

# Anticipating, Preparing and Managing Employment Change in the Private Security Industry

## Final Report



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# Anticipating, Preparing and Managing Employment Change in the Private Security Industry

Final report

Paul Baker, Andrea Broughton

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# Glossary

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<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>EC</b>	European Commission
<b>ECIU</b>	Energy and Climate Intelligence Unit
<b>EEA</b>	European Environment Agency
<b>EPRS</b>	European Parliamentary Research Service
<b>ESPAS</b>	European Strategy and Policy Analysis System
<b>EU</b>	European Union
<b>EUISS</b>	European Union Institute for Security Studies
<b>Europol</b>	European Union Agency for Law Enforcement Cooperation
<b>NACE</b>	Statistical classification of economic activities in the European Community
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PSI</b>	Private security industry
<b>SBS</b>	Structural business statistics (Eurostat)

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# Executive summary

## Introduction

This report on anticipating, preparing and managing change in private security employment details the main findings of a project that ran from February 2017 to October 2018. The overall object of the project was to understand, anticipate, prepare and manage change in employment within the private security industry. Not unlike other sectors, the private security industry is faced with a series of ‘mega’ trends that are radically altering the economic, societal, and technological environment in which the industry operates. The many drivers – whether digitalisation, demographic evolution and migration, or a changing security threat environment (for example due to radicalisation and terrorism or organised crime) – will undoubtedly result in a mix of incremental and disruptive transformations in the business environment for private security providers, both in terms of shifts in market demand and in terms of their business models and operations.

The private security industry faces a number of immediate and future employment challenges:

- accelerating the integration of traditional on-site guarding with remote and mobile guarding, supported by new technological solutions
- coping with demographic change and the ageing of the workforce
- attracting and retaining younger generations into the private security industry
- adjusting to changes in the content of jobs as some ‘tasks’ disappear and new ones appear
- adapting to a widening of missions undertaken by private security and the increasing dimensions of public–private partnerships to deliver security to citizens and businesses

This report presents the findings from Phases 1 and 2 of the project ‘Anticipating, Preparing and Managing Change in Private Security Employment’, which focused on gathering information on the drivers of change in the private security sector with regard to the expected magnitude and timing of change, as well as the impact and consequences of change. Phase 1 comprised desk research and interviews with key experts and stakeholders. The findings for this phase were validated in two workshops in October 2017 and April 2018. Phase 2 of the project, which was completed by October 2018, focuses on the formulation of recommendations and guidelines to anticipate change.

## Economic and employment situation of the private security sector

The general picture for the sector as a whole in Europe is that growth in turnover slowed significantly following the onset of the financial and economic crisis that began in 2008, while total employment was stagnant between 2009 and 2015. However, the most recent available data show evidence of a return to growth, in parallel with the strengthening of the overall economic situation. Industry sources report some labour market tightness, with firms encountering difficulties in recruiting sufficient workers and finding workers with the right skills profile.

Available Eurostat data for the broader category of security and investigation activities (NACE 80)<sup>1</sup>, reveals marked differences across EU Member States in the age composition of the workforce, with many central and eastern European countries, the Baltic States, Germany and the UK having high proportions of older employees in the workforce. Looking forward, these countries may face growing employment pressures caused by the need to replace older employees as they retire from the workforce. By contrast, younger age groups typically account for a higher proportion of the workforce in the northwest of continental Europe (including Scandinavia) and France. In terms of gender composition, male workers dominate employment in the private security industry, with the share of female security guards in Europe estimated at only around 15 %.

## Overview of drivers of change

For the purposes of this project, the major trends – or drivers of change – that are anticipated to influence the private security industry in Europe have been grouped into the following categories:

- Global conditions: globalisation and environment
- Demographics, migration and urbanisation
- Technology
- Societal factors: crime levels, security threats and public perceptions
- Widening of the private security domain

Over the past decades, **globalisation** has accelerated due to a combination of trade liberalisation and emerging market growth, alongside technology developments and falling

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<sup>1</sup> NACE 80 covers private security activities (NACE 80.1), security systems service activities (NACE 80.2), and investigation activities (NACE 80.3). Within the EU28, private security activities (NACE 80.1) account for 80 to 85 % of total turnover in security and investigation activities (NACE 80).

transport costs that have facilitated flows of goods, services, labour (talent), capital, information and data. Globalisation may make supply chains more efficient, but, by breaking up production processes and increasing their geographical dispersion, it makes them more vulnerable to disruption.

There is clear evidence that greenhouse gases are causing **climate change** and driving a complex mix of unpredictable changes to the environment while further taxing the resilience of natural and built systems (KPMG, 2013). There may be an increase in refugee and migrant flows resulting from the adverse effects of climate change and natural disasters, and governments will face a difficult challenge in achieving the right combination of adaptation and mitigation strategies.

Europe is facing an **ageing population** due to a combination of increased life expectancy and declining fertility rates. Shifting dependency ratios will put pressure on social institutions, businesses, and economies. At the same time, businesses and workers will need to adjust to an older workforce and potential shortages of workers. Pressures on pension systems may mean that workers need to work for longer, while workforce participation will need to be promoted, and older workers encouraged to develop the skills required to be active and productive participants in the workforce.

**Immigration** could provide one possible solution to Europe's ageing population. The process of integrating immigrants is, however, a highly contentious political issue with clear divides between those who see increased immigration as a way to pay for higher social spending, and those that see high levels of immigration as a threat to social stability. It is also the case that immigrants will age themselves, and their birth rates quickly mirror those of the overall population. Consequently, it is argued that immigration can only delay but not solve the problem of ageing populations.

There is also a growing **urbanisation** trend: as of 2008, more than 50 % of the world's population lives in urban areas. In Europe, this figure is close to 75 %, although there are considerable differences in the size and spatial distribution of urban developments across countries. This trend is expected to continue, particularly with capital cities witnessing significant growth in populations. Cities are, however, seen as more prone to crime, violence or vandalism than rural areas. Furthermore, the higher concentration of people impacts on infrastructure and service requirements, resource needs and supply, and exposure to natural and man-made disasters.

Successive waves of **information technology** developments are improving access to data and creating opportunities for the emergence of new industries and new types of jobs. The impacts of emerging technologies on the job markets and the workforce risk being extremely profound. On the one hand, developments in automation and machine learning

have the possibility to make millions of jobs obsolete, either completely or partially for specific tasks carried out by workers today. As a consequence, salaries of low-skilled workers in developed countries (already subject to downward pressure from technology and global competition from low-cost production locations) could become more vulnerable. At the same time, new technologies are enabling workplace innovations that will bring changes to working behaviour; for example, remote working, co-working spaces and teleconferencing. Workers that are unable to adjust to these new task demands may see their employment prospects deteriorate, either in terms of the number or quality of jobs available.

Eurostat estimates suggest that the number of **recorded crimes** in the EU has, for most categories, fallen over recent years (from 2008 to 2015), although this is not the case for acts of sexual violence and drug-related offences. The rise of terrorism and public fears around potential terrorist attacks and the associated targeting by terrorists of public spaces and events where private security guards work raises important issues on the potential exposure of guards to terrorist incidents and their role within public–private partnerships for counter-terrorism.

The most recently released Eurobarometer survey of **Europeans' attitudes to security** (European Commission, 2017a), reveals a significant decrease in the proportion of respondents who think that the EU is a secure place, from 79 % in 2015 to 68 % in 2017. Fears centre on terrorism, organised crime, natural and man-made disasters, cybercrime and the security of the EU's external borders.

The growing presence of private security has been accompanied by a **widening of the scope of services provided**. Even if manned guarding and mobile patrol services, alongside transport of valuables (cash-in-transit), remain the bedrock of the sector, the range of services provided by private security companies is expanding: for instance, concierge and reception services, special event security, risk analysis, security consulting, security training, loss prevention, employee/background screening, alarm and video system monitoring (and response), security system integration, and cybersecurity. A complex set of factors influence the potential for the widening of the private security domain. These involve matching service needs of customers – and expectations of citizens – with cost-effective and efficient delivery, while ensuring transparency and proper accountability.

## **Impacts and consequences for the private security industry**

In terms of **globalisation**, the private security industry, in its role as a frequent support for the police force, which may become more prominent in the future, may become more involved in trying to manage the different instabilities and outcomes caused by globalisation.

This is linked to the widening of the private security domain, which is explored at the end of this section.

**Climate change** may lead to a greater concentration of the population in urban areas, which in turn may increase demand for the services of the private security industry in terms of crowd management, event management and other public order duties. Similarly, the sector may be called upon to help manage refugee and migrant flows: it is already involved in these activities in many countries. Maintaining the integrity of supply and logistics operations could become a major part of the private security sector's work.

The **economic recovery** has led to a decrease in unemployment around Europe. For the private security sector, high levels of employment are likely to lead to recruitment difficulties in countries where the sector is seen as less attractive in terms of employment opportunities. There has not been a great deal of evidence to date that the economic recovery has resulted in significant wage growth, and so, at present, the sector is unlikely to be subject to pay pressure. However, as there are high levels of involuntary part-time work and atypical working overall in the labour market, if the private security industry focused on improving terms and conditions of employment, this could be an opportunity to significantly increase the attractiveness of the sector to potential employees.

The **ageing population** has many implications for the private security sector. In terms of employment, adjustments may need to be made for an older workforce in relation to working conditions, working environment and adaptation to technological change. As workers are likely to need to work for longer due to pressure on pension systems, the industry will need to think about how to accommodate workers who remain in employment past their mid-sixties. A key challenge will be to ensure that older workers develop the skills that they need to maintain active participation in the sector. The sector may also need to cope with labour shortages, possibly through the increased use of technology and automation.

The private security sector is likely to be at the forefront of managing the flow of **immigrants**, as is already the case in many countries, and potentially helping to contain any social unrest associated with increased flows of immigrants. This raises issues for the sector such as the need to ensure that guards have the necessary skills and competences to deal with the duties associated with this. The social partners have already addressed many of these issues in their 2016 joint declaration on the role of the private security sector in light of the increasing number of refugees in Europe.

**Technology** has already had a significant impact on the private security sector: remote monitoring and the use of drones has already changed the role and job content of guards. The advent of new technology presents both opportunities and challenges for the sector.

One challenge is the potential negative effect on employment levels. There is also an opportunity in that technology may be able to take on some of the more mundane tasks in the sector, leaving guards free to engage in more complex and interesting tasks. Training will be needed in order to enable workers to adapt to the new types of tasks that they may be required to carry out. There is likely to be a requirement for workers to shift from routine and automatable tasks, such as surveillance activities, to tasks that are complementary to new technologies, but that typically are new, more complex and more demanding. There are also challenges for employers and the social partners in terms of the changing profile of the workforce: a greater number of workers whose job content consists of technology-related tasks may mean redefining pay scales and career tracks in company agreements and collective agreements, in order to accommodate workers with a different background and skills set to those whose jobs involve more traditional guarding tasks.

There are ongoing issues related to serious and organised crime, however, especially related to the role of new technology, in the area of cybercrime. The overall decrease in crime may mean that there is less demand for guarding services: a reduced risk of vandalism and burglary may lead to more remote-controlled guarding rather than having a guard on site, accelerating an existing trend.

Increases in **terrorism** and targeting by terrorists of public spaces and events where private security guards work raises important issues on the potential exposure of guards to terrorist incidents but also their potential role within public–private partnerships for counterterrorism. Security guards are often first on the scene in a terrorist attack on a public space such as a large entertainment event or an airport. It is therefore crucial that they have the necessary training and equipment to deal with this eventuality.

In order to address issues related to the **widening of the sector** into other areas, it will be important for sector representatives to be actively involved in discussions with their public sector partners in terms of developing legal frameworks and regulations relating to the widening of the functions that are assigned to the private sector. At the same time, further development of public–private partnerships will need the creation of coordination and cooperation models that promote maximum effectiveness and efficiency of overall security provision, whilst ensuring that the delivered services correspond to the needs and expectations of citizens.

## **Recommendations and guidelines**

These key recommendations and guidelines are aimed at helping the social partners in the private security sector to anticipate and deal with change. These are intended to help guide

the future work of the social partners, and should be adapted to individual circumstances as appropriate.

### **Employment and terms and conditions**

- While it is not desirable to put into place minimum standards across the EU, national social partners could think about how to put into place national minimum standards.
- Where appropriate to national context, collective bargaining and bipartite/tripartite collaboration can be used to regulate terms and conditions of employment.
- The bipartite sectoral observatories that exist in some countries could be showcased to see if any elements of these could be transferred to other Member States.
- Background checks could be made quicker, where possible, in order to make it easier for employers to recruit.
- Online employment and recruitment platforms may become more relevant for the sector in the future. CoESS and UNI Europa should work together to assess the key challenges.
- Ensure that guards are properly protected when doing their job.

### **Training**

- Upskilling could enhance the employability of existing workers.
- More structured training for young and new workers and those moving into the sector from other sectors should be provided.
- There is a need to adapt to new skills needs, including technology and soft skills.
- The social partners could explore the feasibility of e-learning platforms at EU level for soft skills.
- The social partners should aim to strengthen the effectiveness of cooperation at the interface between public and private security roles and responsibilities.
- Intercultural and intergenerational training and mental and physical health support and training should be a focus.

### **Increasing the attractiveness and quality of the sector**

- Communication campaigns could help to raise the profile of the sector and showcase the work of guards and the human face of the profession. This could include campaigns to increase the diversity of the sector's workforce.

- It is vital to ensure a balance between stability and flexibility that is acceptable to both employees and employers.
- Share best practice after large security events.
- Review equipment for guards who are carrying out public order duties.

### **Regulatory reform and market functioning**

- Thought should be given to how to combine a general industry message on better procurement with company-level actions in the area of marketing and commercial activity.
- The social partners should conduct lobbying activities for the insertion of social and quality criteria clauses into public tenders.
- Information and education campaigns directed at public and private sector customers would be useful, possibly building on the joint statement on the 2014 Directive on public procurement and the social partners' best value guide.
- The social partners should ensure that government lobbying actions take place in order to try to ensure the principle of best value, rather than lowest cost.
- Ensure that regulatory frameworks keep up with change.
- Organise a sharing of relevant national legislation in English in individual Member States, as far as possible, in order to better understand national situations and challenges.

### **Coping with the challenges of technology**

- Conduct regular brainstorming sessions at EU level to assess the upcoming challenges and opportunities that technology offers, including cybersecurity issues, and how they can be anticipated.
- Try to find creative solutions to the challenges posed by the introduction of technology.
- Review job descriptions and the structure of collective and company agreements, so as to include technology workers.
- Benchmarking exercises with other industries.

### **Widening the scope of the sector**

- Set up a working group to discuss this and to look at best practice.

- Avoid fragmentation of social dialogue: good cooperation between public and private sector social partner representatives.
- Explore targeted work with the police and other first responders.

# 1. Introduction

## 1.1 General context of the project

Since 1992, CoESS and UNI Europa have been active in the European sectoral social dialogue for the private security services sector. Through the dialogue, they discuss issues of mutual interest and take joint action at European level, building mutual trust and confidence and pursuing a common interest in moving the sector forward in a way that benefits both companies and workers.<sup>2</sup> A notable output is the ‘Buying quality private security services’ manual, renewed in 2014, designed to support organisations in purchasing private security services and highlight the benefits of choosing quality providers. Earlier outputs have included manuals dealing with issues such as health and safety, education and training and so on. The dialogue has also issued many joint declarations (bilateral and multilateral), most recently concerning the role of the private security sector in light of the increasing number of refugees in Europe.<sup>3</sup>

The present project on ‘Anticipating, Preparing and Managing Change in Private Security Employment’, which has been made possible by EU funds supporting the social dialogue, was officially launched on 1 February 2017. As its title suggests, the overall object of the project is to understand, anticipate, prepare and manage change in employment within the private security industry. In common with other sectors throughout the economy, the private security industry is faced with a series of ‘mega’ trends that are radically altering the economic, societal, and technological environment in which the industry operates. The many ‘drivers’ – whether digitalisation, demographic evolution and migration, or a changing security threat environment (for example due to radicalisation and terrorism or organised crime) – will undoubtedly result in a mix of incremental and disruptive transformations in the business environment for private security providers; both in terms of shifts in market demand and in terms of their business models and operations.

The forces of change affecting the private security industry are accelerating and there is a need, therefore, to anticipate and manage change processes, in order to minimise disruptions and allow a smooth transition in the workforce. Change will affect not only future client demand for private security services – in terms of both the level and type of services demanded – but also the ways in which these services are delivered. At the same time, the drivers of change will affect the business environment and market conditions –

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<sup>2</sup> In June 2016, CoESS and UNI Europa, together with social partners from 6 other key service sectors, signed a joint declaration affirming the key role of social dialogue as an essential tool for growth, quality jobs and competitiveness in Europe and recognising social dialogue as a cornerstone of the social dimension of the single market.

<sup>3</sup> February 2016.

including regulatory conditions – in which private security businesses operate and, equally, the wider economic and socio-political environment. This is likely to result in a need for adaptation and adjustment of recruitment, job profiles, skills and training of employees. Having a better understanding of how to anticipate and adapt to change will increase resilience in the industry and strengthen its capacity to adapt to future changes.

The private security industry faces a number of immediate and future employment challenges:

- accelerating the integration of traditional on-site guarding with remote and mobile guarding, supported by new technological solutions
- coping with demographic change and the ageing of the workforce
- attracting and retaining younger generations into the private security industry
- adjusting to changes in the content of jobs as some ‘tasks’ disappear and new ones appear
- adapting to a widening of missions undertaken by private security and the increasing dimensions of public–private partnerships to deliver security to citizens and businesses

## **1.2 About this report**

This report presents the findings from Phases 1 and 2 of the project ‘Anticipating, Preparing and Managing Change in Private Security Employment’, which focused on gathering information on the drivers of change in the private security sector with regard to the expected magnitude and timing of change, as well as the impact and consequences of change. Phase 1 comprised desk research and interviews with key experts and stakeholders. The findings for this phase were validated in two workshops in October 2017 and April 2018. Phase 2 of the project, which was completed by October 2018, focuses on the formulation of recommendations and guidelines to anticipate change.

Chapter 2 gives a short summary of the economic situation of the private security industry in Europe, focusing on spending (turnover and public expenditures) and employment. Chapter 3 gives an overview of the key trends driving change which are anticipated to be important for the private security industry. Chapter 4 focuses on the impacts and consequences of change for the private sector, Chapter 5 provides recommendations and guidelines, and Chapter 6 suggests actions that the social partners could take to respond to the challenges outlined in this report.

## 2. Economic situation of the private security industry

### 2.1 Introduction

This Chapter aims to provide a short overview of the economic situation of the private security sector in Europe, focusing on spending (turnover and public expenditures) and employment. The general picture for Europe as a whole, is that growth in turnover in the private security sector slowed significantly following the onset of the financial and economic crisis that arrived at the end of 2007, while total employment was stagnant between 2009 and 2015. However, the most recent available data show evidence of a return to growth, in parallel with the strengthening of the overall economic situation. As confirmed at the Project Workshop (October 2017), industry sources report some labour market tightness, with firms encountering difficulties in recruiting sufficient workers and finding workers with the right skills profile.

Turning to the composition of the workforce, there is relatively limited data available that is specific to the private security industry, mostly coming from CoESS member associations. Available Eurostat data for the broader category of security and investigation activities (NACE 80)<sup>4</sup> reveals marked differences across Member States in the age composition of the workforce, with many central and eastern European countries, the Baltic States, Germany and the UK having high proportions of older employees in the workforce. Looking forward, these countries may face growing employment pressures caused by the need to replace older employees as they retire from the workforce. By contrast, younger age groups typically account for a higher proportion of the workforce in the northwest of continental Europe (including Scandinavia) and France. In terms of gender composition, male workers dominate employment in the private security industry, with the share of female security guards in Europe estimated at only around 15 %. More complete and comparable data are required to better analyse differences in gender composition across countries. Nonetheless, it appears that many of the countries with a younger workforce are also those with the highest proportion of female employees.

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<sup>4</sup> NACE 80 covers private security activities (NACE 80.1), security systems service activities (NACE 80.2), and investigation activities (NACE 80.3). Within the EU28, private security activities (NACE 80.1) account for 80-85 % of total turnover in security and investigation activities (NACE 80).

## 2.2 Global context

The global private security market (private guarding, surveillance and armed transport) is worth an estimated \$180 billion (€165 billion) and is projected to grow to \$240 billion (€220 billion) by 2020 (Freedonia, 2017). Worldwide, there are estimated to be more than 20 million private security workers (The Guardian, 2017). With global growth of around 6 % a year, the private security market has outpaced growth in the global economy. Growth is fastest in developing countries, notably China and India, and is expected to continue at a high level, driven by rising incomes that create an expanding base of customers with resources to protect and with the means to pay for protection (Freedonia, 2017). Growth in developed countries, where markets are generally mature, has been restrained since the onset of the financial and economic crisis in 2007 and, looking forward, is expected to be more moderate than in developing countries.

## 2.3 The private security industry in Europe

### 2.3.1 Turnover

Provisional estimates from CoESS members indicate that turnover in the private security industry in Europe in 2016 amounted to over €44 billion, of which €40 billion was generated in the EU.<sup>5</sup> Corresponding estimates from Eurostat, indicate a value of turnover from private security activities (NACE 80.1) of €44 billion in 2016, and of €53 billion for the broader category of security and investigation activities (NACE 80)<sup>6</sup>, which also includes security systems service activities and investigation activities. By comparison, total government expenditure on police services in the EU amounted to €141 billion in 2015.

As illustrated by Figure 0.1, the nominal value of turnover generated by private security activities (NACE 80) has grown considerably since 2000. Eurostat data indicate that total (nominal) turnover increased by a factor of 2.3 between 2000 and 2016. For the whole EU, turnover growth rates in the period following the onset of the financial and economic crisis were modest and erratic. However, nominal turnover is estimated to have grown by more than 6 % between 2014 and 2015 and by a further 8 % in 2016. By contrast, general government expenditure on police services has risen far less rapidly. Between 2001 and 2015, Eurostat data indicate that total nominal government expenditure on police services increased by a factor of 1.6. Therefore, while in 2000 turnover from private security

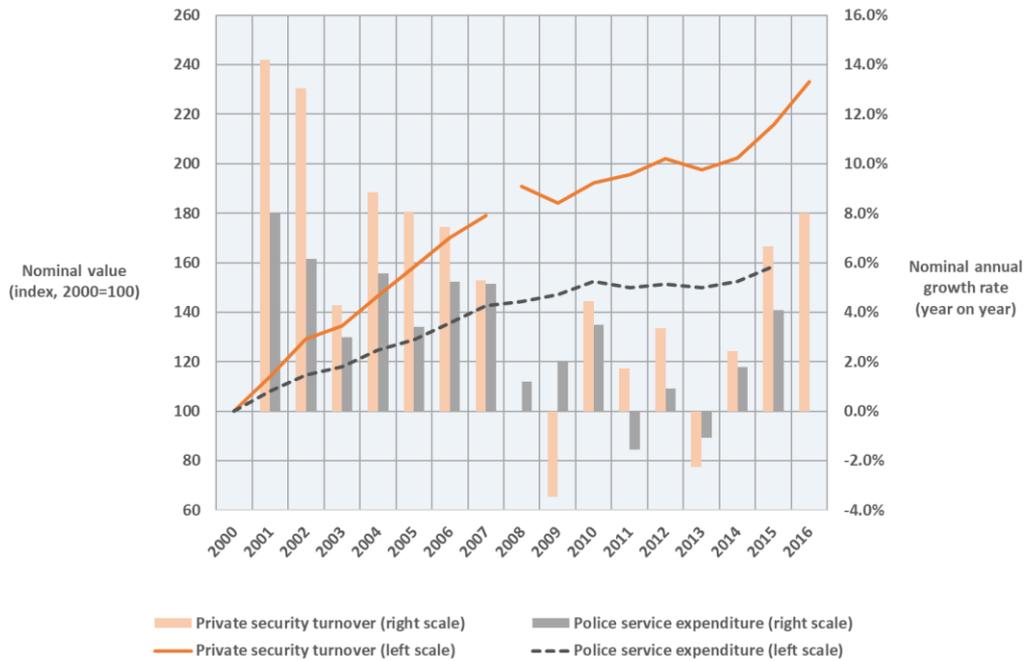
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<sup>5</sup> Data are not available for Luxembourg, Macedonia, Malta and Slovenia.

<sup>6</sup> See footnote 4.

activities was equivalent to about a quarter of public expenditures on police services, this ratio had increased to more than a third by 2014.

**Figure 0.1: Civil security expenditure in the EU: private security turnover and police expenditure (2000-2016)**



Source: Ecorys based on Eurostat

**Notes:**

1. Private security (NACE 80): 2000 to 2007 excluding Croatia; 2008 to 2016 excluding Luxembourg and Malta. Break in data series between 2007 and 2008.
2. Police service: refers to total general government expenditure on police services

The growth in turnover generated by private security activities has resulted in an increase in its weight relative to the overall size of the economy. As illustrated in Figure 0.2, turnover in the sector was equivalent to around 0.23 % of EU GDP in 2000, which rose to around 0.31 % in 2007 and appears to have continued to increase during the financial and economic rise, to reach around 0.34 %; although this share appears to have declined slightly with the improvement of economic conditions since 2012. By contrast, having reached a peak of around 1.05 % in 2009, government expenditure on police services relative to GDP has been declining since 2010.

**Figure 0.2: Civil security expenditure in the EU: private security turnover and police expenditure relative to GDP (2000-2016)**



Source: Ecorys based on Eurostat

**Notes:**

1. Private security (NACE 80): 2000 to 2007 excluding Croatia; 2008 to 2016 excluding Luxembourg and Malta. Break in data series between 2007 and 2008.
2. Police service: refers to total general government expenditure on police services.

**2.3.2 Total employment**

Provisional estimates from CoESS indicate that the private security industry in Europe<sup>7</sup> employed approximately 1.94 million (active) security guards in 2016, of which around 1.59 million were employed within the EU28.<sup>8</sup> Data from Eurostat’s structural business statistics (SBS) give a lower estimate for the number of persons employed in the private security

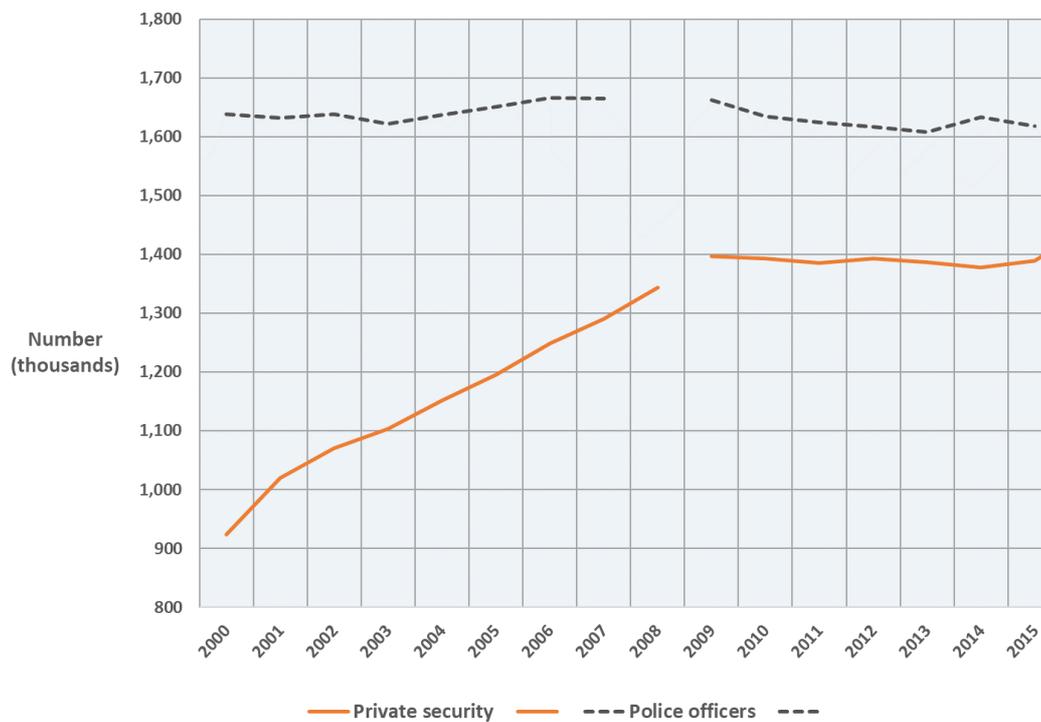
<sup>7</sup> Data cover EU28 plus six additional European countries: Bosnia and Herzegovina, Macedonia, Norway, Serbia, Switzerland and Turkey.

<sup>8</sup> It should be noted that data for several countries are based on estimates from earlier years.

activities (NACE 80.1) of 1.31 million, and 1.44 million in the broader category of security and investigation activities (NACE 80)<sup>9</sup>, which also includes security systems service activities and investigation activities.

As shown in Figure 0.3, EU employment in private security activities (NACE 80) increased rapidly between 2000 and 2008, with an average annual growth rate of just below 5 %. Between 2009 and 2015, employment remained stable, although the most recently available data for 2016 show an increase of 4 % compared to 2015. It remains to be seen whether the expected return to economic growth will lead to a return to sustained employment growth in the private security industry in the coming years. By contrast, changes in the number of police officers in the EU were more modest over the period from 2000 to 2015. After showing a modest increase prior to 2007, the number of police officers declined from 1.66 million in 2009 to 1.61 million in 2013. The most recently available Eurostat data indicate that there were 1.62 million police officers in the EU in 2015.

**Figure 0.3: Civil security employment in the EU: persons employed (2000-2016)**



Source: Ecorys based on Eurostat

<sup>9</sup> NACE 80 covers private security activities (NACE 80.1), security systems service activities (NACE 80.2), and investigation activities (NACE 80.3). Within the EU28, private security activities (NACE 80.1) account for 90 % of total employment in security and investigation activities (NACE 80).

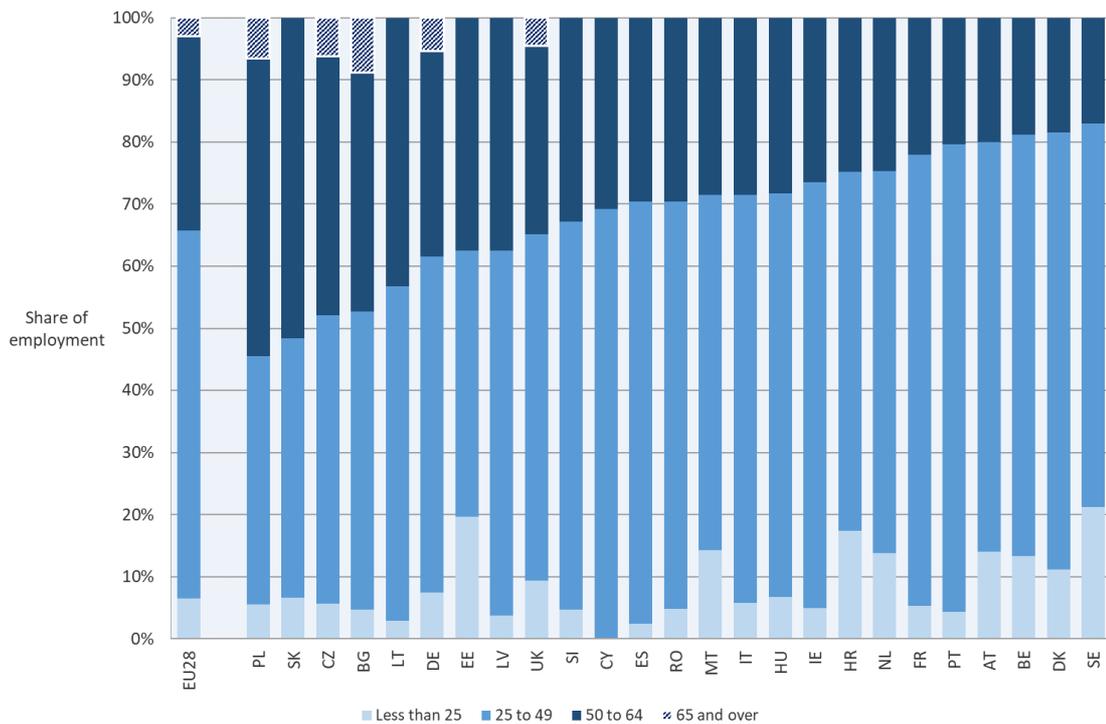
**Notes:**

1. Security and investigation activities (NACE 80): 2000 to 2007 excluding Croatia. Break in data series between 2007 and 2009.
2. Police officers: 2000 to 2006 excluding Bulgaria. Break in data series between 2008 and 2009.

### 2.3.3 Age composition of employment

Information from CoESS members indicates that the average age of private security guards is in the range of 35 to 45 for most EU countries. Countries at the top of this range include Bulgaria, Germany, Spain and the Netherlands, while Croatia, Latvia, and Romania are towards the lower end. Among CoESS members that report the average age of security guards, Lithuania and Sweden both report an average age of around 30 years. Figure 0.4 shows the breakdown of employment by age group for the broader category of security and investigation activities (NACE 80), which also includes security systems service activities and investigation activities. These data suggest that workers aged 50 and over account for more than half of employment in security activities in Poland and Slovakia, and more than two-fifths of employment in Bulgaria, the Czech Republic and Lithuania. Many countries do not report any employment of workers aged 65 or above but, in addition to the countries already mentioned, these older workers appear to be a small but significant part of the workforce in Germany and the UK. The countries with the highest proportion of workers aged below 50 are Austria, Belgium, Denmark and Sweden. These countries, together with Croatia, Estonia, Malta, and the Netherlands, also have the highest proportion of young workers (aged under 25); in the case of Estonia and Sweden, almost a fifth of workers employed in security activities (NACE 80) are aged under 25. Among the factors that may influence age composition in the private security industry is the fact that the sector can often be an attractive job option for former (older) police and military personnel. At the other end of the age scale, in some countries, younger workers can use work experience gained in the PSI as a 'stepping stone' to a career in the police force.

**Figure 0.4: Security and investigation activities employment in the EU: breakdown by age group (2016)**

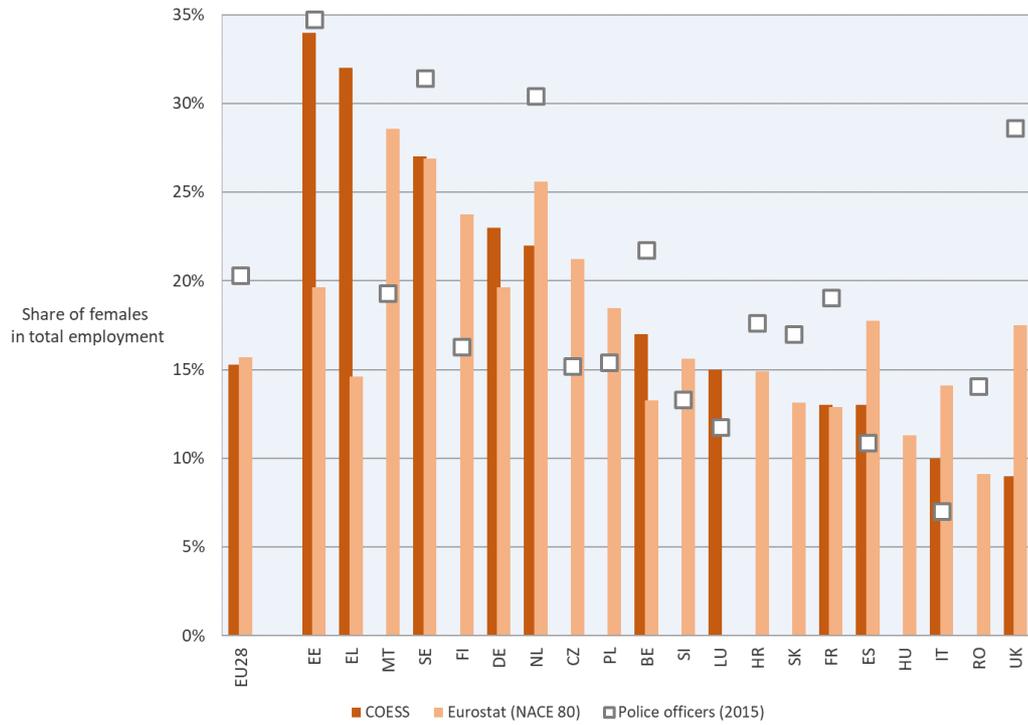


Source: Ecorys based on Eurostat

### 2.3.4 Gender composition of employment

Among CoESS members that report information on the gender composition of the workforce, women constitute just 15 % of the workforce in the private security industry (as of 2016). This share is matched by Eurostat data for the broader category of security and investigation activities (NACE 80), which also includes security systems service activities and investigation activities (see Figure 0.5). There is little evidence that this share has changed significantly over the past decade. However, there appears to be substantial differences across countries, with data for several Member States indicating female employment shares over 20 %, while rates are below 10 % in Bulgaria, Italy, Portugal, Romania and the UK. By comparison, the average share of female police officers stands at around 20 % (as of 2015) but, again, with important variations across countries. In general, there appears to be a weak positive correlation between the share of female workers in private security and the share of female police officers, with some exceptions (for example in Bulgaria and the UK).

**Figure 0.5: Civil security employment in the EU: share of females in total employment (2016)**



Source: Ecorys based on CoESS and Eurostat

**Notes:**

1. EU28 for CoESS data calculated as weighted average of countries for which data is available (as shown in the figure).

## 3. Overview of drivers of change

### 3.1 Introduction

There is no shortage of reports that try to name and describe the major (global) trends that are shaping and will shape the future economic, social, and political environment. Some of the most prominent examples, coming from the large economic and management consultancies and from European agencies, are listed at the end of this sub-section along with the main trend categories they identify. For the purposes of this project, the major trends – or drivers of change – that are anticipated to influence the private security industry in Europe have been grouped into the following categories:

- Global conditions: globalisation and environment
- Demographics, migration and urbanisation
- Technology
- Societal factors: crime levels, security threats and public perceptions
- Widening of the private security domain

In this chapter, these trends are described briefly, together with supporting analysis and a summary of the main points from the presentations and feedback from participants at the project workshop (October 2017). Where possible, this information has been grouped under two sub-headings: ‘implications’, covering observations on the importance, impact and consequences of each trend for the private security industry and its employees, and ‘responses’, covering observations on how the private security industry can, or should, respond to the challenges arising from each trend.

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#### **Roland Berger (2011, 2017) Trend Compendium 2030**

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- Changing demographics
  - Globalisation and future markets
  - Scarcity of resources
  - The challenge of climate change
  - Dynamic technology and innovation
  - Global knowledge society
  - Sharing global responsibility
-

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### **KPMG (2013) Future State 2030: The global megatrends shaping governments**

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- Demographics
  - Rise of the individual
  - Enabling technology
  - Economic interconnectedness
  - Public debt
  - Climate change
  - Resource stress
  - Urbanisation
- 

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### **EEA (2015) The European environment – state and outlook 2015: Assessment of global megatrends**

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- Diverging global population trends
  - Towards a more urban world
  - Changing disease burdens and risks of pandemics
  - Accelerating technological change
  - Continued economic growth?
  - An increasingly multipolar world
  - Intensified global competition for resources
  - Growing pressures on ecosystems
  - Increasingly severe consequences of climate change
  - Increasing environmental pollution
  - Diversifying approaches to governance
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### **ESPAS (2015) Global Trends to 2030**

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- A richer and older human race characterised by an expanding global middle class and greater inequalities
  - A more vulnerable process of globalisation led by an ‘economic G3’
  - A transformative industrial and technological revolution
  - A growing nexus of climate change, energy and competition for resources
  - Changing power, interdependence and fragile multilateralism
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## **EPRS (2017) Global Trends to 2035: Geo-politics and international power**

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- An ageing global population
  - Fragile globalisation in a multipolar world
  - Industrial and technological revolution
  - Climate change and resource competition
  - Changing power in the international system
  - New arenas of state competition
  - Politics of the Information Age
  - Ecological threats
- 

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## **PWC (2014, 2017) Megatrends**

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- Rapid urbanisation
  - Climate change and resource scarcity
  - Shift in global economic power
  - Demographic and social change
  - Technological breakthroughs
- 

## **3.2 Global conditions: globalisation and environment**

### **3.2.1 Globalisation**

Over the past decades, globalisation has accelerated thanks to a combination of trade liberalisation and emerging market growth, alongside technology developments and falling transport costs that have facilitated flows of goods, services, labour (talent), capital, information and data. The most marked development has been the rise of Asia, notably China but also other Asian economies. However, among other countries in the group of BRICS nations, Brazil, Russia, and South Africa have fared less well, partly due to the fact that their growth – built on exploiting their wealth of natural resources – was hit by tumbling commodity prices.<sup>10</sup> Attention has now switched to the prospects for Africa and whether the continent can emerge and fulfil its potential.

By opening up markets to new competitors and reordering supply chains, globalisation disrupts business models and brings about sudden changes in the drivers of competitive

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<sup>10</sup> See, for example, *Time* (2017).

advantage for production locations and workers. Globalisation may make supply chains more efficient, but by breaking up production processes and increasing their geographical dispersion, it makes them more vulnerable to disruption and therefore creates added security risks. In turn, with the increased concentration of populations in urban areas, the impact of breakdowns in supply chains on citizens can rapidly multiply. This interconnectedness increases volatility and potential exposure to contagion from global risks.

Globalisation has been accompanied by the emergence of global corporate enterprises that can stand above the traditional governance constraints placed on nationally or regionally based firms. More broadly, the emergence of a more polycentric world has arguably weakened the power of states, creating growing governance gaps as states and inter-state mechanisms fail to respond adequately to global public demands (EUISS, 2012); witness the ongoing efforts to address the tax avoidance practices of some global corporations. These developments have been reflected in weakening public enthusiasm for globalisation over recent years. Whether this will result in an effective anti-trade and anti-global corporate backlash still is to be seen. EPRS (2017) reach the conclusion that the most likely scenario will be for globalisation patterns to be shaped less by politics and more by structural factors, with global trade being steady as a percentage of global growth, likely due to China's reorientation towards domestic consumption and the maturing of trade in goods. However, a sense of impotence in a global world can be seen as a contributing factor to a resurgence of nationalistic and even sub-national (separatist) sentiment. Taken to its extreme, resurgent nationalistic populism may result in societal fragmentation and even open conflict.

### **3.2.2 Climate change, environment and resource stress**

There is clear evidence that greenhouse gases are causing climate change and driving a complex mix of unpredictable changes to the environment while further taxing the resilience of natural and built systems (KPMG, 2013). Moreover, despite efforts to implement political agreements to significantly reduce future carbon usage, these changes will not be reversed in the short, or even medium, term. The direct consequences of climate change are likely to be felt as part of a gradual and prolonged process leading to, for example, famine and strain on water resources in some parts of the world.

Although it may be difficult to attribute any specific event to the effects of climate change, there is growing evidence that climate change has increased the risk of extreme weather events (for instance, storms, flooding, heatwaves) around the world, with consequential human and economic impacts, which may be exacerbated by increased concentrations of populations in urban areas; see for example, ECIU (2017). In turn, there may be an increase

in refugee and migrant flows resulting from the adverse effects of climate change and natural disasters.

Governments will face a difficult challenge in achieving the right combination of adaptation and mitigation strategies. While there is a risk that climate-related political disputes proliferate at the national and international level (EPRS, 2017). These may come about because of resource loss (such as food or water), but also due to changes in demand for existing fossil fuels; for example, a wholesale shift towards domestically supplied renewable energy sources (such as wind, solar and tidal), combined with advances in energy efficiency, could have a major impact on countries for which exports of oil and natural gas are a major source of revenues.

Combined with climate change, global population and economic growth will lead to higher demand for natural resources (including water, food, arable land and energy) and material resources. Ensuring access to critical raw materials (for instance, rare Earth metals) has already been identified as a major issue for European industry; see, for example, European Commission (2017b). Disruption of supply chains – particularly for materials coming from outside Europe – could present a significant challenge to key sectors of Europe’s industry and economy, placing a premium on maintaining the integrity of supply and logistics operations. At the same time, over-exploitation of resources implies higher extraction costs, but also risks degradation of eco-systems and threats to biodiversity.

### **3.3 Economic conditions in Europe**

Although the start of cyclical recovery in the European economy can be traced back to mid-2014, it has been promoted largely through public policy support measures. As the European Commission (2017c) noted in its 2017 Autumn Economic Forecast, *‘[the recovery is] atypical given its dependence on policy support, the continuing presence of fiscal and financial fragilities stemming from the crisis, and the relatively subdued strength of domestic demand compared to past recoveries.’* In a similar vein, in its Euro Area Economic forecast summary of November 2017, the OECD (2017) notes that: *‘High private indebtedness has led to a large stock of non-performing loans in some countries, which is hurting bank profitability and restraining new lending.’* Nonetheless, despite these risks and fragilities, policies to ease financing conditions for consumers and firms is encouraging a recovery in domestic demand, which is increasingly forming the mainstay of growth within the euro area. At the end of 2017, Europe’s economy was growing at a rate of around 2 to 2.5 percent, with many more of the EU’s member states sharing in the growing expansion (Bloomberg, 2017). In its latest forecasts, the European Commission (2017c) forecast EU growth rates of close to 2 percent for 2018 and 2019, with risks that economic development could turn out better or worse

than forecasts being broadly balanced. The main downside risks are external, relating to possible elevated geopolitical tensions, tighter global financial conditions, the economic adjustment in China or the extension of protectionist policies. In the European Union, downside risks relate to the outcome of the Brexit negotiations, a stronger appreciation of the euro, and higher long-term interest rates. By contrast, diminishing uncertainty and improving sentiment in Europe could lead to stronger-than-forecast growth, as could stronger growth in the rest of the world (European Commission 2017d).

The economic recovery has seen a fall in overall unemployment rates in Europe, although youth joblessness remains an acute problem in several economies. As the European Commission (2017c) notes, with a record number of employed persons in the euro area, and the unemployment rate to its lowest level since early 2009: *'job creation is set to moderate as a result of the fading of temporary fiscal incentives in some countries and skilled-labour supply shortages in others.'* However, it also notes that *'other labour market indicators, such as the relatively low level of working hours per employee, compared to its pre-crisis level, and the relatively high level of "involuntary" part-time work, suggest persistent, but diminishing, labour market slack.'* Similarly, the OECD (2017) notes that: *'Employment continues to grow strongly and is already above its pre-crisis level. The unemployment rate keeps declining although large differences in unemployment rates remain across countries. Improving labour market conditions have not translated into wage pressures: wage growth in the euro area has been picking up only slightly. Factors weighing on wage growth include still significant labour market slack, weak productivity growth and expectations of continued low inflation. Labour market slack is probably bigger than the unemployment rate suggests, as the shares of involuntary part-time work and marginally attached workers in the labour force are still elevated and only declining slowly.'*

## **3.4 Demographics, migration and urbanisation**

### **3.4.1 Demographics**

With a few regional exceptions, the world is facing an ageing population due to a combination of increased life expectancy and declining fertility rates. There are, however, marked differences between developed countries and developing countries. In general, high-income and predominately western countries are experiencing population stagnation or decline. Conversely, many developing countries, particularly in sub-Saharan Africa, are experiencing 'youth bulges' and expansion of the working-age population.

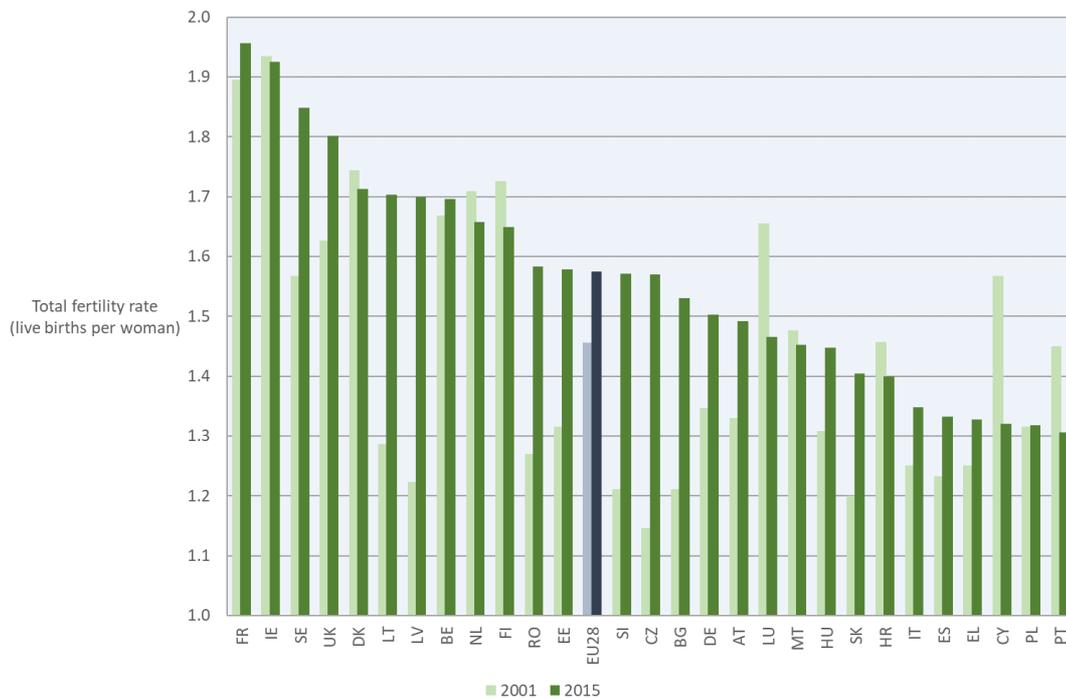
Shifting dependency ratios caused by growing elderly populations will put pressure on social institutions, businesses and economies. Governments will be faced with falling saving rates,

falling consumption, and growing pressure on social services. At the same time, businesses and workers will need to adjust to an older workforce and potential shortages of workers. Pressures on pension systems may mean that workers need to work for longer, while workforce participation will need to be promoted and older workers encouraged to develop the skills required to be active and productive participants in the workforce. For their part, businesses may need to look at technology and work automation to compensate for labour shortages and drive productivity growth.

#### *Birth rates in the EU*

In 1985, the EU crude birth rate (the number of live births per 1,000 persons) stood at 12.8, but by 2000 it had fallen to 10.6 and was 10.0 in 2015, with 5.1 million children born in the EU that year (Eurostat, 2017a). This corresponded to a total fertility rate of 1.58 live births per woman in 2015, representing an increase from the low rate of 1.46 recorded in 2001, but down from the recent high of 1.62 in 2010. As shown in Figure 0.6, there are marked differences in fertility rates across the EU, with countries such as France, Ireland, the United Kingdom (UK), the Baltic States and much of Scandinavia, together with Belgium and the Netherlands experiencing fertility rates in the range from 1.8 to 2.0 per woman, which is close to the replacement rate. By contrast, Mediterranean countries, together with Poland and Portugal have current fertility rates in the range of only 1.3 to 1.4 live births per woman. These countries, together with Germany, Austria and many central and eastern European countries that also have low fertility rates, are already seeing a sharply diminishing workforce population.

**Figure 0.6: Total fertility rate in the EU by Member State (2001-2015)**



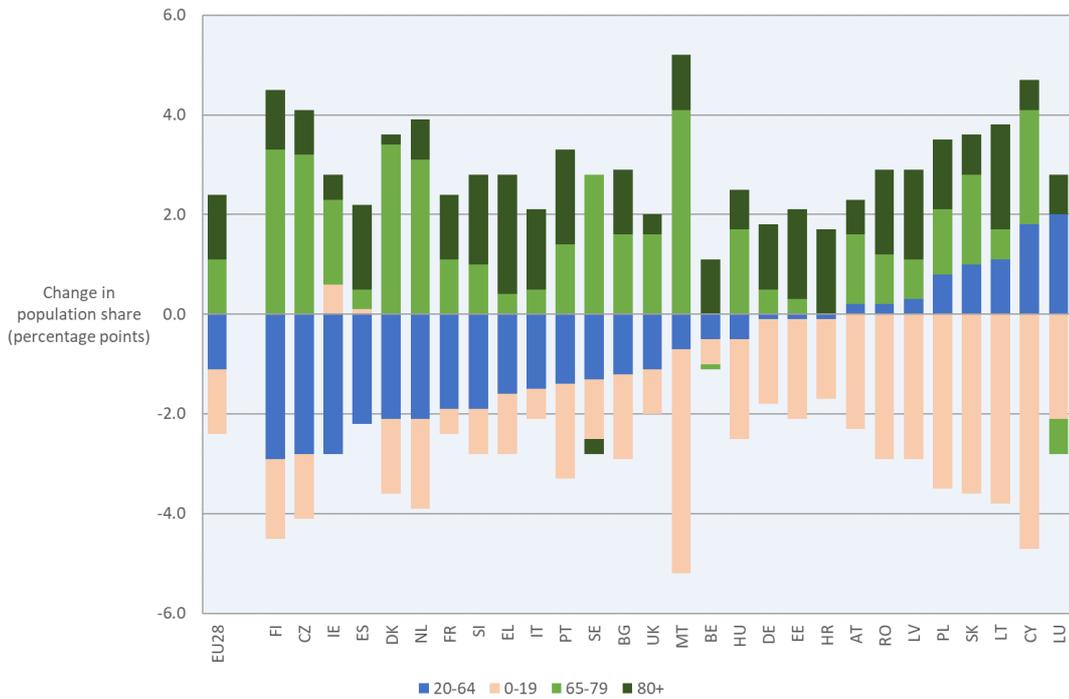
Source: Ecorys based on Eurostat

### Population ageing in the EU

Although the low fertility rates will reduce the number of young dependents in each society, growing older generations will mean that the proportion of the working age population as a share of the total population will decrease. Over the past decade, the share of the EU population aged 65 and over has increased by 2.4 percentage points (p.p.) (from 16.8 % to 19.2 %), while the share of the population aged between 20 and 64 fell by 1.1 p.p. (see Figure 0.7). All countries in the EU have seen an increase in the share of the population aged 65 and over, but the increase varies from 0.1 p.p. in Luxembourg to 5.2 p.p. in Malta. Meanwhile, the share of the population aged between 20 and 64 decreased by more than 2 p.p. in the Czech Republic, Denmark, Finland, Ireland, the Netherlands and Spain, but, conversely, increased by more than 1 p.p. in Cyprus, Lithuania, Luxembourg and Slovakia.

Overall, it is expected that the demographic old age ratio (defined as the number of people over 65 per 100 people aged between 15 and 64) in the EU will increase from just below 30 % in 2016, to 40 % by 2030, and to 50 % by 2050, meaning that there will only be two working age people for every person over the age of 65 (Eurostat, 2017b).

**Figure 0.7: Change in the share of the population by age group and Member State between 2006 and 2016**



Source: Ecorys based on Eurostat

### 3.4.2 Migration

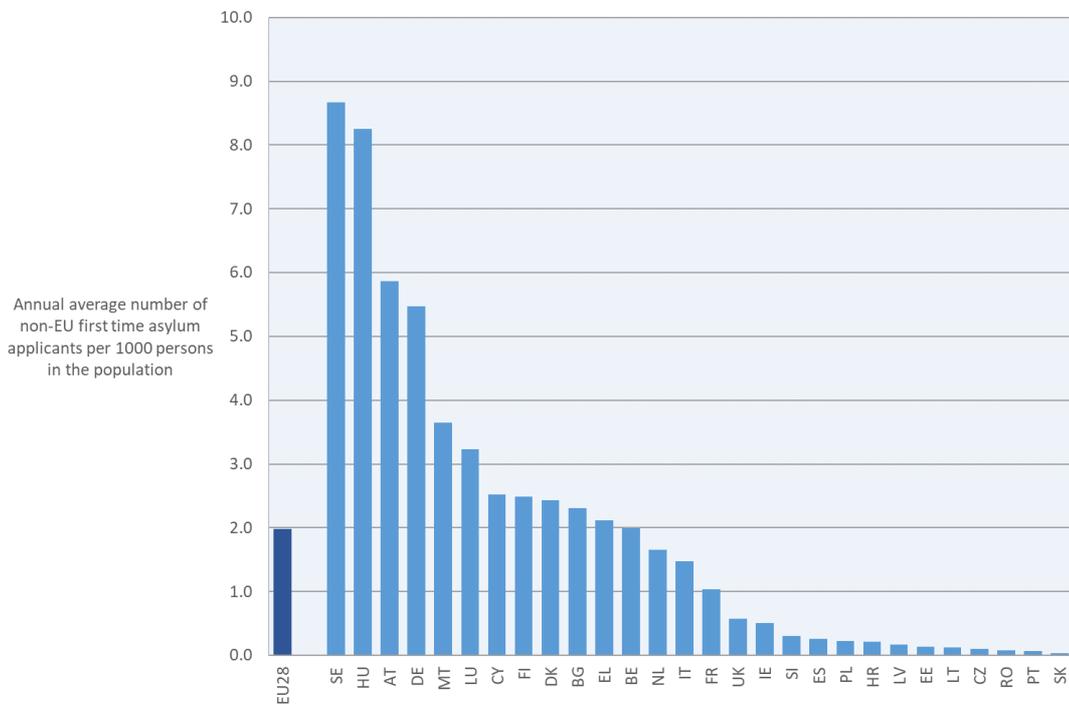
Immigration could provide one possible solution to Europe’s ageing population. In 2015 and 2016, more than four-fifths of (non-EU) asylum applicants in Europe in 2015 were under 35 years old. The process of integrating immigrants is, however, a highly contentious political issue with clear divides between those who see increased immigration as a way to pay for higher social spending, and those that see high levels of immigration as a threat to social stability. It is also the case that immigrants will age themselves, and their birth rates quickly mirror those of the overall population. Consequently, it is argued that immigration can only delay but not solve the problem of ageing populations. Furthermore, the volume of immigrants required – some estimates have suggested 800,000 per year in Germany – may well be beyond what is politically, socially, or economically sustainable.

#### *Non-EU migration in the EU*

Since 2012, the EU has seen a rapid increase in the number of asylum seekers from non-EU citizens, rising from 431,000 in 2013, to 627,000 in 2014 and around 1.3 million in both 2015

and 2016. Of these, there were 1.26 million first-time applications<sup>11</sup> in 2015 and 1.2 million in 2016 (Eurostat 2017c), with more than half coming from Afghanistan, Iraq and Syria. In terms of total numbers, Germany registered the highest number of first time applicants, with 442,000 in 2015 and 722,000 in 2016, meaning that its share of the EU total rose from 35 % in 2015 to 60 % in 2016. Looking at the number of applicants relative to population size, Figure 0.8 shows that Sweden and Hungary received the highest number of applicants per head of population, with an average of over 8 applicants for each 1,000 inhabitants per year between 2014 and 2016, followed by Germany and Austria with more than 5.

**Figure 0.8: First time non-EU asylum applicants compared to total population (annual average 2014-2016)**



Source: Ecorys based on Eurostat

## Urbanisation

As of 2008, more than 50 % of the world’s population lives in urban areas. In Europe, this figure is close to 75 %, although there are considerable differences in the size and spatial

<sup>11</sup> A first-time applicant for international protection is a person who lodged an application for asylum for the first time in a given Member State and therefore excludes repeat applicants (in that Member State) and so more accurately reflects the number of newly arrived persons applying for international protection in the reporting Member State. (Eurostat, 2017c).

distribution of urban developments across countries (Eurostat, 2016a). The expansion of industrial areas and infrastructure in Europe has far outstripped population growth, but populations themselves have become more concentrated. This trend is expected to continue, particularly with capital cities witnessing strong growth in populations; among 21 multi-regional Member States (for which data are available), the capital city region in 12 countries has the highest projected population change between 2015 and 2050, and only in Croatia, Greece and Ireland is the population growth of the capital city region expected to be below the national average (Eurostat 2016b). Cities are, however, seen as more prone to crime, violence or vandalism than rural areas; city dwellers are three times more likely to feel that they live in an area with problems related to crime, violence and vandalism than those living in rural areas (European Commission, 2016). Furthermore, a higher concentration of people impacts on infrastructure and service requirements, resource needs and supply, and exposure to natural and man-made disasters.

### 3.5 Technology

Successive waves of information technology developments (for example, personal computers, the internet, mobile communications and social media) have radically changed economic and social environments by empowering consumers, creating and opening up access to data and creating opportunities for the emergence of new industries and new types of jobs. The next waves – for example, the Internet of Things, robotics, artificial intelligence and virtual reality – promise to be even more revolutionary (EY, 2017). While new technologies have always brought the possibility of disruption to jobs markets and business models, as pointed out by McKinsey (2015), *'The difference today is the sheer ubiquity of technology in our lives and the speed of change.'*

The impacts of emerging technologies on jobs markets and the workforce risk being extremely profound. On the one hand, developments in automation and machine learning have the possibility to make millions of jobs obsolete, either completely or partially for specific tasks carried out by workers today. For example, McKinsey (2017a) estimate that more than half of all employees – or 1.1 billion workers globally – are engaged in activities that could be subject to automation through currently demonstrated technology, with data collection and processing and predictable manual work being most susceptible.

As a consequence, salaries of low-skilled workers in developed countries (already subject to downward pressure from technology and global competition from low-cost production locations) could become more vulnerable. Should this lead to wholesale labour displacement, and any accompanying dismantling of key elements of the social safety net such as health care benefits and retirement savings, which are often provided through the

employer–employee relationship, income inequality could be greatly exacerbated (EY, 2017). Such a prognosis may, however, overstate the downside of technology developments by neglecting the new opportunities they create. Nonetheless, it points to the need for greater flexibility in the workforce to adjust to changing demands and skills requirements.

At the same time, new technologies are enabling workplace innovations that will bring changes to working behaviour: remote working, co-working spaces, and teleconferencing. Through a survey of global companies, the World Economic Forum (2016) found that with changing work environments and flexible working arrangements – which may be characterised by organisations with an ever-smaller pool of core full-time employees for fixed functions – geographically dispersed colleagues and external consultants and contractors for specific projects are among the highest rated trends affecting the dynamics of workforces.

As PWC (2016) point out, new technological advancement that promotes even greater automation, analytics, and communications, will lead to the creation of new security vulnerabilities. One consequence, driven by customer demand for greater device and data security could be for technology developers to build in greater security capabilities (‘secure to the user’) which may actually hinder the tasks of surveillance and evidence gathering by intelligence and law enforcement entities. Conversely, new technologies (such as the combination of the internet and IP-based systems, mobile devices, data analytics, drones, security robots, virtual and augmented reality, artificial intelligence and cloud computing) can be used to increase capabilities to address and respond to security threats. The integration of technology into services in a way that delivers effective solutions to their customers is seen as both an opportunity and a challenge for private security companies<sup>12</sup>, who will need to develop competences at a speed that keeps pace with the adoption of new technologies by businesses and criminals.

How this will affect the volume of security guarding activities and the working conditions of employees is unclear. For example, academic research by Frey and Osborne (2013), which has formed the basis for follow-up work by other authors (for instance McKinsey, 2017a), estimated the probability of computerisation – or potential job automatability – of security guards at 84 %, ranking it just below the top third of occupations most susceptible to automation.<sup>13</sup> However, as pointed out by Arntz et al. (2016), the impact of technology on employment depends on whether workplaces are able to adjust to new demands, and whether workers can shift from routine and automatable tasks, to tasks that are complementary to new technologies, but that typically are new, more complex, and more demanding. Workers that are unable to adjust to these new task demands may see their

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<sup>12</sup> See, for example, CoESS and BDSW (2015).

<sup>13</sup> Security guards rank 451th out of 702 occupations (1 = lowest, 702 = highest).

employment prospects deteriorate, either in terms of the number or quality of jobs available. However, if workers are able to adjust then machines need not crowd out workers. For example, in the security domain, the application of technology may enhance observation capabilities, reducing the need for guards to undertake surveillance activities but increasing the need for intervention capacities and competencies.

## 3.6 Societal factors: crime levels, security threats and public perceptions

### 3.6.1 Crime levels in the EU

It is difficult to make a comparative analysis of crime levels across Europe, due to differences in local data and collection methods and changes over time in collection methods and definitions (see Eurostat, 2017d). While, at the same time, recorded statistics are subject to changes in the willingness of citizens and businesses to report crimes. Notwithstanding these differences, Eurostat estimates suggest that the number of recorded crimes in the EU has, for most categories, fallen over recent years (from 2008 to 2015), although this is not the case for acts of sexual violence and drug-related offences.

#### *Recorded crimes in the European Union*

The most recent data on recorded crimes in Europe available from Eurostat dates from 2015. Due to cross-country differences in data collection methods and definitions, Eurostat concludes that an overall picture of the evolution of crime within the EU is best obtained using index-based estimates (see Figures Figure 0.9 and Figure 0.10). Eurostat (2017d) makes the following observations for different crime categories:

- **Robbery:** After an initial fall between 2008 and 2009, the number of recorded offences across the EU28<sup>14</sup> increased until 2011 before decreasing by about one fifth between 2013 and 2015.
- **Burglary:** The number of police-recorded burglary offences across the EU28<sup>15</sup> showed a slight increase from 2008 to 2011 before a downward trend from 2012 to 2015. The most recent data show that the number of burglary offences fell by 5.0 % in 2015. During the period 2008-2015, burglary offences decreased in the UK (by 31 % in England and 24 % in Northern Ireland), while they increased in France (24 %) and Germany (19 %).

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<sup>14</sup> Excluding UK - Scotland.

<sup>15</sup> Excluding Estonia, Italy, Latvia, Lithuania and UK - Scotland.

- **Theft:** The level of police-recorded theft remained relatively stable across the EU28<sup>16</sup> during the period 2010-2015. Data from France and Germany have undergone methodological changes between 2008 and 2009 that affect the overall comparability for these years. The UK and the Netherlands show a clear downward trend from 2008-2015.
- **Drug offences:** After a 3.2 % increase in 2009, the number of police-recorded offences relating to unlawful acts involving controlled drugs or precursors across the EU28<sup>17</sup> was rather stable during the period 2009-2014. The most recent data available shows that this pattern continued in 2015, as the number of offences was almost unchanged, a fall of 1.7 % compared with the previous year.
- **Intentional homicide:** The figures for intentional homicide show a consistent decrease from 2008-2014 before a rebound in 2015. The total number across the EU28<sup>18</sup> in 2015 was 4,528, 19.6 % less than in 2008 (5,634) but 4.3 % more than in 2014 (4,340).
- **Assault:** The overall number of police-recorded assault offences dropped by almost 40 % across the EU28<sup>19</sup> during the period 2008-2013, while in 2014 the number increased by 3.6 % and in 2015 by 6.6 %.<sup>20</sup>
- **Sexual violence (including rape and other sexual assault):** Between 2008 and 2015, the figures for sexual violence fell by 9.1 % across the EU<sup>21</sup>. After a decrease in 2009 and 2010, there was a clear increase during the period 2010-2014 before a small drop of 0.9 % in 2015.
- **Rape:** The figures for rape show an increase of 47.0 % between 2008 and 2015.<sup>22</sup> The observed rise in EU figures for rape is particularly influenced by the figures for the UK - England and Wales (+173 % between 2008 and 2015).
- **Sexual assault.** The reduction in the number of sexual assaults at EU level was largely influenced by German figures, which are not comparable between 2009 and 2010.

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<sup>16</sup> Excluding Latvia and UK - Scotland.

<sup>17</sup> Excluding UK - Scotland.

<sup>18</sup> Excluding the Netherlands, UK – England and Wales and UK - Scotland.

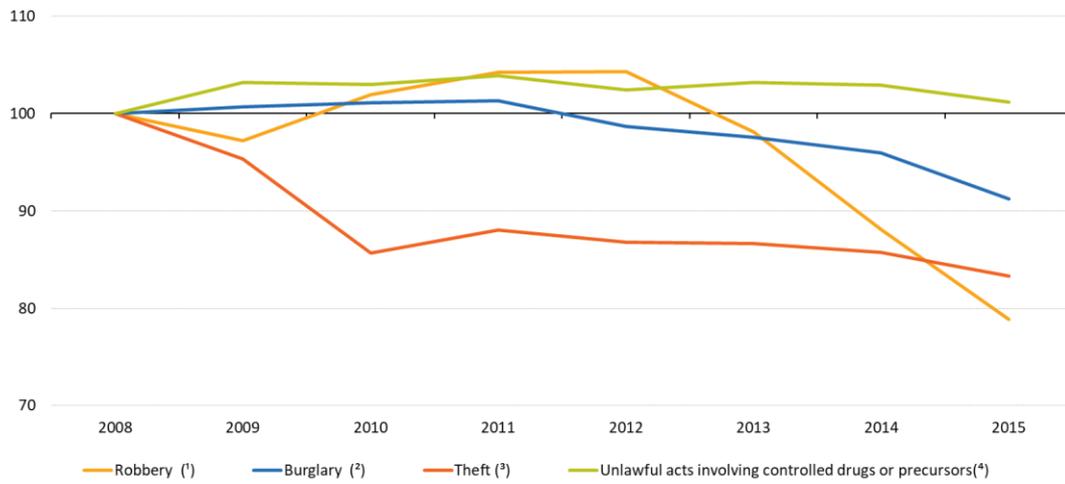
<sup>19</sup> Excluding Poland and UK – Scotland.

<sup>20</sup> Technical changes limit the comparison over the whole period, especially from 2008 to 2009 for Germany and from 2009 to 2010 for Portugal and Sweden.

<sup>21</sup> Excluding Italy, Latvia, Luxembourg, Poland, Slovakia, UK - England and Wales and UK - Scotland.

<sup>22</sup> Excluding Italy and UK - Scotland.

**Figure 0.9: Police-recorded robbery, burglary, theft and other unlawful acts involving controlled drugs or precursors, EU28 (2008-2015); index 2008=100**

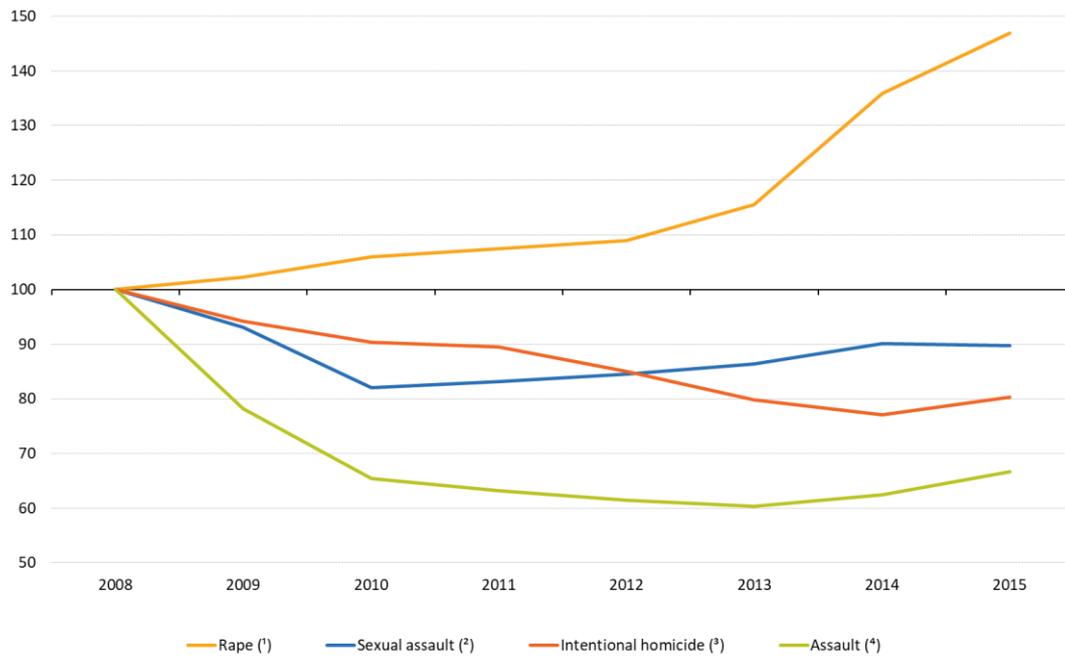


Source: Eurostat

**Notes:**

1. Italy and UK - Scotland not available for all years.
2. Latvia, Luxembourg, Poland, Slovakia and UK - England and Wales not available for all years.
3. The Netherlands, UK - England and Wales and UK - Scotland not available for all years.
4. Poland and UK - Scotland not available for all years.

**Figure 0.10: Police-recorded rape, sexual assault, intentional homicide, and assault, EU28 (2008-2015); index 2008=100**



Source: Eurostat

**Notes:**

1. Italy and UK - Scotland not available for all years.
2. Latvia, Luxembourg, Poland, Slovakia and UK - England and Wales not available for all years.
3. The Netherlands, UK - England and Wales and UK - Scotland not available for all years.
4. Poland and UK - Scotland not available for all years.

**3.6.2 Serious and organised crime**

In its 2017 assessment of the most important threats from serious and organised crime facing the EU, Europol (2017a) identifies five specific priority crime threats (see Figure 0.11), several of which are of specific relevance for (private) security functions related to border control and security of (international) transport systems:

- Cybercrime;
- Drug production, trafficking and distribution;
- Migrant smuggling;
- Organised property crime;
- Trafficking in human beings.

It also identifies three cross-cutting priority crime threats:

- Criminal finances and money laundering;
- Document fraud;
- Online trade in illicit goods and services.

The report gives particular emphasis to the role of new technologies as a facilitator of serious and organised criminal activities: *‘Serious and organised crime in the EU features a great variety of criminal activities, which are increasing in complexity and scale. Criminals quickly adopt and integrate new technologies into their modi operandi or build brand-new business models around them. The use of new technologies by organised crime groups has an impact on criminal activities across the spectrum of serious and organised crime. This includes developments online, such as the expansion of online trade and widespread availability of encrypted communication channels.’*

Figure 0.11: Europol serious and organised crime threat assessment

CRIME AREAS	Currency counterfeiting	CYBERCRIME	Drug trafficking	Environmental crime	Fraud	Intellectual property crime	ORGANISED PROPERTY CRIME	MIGRANT SMUGGLING	Trafficking of firearms	TRAFFICKING IN HUMAN BEINGS
THREATS	Production	Online child sexual exploitation	Synthetic drugs production in the EU	Illicit waste trafficking	Excise fraud	Online trade in counterfeit goods	Burglaries and theft	External borders of the EU	Online trade (including de/reactivation)	Labour exploitation
		Cyber-dependent crime (malware, cryptoware, etc.)	Trafficking of precursors and pre-precursors		MTIC fraud	Production of counterfeit goods in the EU	Motorvehicle crime	Secondary movements		Sexual exploitation
		Distribution including online	Payment card fraud (card-not-present fraud)		Import of cocaine to the EU via major ports and couriers	Trafficking of endangered species	Investment fraud	Trafficking of counterfeit goods (not online) in the EU	Organised robberies	Risk for labour exploitation
	Poly-drug trafficking in the EU									
	Large-scale cannabis production and trafficking in the EU									
	CROSS-CUTTING CRIME THREATS	Corruption								
Countermeasures against law enforcement										
Criminal finances including money laundering										
Document fraud, including identity fraud										
Extortion										
Online trade in illicit goods (firearms, counterfeit goods, drugs)										



Source: Europol (2017a)

### 3.6.3 Terrorism

In its 2017 annual report on the EU terrorism situation and trends, Europol (2017b) identifies three key terrorist trends:

- **Jihadist terrorism:** The report indicates that ‘the way IS prepared and carried out the 2015 attacks in France has led Europol to take the view that similar attacks could be staged in the EU in the near future. The attacks were plotted by returnees who very likely received direction from the organisation’s leadership, and involved the use of local recruits.’ Another area of concern is ‘the significant percentage of female foreign terrorist travellers, as women have proven to be very successful in facilitating and recruiting for IS while still in the EU.’ A further concern is the children of foreign terrorist fighters that are being trained as the next generation of terrorists. Finally, the report points to the concern in many Member States about attacks carried out by radical Islamists who are lone actors or act in small groups.
- **Right-wing extremism:** Europol believes right-wing extremists and extremist groups will reinforce their efforts to portray the asylum policy in a polarising manner and exploit the debate for their own purposes.
- **Ethno-nationalist terrorism:** Particularly, Europol suspects that developments in Turkey could provoke groups affiliated with the Kurdistan Workers’ Party (PKK) to extend their activities in the EU, seeking violent confrontations with parties regarded as sympathetic to Turkish nationalism and/or suspected of tolerating IS.

Such developments and the associated targeting by terrorists of public spaces and events where private security guards work raises important issues on the potential exposure of guards to terrorist incidents but also their potential role within public–private partnerships for counter-terrorism.

### 3.6.4 Public perceptions of security challenges

The most recently released Eurobarometer survey of Europeans’ attitudes to security (European Commission, 2017a), reveals a significant decrease in the proportion of respondents who think that the EU is a secure place, from 79 % in 2015 to 68 % in 2017.<sup>23</sup> Among the main findings from the survey (see Figure 0.12):

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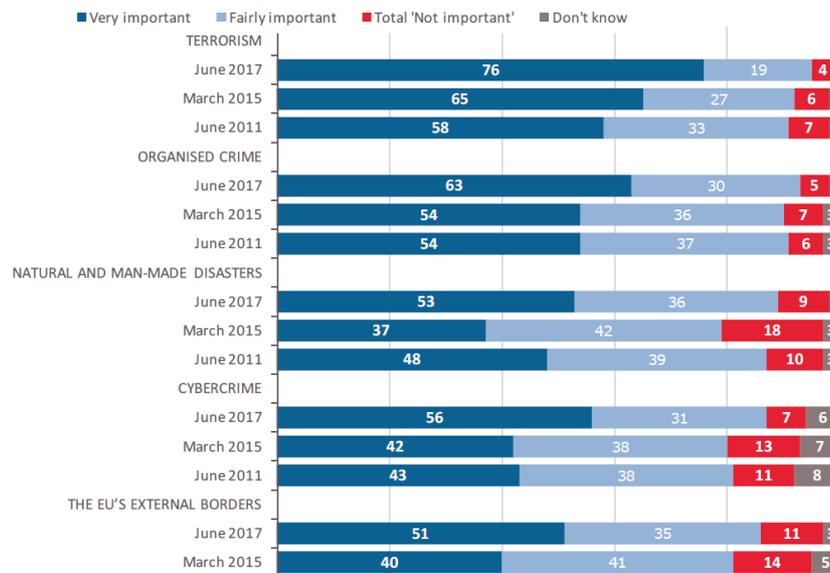
<sup>23</sup> Field work was carried out between 13 and 26 June 2017. The total number of respondents is 28,093, with a typical sample of approximately 1,000 respondents per country; except Cyprus, Luxembourg and Malta (with approximately 500 respondents per country), Germany (1,582 respondents) and the UK (1,380).

- **Terrorism:** 95 % of respondents regard terrorism as an important challenge to EU security, a slight increase from the previous survey (+3pp.). Over three quarters (76 %) see terrorism as a very important problem, while nearly a fifth (19 %) see it as fairly important.
- **Organised crime:** 93 % of respondents regard organised crime as an important security challenge, compared to 90 % in March 2015. In this case, somewhat fewer see this as a very important problem: less than two thirds of the respondents (63 %) do so, while three in ten (30 %) say that it is a fairly important problem.
- **Natural and man-made disasters:** 89 % of respondents regard natural and man-made disasters as an important problem. This proportion has increased by 10 percentage points since the previous survey, although in June 2011 nearly as many (87 %) respondents held this view. Only just over half (53 %) of those polled say that such a challenge is a very important security problem, while just over a third (36 %) of respondents see them as fairly important.
- **Cybercrime:** 87 % of respondents regard cybercrime as an important problem. This figure has risen since the previous survey, when eight in ten (80 %) respondents expressed this opinion. Over half (56 %) see cybercrime as a very important problem, while just under a third (31 %) view it as a fairly important problem.
- **EU's external borders:** 86 % of respondents regard the EU's external borders as an important security challenge; a rise of five percentage points since the March 2015 survey. Just over half (51 %) regard this as a very important problem, compared with just over a third (35 %) who see it as a fairly important problem.

These headline numbers mask substantial variation across Member States.

**Figure 0.12: European perceptions of the importance of security challenges (2011, 2015 and 2017)**

QB2 In your opinion, how important are the following challenges to the internal security of the EU?  
(% - EU)

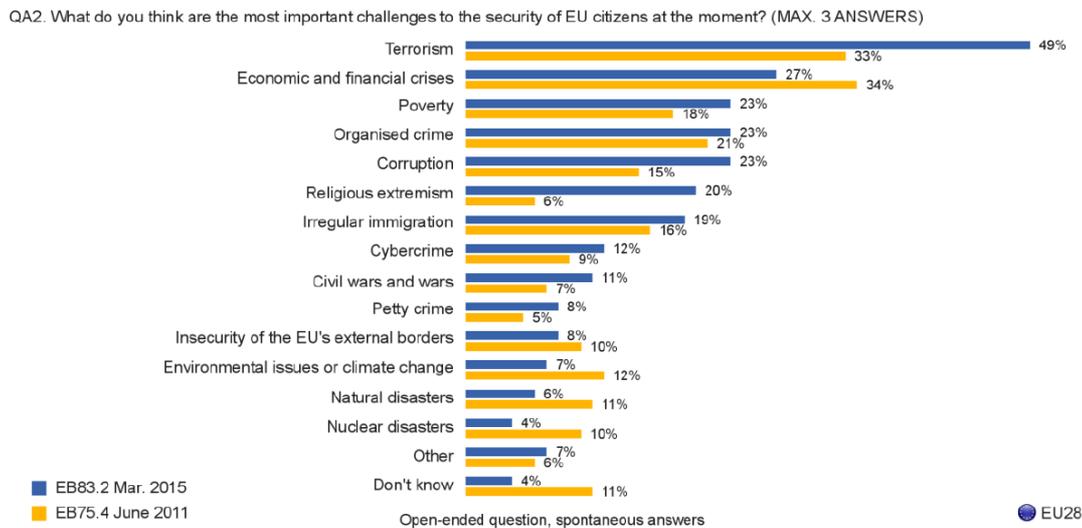


Base: All respondents (N=28,093)

Source: Special Eurobarometer 464b (European Commission, 2017a)

In earlier years, Eurobarometer surveys have asked respondents to identify the most important challenges to the security of EU citizens at the moment (European Commission, 2015). Based on spontaneous responses (with a maximum of three answers), roughly half of the respondents (49 %) identified terrorism as one of the EU's most important security challenges; this was a substantial increase from the 33 % of respondents who mentioned terrorism in 2011. Over a quarter of respondents (27 %) mentioned economic and financial crises among the most important challenge to security, down from 34 % in 2011. Just under a quarter of people mentioned poverty (23 %, +5 percentage points compared with 2011), organised crime (23 %, +2pp), and corruption (23 %, +8pp). Around a fifth of respondents regarded religious extremism (20 %, +14pp) as the most important security challenge. A slightly lower proportion (19 %, +3pp) viewed irregular immigration as one of the most important security challenges.

**Figure 0.13: European perceptions of the most important of security challenges (2011 and 2015)**



Source: Special Eurobarometer 432 (European Commission, 2015)

### 3.7 Widening of the private security domain

As shown in Section 2.3 of this report, turnover growth and employment in the private security sector in the EU grew rapidly prior to the onset of the financial and economic crisis in 2007-2008, after which the sector marked time, with the most recent data and forecasts suggesting a return to an upward growth trajectory. Growth in the private security sector has significantly outstripped public expenditures on police services and the number of police officers. In the EU as a whole, the number of private security guards appears to be fast approaching the total number of police officers and, in several countries, it already has (see Figure 0.14).

Growth in the private security sector is driven by a multiplicity of factors, that include the general economic conditions (see Section 3.3) and those in specific industry sectors, the security context and new risk factors (see Section 3.6), together with new technological developments (see Section 3.5). The growing presence of private security has been accompanied by a widening of the scope of services provided. Even if manned guarding and mobile patrol services and transport of valuables (cash-in-transit) remain the bedrock of the sector, the range of services provided by private security companies is expanding: for instance, concierge and reception services, special event security, risk analysis, security consulting, security training, loss prevention, employee/background screening, alarm and video system monitoring (and response), security system integration, and cybersecurity. Looking forward, developments in technology should provide opportunities for innovations in the range of services provided and the way that they are delivered by private security

services; for example, through the integration of enhanced real-time data gathering and generation, data analytics, and information and intelligence delivery to security personnel and customers.

Beyond the provision of services to corporate clients and private individuals, growth in the private security sector has been stimulated by the provision of security in areas that were previously considered the reserved domain of the public police (Born et al., 2007). This is perhaps most apparent through the increasing role of private security in the protection of critical infrastructure (for instance, ports, airports, urban transport hubs, power plants, government buildings and so forth)<sup>24</sup>, and there are other areas spanning the public and private domains of responsibility that are seen as avenues for future development, for example: prison and justice services, guarding military infrastructures, security of healthcare and education facilities, community guarding and patrols, public events, and providing assistance to first responders, together with some routine support and administrative tasks currently undertaken by frontline service providers.<sup>25</sup>

A complex set of factors influence the potential for widening the private security domain. These involve matching service needs of customers – and expectations of citizens – with cost-effective and efficient delivery, while ensuring transparency and proper accountability. Across all security domains, and particularly those where the provision of services is normally reserved for the police (or other public security authorities), the scope for involvement of the private security industry depends on legal provisions that differ significantly at a national level within the EU.<sup>26</sup> Here, it is important that legal frameworks and regulations are developed hand-in-hand with the widening of functions permitted or assigned to the private sector. For example, to define the limits, powers and means of intervention, the requisite standards of service reliability and quality (such as licencing and certification of companies and individuals), together with the processes for enforcement of service delivery and accountability, including complaints and redress mechanisms. At the same time, further development of public–private partnerships will need the creation of coordination and cooperation models that promote maximum effectiveness and efficiency of overall security provision, whilst ensuring that the delivered services correspond to the needs and expectations of citizens.

#### *Security employment in the EU: where do security guards outnumber the police?*

For a wide variety of social, economic, and political reasons, European countries vary significantly in terms of overall employment – both public and private – in civil security activities, and in the relative numbers of public and private civil security providers. As

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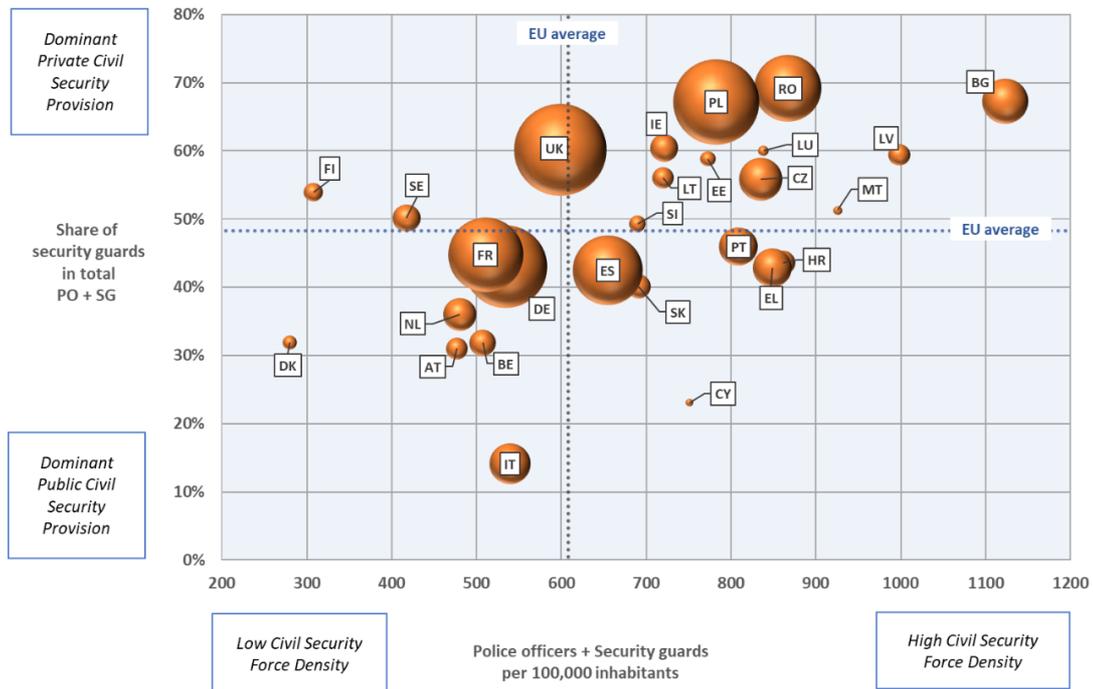
<sup>24</sup> See, for example, CoESS (2016).

<sup>25</sup> See, for example, CoESS and Aproser (2013).

<sup>26</sup> See, for example, CoESS and BDSW (2015).

illustrated in Figure 0.14, taking the joint number of private security guards and police officers, there are an estimated 1,100 'civil security personnel' per 100,000 inhabitants in Bulgaria (or 1 per 89 persons). This is four times the number for Denmark and more than three and a half times the number in Finland. At the same time, the share of private security guards in the total number varies from an estimated 14 % in Italy (or 1.6 private security guards for every 10 police officers) to 69 % in Romania (or 22 private security guards for every 10 police officers).

Figure 0.14: Civil security provision in the EU: private security and police employment (2013)



Source: Ecorys based on CoESS and Eurostat

Notes:

1. Bubble size reflects employment in the private security industry (active security guards) based on CoESS estimates.
2. Excludes Hungary.

## 4. Impacts and consequences for the private security industry

### 4.1 Introduction

This section sets out the main impacts and consequences for the private security industry of the drivers of change that have been highlighted in the previous chapters. As stated earlier in this report, for the purposes of this project, the major trends or drivers of change that are anticipated to influence the private security industry in Europe have been grouped into the following categories:

- Global conditions: globalisation and environment
- Demographics, migration and urbanisation
- Technology
- Societal factors: crime levels, security threats and public perceptions
- Widening of the private security domain

Below, we consider each of these issues, and their impacts on and consequences for the private security industry.

### 4.2 Global conditions: globalisation and environment

In terms of **globalisation**, the opening up of markets to new competitors creates challenges but also opportunities for the private security industry. The breaking down of traditional business models may make supply chains and production processes more vulnerable to disruption. This could create an added security risk, which the private security sector could be called on to help manage. The increased concentration of populations in urban areas makes citizens more vulnerable to breakdowns in supply chains, which could lead to instability. Societal fragmentation, due to a rise in nationalistic sentiments, could also lead to conflicts and general instability. The private security industry, in its frequent role as a support for the police force which may become more prominent in the future, may become more involved in trying to manage the different instabilities and outcomes caused by globalisation. This is linked to the widening of the private security domain, which is explored at the end of this section.

**Climate change** is also a key driver of change, the outcomes of which are unpredictable. The extreme weather that has been experienced in recent years around the world may have significant impacts on the world's economy and population. These include concentrating populations in urban areas and an increase in refugee and migrant flows as people escape the adverse effects of climate change and natural disasters. An increased urban population may increase demand for the services of the private security industry in terms of crowd management, event management and other public order duties. Similarly, the sector may be called upon to help manage refugee and migrant flows: it is already involved in these activities in many countries. There may also be societal unrest if resources such as food and water become scarce. Key sectors of Europe's industry and economy may come under pressure if access to critical raw materials, such as rare metals, becomes a focus. Maintaining the integrity of supply and logistics operations could become a major part of the private security sector's work.

**Europe's economy** is a key driver of change: the recession that began in 2008 has now largely turned into recovery, although uncertainties remain, principally connected to the outcome of the Brexit negotiations and the economic performance of large world economies such as China. The economic recovery has led to a decrease in unemployment around Europe. For the private security sector, high levels of employment are likely to lead to recruitment difficulties in countries where the sector is seen as less attractive in terms of employment opportunities. There has not been a great deal of evidence to date that the economic recovery has resulted in significant wage growth, and so the sector is unlikely at present to be subject to pay pressure. However, as there are high levels of involuntary part-time work and atypical working overall in the labour market, if the private security industry focused on improving terms and conditions of employment, this could be an opportunity to significantly increase the attractiveness of the sector to potential employees.

### 4.3 Demographics, migration and urbanisation

One of the main **demographic challenges** is the **ageing population** in Europe, a result of increased life expectancy and declining fertility rates. This has many implications for the European economy in general, and for the private security sector in particular. In terms of employment, adjustments may need to be made for an older workforce, in relation to working conditions, working environment and adaptation to technological change (see also below for a discussion of technological training). As workers are likely to need to work for longer due to pressure on pension systems, the industry will need to think about how to accommodate workers who remain in employment past their mid-sixties. A key challenge

will be to ensure that older workers develop the skills that they need to maintain active participation in the sector. The sector may also need to cope with labour shortages, possibly through the increased use of technology and automation.

One way of alleviating the problems associated with an ageing population is to encourage **immigration**. However, integrating immigrants brings its own political and social challenges. Furthermore, immigrants will themselves age and their birth rates are likely to quickly mirror those of the general population of a country, and therefore this is a delay rather than a solution to the problem. Nevertheless, the private security sector is likely to be at the forefront of managing the flow of immigrants, as is already the case in many countries, and potentially helping to contain any social unrest associated with increased flows of immigrants. This raises issues for the sector such as the need to ensure that guards have the necessary skills and competences to deal with the duties and tasks associated with this type of work. These include people management and other soft skills, and the ability to defuse potentially difficult social situations. The social partners have already addressed many of these issues in their 2016 joint declaration on the role of the private security sector in light of the increasing number of refugees in Europe.

The trend towards **urbanisation**, already noted above, is likely to continue: in Europe, around 75 % of the population currently lives in urban areas. Cities are more prone to crime, violence and vandalism than rural areas, and so demand for the services of private security guards in terms of guarding buildings and public venues, is likely to increase. A higher concentration of people places a strain on infrastructure and service requirements, which may also lead to increased demand for private security services.

#### 4.4 Technology

**Technology** has already had a significant impact on the private security sector: remote monitoring and the use of drones has already changed the role and job content of guards. Integrating technology into security is arguably one of the biggest challenges facing the sector: the sector needs to ensure that it works with technology, rather than being taken over by it. The advent of new technology presents both opportunities and challenges for the sector. One challenge is the potential negative effect on employment levels. There is some uncertainty about the future impact of technology on the sector, although academic research quoted earlier in this report has ranked it just below the top third of occupations most susceptible to automation. This has implications for the volume of employment in the sector, and also on the job content of workers. There are also issues around regulation, as, in general, legislation moves more slowly than technology, and so it does not cover all the areas that technology brings with it. This can also lead to situations where there is a

fragmented approach, due to the prevailing legislation. For example, guarding companies are not allowed to carry out CCTV installation in some countries, due to a lack of joined-up regulation.

There is also an opportunity in that technology may be able to take on some of the more mundane tasks in the sector, leaving guards free to engage in more complex and interesting tasks. Much depends, of course, on how workplaces are able to adjust to the new demands placed on them by the advent of new technology and the changes in job content that this is likely to entail. It is clear that training will be needed in order to enable workers, and in particular older workers, to adapt to the new types of tasks that they may be required to carry out. There is likely to be a requirement for workers to shift from routine and automatable tasks, such as surveillance activities, to tasks that are complementary to new technologies, but that typically are new, more complex, and more demanding. For example, there will be more need for intervention capacities and competencies. Workers that are unable to adjust to these new task demands may see their employment prospects deteriorate, either in terms of the number or quality of jobs available.

There are also challenges for employers and social partners in terms of the changing profile of the workforce: a greater number of workers whose job content consists of technology-related tasks may mean redefining pay scales and career tracks in company agreements and collective agreements, in order to accommodate workers with a different background and skills set to those whose jobs involve more traditional guarding tasks.

Technology can, therefore, represent an opportunity to enhance working conditions, thus contributing to an increase in the quality of jobs in the sector. However, the sector needs to think about how to ensure that workers have the skills to adapt sufficiently, and this will involve a well thought through training and competence development policy. It will also be important to ensure that workers are flexible enough to adapt to future changes in the context of ongoing technological developments. Issues such as the increased need to respond to cybersecurity threats need to be discussed in some type of sectoral forum in order to ensure that the sector is flexible enough to respond appropriately.

#### **4.5 Societal factors: crime levels, security threats and public perceptions**

The number of recorded **crimes** in the EU has fallen overall over the past decade or so in most categories, with the exception of sexual violence and drugs-related offences. There are ongoing issues related to serious and organised crime, however, especially related to the role of new technology, in the area of cybercrime. The overall decrease in crime may mean that there is less demand for guarding services: a reduced risk of vandalism and burglary

may, for example, lead to more remote-controlled guarding rather than having a guard on site, accelerating an existing trend.

One issue that has grown significantly in recent decades is **terrorism** and the threat of terrorism around three key terrorist trends: jihadist terrorism, right-wing extremism and ethno-nationalist terrorism. These developments and the associated targeting by terrorists of public spaces and events where private security guard work raises important issues on the potential exposure of guards to terrorist incidents but also their potential role within public–private partnerships for counter-terrorism. Security guards are often first on the scene in a terrorist attack on a public space such as a large entertainment event or an airport. It is therefore crucial that they have the necessary training and equipment to deal with this eventuality. Post-event support for guards who have been exposed in this way is also vital in order to prevent issues such as post-traumatic stress disorder. There is increased scope for partnerships between private security guards and public security services, including the police and other first responders, in order to try to counter the threat of terrorism. This would change, and possibly enhance, the role of the sector. See also below for a discussion of the implications of the widening of the sector.

**Public perceptions of security challenges** centre on the fact that there has been a significant decrease in recent years in the proportion of EU citizens who think that the EU is a secure place, according to Eurobarometer. The main challenges to security in the EU are seen to be the threat of terrorism, organised crime, natural and man-made disasters, cybercrime, and threats to the EU’s external borders through issues such as irregular immigration. In terms of implications for the private security sector, it is clear that the sector will need to play a continuing key role in dealing with many of these threats to security in the future, both on the ground and in terms of helping to devise strategies to deal with these threats. The sector has a role to play in terms of counter-terrorism strategies, as seen above, in partnership with public authorities and the police. The private security sector will also have a role to play in dealing with disasters such as fires, explosions and a range of natural disasters (the latter may become more frequent as a result of climate change). It is likely that guards will also continue to be involved in the management of refugees and asylum seekers and the associated challenges.

#### **4.6 Widening of the private security domain**

This report has shown that the private security sector has grown overall in recent decades, and that this growth has significantly outstripped public expenditure on police services and the number of police officers. In the EU as a whole, the number of private security guards

appears to be fast approaching the total number of police officers, and in several countries, it already has. This growth has been accompanied by a **widening of the scope of services** provided by the sector. Although manned guarding and mobile patrol services and transport of valuables (cash-in-transit), remain the bedrock of the sector, the range of services provided by private security companies is expanding. This includes concierge and reception services, special event security, risk analysis, security consulting, security training, loss prevention, employee/background screening, alarm and video system monitoring (and response), security system integration and cybersecurity. This widening is likely to continue through, amongst other things, the ongoing growth of new technology. The private security sector has also moved more into areas that used to be the domain of the public police, such as the protection of ports, airports, urban transport hubs, power plants and government buildings. The sector may in the future expand further into areas such as prison and justice services, guarding military infrastructures, security of healthcare and education facilities, community guarding and patrols, public events, and providing assistance to first responders. Moreover, private service providers could take on some routine support and administrative tasks currently undertaken by the police, as has been pioneered in the UK.

This is a complex area and one that differs considerably between Member States, due to factors such as different legal provisions in place. It will be important for sector representatives to be actively involved in discussions with their public sector partners in terms of developing legal frameworks and regulations relating to the widening of the functions that are assigned to the private sector. This would include defining the limits, powers and means of intervention, standards of service reliability and quality, together with the processes for enforcement of service delivery and accountability, including complaints and redress mechanisms. At the same time, further development of public–private partnerships will require the creation of coordination and cooperation models that promote maximum effectiveness and efficiency of overall security provision, whilst ensuring that the delivered services correspond to the needs and expectations of citizens. These are significant challenges for the future, but have the potential to significantly enhance the operation and image of the sector, thereby improving the overall quality of the sector and the experience of its employees in terms of job content.

Our recommendations and suggested action points for the sector are contained in the next section of this report.

## 5. Recommendations and guidelines for anticipating and dealing with change

The first part of this report has focused on the key drivers for change in the private security sector, and has attempted to outline the possible impact of these changes on the sector. The drivers have essentially been grouped into four categories as follows:

- Globalisation and economic conditions
- Demographics, migration and urbanisation
- Technology
- Societal factors, such as terrorist threats and serious organised crime.

In this section, we offer some key recommendations and guidelines aimed at helping the social partners in the private security sector to anticipate and deal with change, in addition to acknowledging the role of customers, governments and citizens as a whole, within the context of security fulfilling the role of a public good. These are intended to help guide the future work of the social partners and should be adapted to individual situations and circumstances as appropriate.

### 5.1 Employment and terms and conditions

Terms and conditions of employment vary across Member States – some, such as Spain, have collective agreements in place, while others do not. Terms and conditions also sometimes vary within countries. It is therefore difficult and probably not even desirable to put into place and enforce minimum standards across the EU. However, the social partners at national level should be encouraged to think about how to put into place minimum standards on a national basis, with the cooperation of the industry, in order to improve the quality of service and terms and conditions of employment for the workforce. Where the social partners are strong and active, such as in Spain and some of the Nordic countries, collective bargaining and bipartite/tripartite collaboration can be used to regulate terms and conditions of employment.

On a practical level, some national examples of sectoral observatories that carry out monitoring and lobbying activities serve an important function in terms of regulating employment terms and conditions in the sector and reporting bad practices. These observatories are bipartite and independent, and are separate from the collective bargaining

and social dialogue processes. It may be worthwhile to think about whether these types of bipartite structures could be replicated in other Member States.

Background checks could be streamlined to make them faster and in a harmonised way across the EU, in order to make it easier for employers to recruit. This is something for national governments to think about, in an EU setting. This would help to enhance the professionalisation of the sector.

Employment and recruitment platforms (online platforms that are used to match customer demand and labour supply) are a growing area of the economy in many Member States. Although they are not widely used at present in the private security sector, they may become more relevant for the sector in the future. In the UK, for example, some platforms already match supply and demand for security guards. CoESS and UNI Europa should work together to assess the key challenges related to employment platforms, possibly working out a plan of action at EU level that can then be implemented accordingly at national level.

It should also be ensured that guards are properly protected when doing their job, also in terms of physical equipment. This could be a focus of cooperation between service providers within national contexts.

## 5.2 Training

This research has identified a need for training in a wide variety of areas. Broadly speaking, training needs can be clustered into four categories.

- **Enhancing the employability of existing workers by means of upskilling.** There is a need to strengthen employability in the sector, partially through upskilling. This could involve the national social partners, in collaboration with employers and local, regional and national education and training establishments, in order to work out what skills the industry needs and what skills would best serve workers in terms of their employability and adaptability. Work in this area could build on the sector's 1999 European Vocational Training Manual for Basic Guarding;
- **Providing more structured training for young and new workers and those moving into the sector from other sectors,** in order to increase the attractiveness of the sector, possibly in the form of apprenticeships or more structured career paths. There is a bipartite initiative in Spain that is examining training in order to improve the attractiveness of the sector;

- **Adapting to new skills needs, including technology and soft skills.** There needs to be ongoing training to respond to the changes in technology, which needs to be embraced and not fought against. Skills groups could be formed to assess skills needs and how to address them. Training in soft skills is also important – for example, communications, cultural sensitivity, and people skills. A workshop could be organised to see how this has been done in Finland, Sweden and Norway.
- **Strengthening the effectiveness of cooperation at the interface between public and private security roles and responsibilities.** The Nordic model of a route into the police force is probably not transferable, but it may be worth linking guards to the police in some way, given that they perform many of the same tasks. Is there a need for standardised training for certain areas, across Europe? This could be in areas such as the security of high-profile venues and dealing with terrorist threats.

Other areas to consider would include intercultural training, which would involve training in language skills and cultural awareness. Linked to this is a need to work on public attitudes to immigrant workers, and acceptance of the role of foreign security guards. Furthermore, the ageing population means that young workers need to be trained in how to communicate with older people, particularly if they are involved in working in retirement homes or hospitals.

Physical and mental health support and training is important in a context of changing security threats and exposure of private security guards to potential terrorism and other public threats. This could be an issue for EU-level social dialogue, and could result in a joint EU text. This could build on the 2008 joint declaration on stress at work.

It should be noted, however, that there are wide differences between different Member States, with, broadly speaking, governments funding training in countries such as Denmark, whereas in other European countries, such as Belgium, Germany, the Netherlands and the UK, training is primarily financed by companies. This leads to discrepancies in the length of training, which can range from six weeks when provided by the government, to a number of days or even hours in some private companies.

Overall, e-learning can make an important contribution to upskilling the workforce, although it should not be used to substitute more traditional forms of training. It may therefore be beneficial for the social partners to explore the feasibility of e-learning platforms at EU level for soft skills. Overall EU harmonisation of training standards would be very difficult, due to the different national training standards in place in Member States. However, this might be more feasible in the case of soft skills.

### **5.3 Increasing the attractiveness of the sector**

Raising the profile and attractiveness of the sector is an important aspect for the future of private security. Communication campaigns about what guards actually do could be beneficial; how many lives they save and how many incidents they respond to (following the Norwegian example). The campaign could also show the human side of the job, the interactions with the public and the fact that the job is varied and interesting. It also fulfils an important function in terms of helping to prevent money laundering and the financing of terrorism. The social partners should discuss whether this would work at an EU level, or whether there should be national campaigns in order to reflect national differences in social attitudes.

There is, of course, also a link to training and upskilling of the workforce, which would make jobs in the sector more interesting and attractive and which, in turn, would increase productivity and attract higher pay and better employment terms and conditions. Of course, this issue is complex, as it can be difficult in many countries to sell a more highly qualified workforce to the client due to the related costs.

It may also be possible in some circumstances, to talk about pay in a broader sense, separate from actual pay negotiations, as has been the case in some national sectoral observatories. Overall, quality, including job quality, is intrinsically linked to the attractiveness of the sector (see Section 5.5). Increasing the attractiveness of the sector is also linked to providing a proper balance between stability and flexibility, in terms of working time and the organisation of work, which is acceptable to both employees and employers.

Campaigns could also be targeted at women, LGBT and ethnic minority groups, in order to encourage them into the sector. This could be carried out at national level, alongside the campaigns to recruit more young people. The sector is still relatively male-dominated (apart from the aviation section of the sector, where women are needed to carry out security procedures on female passengers). On average, women make up around 15 % of the sector's workforce, as noted above in Chapter 2 of this report.

### **5.4 Regulatory reform and market functioning**

There are many questions around regulation of the sector, some of which would be outside the remit of the sector partners. There is discussion over whether there is a case for tighter national regulation, or maybe just proper enforcement of regulation, in order to drive up quality and price, including wages. In order to inform the debate, it would be worthwhile to

organise a matrix that compares the main aspects of national relevant legislation, in English, as far as possible. This could be the subject of a future research project.

There may be a need to adapt regulation around procurement in order to try to stop the lowest-priced contractor winning work. It is important to focus on what is possible in terms of social partner action and what should be undertaken by the regulator. The overall challenge is finding a way to combine a general industry message on better procurement with company-level actions in the area of marketing and commercial activity.

Social partner action could take many forms, from lobbying for the insertion of social clauses and quality criteria into public tenders to devising information and education campaigns directed at public and private sector customers. A manual on best value in buying quality private security services was jointly published by CoESS and UNI Europa in 2014<sup>27</sup>. Social partner action in this area could build on the joint statement on the 2014 Directive on public procurement, possibly looking at how it is being implemented in Member States. This could be carried out by a working group, sending out questionnaires to Member States to find out what is happening at national level. The bipartite observatory in Spain is an interesting example of cooperation between employers and unions in the sector, looking at current issues such as the deregulation of cash transit and what that means for the sector.

Ensuring that regulatory frameworks keep up with change is something on which the social partners could cooperate with governments on at national level.

## 5.5 Quality of the sector

Achieving the highest possible standards in terms of quality in the sector is linked to issues such as improving its attractiveness.

Other actions that would help to improve the quality of the sector include initiatives such as the sharing of best practice after high security events. This would enable the social partners to understand which challenges were faced and how they were overcome. It would be important to do this relatively soon after the event, so that the learning is not lost.

Given that guards often perform many tasks that overlap with police work, a working group could conveniently be set up to review equipment for guards who are carrying out public order duties, in order to make sure that they are properly protected when carrying out their public duties. The group could possibly cooperate with the police on this issue.

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<sup>27</sup> [http://www.securebestvalue.org/wp-content/uploads/2014/11/Best-Value-Manual\\_Final.pdf](http://www.securebestvalue.org/wp-content/uploads/2014/11/Best-Value-Manual_Final.pdf)

## 5.6 Technology

The advent of new and developing technology is arguably one of the greatest challenges facing the private security sector. This research has shown that there is a threat from new technology in that it can contribute to reducing employment numbers, although there is likely to always be a need for guards on the ground in some capacity, possibly in a role that works with technology. However, technology also brings new opportunities, in terms of changing the content of jobs, in most cases making jobs more interesting, varied and challenging. It also requires new types of skills, which in turn creates a training need. It should also be noted that, although training is important in this regard, it cannot solve all the issues that new technology throws up. For example, some workers may not be suited to tasks with a technological content and therefore a discussion needs to be had about how to manage these types of workers. Thought also needs to be given to the financing of training, as clients may be reluctant to pay for this.

Given the many, varied and ongoing issues surrounding technology, it may be beneficial to organise regular brainstorming sessions at EU level to assess the upcoming challenges and opportunities that technology offers and how they can be anticipated. These should involve technical experts in relevant areas. This group could also discuss issues related to the overall offer of private security, i.e. dedicated guarding services, or guarding services that are combined or bundled with technology, and how this works in practice, as well as issues such as how to respond to cybersecurity threats (which are likely to grow in importance in the coming years). Overall, it is complicated and difficult to try to devise sectoral strategies for technology, so it may be worth thinking about the different kinds of technologies that are being used, the regulation that applies to them, how they are seen, and their interaction with sectors of the industry.

It will be important to find creative solutions to the challenges posed by the introduction of technology. Technological training (see also above) should be available to all, but also specifically targeted at those aged between 40 and 60, who are arguably more vulnerable to technological change. This would also smooth their career path in terms of being able to progress up the career ladder.

A working group could also be established in order to look at job descriptions in the industry where appropriate. This will aim to ensure that job content is matched to the changing demands resulting from technology, and to ensure that technology workers are integrated into existing collective and company agreements and pay scales.

The social partners could also carry out benchmarking exercises with other industries to see how they are responding to advances in technology.

## 5.7 Widening the scope of the sector

This is an issue that occupies the social partners on both sides and also involves other actors. Given the unresolved and changing nature of this issue, it may be beneficial to set up a specialist group at EU level to look at the widening of the sector. There is an obvious overlap with the police services in many areas, but widening the sector goes beyond this, in terms of considering which new activities the sector could undertake. For example, this could include cooperation with other emergency services, such as emergency medical services and fire and rescue services.

In terms of what this means for social dialogue, there is a need to avoid fragmentation; therefore, good cooperation with public and private sector representatives is important. The creation of joint working groups at EU and national level could help.

It may also be beneficial to carry out targeted work with the police and other first responders in order to ensure good cooperation. This probably already takes place to a large extent, depending on the exact area of the sector. However, this could include regular discussions about what is happening. Discussions could include how to create operational zones where public and private security providers increasingly interact (such as transport hubs, public spaces and critical infrastructure) and areas in which there are new but commonly shared challenges (such as those arising from new technologies or data analytics) where it would be useful to exchange information and knowledge.

## 5.8 Overall and longer-term issues

It may be helpful to establish a rolling timetable of regular brainstorming meetings at EU level, within the framework of the social dialogue, in order to discuss upcoming challenges and ensure that the appropriate measures are in place, or that progress towards agreed initiatives is being made. This could form a permanent agenda item for social dialogue meetings.

In the longer term, the sector needs to find the right balance between customers, employees, technology and investors. This is linked to the overarching issue of the financial stability of the sector, particularly in terms of who pays for what. Ultimately, to deliver high value services (and with it, well paid jobs and good working conditions) there must be customers that are willing and able to pay. For customers, the emphasis should be on meeting customer needs (both public and private) and budgets. For employees, the emphasis should be on terms and conditions and skills and training. For technology and data, the emphasis should be on the adoption of cutting-edge technology and creating value

from analytics and data. Overall, the aim is for sustainable quality and performance of the sector as a whole.

## 6. Actions for the social partners

The tables in this chapter contain a list of proposed actions that the social partners in the private security sector could take in order to meet the challenges set out in this report. The tables state the issue, the measure that could be taken, the key players, the level at which it could be undertaken, and the term of the measure.

### 6.1 Employment terms and conditions

Issue	Measure	Key players	Level	Duration
<b>Minimum standards for terms and conditions of employment</b>	Social partner discussion and cooperation at EU level.	CoESS and UNI Europa, potentially with oversight from public authorities and other key players	EU level	Medium-/long-term
<b>Bipartite independent observatories</b>	To showcase the practices of some national sectoral observatories for the sector and assess whether this can be transferred in any way to other Member States.	CoESS and UNI Europa to organise best practice workshops	EU level	Medium-term
<b>Recruitment</b>	Lobbying activities aimed at making it quicker, where possible, to perform background checks on candidates across borders.  In the short term, this could focus on facilitating cross-border checks from the host country.  In the longer term, there could be some sort of 'professional passport' for security workers (including background checks by the country of origin/previous residence).	CoESS and UNI Europa, lobbying EU institutions.  National affiliates lobbying national governments	EU level and national level	Medium-term
<b>Challenges related to employment and recruitment platforms</b>	Plan of action to evaluate the potential impact of employment and recruitment platforms for the sector and to formulate a position and response.	CoESS and UNI Europa	EU level to be cascaded down to national level	Short-/medium-term

## 6.2 Training

Issue	Measure	Key players	Level	Duration
<b>Employability</b>	Upskilling plan aimed at improving employability and adaptability for new workers and upskilling existing workers.	CoESS and UNI Europa, national social partners in collaboration with employers and local, regional and national education and training bodies	National (within EU framework), regional and local	Ongoing
<b>Soft skills</b>	Best practice sharing workshop.	Nordic representatives to present and share their best practice	EU level	Short-term
<b>Standardisation of training in specific areas of operation</b>	Working group to discuss feasibility in areas such as terrorist response and security of high-profile venues.	CoESS and UNI Europa, in cooperation/collaboration with the public sector.	EU level with national best practice sharing	Medium-term
<b>Mental health training and support</b>	EU-level social partner joint text building on the 2008 joint text on stress at work.	CoESS and UNI Europa	EU level	Medium-term
<b>Training in response to societal changes</b>	Training in cultural sensitivities and how to relate to older people.	CoESS and UNI Europa to provide a framework  National social partners to work with national governments and possibly other sectors	EU and national level	Medium-term
<b>E-learning</b>	Explore the feasibility of e-learning platforms at EU level for soft skills.	CoESS and UNI Europa	EU level	Medium-term

## 6.3 Increasing the attractiveness of the sector

Issue	Measure	Key players	Level	Duration
<b>Structured career paths</b>	Working group to discuss how to provide a more structured career path or apprenticeships for new and existing workers.	CoESS and UNI Europa, with national social partners	EU and national level	Medium-term
<b>Raising the profile of the sector</b>	Communication campaigns about what security guards actually do (general public) and what guards can do and how it helps business (for customers).	CoESS and UNI Europa to provide a framework for national campaigns	EU and national level	Short-/medium-term
<b>Attracting a more diverse workforce (women; LGBT; Black,</b>	Targeted communication campaigns stressing the variety of the job.	CoESS and UNI Europa to provide a framework for national campaigns	EU and national level	Short-/medium-term

Issue	Measure	Key players	Level	Duration
<b>Asian and Minority Ethnic groups)</b>				
<b>Ensuring job quality and the right balance between flexibility and security</b>	Working with the social partners at national level, where they exist, to raise the quality of jobs and to ensure the appropriate balance between flexibility and security that is acceptable to both employees and employers.	CoESS and UNI Europa to provide a framework for national campaigns	EU and national level	Short-/medium-term

## 6.4 Working with evolving technology

Issue	Measure	Key players	Level	Duration
<b>Keeping pace with technology</b>	Working groups to meet and brainstorm to assess current and future challenges related to technology, linked to issues such as job content and skills needs, and how to address them.  These groups could also look at opportunities to work with technology providers to better adapt technology to security workers, and how to respond to new and growing issues, such as cybersecurity.	Working groups to be formed out of CoESS and UNI Europa delegates and national experts and technology experts and technology suppliers as appropriate	EU and national	Ongoing
<b>Reviewing agreements</b>	Working groups to discuss changes to collective and company agreements to ensure the integration of workers with a technological background and job content.	CoESS and UNI Europa to provide framework for national sectoral and local discussions	EU, national and local	Medium-term
<b>Finding creative solutions to the challenges posed by the introduction of technology</b>	Training plans to make sure that all are comfortable with technological changes. This could also include buddying of older and younger workers.	CoESS and UNI Europa, national members	EU and national	Short-/medium-term
<b>Benchmarking with other sectors</b>	Benchmarking exercises in order to learn from best practice in other sectors.	CoESS and UNI Europa organising EU-level events on how sectors are responding to technological change, what works, what could be transferable to the private security sector	EU level	Medium-term

## 6.5 Regulatory reform and market functioning

Issue	Measure	Key players	Level	Duration
<b>Regulating procurement</b>	Review of implementation of the Directive on public procurement	CoESS and UNI Europa to set up an exercise to assess implementation of this Directive in Member States. This could build on the 2014 joint statement on the Directive	EU level with national level input	Medium-term
	Lobbying governments to try to ensure the principle of best value, rather than lowest cost	National social partners, within a European framework and guidance set by CoESS and UNI Europa	National/EU level	Short-/medium-term
<b>Keeping regulatory frameworks up to date</b>	Working with national governments to ensure that legislation keeps pace with change	National social partners and public authorities, with CoESS and UNI Europa collating information	National level, with EU input	Ongoing
<b>Sharing the outlines of national legislation</b>	Organising a sharing of relevant national legislation in English in individual Member States, as far as possible, in order to better understand national situations and challenges.	CoESS and UNI Europa. This could be the subject of a future research project	EU level	Medium-term

## 6.6 Improving the quality of the sector

Issue	Measure	Key players	Level	Duration
<b>Guarding high-profile events</b>	Targeted workshop to share best practice after a national high-profile event, such as a music or sporting event.	CoESS and UNI Europa to coordinate	EU/national level	Short-term, ongoing

## 6.7 Demonstrating the capability of the sector in new areas

Issue	Measure	Key players	Level	Duration
<b>Cooperation between public and private sector social partners</b>	Creation of joint working groups at EU and national level.	CoESS and UNI Europa and national social partners, working with public security providers and authorities	EU and national level	Medium-term
<b>Keeping up to date with issues relating to widening the sector</b>	Creation of a specialist working group to focus on upcoming issues,	CoESS and UNI Europa	EU level	Medium-term

Issue	Measure	Key players	Level	Duration
	challenges and actions to be taken. This could evaluate and share information on the effectiveness of private security activities and services in new areas.			
<b>Closer cooperation with bodies such as the police, emergency medical services and fire and rescue services</b>	Regular contact with the police, where appropriate, to review activities, new areas of focus, and exchange advice on equipment.	National social partners and public security providers/authorities, with CoESS and UNI Europa coordinating	National level	Short-/medium-term

## 6.8 General

Issue	Measure	Key players	Level	Duration
<b>Overall response to change</b>	Permanent rolling agenda item for social dialogue meetings.	CoESS and UNI Europa	EU level	Immediate, ongoing

## Annex: Interviews carried out

### Employer interviewees

Name	Contact	Type of organisation	Country	Date
Runar Karlsen	Employer	Director, NHO Service og Handel	Norway	16 March 2018
Yvan De Mesmaeker	Employer	Secretary General, European Corporate Security Association (ECSA)	EU	19 March 2018
David Ryder	Employer	Airports Council International Europe (ACI Europe)	EU	16 February 2018
Bert Hoffer	Employer	IBZ	EU	5 March 2018
Olivier Duran	Employer	National Syndicate of Security Companies (SNES)	France	5 March 2018
Pascal Pech	Employer	SNES/Panther Security	France	5 March 2018
Juan Luis Carrera	Employer	Prosegur	Spain	19 March 2018

### Trade union interviewees

Name	Contact	Type of organisation	Country	Date
Marjut Pihonen-Randla	Trade union	Service Union United (PAM)	Finland	18 April 2018
Julie Williamson	Trade union	GMB Hinkley Point Learning Project	UK	17 April 2018
Peter Jorgensen	Trade union	Serviceforbundet	Denmark	2 May 2018
Juan José Montoya	Trade union	Spanish Private Security Observatory	Spain	1 June 2018

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