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Iain Duncan Smith, Secretary of State for Work & Pensions, points out that the present system tends to park some people on long-term benefits. His department reports that 1.4 million people in the UK have been on an out-of-work benefit for nine or more of the last 10 years; that social mobility in Britain is worse than in the USA, France, Germany, Spain, Sweden, Canada, Finland and Denmark; and that a higher proportion of children grow up in workless households in the UK than in any other EU country.

Part of the solution must be to tackle the poverty trap that means some people wanting to move from welfare to work face losing over 95 pence for every £1 they earn. Another part must be to look hard at entitlements. The state allows some people to shun work because they prefer a life that combines leisure and benefits, and it allows them to do so indefinitely.

In many other countries unemployment pay is regarded as a stop-gap, to assist people who lose their jobs over the period until they can secure another one. In the UK, it can become a way of life. Countries that do offer indefinite welfare tend to have high long-term unemployment. The countries that time-limit it tend not to. The moral seems to be that you get the unemployment you pay for.

Iain Duncan Smith should consider limiting unemployment support to six months, a figure used in some other countries. The knowledge that it will cease will encourage people to try very much harder to find work, and perhaps to be less fussy about what type of job they will accept. The approaching cut-off point will prompt support from families and charities, too.

This should be coupled with moves to make it easier for small businesses to take on new staff and for the private sector to create the jobs that will be needed. The impending threshold rises for income tax will also help to make work more attractive.

This approach would radically transform Britain's welfare system and set about dismantling the dependency culture it has fostered. It is long overdue.

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