

# EU migrants and benefits: how does the UK compare to other member states?

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*Klára Fóti has analysed the impact of freedom of movement on the public services of different member states in a Eurofound report, [Social dimension of intra-EU mobility: impact on public services](#). This post consists of extracts from that report. The first examines the right to equal access to public services and benefits enjoyed by EU migrants – a key aspect of the UK's renegotiation – and the ways in which different countries interpret it. A further extract looks at the take-up of benefits and social housing among EU migrants.*



## Rules governing access to benefits and social services

Non-discrimination in the treatment of EU mobile citizens in any EU Member State is closely linked to EU citizenship and is, therefore, a core element of recent EU treaties. The aim of the EU rules on free movement and access to social assistance and social security is, as laid out in Directive 2004/38/EC on free movement of EU citizens, to 'facilitate the effective exercise of the right to free movement and protect those who genuinely make use of it'. At the same time, the rules must contain 'robust safeguards to ensure that the rights afforded to EU citizens are not abused' and ensure that 'unreasonable burdens are not placed on the social assistance schemes of the host Member States' (European Commission, 2013a, p. 13).

At first sight, these principles seem to give clear guidance to Member States. However, interpreting when the rules should be applied is difficult, especially in light of the specific provisions of national legislation. For example, what does 'genuinely' mean within the context of making use of free movement? Does it refer, for example, to a worker in 'pursuit of effective and genuine activities' (as defined in EU legal terms) and their dependent family members only? What are the criteria under which this can be decided by the national authorities? Moreover, as Member States are responsible for making their own rules for their welfare systems, could the EU rules establish 'robust safeguards' against any abuse? No doubt, as Commissioner Viviane Reding underlined in a speech on 5 December 2013 in the Council of Justice and Home Affairs, it is the responsibility of individual Member States to make their national system 'abuse-proof', and in principle, this is in their interest (European Commission, 2013b). As has been pointed out, however,

*Member States face considerable difficulty in restricting their welfare-state services to nationals ... Member States have taken care to restrict the potential for abuse when they adopt legislation coordinating welfare-state services that facilitate the free movement of workers, disallowing, for example, the export of special non-contributory benefits, which are tax-financed. (Blauberger and Schmidt, 2014, p. 2)*

But this means that the Member States have to provide their services to all those EU mobile citizens living in their country. Indeed, as another article concludes, 'a society can no longer limit its solidarity to its nationals and should include all persons who demonstrate a sufficient degree of integration in that society' (Minderhoud, 2014, p. 224). At the same time, the Court of Justice has so far not allowed unconditional access to social assistance benefits by EU citizens. Conditions include legal residence and a genuine link with the host country's labour market.

What are the criteria, therefore, for residence status? Ireland and the UK use a 'habitual residence test' to decide

this. In other host countries, similar criteria and concepts exist; for example, in Austria, the country of residence for new immigrants is defined as 'where the person has his/her new centre of life', and in Sweden the term 'true life and home' is applied.

The right to reside is also an important question if the situation of a job-seeker is considered. Although workers can move freely within the EU, Member States are allowed to limit their right to reside to six months.

*This time limit must not be imposed if a job-seeker can show 'that he is continuing to seek employment and that he has genuine chances of being engaged' ... Regarding state support to facilitate labour market access, jobseekers may not be excluded, if 'a real link between the job-seeker and the labour market of that State [exists] ... It is for the competent national authorities and, where appropriate, the national courts ... to establish the existence of a real link with the labour market' ... As to other social benefits, which do not primarily aim at facilitating labour market access, the Court has yet to decide whether member states may impose restrictions for EU job-seekers in general legislation, or only after individual assessment. (Blauberger and Schmidt, 2014, p. 3)*

The Commission published a practical guide to the application of the habitual residence test in January 2014. This is part of a broader handbook

*intended to assist institutions, employers and citizens to determine which Member State's social security legislation should apply in specific circumstances. (European Commission, 2014c)*

The term 'unreasonable burden' concerns the right of residence for economically inactive EU mobile citizens such as pensioners, the long-term unemployed, tourists and students. The time limit on their free movement and residence is three months. Beyond this period, they have to prove they have 'sufficient resources' so that their presence (involving the claiming of any kind of benefit or the use of services) does not become a 'burden on the social assistance system of the host Member State' (Article 7(1) Directive 2004/38/EC on free movement). It has to be noted, however, that the proportion of the non-active EU mobile citizens is very low, at between 0.7% and 1.0% of the overall EU population. In addition, the majority of these (64%) have worked before in their current country of residence. As regards the job-seekers among them, a third were employed one year before (ICF GHK and Milieu, 2013).

Although the country studies in this research have not focused on the details of applying EU law, the many changes in national rules presented [see pp31-25 of the [full report](#) for these tables] reflect not only the consequences of the crisis, but also some uncertainty the Member States and local authorities had to face when applying the rules.

It is evident that, in addition to the enlargement rounds of 2004 and 2007 and the inflow of citizens from the EU10 countries, the crisis has had a profound effect on legislation and rules for the welfare systems of the individual host countries examined.

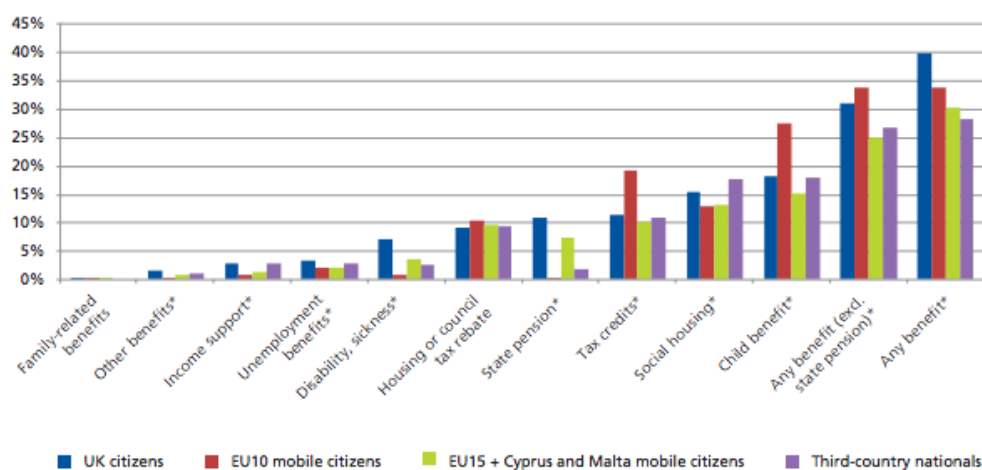
## **Family benefits**

In terms of family-related benefits, the take-up by EU10 citizens of child benefit schemes in the Netherlands is low (0.4%). It has to be noted, however, that this could increase as EU10 citizens who stay in the country begin to have families. At the moment, there are around 12,000 children under the age of 18 from EU10 countries living in the Netherlands. In Italy, the take-up of family assistance benefits by EU10 citizens is 35%, slightly higher than that of Italians (30%). In Denmark, in 2007, out of the three most prevalent nationalities, only the Lithuanians' recipient rate of maternity or paternity benefit was higher than that of Danes, whereas by 2013 the rate for Poles and Romanians

also exceeded the rate for natives. Trends in the take-up of child benefit in the country also show an increase. Data show that this is linked to the increased inflow of citizens from eastern European Member States. According to the think-tank Kraka (2013), since 2007, the number of EU8 citizens receiving child subsidy has more than doubled. In Sweden, in 2010, both natives and EU15 mobile citizens had a higher take-up of parental allowance (18.1% and 12.8%, respectively) than citizens from the EU10 (10.1%), with the recipient rate of EU2 citizens even lower at 7.6%.

The UK seems to be a special case in this regard. Child benefit is one of those (rare) benefits where the take-up by EU10 citizens (28%) is higher than that of UK nationals (18%), because they are younger and have younger children. The importance of child-related benefits among EU10 citizens seems to be confirmed also by their higher take-up of tax credit (19%, compared with 12% for UK nationals). Considering some EU10 nationalities individually, in 2010–2013, Latvians, Lithuanians, Poles and Slovaks all had a significantly higher take-up rate of child benefit than UK nationals. At the same time, the take-up rate of child benefit by Romanians was lower since they might not have formed families as yet.

**Figure 18: Take-up of different benefits, by citizen groups, UK, 2013**



Notes: Population aged 18–69 years; weighted estimates; \* Indicates that the difference between EU10 citizens and UK nationals is significant at least at the 5% level.

Source: UK Labour Force Survey, 2013 Q2

In Austria, although the take-up of family benefits by EU10 citizens has been increasing recently, the share of this group in receipt of the benefit in 2013 equalled that of Austrian nationals, at 2%. Children with Hungarian, Polish, Romanian and Slovakian citizenship made up the biggest subgroups within the EU10 group, with the largest increases in 2013 observed for Bulgaria, Hungary and Romania.

## Comparative overview of benefit take-up

As has been noted in this report, the data do not allow one to make a direct cross-country comparison regarding the take-up of benefits. Based on information and data provided by the country reports, it is possible, however, to give a brief overview comparing the take-up by EU10 nationals and natives in each country.

**Table 10: Overview of the take-up of benefits by EU10 citizens compared to take-up by natives**

	Social assistance or income support	Unemployment benefits	Housing benefits	Disability and sickness benefits	Social housing	Child or family benefit	Tax credit
Austria	Equal to their share of population in Vienna	Increasing more than natives and other groups				Increasing, but the share equals their share in population	
Denmark	Equal	Higher		Lower		Higher (recently)	
Germany	Increasing more than for natives	Increasing more than for natives	Increasing more than for natives and other groups				
Ireland		Higher					
Italy		Equal				Slightly higher	
Netherlands	Slightly higher for supplementary minimum income; lower for social assistance, increased between 2007 and 2011	Higher than their share in working-age population; increased between 2007 and 2011		Higher than their population share for contributory sickness benefit; higher for non-contributory disability benefit		Lower than their share of population	
Spain		Lower		Much lower (marginal)			
Sweden		Higher		Lower		Lower	
UK	Lower	Lower	n/a	Much lower	Lower	Higher	Higher

Source: Eurofound country studies

## Social housing



Social housing at Churchill Gardens, central London. Photo: [Scott Wylie](#) via a [Creative Commons licence 2.0](#)

Similarities across the countries are evident in the field of social housing. The most important common finding is that the take-up of social housing is lower among EU10 citizens than natives, mainly due to long waiting lists, a fact which reflects that access to social housing is problematic also to other citizen groups, including host country nationals. In the Netherlands, for example, a recent survey carried out in Amsterdam covering 500 resident EU mobile citizens found that:

- 23% of eastern European citizens lived in social housing;
- 31% rented in the private sector;

- 17% had bought a house;
- 29% lived either with family or friends or rented a room in the private sector.

Non-registration with the local municipal authority leads to similar problems as mentioned with education: non-registered EU mobile citizens are not entitled to social housing.

An important finding in the UK is that the lower take-up of social housing by EU10 citizens remains significant even if socioeconomic characteristics are controlled for. The authors of the UK report assume that this disadvantageous position is caused by long waiting lists, as in other countries. According to one report, the share of social housing tenants among EU10 citizens is as low as 0.5% (Rutter and Latorre, 2009). Interviews conducted at local level confirmed the EU10 citizens' low use of social housing. A representative from a local authority housing department reported:

*Our social housing policy is primarily based on the level of need, amongst other things, and the communities which we find are most in need are not usually from eastern Europe. However, the public perception is often different; because we don't have enough social housing to meet demand, they [eastern European migrants] become an easy target to blame.*

In Austria, waiting time for social housing (Gemeindewohnungen) is about two years. In Vienna, an agency specialising in social housing, called Wiener Wohnen, manages about 250,000 low-rent apartments. From 2004, the municipality has also subsidised cheap flats for people with incomes below a certain threshold. Social housing is a widespread service in the capital, with one out of four people using it. Currently, people from EU10 countries amount to 5% of all people in social housing, compared with 25% of third-country nationals.

In Spain, the situation is similar: 68.5% of the EU10 population live in rented homes, whereas this share for nationals is 8.2%. Some 39.8% of Spanish nationals own their home without a mortgage, compared with 2.1% of EU10 citizens. EU15 mobile citizens are also in a much better position than those from the EU10, having more home ownership and renting less.

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*This post represents the views of the author and not those of the BrexitVote blog, nor the LSE.*

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