



## BRIEFING PAPER

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# Employment of other EU nationals in the UK

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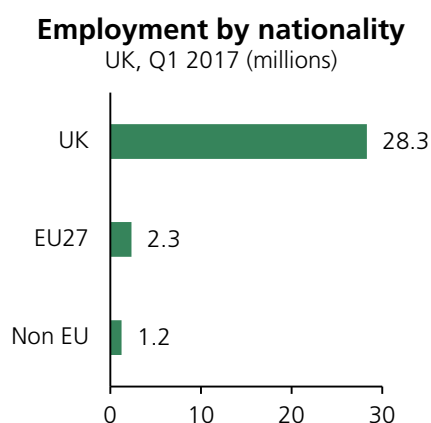
## Summary

This briefing paper provides an overview of nationals of other EU countries who are working in the UK: how many are employed in the UK, what kind of work do they do and where do they live, and how numbers have changed over time.

### Size of workforce

In the first quarter of 2017, there were 2.32 million nationals of EU27 countries (i.e. all EU countries excluding the UK) working in the UK, **just over 7% of all people in employment**. This compares to 0.4 million EU27 nationals working in the UK in 1997, when they comprised 2% of all people in employment.

This total includes around 1.00 million nationals of EU14 countries (members of the EU before 2004) and 1.32 million nationals of countries which have joined the EU since 2004.



**Around a third of workers from EU27 countries lived in London** in 2016 (34%), although this is down from 45% in 2003. Over this period, all regions (including London) saw large increases in the number of workers from EU27 countries.

### Occupation

Workers from EU27 countries are **more likely to be employed in low-skilled elementary occupations** than UK nationals: just under a quarter (23%) worked in elementary occupations in 2016 compared to 10% of UK nationals. EU nationals are also more likely to be employed in skilled trades occupations and as process, plant or machine operatives.

However, **a higher proportion of EU27 nationals are 'over-educated'** for the job they are doing compared to UK nationals. Around 38% of workers from the EU27 held a higher qualification than was typical for people working in that occupation in 2013-15, compared to 15% of workers from the UK.

The occupational profile of EU nationals varies by country of nationality within the EU. Workers from **EU14 countries were more likely to be employed in higher-skilled professional or managerial occupations** than UK nationals in 2016, while workers from the rest of the EU (countries that joined after 2004) are more concentrated in lower-skilled occupations. The proportion of workers who are over-educated for their job was similar for both groups.

### Industry

The proportion of the workforce who are EU nationals is much higher in some industries than in others. In 2016, **33% of people working in the manufacture of food products were EU27 nationals**. Other industries with a high proportion of workers from EU27 countries included accommodation (19%) and warehousing and support for transport (18%).

## Type of employment

**The employment rate for EU27 nationals aged 16-64 is higher than for UK nationals.** People from EU14 countries had a lower employment rate than those from the rest of the EU, but were still more likely to be in work than UK nationals.

EU27 nationals were also more likely to be in full-time work: **81% of workers from EU27 countries were employed full-time in 2016**, compared to 74% of UK nationals. Full-time employment was more common among workers from countries joining the EU after 2004, while the proportion of workers employed full-time rose to 88% for Romanian and Bulgarian nationals.

Broadly similar proportions of workers from EU27 countries and from the UK were self-employed in 2016 (16% and 14% respectively). **Self-employment was more common among workers from Romania and Bulgaria**, around a quarter of whom were self-employed.

## Pay

For employees, **average pay for EU14 nationals was considerably higher than for workers from the rest of the EU** in 2016. Median hourly pay for employees from EU14 countries was around 9% higher than for UK nationals, while median pay for those from the rest of the EU was around 28% lower than for UK nationals. These pay figures do need to be viewed with some caution, as they rely on survey respondents correctly reporting their earnings (and underestimate earnings compared to other sources).

## Migration Advisory Committee report

On 27 July 2017 the Government announced it was commissioning the Migration Advisory Committee to report on the impact of Brexit on the UK labour market and how the UK immigration system should be aligned with a modern industrial strategy. The Migration Advisory Committee is to report back to the Government by September 2018, with the possibility of interim reports before that date.<sup>1</sup>

## Terminology, sources and limitations

Throughout this paper, “EU27 nationals” or “EU nationals” should be interpreted as people who are nationals of countries that are currently members of the European Union, excluding the UK. Similarly, “Workers from the EU” should be understood as workers who are nationals of EU countries not including the UK.

The data in this briefing paper are largely taken from the Office for National Statistics’ quarterly Labour Force Survey, accessed via the UK Data Service.<sup>2</sup> The Labour Force Survey is the primary source for statistics on employment and unemployment in the UK. However, it is largely a survey of private households so generally does not cover people living in communal establishments (such as hostels or halls of residence) and is unlikely to pick up seasonal workers who come to the UK for very short periods of time. Therefore, **statistics presented in this paper may miss out certain kinds of worker**. For example, industry sources indicate the agriculture sector is much more reliant on labour from EU27 countries than is suggested by the Labour Force Survey.

<sup>1</sup> [Migration Advisory Committee \(MAC\) commissioned by government](#), Gov.uk, 27 July 2017

<sup>2</sup> Office for National Statistics. Social Survey Division and Northern Ireland Statistics and Research Agency. Central Survey Unit, *Quarterly Labour Force Survey, October - December, 2016* [computer file] and previous quarters. Colchester, Essex: UK Data Archive [distributor], February 2017. SN: 8145, <http://dx.doi.org/10.5255/UKDA-SN-8145-1>



# 1. Setting the scene: migration between the UK and EU

## 1.1 EU free movement rights

For as long as the UK remains a Member State of the European Union, it is subject to laws guaranteeing EU citizens the right to free movement throughout the Union. All EU citizens (those with nationality of any of the 28 Member States) have the [right to move and reside freely](#) in another Member State. This right is conferred directly on every EU citizen by Article 21 of the [Treaty on the Functioning of the European Union](#).

The right entitles EU citizens to reside on the territory of another EU Member State for up to three months without any conditions other than the requirement to hold a valid identity card or passport.<sup>3</sup> After three months certain conditions apply, depending on the status of the EU citizen. In order to have an ongoing “right to reside” an EU citizen must fit into one of the following categories:

- a worker or self-employed person<sup>4</sup>
- a job-seeker (a person who is seeking employment and has a genuine chance of being employed)
- a self-sufficient person
- a student
- a family member accompanying or joining an EU citizen who fits into one of the above categories.<sup>5</sup>

There may also be certain administrative formalities to be met.<sup>6</sup>

As well as conferring the freedom to move and reside freely throughout the EU under EU citizenship provisions, the Treaty on the Functioning of the European Union specifies the free movement rights of workers and the self-employed.<sup>7</sup> This fundamental principle is supported by protections against discrimination in employment on the grounds of nationality and provisions co-ordinating social security rules so that citizens do not lose entitlements when they exercise their free movement rights in order to work elsewhere.

Further information on free movement rights is set out in the Library’s briefing paper, [Brexit: what impact on those currently exercising free movement rights?](#)

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<sup>3</sup> Directive 2004/38 of the European Parliament and of the Council, Article 6

<sup>4</sup> In certain circumstances, a person who is no longer working can retain “worker” or “self-employed” status - for example, if temporarily unable to work due to illness or accident, or due to involuntary unemployment: Directive 2004/38/EC, Article 7(3)

<sup>5</sup> A more limited range of relatives are eligible for a right of residence as the family member of a “student” than for the other categories: Directive 2004/38, Article 2(2), Article 7(4)

<sup>6</sup> Directive 2004/38, Article 7

<sup>7</sup> Articles 45-48 TFEU and Articles 49-53 TFEU respectively

## 1.2 Expansion of the EU

The European Union has expanded in recent decades:

- Before 2004, there were fifteen Member States: the UK, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, the Republic of Ireland, Spain and Sweden (the UK and the “EU14 countries”).
- In 2004, ten new Member States joined: the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia (the “A8 countries”) and Malta and Cyprus.
- In 2007, Romania and Bulgaria became Member States.
- In 2013, Croatia became a Member State.

### Transitional restrictions

When new countries join, the existing Member States may choose to impose temporary restrictions on the free movement of ‘workers’ from the new Member States for up to seven years. Since 2004, existing Member States have been able to impose such transitional restrictions on immigration from all new Member States with the exception of Cyprus and Malta.<sup>8</sup>

The UK did not impose transitional restrictions on citizens of the A8 countries that joined the EU in 2004, but did impose restrictions for the maximum seven years when Bulgaria and Romania joined the EU in 2007. Bulgarians’ and Romanians’ opportunities were limited to two schemes for highly skilled and skilled workers, and two quota-based schemes for low-skilled work in the agricultural and food processing sectors. Transitional restrictions on free movement of Bulgarian and Romanian workers ceased to apply from January 2014.<sup>9</sup>

The UK also chose to impose transitional restrictions on workers from Croatia from 2013, which are still in place.<sup>10</sup>

## 1.3 Recent trends in immigration

Net migration of EU27 nationals to the UK increased sharply between 2003 and 2004, following the accession of the A8 countries to the European Union. It dipped in 2008 (although remained positive) as the number of EU27 nationals leaving the UK increased sharply following the economic downturn.

An increase in the number of nationals of EU14 countries and Romania and Bulgaria coming to the UK meant that net migration rose again after 2012, from 65,000 in the year ending to September 2012 to

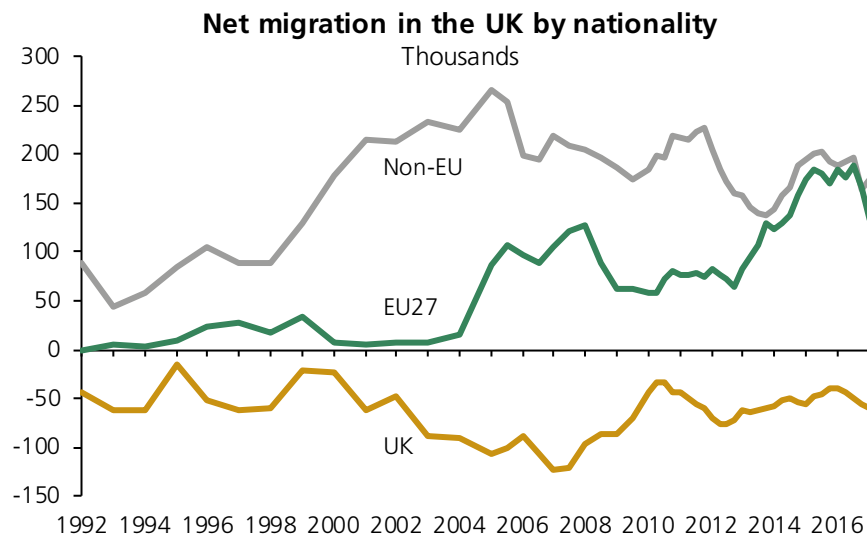
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<sup>8</sup> The background to transitional restrictions is explained in a report by the House of Lords Economic Affairs committee, [Brexit: UK-EU movement of people](#), 6 March 2017, HL 121 2016-18, paras 20-24

<sup>9</sup> For further details on transitional restrictions applied by the UK to Bulgarian and Romanian workers, see Library briefing paper, [Ending of transitional restrictions for Bulgarian and Romanian workers](#), 25 November 2013

<sup>10</sup> European Commission press release, [Free movement: end of the first phase of transitional period for Croatian workers](#), 1 July 2015

189,000 in the year ending June 2016. It then fell back to 133,000 in the year ending December 2016.



Note: Years ending each quarter. The chart does not reflect revisions to estimates of net migration since the 2011 Census, so the figures for net migration of EU nationals in the period 2004 and 2008 are likely to be underestimates.

Sources: ONS Long-Term International Migration Estimates 2 series (LTIM calendar year); ONS Migration Statistics Quarterly Report, May 2017

These recent levels of net migration levels appear to be substantially higher than those seen in the mid-2000s, but it is possible that net migration of EU nationals was almost as high during 2005-06. The difference in reported net migration levels is likely to be due (at least in part) to long-term immigration from central and eastern Europe being underestimated in the earlier period.

Further detailed data on migration to the UK from EU and non-EU countries is presented in the Library's briefing paper, [Migration statistics](#).

## 2. Number of EU27 nationals working in the UK

### 2.1 Employment levels

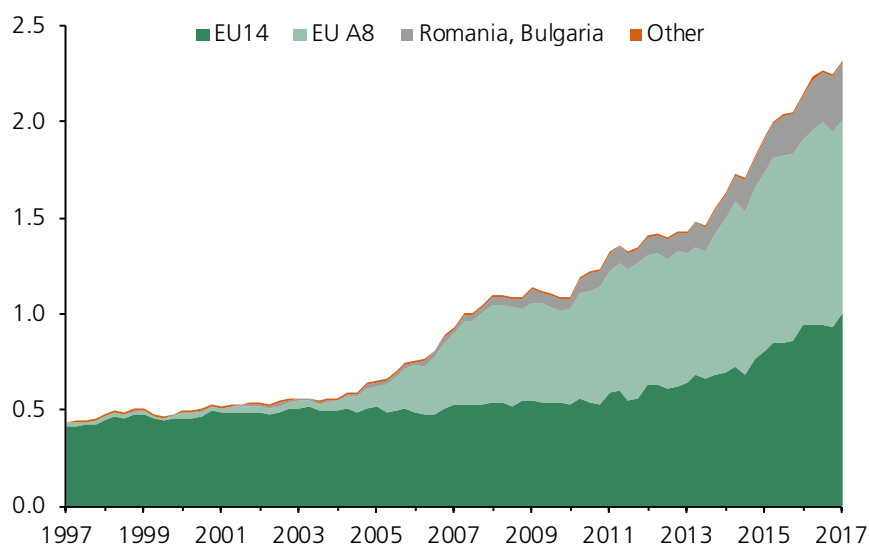
2.32 million nationals of EU27 countries were working in the UK in January-March 2017, 7.3% of people in employment.<sup>11</sup> This included:

- 1.00 million nationals of EU14 countries (members of the EU before 2004);<sup>12</sup>
- 1.01 million nationals of the “A8” countries of central and eastern Europe which joined the EU in 2004;<sup>13</sup>
- 297,000 nationals of Romania and Bulgaria which joined the EU in 2007.

There were also a small number of workers from Malta and Cyprus (which joined the EU in 2004) and Croatia (which joined in 2013).

#### EU nationals working in the UK, 1997-2017

Millions, not seasonally adjusted



Source: ONS, *UK Labour Market, May 2017*, Table EMP06

The number of EU27 nationals working in the UK doubled between 2004 and 2008, reflecting a sharp increase in the number of workers from the A8 countries following their accession to the EU.

The number of workers from the EU grew more slowly in the aftermath of the economic downturn in 2008, but started rising at a faster pace again from late 2013. As before there was strong growth in numbers of A8 nationals, but this was accompanied by a large rise in workers from EU14 countries whose numbers had increased only slightly in the years

<sup>11</sup> Throughout this paper, “EU27 countries” mean the 27 other countries who are currently members of the European Union, not including the United Kingdom.

<sup>12</sup> Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden.

<sup>13</sup> The A8 countries are the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic and Slovenia.



before the downturn. There was also faster growth in the number of Romanian and Bulgarian nationals working in the UK following the removal of transitional restrictions on free movement in January 2014.

In this paper, discussion of changes over time focuses on these three periods: 2003-08 (pre-downturn, following accession of A8 countries), 2008-13 (post-downturn) and 2013-16 (recovery).

## 2.2 Number of workers by individual country

The table shows the number of people working in the UK from each EU member state. There were around 670,000 Polish nationals working in the UK in 2016, 30% of all EU27 nationals in employment.

### Employment by nationality, UK, 2016

Thousands, four quarter average

Nationality	Number
Poland	670
Romania	200
Ireland	180
Italy	160
Portugal	130
Lithuania	130
Spain	110
France	110
Germany	90
Hungary	60
Latvia	60
Bulgaria	60
Slovakia	50
Greece	40
Netherlands	40
Sweden	30
Czech	30
Denmark	10
Belgium	10
Austria	10
Estonia	..
Cyprus	..
Finland	..
Malta	..
Slovenia	..
Croatia	..
Luxembourg	..
<b>All EU27 nationals</b>	<b>2,220</b>
<b>Non EU nationals</b>	<b>1,220</b>
<b>UK nationals</b>	<b>28,300</b>
<b>All people in employment</b>	<b>31,730</b>

Note: figures are rounded to the nearest 10,000. ".." indicates estimate is less than 10,000.

Source: ONS Labour Force Survey microdata

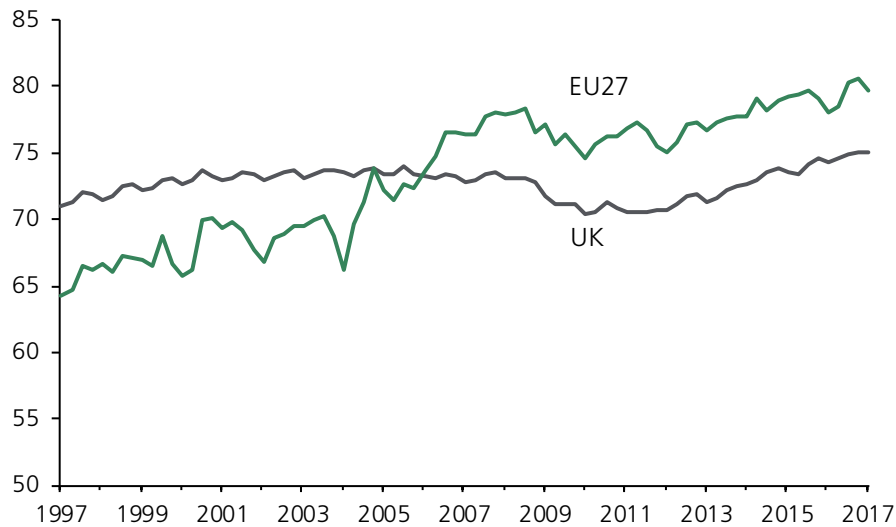
## 2.3 Employment rates

Around 80% of EU nationals living in the UK aged 16-64 were in work at January-March 2017. The employment rate for EU14 nationals was 77%, compared to 82% for people from the rest of the EU (countries that joined after 2004).

The employment rate was lower for UK nationals at 75%.

### Employment rates by nationality, 1997-2017

% of people aged 16-64 in work, not seasonally adjusted



Source: ONS, *UK Labour Market, May 2017*, Table EMP06

There was a sharp increase in the employment rate of EU nationals between 2004 and 2008. This primarily reflected a change in the composition of EU nationals living in the UK: an increasing share of EU nationals of working-age were from the A8 countries, and people from the A8 countries were more likely to be employed than those from EU14 countries.

### 3. Employment by region

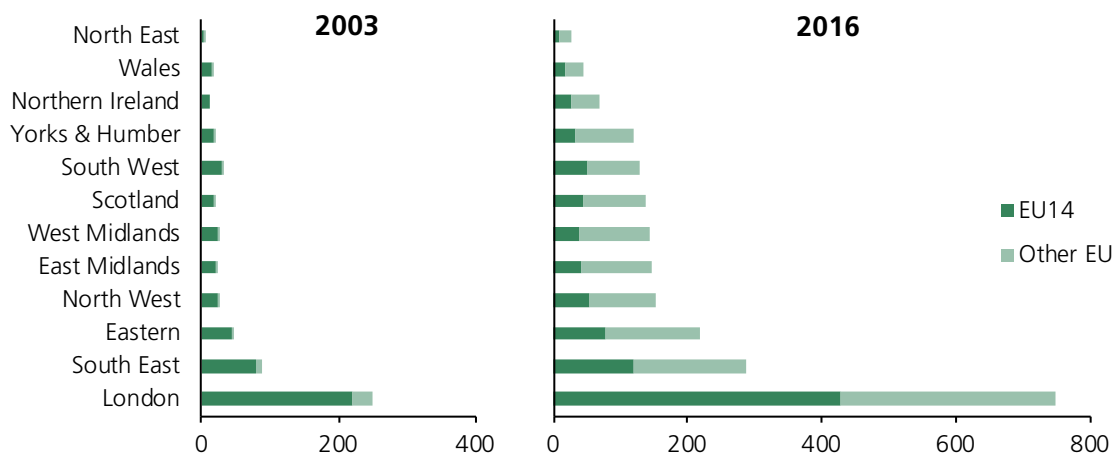
#### 3.1 Number of people in work

A third of all EU27 nationals working in the UK lived in London in 2016 (around 750,000 people). Almost half of workers from EU14 countries and a quarter of workers from other EU countries (those which joined the EU after 2004) lived in London.<sup>14</sup>

In all other UK regions, workers from countries which joined the EU after 2004 outnumbered workers from EU14 countries.

**Employment of nationals of EU27 countries, by UK region**

Thousands; four quarter averages (Q1-Q4 each year)

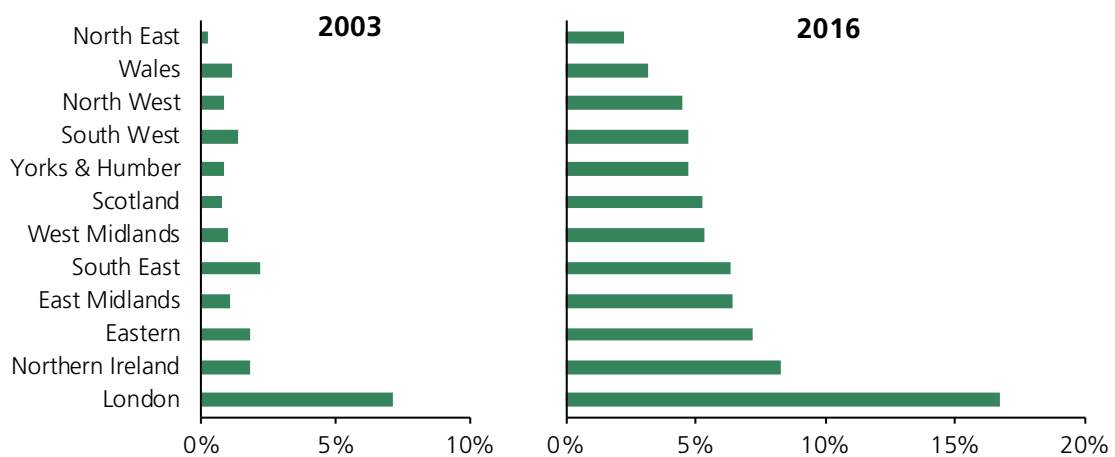


Source: ONS Labour Force Survey microdata

London also had the highest number of EU27 nationals as a **proportion of the total workforce** (17% of workers were EU27 nationals), followed by Northern Ireland (8%) and the East of England (7%):

**Nationals of EU27 countries as % of all in employment, by UK region**

Four quarter averages (Q1-Q4 each year)



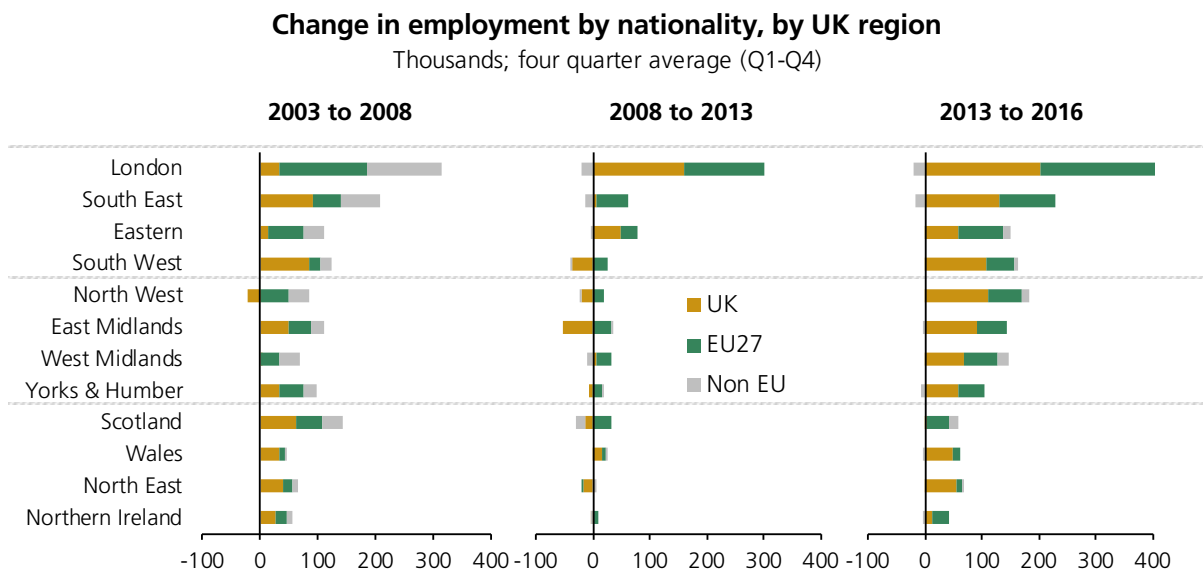
Source: ONS Labour Force Survey microdata

<sup>14</sup> Figures refer to the number of workers *resident* in each part of the UK, who may not necessarily work there: some may commute elsewhere to work.

### 3.2 Change in employment levels

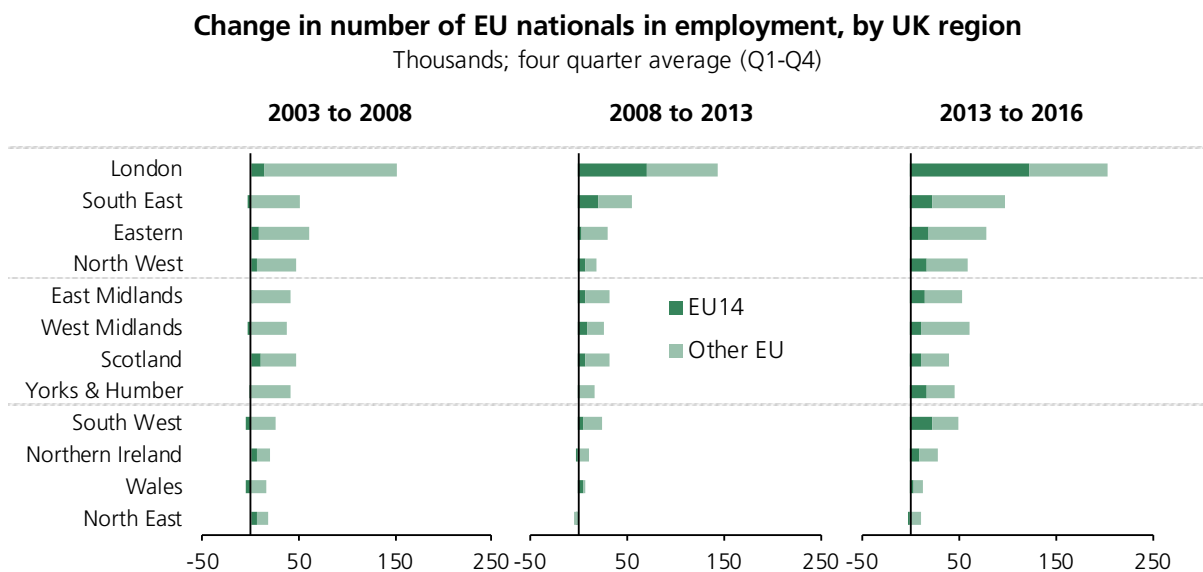
In most parts of the UK the number of workers from EU27 countries numbered in the low tens of thousands in 2003. Their numbers increased sharply between 2003 and 2016 across all UK regions.

Looking first at the period between 2003 and 2008, in most regions there were increasing numbers of UK nationals, EU27 nationals and non-EU nationals in work. The exceptions were the North West, the East of England, West Midlands and London, where increases in employment of UK nationals were small relative to total employment growth.



Source: ONS Labour Force Survey microdata

Following the economic downturn in 2008, employment of UK nationals was generally flat or falling but most regions saw a slight increase in the number of EU nationals in work. London stands out for having seen a large increase in employment of both UK and EU nationals.



Source: ONS Labour Force Survey microdata

From 2013 onwards, employment started growing at pace across the UK. This reflected more UK nationals and more EU27 nationals in employment, although there was comparatively little change in employment of non-EU nationals.

Most of the growth in employment of EU27 nationals after 2013 reflected more workers from countries that joined the EU after 2004 (as had been the case during the preceding decade). But most regions also experienced a sharper increase in employment of EU14 nationals than had been observed in the years before or after the downturn. In London, the increase in employment among EU14 nationals outweighed the increase in workers from other EU countries.

## 4. What jobs do people do?

### 4.1 Occupation

Elementary occupations were the most common occupations of employment for EU nationals in 2013-15, accounting for just under a quarter of all workers from EU27 countries (23%, or 510,000 people). These include low-skilled occupations such as cleaners, warehouse operators, kitchen assistants and waiters.

The next most common occupation group was professional occupations, accounting for 16% of workers (350,000 people). These include a wide variety of high-skilled occupations such as nurses, doctors, teachers, programmers and software developers.

Workers from EU27 countries are over twice as likely as UK nationals to be employed in elementary occupations or to be employed as process, plant and machine operatives (including people employed in processing meat, dairy or other food products, drivers of vans or large good vehicles, etc). A higher share of workers from EU27 countries are also employed in skilled trades occupations (including construction and building trades, chefs, etc).

#### Employment of EU nationals by occupation, 2013 to 2015

% of workers employed in different occupations



Notes: occupations ordered based on median hourly pay excluding overtime at April 2016.

Source: ONS, *International immigration and the labour market, UK*, 12 April 2017, using Annual Population Survey data for 2013 to 2015

The distribution of workers by occupation looks quite different when split by country of nationality within the EU.

41% of workers from EU14 countries were employed in professional occupations or as managers, directors and senior officials (roles which



tend to be more highly skilled than average) between 2013 and 2015, compared to 31% of UK nationals and 11% of other EU nationals in employment. Nevertheless, EU14 nationals were also more likely than UK nationals to be working in low-skilled elementary roles (13% of EU14 nationals and 10% of UK nationals).

Workers from countries that joined the EU after 2004 were more concentrated in lower-skilled occupations: almost half were working as process, plant and machine operatives or in elementary occupations.

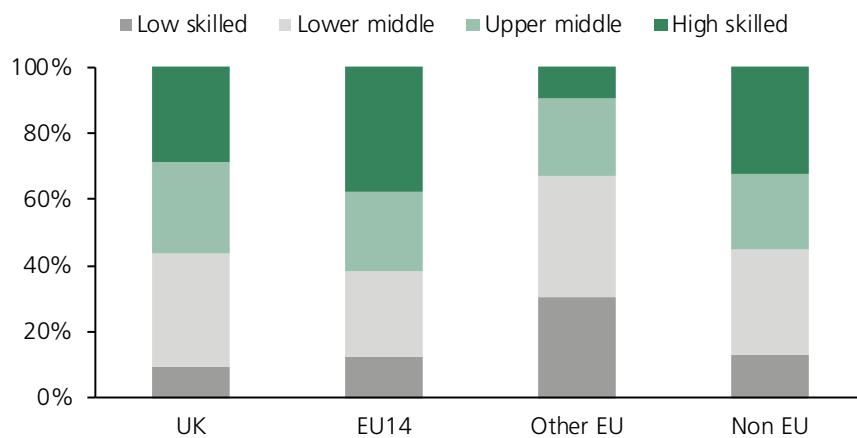
**Employment of EU nationals by occupation, 2013 to 2015 (thousands)**



Notes: occupations ordered based on median hourly pay excluding overtime at April 2016. Source: ONS, *International immigration and the labour market, UK*, 12 April 2017, using Annual Population Survey data for 2013 to 2015

Combining occupations into broad skill levels shows these differences between UK nationals, EU14 nationals and nationals of other EU countries more clearly:<sup>15</sup>

**% of workers in each skill level by nationality group, 2016**



Source: ONS, *International immigration and the labour market, UK*, 12 April 2017, using Annual Population Survey data for 2016

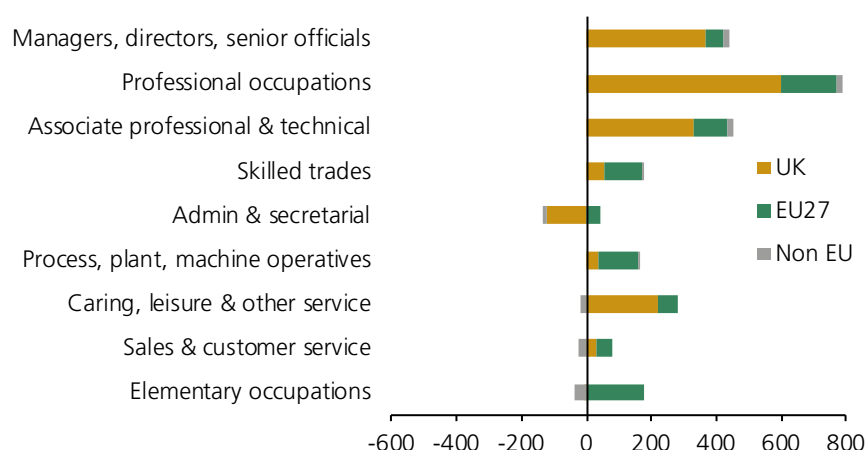
<sup>15</sup> Based on skill levels as defined by the Office for National Statistics. See ONS, [Standard Occupational Classification 2010, Volume 1](#), Section 4: Objects to be classified and criteria of classification

## 4.2 Changes over time

Since 2011, there has been an increase in employment of EU27 nationals across all broad occupational groups, including those where there was little or no growth in the number of workers who are UK nationals. Employment of UK nationals increased strongly among higher-skilled roles and in caring, leisure and other service occupations, but was flat across other lower-skilled occupations.

### Change in employment by occupation, 2011 to 2016

Thousands, four quarter average

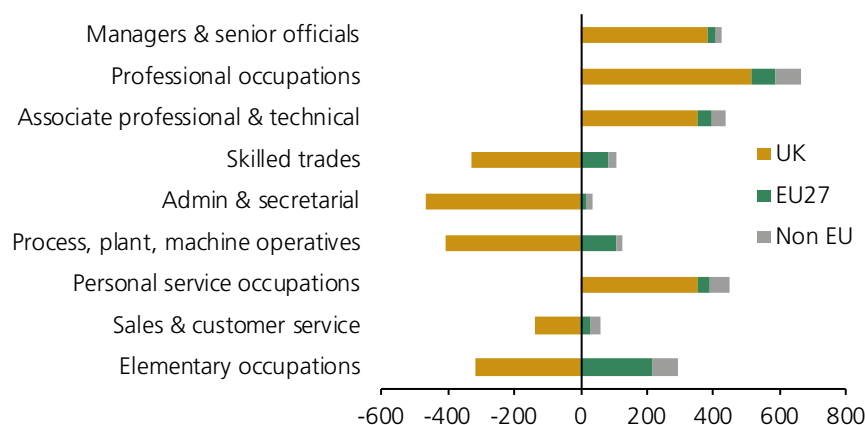


Source: ONS Labour Force Survey microdata

In 2011 there was a change in how occupations are classified in the statistics, so the older data are not directly comparable to the more recent figures. Nevertheless we can look at changes from 2003 to 2010. Employment of EU nationals increased across all occupation groups, even where employment of UK nationals decreased, with particularly strong growth in elementary occupations and for process, plant and machine operatives. The number of EU nationals in these occupations increased by around 320,000, compared to an increase of 300,000 across all other occupation groups. For UK nationals, employment growth was heavily skewed towards higher-skilled occupations:

### Change in employment by occupation, 2003 to 2010

Thousands, four quarter average



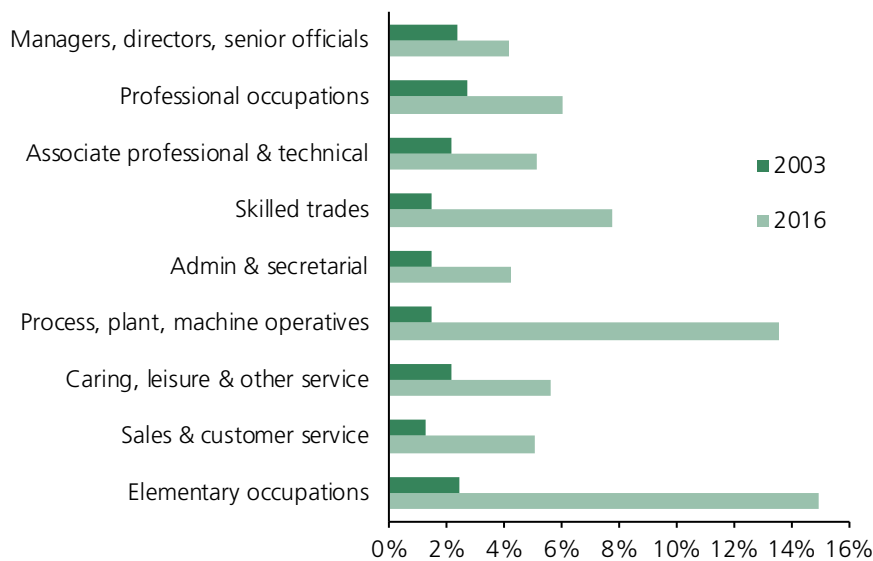
Source: ONS Labour Force Survey microdata

We can also consider the proportion of the total workforce who are EU27 nationals for each occupation. Across each broad occupation group, the share of workers who are from EU27 countries increased between 2003 and 2016, but in certain roles the increase was particularly stark:

- 2% of workers in elementary occupations were from the EU in 2003, rising to 15% in 2016;
- 1% of process, plant and machine operatives were from the EU in 2003, rising to 14% in 2016; and
- 1% of workers in skilled trades occupations were from the EU in 2003, rising to 8% in 2016.

This reflects both a decrease in employment of UK nationals in these roles and an increase in employment of EU nationals. Note this analysis ignores the change in occupational classification in 2011, but splitting the data into two periods (2003-10 and 2011-16) shows a similar trend.

**% of workers by occupation who are EU27 nationals**  
four quarter average



Source: ONS Labour Force Survey microdata

### 4.3 Skill levels by region

Across all regions, EU workers are more likely to be working in lower-skilled roles than the workforce as a whole. The proportion of EU nationals employed in elementary occupations was lowest for those living in London and highest in the East Midlands.

EU workers were also less likely to be working in high-skilled managerial and professional occupations than the workforce as a whole.<sup>16</sup>

**% of workers employed in low-skilled occupations by region, 2013-2015**



**% of workers employed in high-skilled occupations by region, 2013-2015**



Source: ONS, *International immigration and the labour market, UK*, 12 April 2017, using Annual Population Survey data for 2013 to 2015

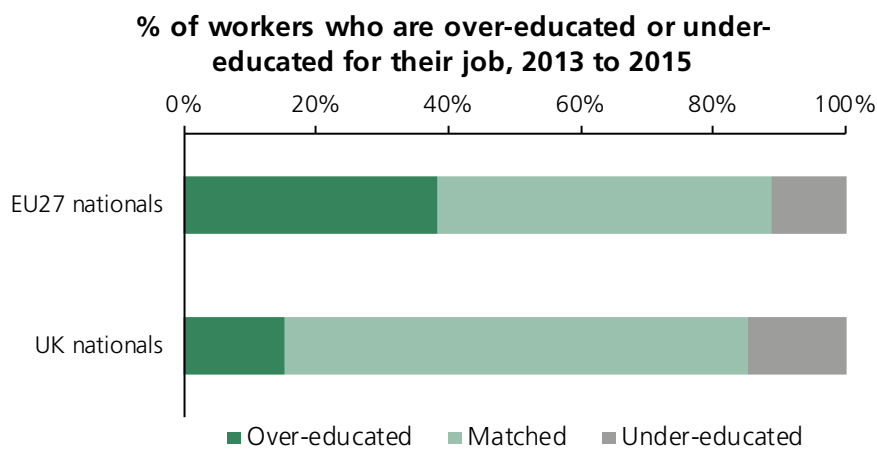
<sup>16</sup> The exception is the North East, but the small sample size in this region suggests this could just be a consequence of survey error. There are very few EU nationals working in the North East compared to other regions, so the figures are particularly susceptible to survey error.

## 4.4 Skills 'mismatch'

Although a higher share of EU nationals than UK nationals work in low-skilled occupations, EU nationals are more likely to be “over-educated” for the job they are doing, meaning they hold a higher qualification than was typical for people working in that occupation.

Around 38% of EU nationals working in the UK were over-educated for their job during 2013 to 2015. The proportion was similar for nationals of EU14 countries and countries joining the EU since 2004. By comparison, 15% of UK nationals were over-educated for their job.

11% of EU nationals and 15% of UK nationals had qualifications lower than the average for people working in the same occupation.



Source: ONS, *International immigration and the labour market, UK*, 12 April 2017, using Annual Population Survey data for 2013 to 2015

## 5. Employment by industry

### 5.1 Number of EU nationals employed

The industries with the largest number of workers from other EU countries in 2016 were the retail trade (170,000 EU nationals employed) and restaurants and pubs (160,000).

The industry with the highest proportion of workers from other EU countries on the other hand was food manufacturing – around one in three workers (120,000 people) were nationals of other EU countries.

EU nationals also formed a relatively high proportion of the workforce in accommodation (19%, or 70,000 workers) and warehousing and support for transport (18%, or 60,000 workers).

These figures are based on analysis of employment across 88 industry 'divisions': other analyses that use broader industry 'sections' will report higher figures for the number of EU nationals employed by industry.

#### Employment of EU27 nationals by industry division, 2016

Thousands, four quarter average

Industry	Number employed	% of all workers in sector
Retail trade, except vehicles	170	6%
Food and beverage service activities	160	12%
Education	140	4%
Manufacture of food products	120	33%
Human health activities	110	5%
Construction of buildings	90	11%
Services to buildings and landscape	90	14%
Wholesale trade, except vehicles	90	11%
Accommodation	70	19%
Specialised construction activities	70	7%
Warehousing and support for transport	60	18%
Computer programming and consultancy	50	8%
Residential care activities	50	6%
Land transport	50	6%
Public admin, defence, social security	40	2%
Financial services (not insurance/pensions)	40	7%
Architectural and engineering	40	7%
Social work without accommodation	40	4%
Postal and courier activities	40	10%
Activities auxiliary to financial and insurance	30	7%
<b>All industries</b>	<b>2,210</b>	<b>7%</b>

Source: ONS Labour Force Survey microdata for Q1 to Q4 2016

However, these figures are likely to underestimate some sectors' reliance on workers from other EU countries, particularly for sectors which use short-term or seasonal migrant labour. This is because the Labour Force Survey, on which the data in this briefing paper is largely based, does not survey people living in communal establishments (such



as hostels or halls of residence) and is unlikely to pick up workers living in the UK for very short periods of time. More generally, the figures also rely on individual survey respondents correctly identifying their industry of employment and not all respondents do so.<sup>17</sup>

Industry-specific sources indicate a higher number of EU nationals working in certain sectors than is recorded in the Labour Force Survey. For example, The Agriculture and Horticulture Development Board has suggested that of at least 70,000 seasonal jobs in agriculture and horticulture, the “vast majority” are done by EU and other migrant workers.<sup>18</sup> This is additional to the 20-30,000 EU nationals working in agriculture reported by the Labour Force Survey.<sup>19</sup> For further discussion, see the Library’s briefing paper, [Migrant workers in agriculture](#).

## 5.2 Change in employment levels

Overall, the number of people in employment in the UK increased by around 2.5 million between 2006 and 2016, but while employment grew in some sectors it decreased in others. The following analysis is based on broader industry sectors than those listed in the table above, to reduce the potential effect of survey error when investigating changes over time.<sup>20</sup>

In those sectors experiencing the highest growth in worker numbers since 2006 (including professional, scientific and technical activities; education; health and social work), there were large increases both in the number of UK nationals employed and in the number of EU27 nationals.

By contrast, despite large falls in the number of UK nationals employed in the manufacturing, construction, wholesale and retail and the transport and storage sectors, the number of EU nationals working in these sectors still increased. These sectors all saw large declines in employment after the economic downturn in 2008, and (with the exception of transport and storage) employment is yet to return to its pre-downturn level despite more recent growth. Even during this period of more recent growth between 2011 and 2016, there was a larger increase in employment for EU27 nationals than for UK nationals.

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<sup>17</sup> For example, employment agencies are classified under “employment activities”, but someone employed by an employment agency who is placed with another business in a different sector may respond differently in the survey.

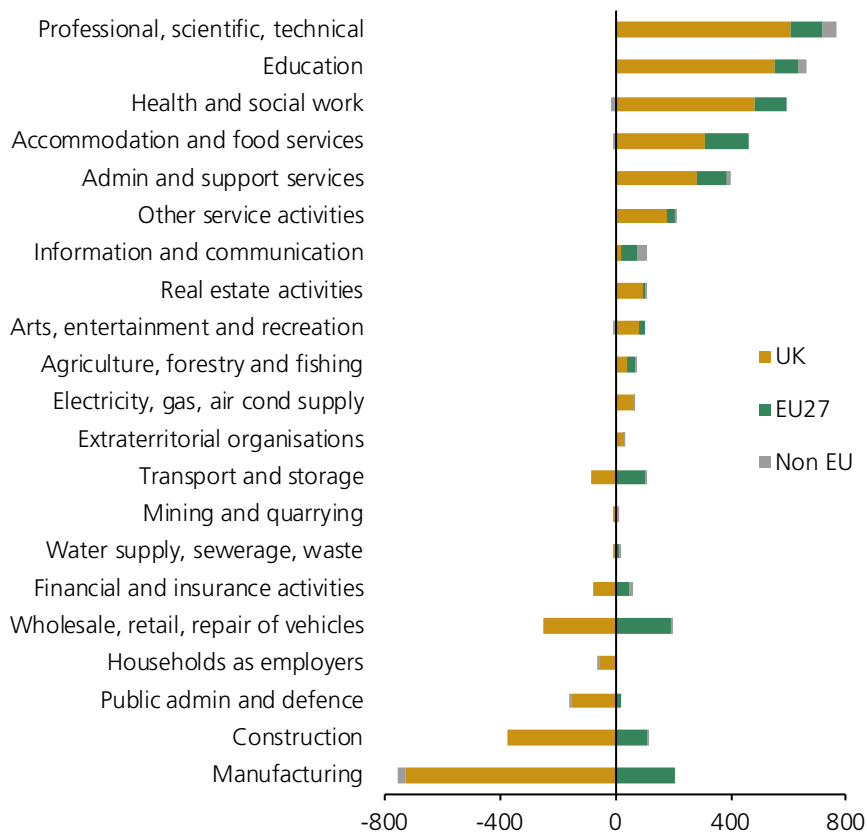
<sup>18</sup> House of Lords Economic Affairs Committee, *Brexit and the Labour Market*, 21 July 2017, HL 11 2017-19, [Q51](#)

<sup>19</sup> Library analysis of ONS Labour Force Survey microdata for Q1-Q4 2016.

<sup>20</sup> Consistent data on industry are only available from the survey microdata for 2006 onwards, due to a change in the system used to classify industries in the statistics.

### Change in employment by industry, 2006 to 2016

Thousands, four quarter average



Source: ONS Labour Force Survey microdata

## 6. Employment pattern and pay

### 6.1 Employees and self-employed

Around 1.83 million EU27 nationals (84% of those in employment) were working as employees in 2016 while 345,000 were self-employed (16%). By comparison, 85% of UK nationals in work are employees and 14% are self-employed.

However, self-employment was much more common among Romanian and Bulgarian nationals than for workers from other parts of the EU: around a quarter of workers from Romania and Bulgaria were self-employed. Around half of self-employed Romanian and Bulgarian nationals worked in the construction sector in 2013-15.<sup>21</sup>

A slightly higher proportion of EU27 nationals were self-employed in 2016 than was the case ten years ago. Over the same period, the proportion of UK nationals in work who are self-employed has increased more steadily.



Source: ONS Labour Force Survey microdata

### 6.2 Full-time and part-time work

UK nationals were more likely to be working part-time than workers from the rest of the EU in 2016. 81% of EU27 nationals in work were employed full-time, compared to 74% of UK nationals. 19% of EU27 nationals and 26% of UK nationals in work were employed part-time.

Workers from Romania and Bulgaria were more likely to work full-time (88%) than those from EU A8 countries (82%), who were more likely to work full-time than those from EU14 countries (77%).<sup>22</sup>

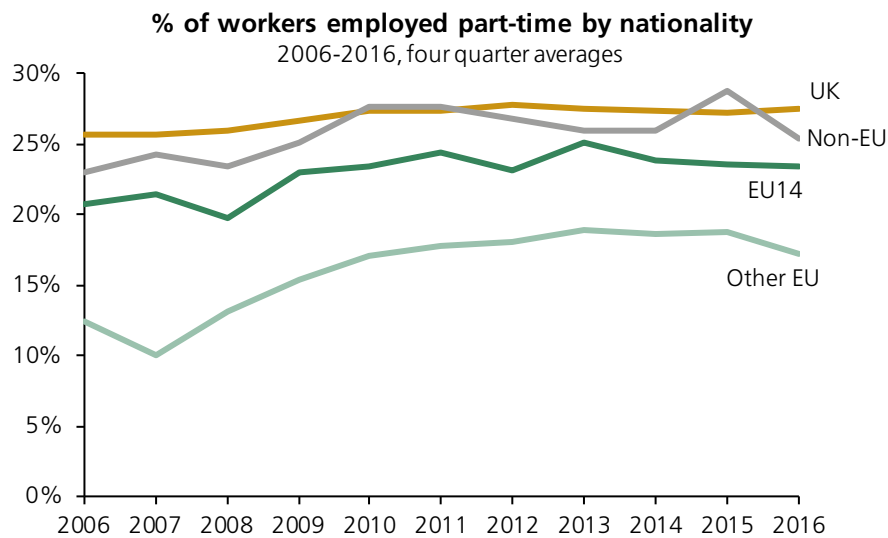
Nevertheless, over the past ten years, part-time working has become more common for workers from EU27 countries, as shown in the chart.

<sup>21</sup> ONS, [International immigration and the labour market, UK: 2016](#), April 2017

<sup>22</sup> Ibid

## 24 Employment of other EU nationals in the UK

The share of UK nationals and non-EU nationals employed part-time has also increased over this period.



Source: ONS Labour Force Survey microdata

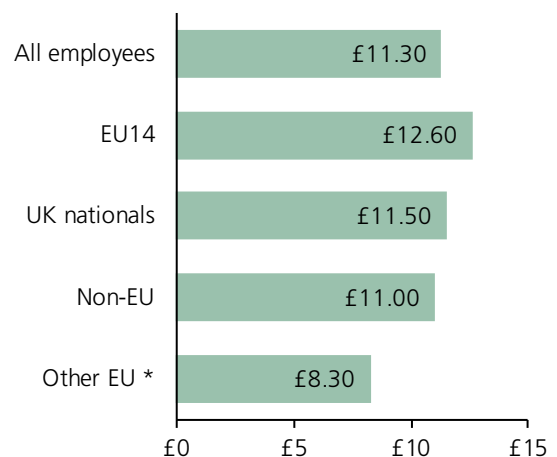
### 6.3 Pay

There was a marked difference in average hourly pay of employees from EU14 countries and those from other EU countries in 2016.<sup>23</sup>

Median hourly pay for EU14 nationals working in the UK was higher than it was for UK nationals, by around 9%. By contrast, median hourly pay for nationals of the A8 countries and Romania and Bulgaria were around 28% lower.<sup>24</sup> The median is the point at which half of employees earn more and half earn less.

These figures need to be viewed with some caution: they are from the ONS *Annual Population Survey* which relies on survey respondents to correctly report their own earnings and is known to underestimate earnings levels compared to other sources. Nevertheless it is used here because other sources of earnings data do not include information on employees' nationality.

#### Median hourly pay by nationality: employees working in the UK, 2016



Note: figures rounded to the nearest ten pence.

Source ONS Annual Population Survey, published in ONS *International immigration and the labour market: UK, 2016*, 12 April 2017

<sup>23</sup> For discussion on how immigration has affected levels of pay and employment across the wider UK workforce, see section 2 of the Library's briefing paper, [Impacts of immigration on population and the economy](#).

<sup>24</sup> Estimates also suggest nationals of Malta, Cyprus and Croatia also had lower average hourly earnings than UK nationals, although there are only a small number of nationals of these countries employed in the UK.

## 7. Methodology

This briefing paper uses data from two main sources: the Office for National Statistics (ONS) *Labour Force Survey*, which provides data by quarter, and the ONS *Annual Population Survey*, which has a larger number of survey respondents and provides data by year.

When the survey samples are divided by nationality and other characteristics, we can end up focussing on a relatively small number of survey respondents which means results are more likely to be skewed by survey error. Where possible, then, this briefing paper uses the Annual Population Survey because of its larger sample size. A new ONS publication, [International immigration and the labour market](#), published on 12 April 2017 used a three-year Annual Population Survey dataset spanning 2013 to 2015, which has an even larger sample size. Some of the results reported in this paper are from the three-year dataset.

However, in most cases it has not been possible to use the Annual Population Survey results because nationality variables are not included in the datasets made publicly available on the UK Data Service website. Therefore, where data are obtained from analysis of survey microdata rather than published sources, the Labour Force Survey is used instead. In particular, all analysis of changes over time are based on Labour Force Survey data.

To reduce some of the volatility arising from the smaller survey sample, Labour Force Survey results for individual quarters are combined to create a four-quarter average for each calendar year. This approach is not ideal: the way the Labour Force Survey is designed means that survey respondents may remain in the sample for up to five quarters, so the four quarter average will count some individual respondents multiple times. On the other hand, averaging over four quarters smooths out any seasonal variations in the data.

As noted in section 4, the Labour Force Survey and the Annual Population Survey rely on information as provided by individual survey respondents. For example, this briefing paper divides the workforce into UK and EU27 nationals, but nationality is self-reported so will depend on how someone perceives their own nationality.

Furthermore, the surveys largely collect information from private households and do not cover most communal establishments (such as hostels, care homes or halls of residence). Nor are they likely to capture workers in the UK for very short periods of time, for example seasonal workers. Therefore they may miss out certain categories of workers from other EU countries working in the UK.

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