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Welfare cash cards are a paternalistic folly [1]

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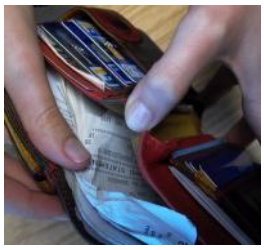

At the end of last year, the Conservative MP Alec Shelbrooke suggested to parliament that 'Welfare Cash Cards' should be introduced to curb benefit spending. Janice Atkinson has recently suggested that UKIP adopt the policy [3], and a worrying number on the right seem to agree with the idea. There are two quite major problems with this policy, first, it will not deliver the intended consequences and will result in higher costs to the taxpayer, and second, it is paternalistic and ethically wrong.

I agree that government should seek to reduce costs to the taxpayer, but it is unnecessary and cruel to punish people on benefits purely for being out of work. If they are not trying to find work (and breaking their ?jobseeker's agreement?), then sure, sanction them. But to punish all on benefits, purely for being such, will not help anyone. As long as people on Jobseeker's Allowance (JSA) are trying to find work, they should be supported by the government, not punished purely for trying. This is especially true in times like these, when unemployment is often involuntary and there can be hundreds of applications for every job.

Petty moralising over this problem will not deliver positive outcomes. Just like the US Food Stamps program, 'Welfare Cash Cards' will be plagued with corruption and other problems from the start, requiring police resources to deal with. Anyone addicted to drugs (including alcohol and tobacco) will find ways around the system. They might start dealing drugs, join a gang, they might resort to theft or other crimes to pay for their habit. Something that will happen will be the growth of a new industry that turns 'Welfare Cash Cards' into ready cash, taking a tidy sum in the process, diverting taxpayers money away from the intended recipients (who will be poorer as a result) straight to criminal gangs.

Government will not be good at closing loopholes or fixing other problems with the system. Are local corner shops going to be registered? That's tens of thousands of little shops. What about people who get jobs through networking in pubs? What products are allowed to be purchased exactly? Are we going to have a government register of acceptable products? Did anyone proposing this think through these problems? Of course not; small-minded moralising was more important.

This idea, like many that usually come from the left, is nothing but government meddling. It is attacking the results of various problems rather than dealing with the sources. We should instead look to legalise drugs, end high alcohol and tobacco taxes, tighten up the benefits system and tackle supply-side issues to create jobs and reduce the cost of living. Whatever the issue, misguided and petty moralising is not the answer.

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