

Is there a future for universal benefits?

A thought experiment

- Imagine a country with no benefits system and no taxation. ...
- The benefits system we've got:
 - National Insurance
 - Contingency benefits
 - Means-tested safety net (in-work and out-of-work)
 - Universal benefits
- A changing world:
 - Changing households
 - Changing labour markets

Criteria for a benefits system

- Our tax and benefits system should be coherent: that is, its parts should fit together;
- Our tax and benefits system should be simple to administer: to reduce employment disincentives, for cost reasons, and because democratic accountability requires comprehensibility;
- Our tax and benefits system should reflect the labour market of today, and should remain serviceable as the labour market changes in the future;

And ...

- Our tax and benefits system should reflect today's family and household patterns, and should remain serviceable as household and family patterns continue to change.
- Our tax and benefits system should not disincentivize public goods such as long-term relationships amongst parents of children, enterprise, training, and providing financially for oneself and one's dependents.
- Our tax and benefits system should incentivize the efficient allocation of resources and so contribute to an efficient economy.
- Our tax and benefits system should treat people with dignity and not stigmatize individuals involved in any part of it.

And ...

- the encouragement of enterprise in a free market context
- the extension of choice
- equality between women and men
- active and equal citizenship
- 'we're in it together'

The definition of 'universal benefit'

- For every citizen / resident of the UK (e.g., the NHS: but which aspects of it?)
- For every citizen / resident of the UK within an age-defined demographic group (e.g., for children: Child Benefit, winter fuel payment, free TV licences for the over 75s)
- Unconditional and nonwithdrawable
- Citizen's Income: an unconditional and nonwithdrawable income paid to every individual as a right of citizenship

A brief history of universal cash benefits proposals in the UK

- Family Allowance
- Child Benefit
- Lady Rhys Williams' minority report
- Brandon Rhys Williams' minority report
- More recent submissions to commissions and select committees
- Similar schemes:
 - Tax Credits: the genuine article
 - Single Tier State Pension
- A tentative conclusion

The future of universal benefits: possible determining factors

- The conclusion we've just come to:
 - The future of Child Benefit
 - The possibility of a Citizen's Income
- Political ideologies: arguments for and against a Citizen's Income
 - Generated by the ideology
 - Actually made by the ideology's proponents
- Arguments from labour market, economic, and administrative efficiency
- Arguments from social cohesion

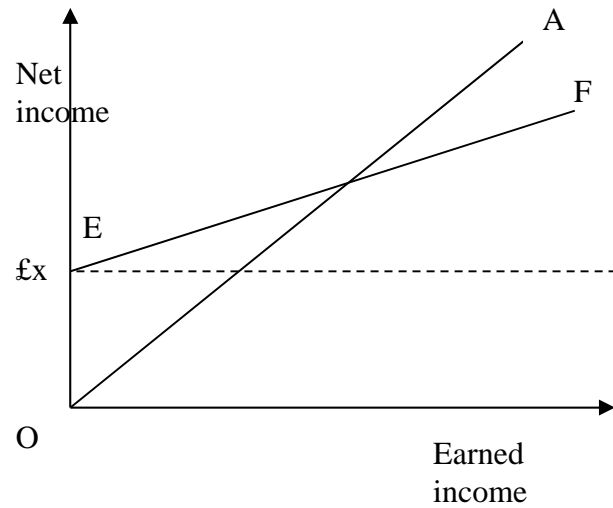
Related issues

- Redistribution: but of what?
 - of income? - of earned or net income?
 - of opportunity to increase net income?
- Targeting:
 - But why do the job twice?
- *It will be no problem that the rich will receive a Citizen's Income, because they pay far more in Income Tax than the Citizen's Income which they will receive.*
- Is this a hearable message?
- How do messages become hearable?
 - Wilkinson and Pickett

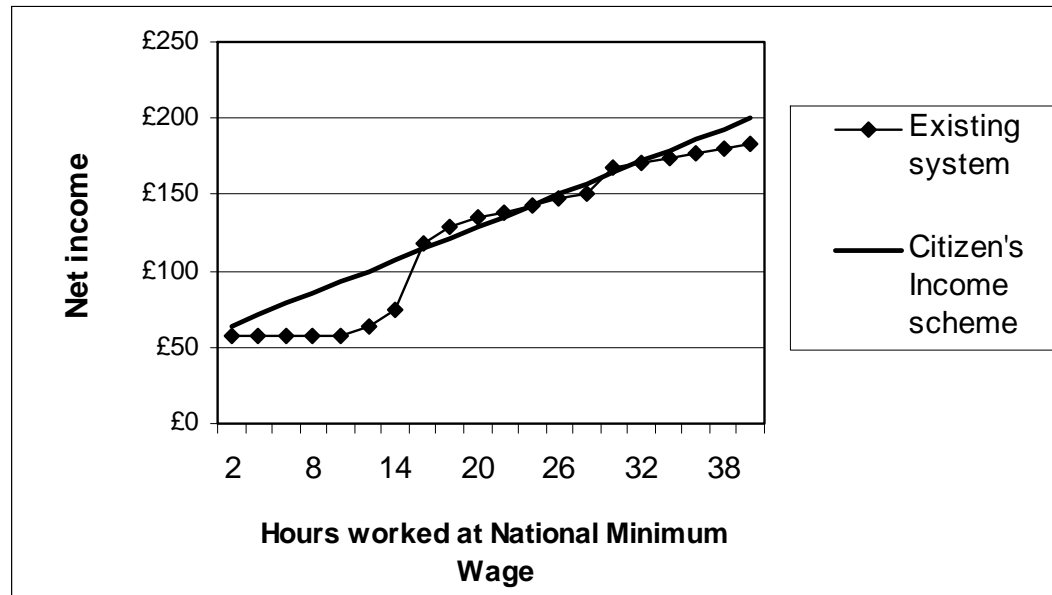
Has a Citizen's Income happened? And where could it happen?

- Alaska's annual dividend
- Iran's household based universal benefit
- Pilot projects
 - Namibia
 - India
- Where next?

A Citizen's Income: graphical representation



The utility of part-time employment



Leftovers ...

- Housing costs
- Transition: Getting from A to B, or from A, to B, to C
- Funding options
 - from within the current tax and benefits systems
 - Other sources
- Who is a citizen?

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