SYMPOSIUM ON THE REPORT OF THE COMMISSION ON SOCIAL WELFARE

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The Report of the Commission on Social Welfare represents a philosophical and economic view of Irish society that since independence has failed to command more than a fraction of popular support

More important, perhaps, the Commission has ignored many of the issues set out in the terms of reference The report can be summarised very simply - it believes that social welfare payments are too low and that taxes should be increased on public servants, the self-employed including farmers, and those with incomes over £14,700 per annum to pay for these increases It finds virtually nothing wrong with the social security system - other than the minutiae of operations - and the major recommendations deal with mechanisms for increasing public spending on social welfare

It is difficult to know how to approach a critique of the report so profound is my objection to it However the best approach might be to comment on each Chapter, laying particular emphasis on those areas where the report errs, either by omission or commission

Chapter 2 The evolution of the Irish Social Welfare System

This broadly historical chapter sets the tone for what follows It defines social welfare policies narrowly as those policies administered by the Department of Social Welfare The reader might, for example, like to know what has happened to individual benefits in real terms but he will have to wait until Chapter 7 for this and the data are presented without any reference to real disposable income trends among those in employment Perhaps this is because, as Chapter 4 reveals in the text, real post-tax industrial earnings declined by 19 per cent between 1979 and 1983 This compares with a 2 7 per cent average annual rise in the real spending power of single persons unemployment benefit Nowhere in the report is there an analysis of the growing squeeze on the real disposable income of those in employment compared to the real improvements granted to those on welfare The issue is confined to a supplementary study which is dismissed in a couple of paragraphs

Perhaps the most important conclusion of this chapter is to be found in Maguire's study of the influences on the rise in social welfare expenditure as a share of GDP from 1951 to 1979 There it was found that a substantial proportion of the increase in relative spending was due to widening of eligibility

Surely a starting point for asking the question, is the social welfare net cast too widely such that it fails to protect the needy? That question is not asked and, needless to say, not answered

Chapter 3 The International Context

This chapter is a highly selective 'overview' of foreign practice without any supporting statistical material The only data refer to 1980 and 1981 and show that Ireland relies less on employees' contributions to fund social security - a point which somehow escaped the eyes of the Commission There was no discussion of, for example, the absence of a developed unemployment assurance scheme in France, the strong 'work-fare' bias in unemployment assistance in Sweden nor of the relationship between social welfare payments and after tax incomes in various OECD countries Nor is there any mention of recent developments in real welfare payments in the Netherlands and Belgium, both of which faced similar fiscal problems to Ireland Perhaps these would have shown a rather different story to that which the Commission wished to present Or perhaps the Commission was too deeply immersed in the study of political philosophy to bother about collecting relevant up to date information

Chapter 4 The Socio-Economic Context

Certainly the authors of Chapter 4 display a far greater appreciation of prevailing prejudices in the Irish trade union movement than they do of either economic performance or of economic theory The analysis of the political environment (pp 87 - 90) is outrageous and should not have appeared in any document purporting to represent the fruits of serious study and analysis I offer the following quotes (my italics) as proof of considerable ideological bias

'The rationale underlying the post-war welfare state has been questioned by an ideology of individualism at variance with the concepts of *community responsibility, caring and social solidarity'*

' although Ireland *lacks* a tradition of socialist welfare commitment this is *balanced* by the strong Christian tradition'

' our political culture does not sustain strong ideologies of right or left, and this feature together with the traditions of Christianity may provide a form of *guarantee* against the policy approaches adopted elsewhere

Who are these ideologues who would threaten our Christian tradition and destroy community responsibility, caring and social solidarity? They are the 'new right' who curiously have enormous influence in the UK and US but appear not to be identifiable or have published any quotable material Indeed their main offence would appear to be scepticism about the efficacy of Keynesian demand management It now appears that anyone who questions the value of large deficit spending, an inefficient public sector or state monopolies is a member of the shadowy 'new right' which threatens to undermine our Christian traditions Such patent tosh might, barely, pass the editorial gaze of *Irish Militant*, how it found its way into a public document is beyond me

However the attitudes underlying this appalling piece of political invective are important for they colour the subsequent approach Changes are to be resisted if they stem from a critique of demand management or public monopolies or if they have been 'adopted elsewhere'

Chapter 5 The Social Welfare Population

This chapter contains the results of a survey piggy-backed onto the Agricultural Institute's Household survey The results are interesting but possibly vitiated by the significant divergences between household responses and the known population While the explanation advanced for the apparent low coverage of sick and disabled - namely that a proportion would be in hospital at the time of the survey - is plausible, it is less easy to explain a near 20% shortfall in other categories of welfares recipients, including those in receipt of non-means tested benefits There is no reason to suppose that this discrepancy is random and that the sample is sufficiently robust to allow the inferences drawn to be acceptable For example, suppose the non-disclosure of welfare benefits is confined to households where there is more than one income - then the assumed population distribution based on the sample will be heavily biased towards a finding of household dependence on social welfare

In spite of the caveats regarding the sample set out in Appendix 5 the conclusions drawn in the Chapter rely heavily on the sample results being representative of household recipients Thus, the reported findings (i) to (v) are based on data for recipients which Appendix 5 notes are unreliable

Finding (vi) which is that the unemployed and short-term ill are more likely to have housing costs, less likely to have supplementary income and more likely to report a worsening of financial situation is very strong given the quality of the sample But further inspection shows that those in receipt of unemployment payments have a lower dependence on rent or mortgage payments than those whose sources of income does not include welfare payments Table A5 6 shows that only 40 9% of those with one non-welfare income source and 46 2% of those households with two non-welfare income sources had no rent or mortgage outgoings This compares with 52 2% of those on unemployment assistance, 49 0% of those on unemployment benefit and 54 3% of those on disability benefit

Thus on average a higher proportion of welfare recipients than non-welfare recipients have rent free accommodation or own their houses outright The finding that the elderly and the widowed have a higher proportion of owner occupiers than other welfare groups (and those not dependent on welfare) is undoubtedly a function of the age distribution of the various groups This point is not adverted to in any discussion of the findings

The finding that the 'unemployment/disability category of recipients is especially prone to income inadequacy' is not supported by any evidence adduced (other than the unsurprising finding that unemployment normally involves drawing on savings) Indeed Appendix 5 notes that the income data obtained in the survey could not be used as it was unreliable The finding appears therefore to reflect the prior views of the Commission rather than the result of any survey

Chapter 6 Objectives and Principles

This chapter attempts to set out the general aims of social security and place them in a social policy context The authors however confuse the objectives of social security with the consequences of such a policy The primary objective of a social security system is to provide income for those who are unable, whether through illness, unemployment, old age or other reasons, to provide an adequate income for themselves and their dependents The form and scale of this provision may affect human behaviour and the achievements of such effects may be a subsidiary objective of the social security system

The attainment of the objectives of a social security system may lead to a significant redistribution of income But it may not The introduction of a compulsory contributory old age pension system into an economy with an already advanced and comprehensive system of private pension provision could lead to a transfer of resources from the working 'poor' to the retired 'rich' If the attainment of redistribution is a primary objective of social security policy - rather than income maintenance - then a high degree of means testing would be an important aspect of such policy Of course the Commission, while believing that redistribution is an important principle of a social welfare system, also believe that means testing should be minimised This requires all the burden of redistribution to fall on the manner in which the finance for social welfare is raised As we shall see later although the Commission do not believe that social welfare finance should be raised through progressive taxation they remain convinced that progressive taxation is desirable

It is reasonable to ask why progressivity within the social welfare system itself was not held to be desirable with consequent targeting of benefits and levying of progressive social security taxes? Could this be because any upset to the status quo might lead to a fundamental reappraisal of the welfare system?

The Commission also believes that social welfare provision should be adequate, comprehensive, consistent and simple As we shall see their recommendations for 'reform' in the Irish system would leave Irish welfare provision seriously deficient under almost all their criteria

Chapter 7 Evaluation of Social Welfare System against Principles

In the first part of this Chapter the Commission attempts to answer the question How Adequate are Social Welfare Payments? It approaches this task in a rather unbalanced manner It attempts, fairly convincingly, to prove that certain payments are inadequate But it makes no attempt to see if certain welfare payments are more than adequate By conducting a one-sided test the Commission inevitably found that welfare payments should be increased But the reader is entitled to ask whether, using a hypothetical example, a retired managing director of a public utility with a pension of £35,000 per annum should also be the recipient of a state old pension Or that an economist earning a comfortable living should be able to get the State to pay a part of the cost of new spectacles Or that a widow inheriting assets of £0 5 million and a private pension of £20,000 per annum should also receive payments from the State While it recognised that these may not be 'typical' cases there is no doubt that in certain areas and for certain income groups welfare payments are more than adequate The Commission ignored this issue because it was already committed to the maintenance of the present welfare system

The Chapter also deals with redistribution Again it wanders outside its terms of reference but in a wholly unscientific way It asserts that

> 'all forms of taxation and State spending are potentially redistributive and that in most instances the effect can be measured and its impact compared to that resulting from social welfare payments'

and the reader who concurs might reasonably have expected the Commission to provide a measurement of the effect and its impact After all the terms of reference of the Commission included the requirement

> 'to analyse the net redistribution of resources between people in different income groups affected by government action in such fields as taxation, social welfare, education, health, housing '

It provided no such analysis except a stylised example contrasting the family of an unemployed man with a 'typical' middle class family The 'typical' middle class family does not appear to have been drawn from any survey - after all data in Appendix 5 showed close to half of working households had neither mortgage nor rent payments - but appears to have been a straw man set up to attack various tax reliefs

Indeed the Commission is seriously in error in its treatment of 'tax expenditures' and the comparison with social welfare transfers Economists have been interested in the 'cost' of tax expenditures (i e the value of tax reliefs to individual income groups) mainly because such expenditures may be less efficient in achieving particular objectives than direct public spending and, more important, result in higher marginal tax rates than would otherwise be the case

The Commission, however, translates that concern into the argument that tax allowances are 'subsidies' ignoring the fact that the valuation of the subsidy depends crucially on the tax rate which in turn is related to the scale of tax allowances Suppose we have a system of high personal tax allowances combined with high marginal tax rates - a reasonable description of the Irish income tax system If by halving the allowances the marginal tax rates could be reduced by say a third then all taxpayers would have received a cut in their 'subsidy' of 66 per cent But on average they would be no worse off (Non-taxpayers who are drawn into the tax net by the lower allowance would be worse off) A halving of social welfare payments would undoubtedly leave every recipient worse off So the two are not equivalent in spite of the Commission's attempt to suggest that they are

In addition the Commission would have realised - if it had followed the requirement of the terms of reference to liaise with the Commission on Taxation - that the correct measure of the tax expenditure involved in mortgage relief is not the interest concession but the absence of taxation on the imputed rental income of owner occupied housing Perhaps it was aware of pp 129 - 131 of the Commission on Taxation's first report - written before the Commission on Social Welfare was established - but decided to ignore this analysis because it would show that social welfare recipients, having a greater proportion of owner occupiers than non-recipients, benefit disproportionately from tax expenditures in the housing area!

However interesting the theoretical issues the simple fact is that most of pp 154 - 164 is irrelevant to the question of social welfare reform although it does provide an opportunity for the Commission to deliver itself of Labour Party policy on taxation

A further criterion advanced by the Commission for an acceptable social welfare system is comprehensiveness However they adopt a curious and highly selective notion of comprehensiveness that colours their subsequent analysis Their definition of comprehensiveness is 'the extent to which individuals are covered, as of right, to benefits under social insurance' From the subsequent discussion it is clear that the absence of means-testing is considered an important element of a comprehensive welfare system Others, less committed to a social insurance system, might have defined comprehensive in terms of the extent to which the system offered income protection to the whole range of life circumstances which face individual members

In fact the existence of a wide variety of social assistance schemes forces the Commission to adopt a contradictory stance - it sees no reason to object to the categorical nature of social insurance payments (indeed the categorical nature of payments is seen as a virtue when contrasted with social dividend schemes later in the Report) but it wants an end to categorical schemes in the area of social assistance Need rather than category should be the basis of social assistance while category rather than need should be the basis of social insurance schemes

Consistency with other Government policies is also seen as a desirable feature of the social welfare system However the reader will seek in vain in this report to see any analysis of the consistency of existing (or proposed) welfare policies with other social policies such as housing, education, etc Assertions, unsupported by any evidence, take the place of such analysis

Finally simplicity both in delivery and in claimants' understanding of the system is deemed to be desirable The proposed system advanced by the Commission does little to simplify the system - indeed in certain areas more complexity is introduced

Chapter 8 Strategies for Social Welfare

This Chapter claims to be an examination of alternative social security systems and, in particular, of integrated tax and social welfare systems It is therefore of fundamental importance to the Report The reader will find however that only 7 pages have been devoted to alternatives - out of a 530 page report - and these purport to describe and analyse a huge literature on social welfare, taxation, poverty traps, effective marginal tax rates etc In fact the main purpose of the seven pages is to criticise alternative schemes often from a contradictory standpoint and with an unsure grasp of basic economics

For example, the negative income tax system described is only one of many systems advanced - there is no discussion of systems which have higher marginal tax rates (withdrawal of benefit) at low levels of earned income in order to minimise the impact on existing income tax rates of full integration The Report contents itself with a reference to a NESC report - written by myself in mid-1977 - which is now almost 10 years old No attempt is made to update the figures, or absorb changes in the tax and welfare system since then

The Commission concludes - without the benefit of research on the matter - that a negative income tax would be too costly, relying on the Commission on Taxation for its view Such reliance on the view of the Commission on Taxation is less evident elsewhere as we have seen and will see

Further, it argues that negative income taxes are 'inflexible' because income maintenance needs are varied and complex Yet if that is so why attempt to devise a basic income level available to all as of right? Why not have a welfare system which tailors each payment to individual circumstances based on an assessment of the varied and complex needs? But the Commission do not favour this approach - they want universal benefits, available to all (plus 10% if you have paid social insurance) - and are prepared to forego the flexibility deemed so important in considering negative income taxes

The Commission then reject negative income taxes because the tax system has a different 'administrative style' than the benefit system Yet later we learn that the Commission want welfare benefits liable to tax, presumably conflicts of style apply only to those proposals not advanced by the Commission

The fundamental objection to negative income taxes is revealed on pp 176-177 The proposals, advanced nearly a decade ago, would not raise overall social welfare payments As the Commission have defined reform as an increase in spending on social services rather than its reallocation it is clear that any proposal which fails to allocate more for existing schemes is deemed to be defective

Similar criticisms are applied to social dividend schemes Again the authors have decided to rely on a near 10 year old NESC report (although curiously they use updated cost figures when rejecting such schemes) to explore the attractiveness of such schemes Not of course that they find any attractions

The objections to social dividend schemes are

(a) **Universality** Although the Commission are fond of universal schemes which do not involve means testing, they baulk at the idea of a genuine universal system Again the emphasis is on designing payments in accordance with need, how this is to be done in a non-means tested environment is not explained,

(b) **Failure to increase Payments** This appears to be a criticism of the 1977/78 proposals - which were designed around an approximate nil net cost - rather than of social dividend schemes in general The Commission argues that 'any change in the structure of social welfare payments should improve their (existing recipients) incomes This can only be attained if the 'reform' involves additional net spending The Commission argues that there would be some losers under the 1977/78 plan - categories which would also be potential losers under the Commission's proposals, widows, recipients of pay-related benefit etc While consistency in the social welfare system is deemed to be desirable, consistency in argument about the merits of social welfare systems is not

This is nowhere more evident than in the argument that a social dividend would require 2,100,000 weekly payments instead of the present 700,000 A more honest approach would have been to acknowledge that the State would only have to issue 2,100,000 payments books once per annum, a weekly average transaction of around 40,000 The fact that virtually the entire social welfare administrative apparatus - well represented in the Commission's members - would no longer be required is not discussed

The Commission argue that social dividend schemes are not redistributive They advance no evidence for this beyond assertion The claim is made that 'a payment to every individual is in principle opposed to the notion of redistribution on the basis of need', a principle which should equally well apply to non-means tested social benefits such as unemployment benefit, deserted wives' benefit, widows' pensions, old age pensions etc But this principle it would appear only operates when the group deemed to be not 'in need' exceeds a certain, unspecified number

Perhaps, the overwhelming proof - if further were needed - of the selectivity in the arguments advanced by the Commission to reject social dividend schemes is when it states 'a proportional tax system with one rate of tax on all income is not consistent with a redistributive approach to taxation' So what does the Commission propose when it wishes to finance the social security system? A proportional tax or as the Orwellian newspeak of the Report would have it a proportional 'expression of social solidarity'

The Commission also misunderstand the redistributive nature of social dividend schemes For example, they argue that a social dividend scheme would require £1 billion in extra taxes which should cause the 'disposable incomes of most families' to fall But since the extra taxation is required to fund the extra payments this cannot be true in aggregate - disposable income in aggregate is the same before and after the shift to a social dividend scheme Now some will lose and others will gain A proper evaluation of a social dividend scheme would have looked at the gainers and losers and decided on the merits or otherwise of the emerging income distribution The Commission, by making an error which would receive a failing mark in first year economics, avoided the necessity of undertaking such an exercise

The Commission assert that they want targeted payments - concentrated on those in need - but they do not want means testing (i e calculation of need) They claim that their survey shows that non-means tested benefits are targeted to need because the majority of recipients have no other incomes besides welfare payments Apart from the fact that the income information contained in the Survey was deemed to be of no value the interpretation of the Survey results is selective and distorted

The survey found that 43 5% of households had one or more welfare recipients It also found that almost as many households (which had more than one source of income) had a non-welfare source of income (11 2% of all households) as relied on a single social welfare source (13 5%) Some 3 7% of households rely on two sources of social welfare income while 15 4% of households have three or more sources of income but there is no breakout of households within this category wholly reliant on social welfare payments However, it seems a fair inference that roughly as many households in receipt of social welfare have other incomes as rely wholly on welfare This would not appear to support the argument that 'the large majority of recipients under present contingency based schemes do not have other incomes' on which the whole superstructure of the Commission's report is built Remember that the Survey does not distinguish between insurance (non-means tested) sources of income and assistance Given that assistance payments are means tested the results would indicate that there is substantial provision of social welfare via the insurance system to households which have other incomes

Although the Commission wants targeting, but no means testing, they also want a system that reflects the diversity of need Again it is not explained how this diversity will be evaluated in the absence of means testing Nor is it explained why, in its later proposals, insured categories of recipients should receive 10% more than uninsured categories, it would appear that the diversity of need is wholly captured by a past record of insurance and can be met by a 10% supplement

This Chapter concludes with the argument that the development of social welfare in Ireland is best pursued by expanding and significantly improving the present system The remaining chapters describe the improvements and expansions

Chapter 9 The Payment Structure

This Chapter deals with the Commission's efforts to establish a basic minimum income The approaches conclude that a single individual recipient would require around £51 to £59 per week There is the implied view that this should cover all living costs, although the subsequent policy proposals do not take into account other 'payments' such as low or near zero local authority rents

Whatever about the merits of establishing a 'minimum' income level independent of the economy's ability to guarantee such a level - and the manifest absence of wholesale social deprivation from the present social welfare system (itself vastly improved over that of a decade ago) - the attempt to graft this onto the social insurance system is absurd Those who have made social insurance contributions, i e , those who have been fortunate to obtain employment in the past period, should get 10% more than the minimum This is not because their needs are any greater but as a bribe to 'preserve the acceptability of the social insurance concept'

The Commission believe that pay-related benefits should be 'phased out' as also should the age and living alone allowance However they do not wish to see other benefit in kind schemes - free transport, electricity, fuel etc , - abolished in spite of the fact that the 'minimum' income level presupposes that these items have to be paid for By and large whenever the Commission is faced with a tough decision in order to ensure consistency in its recommendations it jettisons consistency This ad hoc approach to reform ultimately makes the report a poor blueprint for the future

The Commission favour the taxation of social welfare benefits - but acknowledge that this is unlikely to be feasible in the near future The inability to tax social benefits is not seen as an obstacle to the implementation of a major increase in benefit in the meantime

Chapter 10 Social Insurance and Chapter 12 Financing

These are among the more important Chapters and illustrate the technique of the Commission in vivid detail This technique is to decide on your conclusion before the analysis and use the analysis to justify that conclusion

The Commission believes that 'social insurance' is insurance and not a tax The grounds for this view are that there is a specific contribution paid into a social insurance fund out of which benefits are financed and there is a link between contributions and entitlement to benefit

The Commission's approach - which flies in the face of virtually all economic evidence - is like that of an individual racing a double-decker bus down the runway at Dublin Airport convinced it will fly to the US because it shares certain characteristics with a Jumbo jet - wheels, two-level passenger accommodation, construction of metal etc

Of course the Commission wants the principle accepted that social insurance is insurance but its incidence should be evaluated from a tax standpoint This allows them the luxury of criticising the present coverage on the grounds of distributional equity - an inappropriate standpoint from which to evaluate insurance

Nowhere in these Chapters is the rather obvious point made that the expected flow of benefits vary substantially by marital status even though the contribution rates do not Thus a married man with 4 children receives much higher income protection in the event of unemployment, sickness or disability His wife is covered in the event of his death (and even his desertion!) and on retirement he will receive a substantially higher pension than a single worker Yet over his lifetime he will have paid no higher rate than the single worker

Such an obvious breach of the insurance principle - even in areas such as old-age and widow's pensions where exact private sector parallels exist - makes clear the nature of this 'insurance' The fact that an individual is offered 'insurance' cover for actions which are uninsurable in the private sector, e g , deserting one's wife, quitting ones job, deciding to have a baby should also be a guide to the real nature of contributions

However, once the insurance basis of social welfare is challenged then the 'entitlement to benefit' principle is also challenged The automatic right of individuals to claim benefit based on past 'contributions' no longer exists and payments can be more tailored to individual circumstances But the Commission is totally opposed to means testing (except as part of the income tax system) and so is forced to defend what is intellectually indefensible

Chapters 13 - 22

Because of time constraints I will not deal with these Chapters which are concerned with particular aspects of the Social Welfare system However it is worth noting that Chapter 14 on Housing benefit manages to avoid any quantative analysis of the benefits flowing to families from the vastly expensive public housing stock It concludes however that some welfare recipients may be paying too much in the private sector relative to their incomes Quite why the local authorities should be part of the social welfare system through the differential rents scheme is never fully explored But then the finding that rents were too low for certain recipients of social welfare would be an embarrassing finding

Chapter 23 Costings & Priorities

The Commission have estimated that the proposals advanced in the Report would cost £560 million, assuming that there is no response by the working population to the higher level of benefit, no take-up of benefit by categories not previously insured, and no inward migration of benefit recipients from the UK or Northern Ireland, given the very large welfare gap opened up with those areas

They recommend that this should be financed in part by higher taxes on the self-employed, civil servants and those with incomes above £14,700 The balance should be financed by the government although the report is conspicuously short of ideas in this regard

There is no examination of the impact on the incomes of those affected by the higher taxes The fact that some self-employed incomes are below the benefit levels established for the welfare system does not concern the Commission Nor does the fact that certain public sector groups, e g , teachers, have already been offered a contributory scheme as an alternative to the social welfare system receive analysis

Now I can accept that the finding that social insurance contributions are a tax and as such should be levied on everyone is a powerful argument for extending the base and abolishing the income limit But I cannot see how you can argue that payments are insurance contributions while at the same time insisting on including those who already have adequate cover

Again there is a case to be made for including farmers and the self-employed into the (tax) contribution system After all if they fail to make provision for old age, illness etc they become a charge on the State Their inclusion would eliminate the free rider problem But public servants are already catered for through contributory (or notionally contributory) schemes They could receive no additional benefit from inclusion in the welfare system nor are they likely to become a charge on it

Apart from these issues the costings seem improbable If, as the report argues, some 160,000 employees would enter the PRSI system were it extended to civil servants then it is likely that the total contributions (employer and employee) would exceed £250 million Presumable the revenues were based on the employees contributions alone

Similarly the abolition of the income limit is deemed to raise only £63 million, implying that total income in excess of £14,700 per taxpayer amounts to around £360 million In 1982-83 the amount of income above £12,500 was well over £700 million The Department of Social Welfare might like to explain the basis of their calculations

The Chapter concludes with a recommendation that this additional taxation, plus a bit more, should be used to raise the minimum social welfare payment to £45 per week with a dependent allowance of £27 per week

I am sure that we would all like to be able to afford a social welfare system which guaranteed that those who suffer misfortune were protected from the consequences, that ensured that individuals made proper provision for old age, disability and widowhood, and that did not create distortion in the choice of work as against leisure

But that is an ideal which we can only strive to attain, balancing the interests of those in employment - many of them on low incomes - with those in the social welfare category

The Commission adopts the view that there is nothing wrong with our social welfare system that more money would not cure It resolutely refused to look at alternatives in a constructive way It allowed its ideological and professional commitment to the present system to blind it to options available It failed to acknowledge, let alone explore, the possibility that the social insurance system was misdirecting resources to those who already had adequate family incomes It protested the case of universality until it was faced with schemes that were genuinely universal, then it favoured selectivity It argued for tailoring of payments to need but proposed measures which would reduce the scope for such tailoring It argued that insurance contributions were not a tax, but then insisted on extending the requirement to pay contributions to those who have already adequate insurance

My view is that this report was not the result of deep study or an honest analysis of the design and implementation of a social welfare system It is a report which was written to justify prior beliefs about welfare, its adequacy and the nature of the State's commitment to it As such it adds little to our understanding of the issues involved in welfare reform, is deeply conservative in its support for the status quo, and cannot be the blueprint for future policy