

Summary results from English Business Survey Questions relating EU regulation on Employment and Service Provision

The EBS interviews around 3,000 workplaces each month and provides timely intelligence on business conditions. The survey collects information from 3,000 businesses in England via telephone interviews. The August 2013 EBS included questions on EU regulations relating to employment and services to feed into the Balance of Competences final reports for Employment and Social Protection and The Single Market: Free Movement of Services. The results from the survey has been summarised in Tables 1, 2, 3 and 4.

EBS responses related to EU employment regulation:

The purpose of the questions in the EBS survey relating to EU employment regulations was to understand what proportion of businesses felt such EU regulations impacted their businesses¹. The results show that majority of businesses² do not think that EU legislation has an impact (positive or negative) on them and that there is a small minority of the population (over 10%) who do not know if whether EU regulations have an impact or not³. A quarter of businesses felt that EU legislation has an impact on their business with 46% of businesses saying that the impacts are negative compared to 29% who felt that they were positive. The key results have been summarised below⁴:

¹ The survey was conducted in July 2013 and the sample of businesses surveyed was 3000

² 63% state EU services or public procurement has no impact on their business. The results only change very slightly when looking at specific employment legislation – For example, 68%, state their business is not affected by EU making legislation covering workers not on non-permanent full-time contracts (i.e. agency workers, part-time and fixed term contracts).

³ As expected the proportion of businesses who say 'don't know' increase when looking at specific areas of EU legislations. For example, when asked whether their business if affected by EU making rules on 'workers not on permanent and full-time contract', 18% state 'don't know'.

⁴ Survey estimates are given as weighted percentages. For information on how the weights are calculated please see link https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/227025/bis-13-1075-english-business-survey-technical-guide.pdf

Table 1

EBS questions relating to employment regulations		Percentage⁵
Do EU employment regulations have an impact on your business? (3000)	Don't Know	12%
	Yes	25%
	No	63%
	Total	100%
IF YES, PROBE: Do these affect your business negatively or positively? (3000)	Don't Know	25%
	Positive	29%
	Negative	46%
	Total	100%

There are various factors that can explain these results. It could be that EU employment legislation, such as providing rest breaks (requirement of the working time regulations), is not a dominant factor for most firms, as firms are doing what is required anyway. It could also be that a proportion of the firms interviewed might not have the resources to interpret specific EU legislations or are simply not aware of their impact on their businesses. Finally, respondents when answering could also be assuming that UK would have legislated in these policy areas even in the absence of EU. The survey also focused on specific areas of EU regulations such as workers not on permanent full-time contract (e.g. agency workers, part-time and fixed term workers), working conditions (e.g. rest breaks, maximum hours worked in a week and maximum annual leave), information and consultation and business restructuring (for example, if a firm has to make large redundancies or undergoes a merger).

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⁵ All percentages are based on the weighted counts

⁶ The unweighted sample size is provided in brackets.

Table 2

EBS questions relating to employment regulations		Percentage⁷
Would your business be affected if European countries determined all their own employment rules, so different employment standards applied in each country? (3000)	Don't Know	25%
	Yes, positively	9%
	Yes, negatively	11%
	No	55%
	Total	100%
Is your business affected by the EU (rather than individual countries) making rules covering workers not on permanent full-time contracts? (3000)	Don't Know	18%
	Yes, positively	5%
	Yes, negatively	10%
	No	67%
	Total	100%
Is your business affected by the EU (rather than individual countries) making rules covering when employees are informed and consulted on changes affecting them at work? (3000)	Don't Know	21%
	Yes, positively	8%
	Yes, negatively	9%
	No	61%
	Total	100%
Is your business affected by the EU (rather than individual countries) making rules covering business restructuring? (3000)	Don't Know	20%
	Yes, positively	4%
	Yes, negatively	9%
	No	67%
	Total	100%
Is your business affected by the EU (rather than individual countries) making rules covering working conditions? (3000)	Don't Know	18%
	Yes, positively	9%
	Yes, negatively	13%
	No	59%
	Total	100%
Does your business export its products or services to customers in other EU countries? Answered only by firms who export (343)	Don't Know	2%
	Yes	85%
	No	13%
	Total	100%
Is your business in direct competition with businesses based in other EU countries? (3000)	Don't Know	4%
	Yes	19%
	No	78%
	Total	100%
Does your business have operations, for example factories, offices or sales offices, in other EU countries? Answered only by firms who have multisite operations (1187)	Don't Know	4%
	Yes	18%
	No	78%
	Total	100%

⁷ All percentages are based on the weighted counts

EBS responses related to EU service provision regulation:

As with employment regulation the purpose of questions on services provision was to understand what proportion of businesses felt relevant EU regulations impacted their businesses⁸. The key results show that over half of businesses did not know how EU legislation affected service provision. Amongst businesses that do see an impact from EU legislation 42% thought it affected the business positively, 27% negatively and 31% did not know. The key results have been summarised below.⁹

Table 3

EBS Questions Relating to Services	Sample	Response	Percentage ¹⁰
Whether you are aware of the EU regulations that affect the selling and delivery of services? (3025)	All businesses	Yes	42%
		No	55 %
		Don't Know	3 %
Whether your company sells or delivers services, either in the UK or in the EU? (3025)	All businesses	Yes	71 %
		No	26 %
		Don't Know	2 %
Whether EU regulations about the sale and delivery of services have an impact on the business? (2020)	All where company sells or delivers services in UK or EU	Yes	31%
		No	55%
		Don't Know	14%
IF YES, PROBE: Whether these affect the business negatively or positively? (550)	All where EU regulations of the sale and delivery of services impact	Positively	42%
		Negatively	27%
		Don't Know	31%

Explanations for these results may fall along similar lines to those for the employment regulations responses.

The survey also examined a number of other aspects of service provision. Businesses were asked whether they thought EU regulation affected their ability to establish operations in another EU country, the ability to deliver services in another EU country without setting up operations and the ability to compete for procurement contracts in other EU countries.

They were also asked whether they were in direct competition with other businesses from the EU, whether multi-site businesses have operations in other EU countries and whether businesses that export do so to the EU. Businesses that do not provide a service were asked whether they purchased a service from UK or EU businesses.

These results have been summarised in the table below.

⁸ The survey was conducted in August 2013 and the sample of businesses surveyed was 3025

⁹ The unweighted sample size is provided in brackets.

¹⁰ All percentages are based on the weighted counts

Table 4

EBS Questions Relating to Services	Sample	Response	Percentage¹¹
Whether your company purchases any services from businesses based in either the UK or in other EU countries? (940)	All where company does not sell or deliver services in UK or EU	Yes – UK only	41%
		Yes – EU only	1%
		Yes – both UK and EU	9
		No	42
		Don't Know	7
Whether your business would be affected if regulations about the sale and delivery of services were determined by individual EU countries? (2020)	All where company sells or delivers services in UK or EU	Yes, positively	8
		Yes, negatively	18
		No	49
		Don't Know	25
Whether your business is affected by the EU, rather than individual countries, making regulations covering: The ability to delivery services to other EU countries without needing to set up operations in another country? (3025)	All businesses	Yes, positively	7
		Yes, negatively	3
		No	74
		Don't Know	17
Whether your business is affected by the EU, rather than individual countries, making regulations covering: The right to establish operations in other EU countries? (3025)	All businesses	Yes, positively	5
		Yes, negatively	3
		No	73
		Don't Know	19
Whether your business is affected by the EU, rather than individual countries, making regulations covering: The ability to compete for public procurement contracts in other EU countries? (3025)	All businesses	Yes, positively	5
		Yes, negatively	3
		No	73
		Don't Know	18
Whether your business exports its products or services to customers in other EU countries? (330)	All exporters	Yes	91
		No	7
		Don't Know	2
Whether your business is in direct competition with businesses based in other EU countries? (3025)	All businesses	Yes	24
		No	71
		Don't Know	5
Whether your business has operations, for example factories, offices or sales offices, in other EU countries? (1740)	All multisite businesses	Yes	28
		No	69
		Don't Know	3

¹¹ All percentages are based on the weighted counts

Strengths and Limitations of the EBS

The EBS provides a large monthly sample with a workplace focus, which allows data on local conditions to be collected, but this also means that statistics about region, employment size and industry all relate to that of the workplace, rather than for the enterprise. Accordingly, inferences about the enterprise-level business population are more limited.

In addition the EBS does not cover non-registered businesses¹². This is potentially important as such businesses make up a significant proportion of the overall business population (55% of businesses) although they account for a smaller share of employment (12%) and turnover (3%). Please see the user guidance for more information.¹³

¹² Non-registered businesses are not registered for either PAYE OR VAT, which means they are generally, the very smallest non-employing businesses.

¹³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210768/12-598-english-business-survey-user-guide.pdf