



ROMANIA & BULGARIA – A QUICK GUIDE

This note provides background information for the Westminster Hall Debate on immigration from Romania and Bulgaria on 19 December.¹ The Prime Minister has recently announced a number of measures designed to curtail access to out of work benefits for EU migrants.² The Government has also just implemented a tougher version of the habitual residency test which should make it harder for EU migrants without realistic job prospects to claim out of work benefits.

A spectacular mistake

1. Speaking to his local newspaper on 7 November Jack Straw described the Labour government's decision to open the UK labour market immediately to Poland and seven other East European countries as a "spectacular mistake". A Home Office sponsored report had estimated that the maximum net inflow would be 13,000 a year to 2010. In fact it averaged 50,000 thousand a year over that period according to the immigration statistics and 90,000 thousand a year on population estimates. Mr Straw now describes the Home Office report as having been worthless. Migration Watch UK described it at the time as "almost worthless" adding our estimate that 40,000 a year would be more realistic.³

Romania & Bulgaria

2. This time round the government have declined to estimate the numbers lest they make a similar error. Indeed, the only estimate has been provided by Migration Watch, namely 30,000 – 70,000 per year with a central estimate of 50,000 per year increase in population for five years⁴. That estimate was based on the growth rate of the current Romanian and Bulgarian population in the UK, the number of National

¹ <http://services.parliament.uk/calendar/#!/calendar/Commons/WestminsterHall/2013/12/16/week.html>

(Members in charge: Nigel Mills, Mr Peter Bone, Mr Philip Hollobone, Mr David Ruffley, Sammy Wilson)

² The proposals he outlined were:

"New migrants not getting out-of-work benefits for the first three months, Payments being stopped after six months unless the claimant has a "genuine" chance of a job, New migrants not being able to claim housing benefit immediately, Deportation of those caught begging or sleeping rough, with no return within a year, Quadrupling fines for employers not paying the minimum wage"

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<http://www.bbc.co.uk/news/uk-politics-25114890>

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<http://news.sky.com/story/1181690/migrants-told-speak-english-or-no-benefits>

³ <http://www.migrationwatchuk.org/briefing-paper/4.1>

⁴ <http://www.migrationwatchuk.org/briefing-paper/4.17>



Insurance numbers issued and a comparison with the precedent of Poland, as well as other pointers such as the disparity in incomes and living standards between the UK and Romania and Bulgaria. A Romanian or Bulgarian moving to the UK to work at the minimum wage could increase his take home pay by four and a half to five times after accounting for the cost of living; families could increase their income by between eight and nine times.⁵ *Workers on the minimum wage in the UK could earn in one hour roughly what could be earned in a day in Romania and Bulgaria.*⁶

3. There are added uncertainties in respect of these two countries;

- 1) There are nearly one million Romanian and Bulgarian workers in each of Spain and Italy where unemployment is now very high, especially among the young. A worker would increase his take home pay by 50% if he were to move to the UK.
- 2) Romania is known to have issued some 600,000 passports to ethnic Romanians from Moldova. They might well be used to migrate to other parts of Europe.
- 3) The number of Roma who will migrate remains very uncertain. Substantial numbers live in very poor conditions in a number of EU countries. There are now thought to be about 200,000 from across Eastern Europe already in the UK⁷. There are an estimated 2.5 million Roma living in Romania and Bulgaria.

Can their arrival be postponed?

4. No. The seven year transition period is enshrined in the Accession Treaties which expire on 31 December 2013. Extension or renewal would require unanimity.

Can access to benefits be constrained?

5. In essence an EU citizen must be treated equally to a British citizen with regard to welfare. The only scope for changes involves EU job-seekers to ensure they are both genuine and have a realistic prospect of finding work. The Prime Minister has recently announced a raft of measures designed to constrain access to benefits for those seeking work.⁸ However, there are no powers to deport EU citizens unless they have been convicted of an offence which attracts a two year prison sentence or a sentence of 12 months or more for an offence involving drugs, violence or sexual crime. Any other departures therefore would have to be voluntary. These proposals

⁵ <http://www.migrationwatchuk.org/briefing-paper/4.20>

⁶ EUROSTAT. The monthly minimum wage in the UK is 1,189.92 EURO or 8.49 EURO an hour (assuming a 35 hour week). In Romania the minimum wage is 179.36 EURO a month or 8.96 EURO a day. In Bulgaria the minimum wage is 158.50 EURO a month or 7.92 EURO a day. This calculation does not take into account the differing costs of living.

⁷ <http://www.migrationwatchuk.org/briefing-paper/4.23>

⁸ <http://www.theguardian.com/politics/2013/nov/27/david-cameron-benefit-restrictions-eu-migrants>



might deter some migrants from coming and might keep some with no intention of working out of the benefits system. Changes to the benefit rules would have more value, if they included changes to in-work benefits, such as working tax credits for those in employment as well as housing benefit and family benefits, as most come here primarily to work. Such changes would require renegotiation.

Can access for genuine workers be restricted?

6. There is no legal way to do this without a renegotiation. In theory, work permits could be imposed or National Insurance numbers could be limited but such measures would certainly be struck down by the European Court of Justice and probably by British courts. Nor would the Liberal Democrats agree to them in the first place. However, over the weekend, reports emerged that the Government is considering, over the longer term, a cap on the number of EU migrants.⁹

Will the government's immigration target be blown off course?

7. Quite possibly. It was set at a time when EU immigration and British emigration had more or less cancelled out for a decade. Significant progress has been made in reducing non-EU migration and measures already in place will deliver further reductions. However, an increase in net migration from the EU could knock the target off course. Recently, the Prime Minister has indicated that the target may not be met because of EU migration.¹⁰ However, The Minister of State for Immigration, Mark Harper, recently reaffirmed that though it would be difficult to meet, the immigration target remains the Government's goal.¹¹

Re-negotiation?

There are two aspects to consider: 1) taking back control over who can access UK welfare; and 2) limiting free movement itself. The effect of the present system of tax credits is to provide a taxpayer subsidy to foreign migrants thus encouraging still more. Therefore, it should be a negotiating aim that no benefits or tax credits should be available to EU migrants until they have worked for five years or have achieved the status of permanent residence. A further step could be set a limit on the annual number of work permits issued but this is very unlikely to be negotiable. However, there does seem to be some movement towards the UK's position on the need for renegotiating some aspects of free movement. According to Mark Harper, at a recent meeting of Justice and Home Affairs Ministers, 11 other EU states supported the British position.¹²

16th December 2013

⁹ <http://news.sky.com/story/1182500/uk-plans-cap-on-eu-immigrants-leaked-report>

¹⁰ <http://www.ft.com/cms/s/0/ebb3d940-5b6a-11e3-848e-00144feabdc0.html#axzz2nLUZ4wRW> (£)

¹¹ Home Affairs Committee Evidence session on work of the Home Office Immigration Directorates: <http://www.parliamentlive.tv/Main/Player.aspx?meetingId=14431>

¹² Ibid