**PREP1: Cash Benefits in the UK – Should the Government Increase or Decrease?**

Due for w/b 26th February (Time Taken 4.5 Hours to 6 Hours)

Introduction to Benefits

Benefits can be divided into ‘Cash Benefits’ (spending by the Government on ‘WELFARE’) and ‘Benefits in Kind’ (i.e. free healthcare and education at the point of use). This worksheet focuses on the former Government intervention of ‘Cash Benefits’.

**TASK 1: READ the following links and answer the questions below (you should not have to access any other resources)**

1. <https://visual.ons.gov.uk/welfare-spending/>
2. <https://www.economicshelp.org/blog/7220/economics/should-welfare-benefits-be-increased-to-reduce-inequality/>
3. <http://the7circles.uk/uk-budget-breakdown-income-spending/>
4. <https://www.economicshelp.org/blog/142/economics/what-does-the-government-spend-its-money-on/>
5. <https://www.theguardian.com/uk-news/2016/apr/13/benefit-or-tax-evasion-row-over-the-tories-targets>
6. How much do benefits cost the UK taxpayer as a total of the entire budget??
7. What types of benefits are there and how much does each type of claimant proportionaly cost the taxpayer in 2016
8. Which group of people claim the biggest percentage of benefits in the UK?
9. What has happened to welfare spending in UK as a % of GDP?
10. What has happened to benefit spending in ‘real terms’ since World War 2?
11. How much is benefit fraud suspected to cost the UK tax payer each year?
12. How much is tax avoidance suspected to cost the UK tax payer each year?
13. How has ‘austerity’ since 2010 affected benefits?

Case for reducing benefits: Introduction of Universal Credit by the Conservative Government

The Coalition Government in 2010 started to bring in measures for Universal Credit.

**TASK 2: Find and read at least 4 sources on the internet to answer the following questions.**

1. Provide an overview of what Universal credit is and how it has been implemented (i.e. a brief history…)
2. What are the advantages and disadvantages of this scheme?

|  |  |
| --- | --- |
| Advantages  | Disadvantages |
|  |  |

Case for reducing benefits: Introduction of a Universal Basic Income

Jeremy Corybn and Labour have started to investigate the concept of ‘Basic Universal Income’ to follow on from countries such as Finland and the Netherlands are currently piloting schemes as we head towards a labour market where machines are replacing lots of jobs. With the development of AI, even more jobs are potentially at threat.

**TASK3 : Find and read at least 4 sources on the internet to answer the following questions.**

1. Provide an overview of what Universal Basic Income is and how it has been implemented (i.e. a brief history…)
2. What are the advantages and disadvantages of this scheme?

|  |  |
| --- | --- |
| Advantages  | Disadvantages |
|  |  |

Should the Government focus on reducing benefits?

Since 2010, there has been a move from the Coalition Government (2010-2015; Liberal Democrats and Conservatives) and Conservative Government (2015 till today) to focus on the reduction of cash benefits to people for supply side reasons and because of ‘austerity’ savings.

**TASK 4: Watch the ‘Benefit Debate’ (10 mins)** - Diane Abbott and Katie Hopkins - <http://www.bbc.co.uk/news/uk-politics-25678128> Watch the video and make a note of the arguments that are raised below. Who do you agree with and why?

|  |
| --- |
|  |

**TASK 5: ‘Benefits Debate’ (1 hour):** <http://estream.godalming.ac.uk/View.aspx?ID=9793~4C~FepJz8xs> List the arguments in this benefits debate and come to a conclusion

|  |
| --- |
|  |