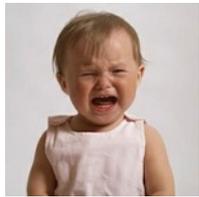


[Don't cut child benefit ? abolish it](#) [1]

Written by [Sam Bowman](#) [2] | Monday 1 November 2010



I'm a pragmatist who'll take a cut in spending as it comes, so I'm broadly supportive of the cuts to child benefit. But the [plan](#) [3] to penalize people who fail to comply with the Treasury's quick-fix method ? requiring mothers to disclose the incomes of their cohabitantes ? underlines how broken the current benefits system is.

?Universal benefits? are not really universal at all. In the case of child benefit, they are a transfer from childless people to people with children ? not a vertical transfer from rich to poor, but a horizontal transfer that rewards one life choice over another. (Some would say that society needs children to be born to support the old age pension system. But since we already have a declining birth rate, this is more an argument for pension reform than for maintaining child benefit.)

What this means is that arguments in defence of child benefit that say that cuts to child benefit will favour one group at the expense of another are mistaken ? they already favour one group (people with children) over another (people without children).

The cuts to child benefit are good and should go further, but they're being implemented in a way that is so ham-fisted a way as to make even the most committed cutter wince. Plans to fine anybody who doesn't comply with the measures are misconceived ? if you are a family who has a lodger and don't know how much they earn, prepare for a hefty fine. Furthermore, setting the bar at the higher income cap will only increase the disincentive to work for people on the margin and reduce overall economic output. Now is not a time to discourage economic activity.

We need a more radical approach ? child benefit should be scrapped altogether.

If there are very poor people who cannot afford to support their children, either let this be included in the ?Universal Credit?, or allow private voluntary charities to provide for them. But horizontal wealth transfers that reward one lifestyle over another should be ended both because they are unjust and they skew incentives. The government claims not to want to ?pick winners? in the economy, so why do they pick winners in society?

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