

[Welfare denationalization should be the priority](#) [1]

Written by [Anton Howes](#) [2] | Wednesday 27 July 2011



Those who support free markets often hanker for cuts in state spending across all departments. While fine in theory, this can be misguided in practice. Take disability allowance: the government is discussing measures to introduce tougher disability tests, impose an arbitrary time limit on Employment and Support Allowance for those with working spouses, and have a six-month waiting period until disability allowance can be claimed. In any case, provision is likely to get tougher.

Those who already claim benefits are understandably concerned, and even recognise the need for reform. For example, read this heart-wrenching account on the excellent "[Diary of a Benefit Scrounger](#)" [3] blog. Yes, some people undeservedly claim benefits, and fraud will always be rife in such an impersonal system, but with a lack of alternatives some people really do need it. One libertarian response is to repeat the mantra that "we just cannot afford it", but this is a weak argument ? government makes trade-offs when it comes to allocating spending, and it seems odd that lending a hand to those in most need is so low on the list of priorities.

The other libertarian response is that forms of charity and insurance will step in as state largesse recedes. This is fine in theory, and the history of welfare provision before the welfare state backs this up, but it is something that can only happen over the long run. For example, while extraordinarily rapid growth took place, it was decades until the mutuals of the 19th Century accepted working men over the age of 40. It is one thing to expect people to insure themselves against sickness and old age when there are no state supports, but altogether heartless to remove that support when they have planned their lives in expectation of it.

So what are the libertarian solutions? Instead of cutting an already inadequate system, the focus should be on decentralising welfare to a lower, more personal level, perhaps with the aim of eventual privatisation into the hands of mutuals and other non-state institutions. Burgeoning costs due to fraud, and inadequate, uncaring coverage are the features of state-run and often even business-led insurance models. We must find ways to eliminate those problems by returning welfare into the hands of people themselves, without all the pain.

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[2] <http://www.adamsmith.org/taxonomy/term/5795>

[3] <http://diaryofabenefitscrounger.blogspot.com/2011/07/open-letter-to-iain-duncan-smith.html?sref=tw>

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