

## HOW GENEROUS ARE UK BENEFITS?

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David Cameron has recently [claimed](#) that UK benefits are attracting EU migrants because of their comparative generosity. No evidence is adduced for this claim, but the belief seems to be the key feature that is driving the negotiations about the UK's future relationship with the EU. Indeed resolving it by delaying entitlement to tax credits for four years seems to be the most important prize to win in order to fight the referendum in favour of Britain avoiding Brexit.

What is the evidence about the comparative generosity of benefits in the UK? It is not very good and not very up-to-date. But the [European Social Policy Network](#) has recently undertaken some comparisons based on [MIPI](#) data. MIPI is a project that collects tax and benefit details for a selection of model families across the EU. The most recent comparisons are for 2012. Not very up-to-date, but the real value of benefits in the UK have certainly deteriorated since then as a result of the freezing or not uprating benefits. Indeed 2012 is probably a comparative high point for the UK because most of the cuts in benefits were implemented after this date.

So what does it show?

The MIPI data compares the net incomes of four family types: singles, couples, couples with two children (C2C) and lone parents with one child (LP1C).

Figure 1 compares the level of income that is payable to these family types if they are unemployed and entitled to social assistance. The countries are ranked by the amount payable to a single adult – perhaps the most prevalent migrant. The UK comes towards the middle of this league table but our out-of-work benefits are at the bottom of the league table of the richer recipient countries of migrants in the EU.

**Table 1: Net income on social assistance (2012). Euros purchasing power parities**

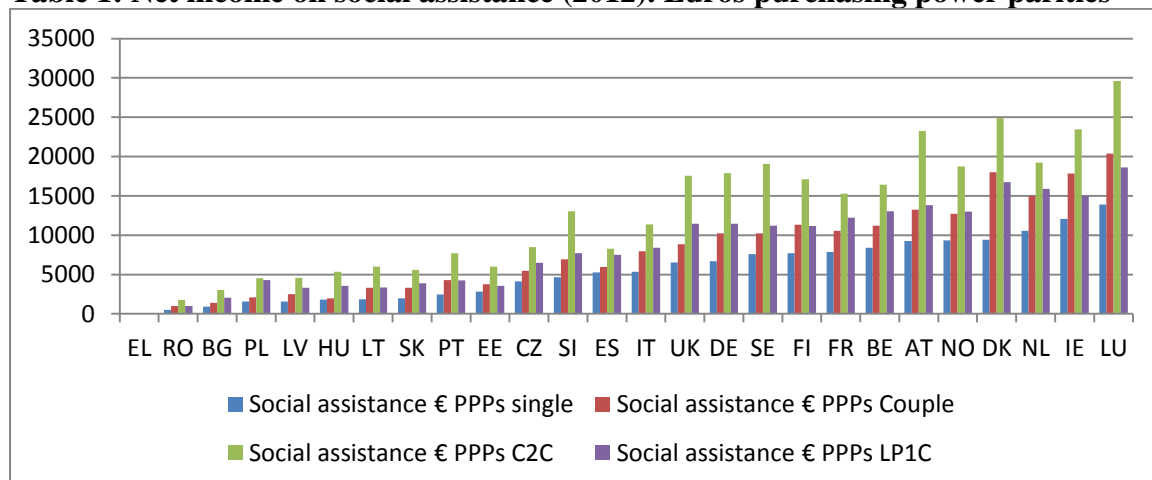
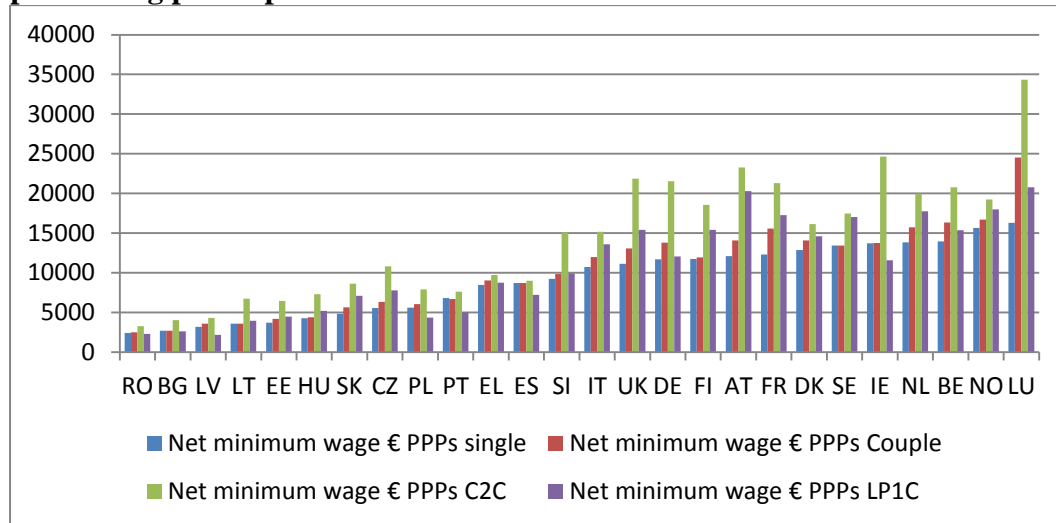


Figure 2 shows the ranking of countries on the net income that a single earner would receive if they were working full-time for the minimum wage in each country. Again the UK comes

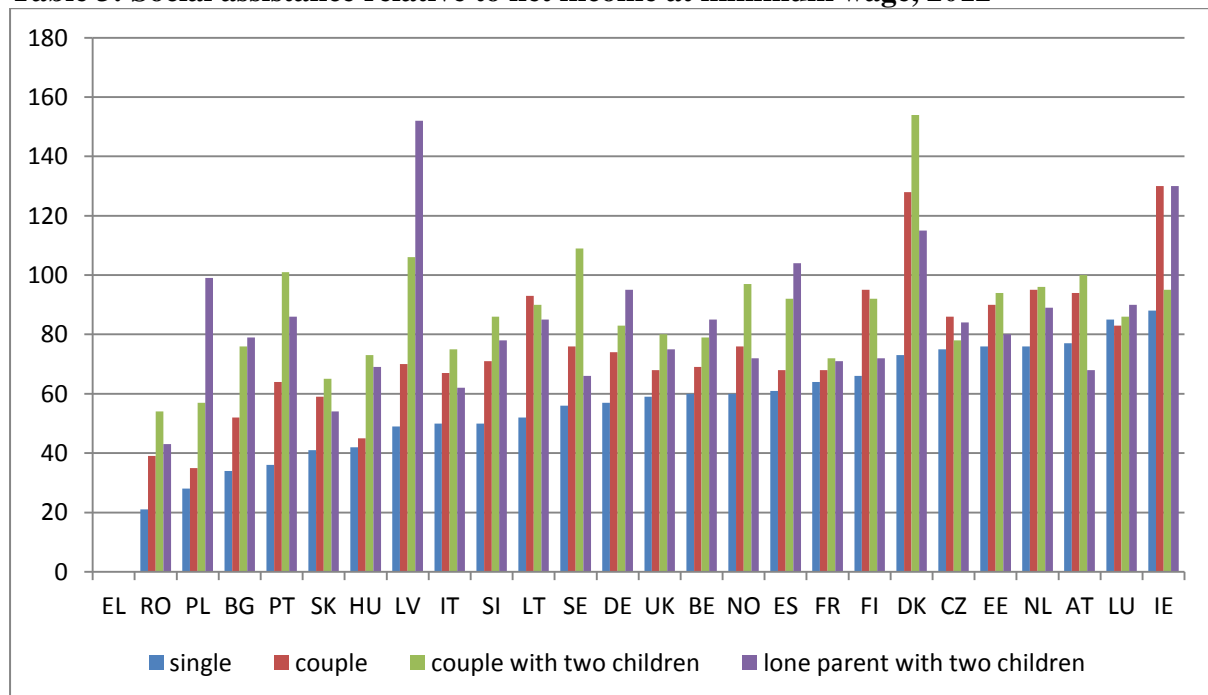
in the middle of the distribution but at the bottom of the recipient countries, though it is comparatively more generous to lone parents.

**Table 2: Net income of a one earner family on the minimum wage (2012) Euros purchasing power parities**



And if anyone is anxious about the incentives for migrants (or anyone else) to work in the UK, Figure 3 gives the notional replacement rate which is the proportion of in-work income replaced by social assistance. Again the UK is in the middle of the league table.

**Table 3: Social assistance relative to net income at minimum wage, 2012**



## CONCLUSIONS

There are very many reasons why migrants might want to settle in the UK. Their beliefs about the generosity of benefits may be one. David Cameron's assertion that we are particularly generous may be encouraging those beliefs. But the facts are that we are not

particularly generous. We come towards the bottom of the generosity of the rich EU countries. And all this takes no account of the rules governing entitlement to migrant benefits.