Ireland** is available for interview and comment. Please contact Sam Williams at MHP Communications on [sam.williams@mhpc.com](mailto:sam.williams@mhpc.com) / 07741 249 139.

**About the report and event**

This research was carried out in partnership with Adecco Group UK & Ireland. The Social Market Foundation retains full editorial control over all of its outputs.

The findings of the research will be published at a panel event, titled '*How would "Brexit" impact the UK labour market?*'. The event will take place on Tuesday 17 May 2016 at the British Academy, London.

Speakers include:

- Alain Dehaze, Global CEO of Adecco Group;
- Rt Hon Vince Cable, Former Secretary of State for Business, Innovation and Skills;
- Nida Broughton, Chief Economist, Social Market Foundation;
- Rain Newton-Smith, Director of Economics, CBI (invited);
- Iain Martin, Editor of CapX and author *Making it Happen: Fred Goodwin, RBS and the Men Who Blew Up the British Economy* (invited)

### **About the Social Market Foundation**

The Social Market Foundation (SMF) is a non-partisan think tank. We believe that fair markets, complemented by open public services, increase prosperity and help people to live well. We conduct research and run events looking at a wide range of economic and social policy areas, focusing on economic prosperity, public services and consumer markets. The SMF is resolutely independent, and the range of backgrounds and opinions among our staff, trustees and advisory board reflects this.

### **About Adecco Group UK & Ireland**

The Adecco Group, based in Zurich, Switzerland, is the world's leading provider of HR solutions. With more than 32,000 FTE employees and around 5,100 branches in over 60 countries and territories around the world, Adecco Group offers a wide variety of services, connecting around 700,000 associates with our clients every day. The services offered fall into the broad categories of temporary staffing, permanent placement, career transition and talent development, as well as outsourcing and consulting. The Adecco Group is a Fortune Global 500 company. In the UK & Ireland alone, Adecco Group has over 200 branches and a client base of organisations from all areas of commerce and industry. Adecco Group UK & Ireland retains over 35,000 temporary workers with around 250 permanent staff placed each week. Adecco Group UK & Ireland comprises Adecco, Ajilon, Badenoch & Clark, Computer People, Judd Farris, Modis, Office Angels, Pontoon, Roevin, Spring Personnel, Spring Technology and Spring Telecommunications. Adecco S.A. is registered in Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN).

### **Media enquiries:**

To interview the report author or for further details about the research, please contact:

Sam Williams  
MHP Communications  
[sam.williams@mhpc.com](mailto:sam.williams@mhpc.com)  
07741 249 139