**The objectives of Social Policy**

The objectives of social Policy are as following:

1. Efficiency: Policy should ensure the efficient division of total resources between the different cash benefits, different types of medical treatment, and different kinds of education.

3. Incentives: where institutions are publicly funded, their finance and the construction of benefits should minimize adverse effects on labor supply and employment, and on saving.

4. Poverty relief: no individual/ household should fall below a minimum standard of living.

5. Insurance: no one should face an unexpected and unacceptably large drop in their living standard. This is a major objective of unemployment benefits and most health related benefits. Its success is measured by the replacement ratio, which shows a person’s income when on benefit in comparison with his or her previous income.

6. Income smoothing: institutions should enable individuals to reallocate consumption over their lifetime.

7. Vertical equity: the system should redistribute towards individuals/families with lower incomes

8. Horizontal equity: differences in benefits should take account of age, family size, etc., and differences in medical treatment should reflect only factors which are regarded as relevant (e.g. whether or not the patient has dependants), but not irrelevant factors like race.

9. Dignity: cash benefits and health care should be delivered so as to preserve individual dignity and without unnecessary stigma.

10. Social solidarity: cash benefits and health care should foster social solidarity, a frequently stated goal in most developed countries. So far as possible, benefits should depend on criteria that are unrelated to socioeconomic status. Retirement pensions are an example, so is medical care in many countries.

11. Intelligibility: the system should be simple, easy to understand and as cheap to administer as possible.

12. Absence of abuse: benefits should be as little open to abuse as possible.