

## [Why should benefits be universal?](#) [1]

Written by [Dr. Eamonn Butler](#) [2] | Wednesday 5 June 2013



Ed Balls, the economic spokesman for the UK's opposition Labour party, has suggested that wealthy pensioners should be stripped of their winter fuel allowance. At present, over-60s eligible for the state pension receive £200 a year, and those over 80 receive £300, to help keep them warm. The policy was introduced some years ago after media stories of pensioners suffering from hypothermia because they could not afford to turn on their heating. Even those in care homes get fuel payments of £100-£150.

Government figures show that withdrawing these winter fuel payments from pensioners who earn enough to pay the higher income tax rates would save £105m. Not a huge dent on an annual government budget deficit of £120bn a year, but every little helps.

The remarkable thing, though, is that a Labour politician should attack the principle of universal benefits at all. (He must, as Westminster-watchers believe, definitely be on the way out.) Giving state benefits to everyone might waste money on people who don't need it? £200 is not a lot to a top-rate income tax payer. But the argument for making state benefits universal is not just that it is administratively easier to do than trying to target the money. The argument is that universality gives the middle classes a stake in preserving the benefit system, as they gain from it too.

I have always thought it a pretty odious argument: that we should waste taxpayers' money on people who do not need it in order to buy their political support for more generous state benefits. And the result of including the middle classes is that they do very nicely out of the deal. Being articulate, politically astute and well represented in Parliament, the welfare state has elided into a system designed for them, rather than the poor. Not just cash benefits, but free healthcare, free education and all the rest? people who could well afford to pay are the biggest gainers.

We need to scrap this entire system of middle-class state patronage and replace it with a negative income tax, so that we can see clearly how much we are spending on welfare support and so that government?and political?activity is clearly focussed on those who genuinely need it.

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