

An End to Universal Benefits?
Irish Daily Mail - Commentary on the Budget
Senator Ivana Bacik
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Listening to the Minister for Finance's sombre speech yesterday, it sounded as if there would be no winners in this Hairshirt Budget. He asked everybody to bear an equal sacrifice, describing his programme of cutbacks and closures as a 'patriotic call to action'.

In keeping with the theme of sacrifice, he made headlines with an income levy extracting more money from higher earners, and with a surrender of ministerial pay

But despite these gestures, this Budget does not create a more equal taxation system, nor will everybody bear equal sacrifices. Instead of introducing genuinely progressive measures such as a carbon tax or a property tax, the Minister has taken the easy option of increasing income taxation. The only notable tax he reduced is the stamp duty on commercial property - a significant concession to developers, perhaps the only identifiable winners.

In his approach to public benefits, the Minister has also taken the easy option by placing all universal payments under suspicion. He has abolished the free medical card for those over seventy; the childcare supplement for children over five and a half, and child benefit payments for students over 18. He has also asked the Commission on Taxation to examine the payment of universal child benefit more generally, and has signalled a higher student contribution for college education.

These regressive measures will undermine advances made in tackling poverty during the boom years, and move us towards a general policy of means-testing. This change of approach was apparent in the Minister for Education's recent comment that the children of millionaires should not get free college fees.

The problem is that the same point could be made about every public service. Why should millionaires get access to A&E services on the same basis as everyone else? Why should they get their rubbish collected, or their children's primary schooling, or their bus journeys, on the same terms as everyone else?

The answer is because certain public services – like health, education, waste collection and public transport - should be provided on a universal basis, with equal access for all. Universal provision creates greater equity.

By contrast, the consequence of means-testing for public benefits is to deepen the already existing divide between rich and poor in our society.

We already have a two-tier health system. We also have two-tier childcare, where only those on welfare payments can qualify for subsidised childcare places, and the remainder of parents are pushed into the private childcare system.

With rich and poor segregated from an early age, this Budget will create further division with its emphasis on means-testing. Even at a time of deepening recession, we should defend the provision of universal benefits. In truth, there will be no winners if this basic welfare principle is sacrificed.