



# COMMENTARY

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Costs and 'Benefits':

Benefits tourism, what does it mean?

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[www.migrationobservatory.ox.ac.uk](http://www.migrationobservatory.ox.ac.uk)

Despite all the changes to the UK over the last century, the ideal of 'fair play' still seems to be a fundamental part of Britain's national self-image. The concept that anyone – especially anyone foreign – might try to take advantage of Britain's national efforts to play fair is a surefire way to generate lots of angry headlines.

So the very idea that the institutions Britain established to ensure that the nation's poorest and most vulnerable were protected financially and medically – the NHS and the welfare state – might be being systematically abused by 'benefit tourists' or 'health tourists' is often media dynamite.

But who actually counts as a 'benefit tourist' or a 'health tourist', and how much do they cost the UK?

No agreed definition exists for a 'benefits tourist', and while a recent government commissioned report does provide a definition of who counts as a 'health tourist', this is by no means universally accepted. In practice, the use of both terms by the media and policy makers is often vague and confusing, dealing with different groups at different times to make different points.

### **Benefits tourism**

The lack of an agreed definition about who counts as a benefits 'tourist' makes it very hard to discuss the subject with any real clarity. One definition would be someone who travels with the primary objective of acquiring benefits, but there are no useful data on motivations of this sort, and it would be difficult to devise an accurate means of collecting such data.

Non-EU migrants do not have recourse to public funds until they have been resident in the UK for 5 years, so benefits alone are not realistic as the primary motivation for non-EU migrants to travel to the UK.

So the easiest way of beginning to identify the potential scale of 'benefits tourism' as an issue is to look at the use of benefits by EU migrants.

The UK's membership of the European Union means that citizens of EU countries who come to the UK do have access to its welfare system on essentially equal terms with British citizens, which could arguably provide a motivation for some to travel to the UK.

Table 1 outlines how many EU migrants are in the UK, their employment rate, their use of working age benefits and claims for Jobseekers Allowance, and the number who are economically inactive – which would also include groups such as stay-at-home mothers, children, students and retired people. It also shows sub-categories corresponding to EU member states prior to 2004 (EU-14 or 'old EU'), and new 'accession' member states joining in 2004 or later, including the A8 (Eastern European countries joining in 2004) and A2 (Romania and Bulgaria, which joined in 2007 although their nationals only gained full access to the UK labour markets in 2014). The complete list of post 2004 "accession" states also includes Cyprus and Malta – more recent data would also include Croatia.

Table 1

Variable	Estimate/ number
Number of EU nationals living in the UK (excluding British nationals)	2,343,000
EU 14	1,092,000
A8	1,074,000
Source/notes: Figure is an estimate. Source is Annual Population Survey, 2012, ONS.	
Number of EU nationals living in UK (excluding British nationals) who are currently 'in employment'	1,417,000
EU 14	676,000
A8	663,000
A2	127,000
Employment rate of EU nationals living in the UK (excluding British nationals)	77.5%
EU 14	76.1%
A8	79.6%
A2	73.9%
Source/notes: Figure is an estimate. Source is Labour Force Survey, 2013 Q2, ONS.	
Number of people currently claiming DWP working age benefit who were EU nationals (excluding British) when they first registered for a NINo	121,280
Old EU	62,330
Accession countries	58,950
Number of Jobseeker claimants who were EU nationals (excluding British) when they first registered for a NINo	60,100
Old EU	25,170
Accession countries	34,930
Source/notes: Figure is for Great Britain. Source is DWP, February 2013.	
Number of EU nationals in the UK (excluding British) who are economically inactive	902,400
Less than 15 years of age	388,500
15 to 64 years of age	340,000
65 years of age and over	174,000
Source/notes: Figure is an estimate. Source is European Labour Force Survey, 2013 Q2, Eurostat.	

Note: The information in this table, while informative, is not fully comparable across categories as it comes from several different sources (ONS, DWP, Eurostat), compares slightly different time periods (e.g. Feb 2013 vs 2012), geographies (UK vs GB), and groups (old EU, Accession countries, EU14, A2 and A8).

This suggests that less than 5% of EU migrants are claiming jobseekers allowance, while less than 10% are claiming other DWP working age benefits.

It also shows that the employment rate of EU migrants is 77.5% – which rises to nearly 80% for A8 nationals though is lower, at 74%, for A2 nationals – the employment rate of UK nationals for the same period was 71.7%. While none of this disproves the assertion that some EU migrants might travel to the UK with thin intention of claiming benefits, it does suggest that the vast majority of EU migrants do not use out-of-work or working age benefits.

This conclusion is supported by a recent review of social security policies around the EU and their impacts on migration, which stated:

“No evidence shows that access to the specific special non-contributory benefit income-based Jobseekers Allowance could be considered a significant driver for EU migrants in the UK.”

However the situation is complicated further by the question of what role in-work benefits, such as tax credits (not included in the table above), may play in attracting migrants from the EU to the UK. In-work benefits are, of course, for the employed, so it is hard to reconcile recipients of them with the view that claiming benefits is the primary motivation of a ‘benefits tourist’.

Incorporating in-work benefits into an analysis of the attractiveness of the UK’s welfare state for migrants from Romania and Bulgaria, for example, adds further uncertainty to assessments about the economic motivations for migration.

As Table 2 shows, transitional controls created an incentive for A2 migrants to the UK to be registered as self-employed, rather than to work for an employer in the limited fields available to them as a result of the controls.

Table 2

Nationality	Share of those employed who are in self-employment
A2	59.1%
British	13.9%
EU14	15.8%
A8	15.0%

Source Labour Force Survey Q1-3, 2013 (average); Migration Observatory calculations

Perversely, this meant that the UK’s transitional controls on access to benefits did not apply to the majority of A2 nationals working in the UK because self-employment provided them with, essentially, full access to the UK’s welfare state. In 2013 an estimated 69,000 Romanian and Bulgarian workers in the UK – which accounts for 59% of the 117,000 in employment – were registered as self employed (source: average for LFS Q1-3, 2013; Migration Observatory calculations), compared to just under 14% for British workers, 15% for workers from the A8 accession countries and 15.8% for workers from the old EU 14 countries.

Again, this does not prove that these migrants specifically chose to come to the UK to claim benefits. Registration as self-employed was less of a choice than a necessity for coming to work in the UK, as a result of transitional restrictions on what work A2 nationals could do in the UK. However, regardless of motivation, this status did provide access to the benefits system.

## Health Tourism

Unlike ‘benefits tourism’ there is a definition of ‘health tourism’ that has been used in a recent government commissioned report, which provides a useful, if not agreed framework for understanding the concept.

The definition, which was articulated in the “Quantitative Assessment of Visitor and Migrant Use of the NHS in England” document, prepared for the Department of Health in October 2013, acknowledges that definitions vary widely, but identifies health tourists as:

1. “Deliberate intent: people who have travelled with a deliberate intention to obtain free healthcare to which they are not entitled...”
2. “Taking advantage: frequent visitors registered with GPs and able to obtain routine treatment including prescriptions and some elective (non- emergency) hospital referral”

The ‘taking advantage’ group includes both British citizens and foreign citizens who do not live in the UK, but use the NHS on regular visits.

The specific definition in this Department of Health report suggests an overall cost to the NHS of between £70 million and £300 million per year (see table 3)

Table 3

Health Tourism	Plausible additional cost (£m)	
	Central estimate	Range
Incremental cost of <b>deliberate health tourism</b> for urgent treatment	60-80	20-100
Incremental cost of regular visitors <b>taking advantage</b>	§	50-200

Source – Prederi Model

### The problem of definitions

Despite the clear definition of health tourism in the report for the Department of Health, a Daily Mail’s front page from Tuesday October 22 2013 covered it with this headline: “Health Tourism: The TRUE Cost” which was preceded by the heading: “Foreigners using NHS cost Britain up to £2BILLION a year, government report reveals... 100 times more than previously claimed.”

The Daily Mail report broadened the definition of ‘health tourists’ to include all foreign visitors and short-term migrants. Clearly this increases the costs to the NHS, but these migrants are not included as health tourists in the report, and have the legal right to use the service.

Undertaking as similar broadening of the definition of a ‘benefits tourist’ will also, naturally, increase both the number of ‘benefits tourists’ and the cost to the economy. But it would seem contrary to most understandings of the term to apply it, for example, to a couple born in another country but both resident in the UK for 30 years, and both earning £50,000 per year, but who receive child benefit.

By failing to make adequate distinctions between deliberate abuse and lawful use – widening and narrowing definitions of these unwanted ‘tourists’ to create more dramatic narratives – some politicians and journalists are muddying the water in an already complicated policy debate. If the parameters of these terms can be agreed by reporters and politicians so that the public can know who is being discussed and targeted by policies, all the better, but until then these terms are usually confusing at best, and should be taken with a pinch of salt.

This piece is an extended version of an article originally submitted to the Conversation. (<https://theconversation.com/hard-evidence-does-benefits-tourism-exist-22279>)



## The Migration Observatory

Based at the Centre on Migration, Policy and Society (COMPAS) at the University of Oxford, the Migration Observatory provides independent, authoritative, evidence-based analysis of data on migration and migrants in the UK, to inform media, public and policy debates, and to generate high quality research on international migration and public policy issues. The Observatory's analysis involves experts from a wide range of disciplines and departments at the University of Oxford.



## COMPAS

The Migration Observatory is based at the ESRC Centre on Migration, Policy and Society (COMPAS) at the University of Oxford. The mission of COMPAS is to conduct high quality research in order to develop theory and knowledge, inform policy-making and public debate, and engage users of research within the field of migration.

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