

Should the government do away with welfare

Business



Welfare is a modern concept in government whereby the state becomes the main player in the promotion of the social-economic needs of the people. This principle of a welfare state is founded on the idea of proffering equal opportunities to all within the state and equal distribution of economic benefits (Tanner, Moore & Hartman, 1997).

In a welfare state, the government takes up the responsibility of catering for the need of those citizens who are unable to meet the basic provisions that pertains to a decent life (Davey, 1995). Whether the government should do away with welfare or not must be guided by an objective analysis of the social and economic implications of welfare on the lives of the people and on the economic sustainability of the state (Young, 1989). On my part, I believe that the government should do away with welfare. Though it has some favorable sides to it, it carries with it long-term adverse effects on the general well-being and sustainability of the state. To start with, state welfare should only be proffered in cases of dire need. Sathor (1999) argues that the current trend allows for people who do not sincerely deserve it to benefit from it.

This is an unnecessary waste of state resources that are employed to this effect. According to him, therefore, it would be better if welfare was only provided as a safety measure against cases of acute need. When we take a look at communist countries, whose foundations are supposedly based on the concept of welfare, Sathor says that we will find that harsh economic realities of the modern world have made universal welfare an utopian endeavor in those states (Sathor, 1999). Though the state is responsible to all its citizens, as does the society, it would be unwise to allow economically

capable people to receive welfare. Therefore, people who are able to afford private education, healthcare and other social services, do not warrant the existence of welfare. To effectively men-test state welfare benefits is next to impossible.

Therefore, welfare should be scrapped altogether. It would be very right and rational to allow those who have become successful in life, out of their own diligence, to have access to better quality education and health services that are offered in the private sector. This means that such people are going to buy those services at higher price which is a plus to overall economic development (Gosta, 1990). Privatization of social services will result in stiff competition in this sector leading to increased affordability of these services due to cheaper pricing (Barr, 2004). Continued provision of welfare by the government is, therefore, a form of disincentive to the private sector which is a major source of revenue for the government. Another strong argument against welfare is the fact that its cost is rising faster than economic growth.

The cost involved in providing welfare services is too huge a burden on the local government and taxpayers. According to Hartman, even with funding from the federal government, welfare remains a heavy burden on every yearly budget of the local governments. The government should therefore allow the private sector, which is more efficient, to take over and relief it from the financial burden imposed on it by welfare (Hartman, 2010). About the same issue of the rising costs of welfare, Snower (2009) agrees that welfare services' costs have rose faster than the rate of inflation. He explains that this problem will worsen with time.

For him, this is occasioned by the fact that output in the sector in question comprises largely and inherently of labor input. Therefore; doctors, for example, cannot considerably decrease the time they spend with every patient without cutting down the level of care. Similarly, teachers cannot raise the size of class without compromising the quality in the standard of education (Snower, 2009). Welfare should be abolished because it unnecessarily attracts immigrants. According to Razin, immigrants have the potential to facilitate economic growth. However, he concedes that they can, at the same time, be an unnecessary cost to the government by relying on welfare.

To prove his argument, Razin points at the analysis that was done on United States' 1980 and 1990 census data. According to him, these data found considerable migration that was induced by the availability of welfare services in the United States. This was specifically so with high-school dropouts (Razin, 2010). A key objective of welfare is to pull out the poor out of their conditions. Therefore, welfare programs must be modeled in such a way that they impact on the poor. However, this is not always the outcome.

According to Tyler Cowen, most of the expensive welfare programs initiated by the government benefit the rich and the middle class more than they benefit the poor. According to him, estimates of 1980 revealed that only one fifth of total welfare expenditure was openly targeted on the poor. He argues that subsidies given to the education sector mostly benefit the upper middle class. He continues and observes that the actual value of public goods is higher in wealthy communities, even when compared to local tax expenditures. He observes that subsidies on health care are of benefit to the

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elderly who most of the time happen to be wealthier than average. He goes on to point out that the existing tax system is hardly progressive and that many taxes have regressive impact.

Finally, Cowen isolates milk price support and corporate welfare as some of the examples of regressive policies enacted by the government (Cowen, 2000). The drawbacks discussed above thus calls for the government to abolish welfare. The observations made above provide a strong case for the abolition of welfare by the government. Welfare has become too much a burden on local governments, and having failed to stamp out poverty, it no longer hold any significance and the government should, therefore, do away with it.