

The Green Party has a radical policy called the Citizen's Income. The idea is that a payment that would cover an individual's basic needs is paid to everyone, regardless of whether they are working or not, looking for a job or looking at the TV 24/7.

It sounds grossly unfair that workers should pay taxes to keep layabouts if not a little crazy - but actually it's an elegantly simple way of helping people back into work - something the current system fails miserably to do.

Two separate bodies have recently put forward ideas that draw on the principles behind the Citizen's Income.

The Institute of Public Policy Research argues that we need to replace Incapacity Benefit with a payment that does not depend on you having to prove that you have a long-term health problem as this deters people from taking steps back to work.

Admittedly Incapacity Benefit does allow you to do some work. You can work up to 16 hours a week, providing you earn less than £66, and have the agreement of a government official, but you can only do that for six months out of 12. Then you have to more or less stop or go into full-time employment - quite a leap for people who have had long-term health problems - and not one that many people on Incapacity Benefit are taking. It costs of £6.8 billion a year and is claimed by 2.5 million people, many of whom used to be classed as jobless.

Reform of Incapacity Benefit to a Citizen's Income-type arrangement would not penalise people for working even if they never worked full-time - and surely some work is better than none, both for the individual and society.

The other advantage to the Citizen's Income is that it is a bureaucracy-free zone, free from humiliating red tape. You don't have to undergo medical tests to show how incapable you are. You don't have to fill in forms that make you feel like a failure. And it is breathtakingly easy to understand and cheap to administer: no legions of civil servants checking up that you are getting what you are entitled to and not a penny more.

The National Association of Pension Funds has put forward an idea that is even closer to the Citizen's Income - the Citizen's Pension. It believes that this could be offered to all pensioners by 2010 at a rate of £105 a week and within the current pensions budget. The association's chief executive Christine Farnish said that a flat-rate scheme would reach the 1.5 million people who are entitled to pensions credit, but do not claim it.

Flat-rate benefit payments are a controversial idea - and generally are only accepted when most people believe that they will benefit from them. Child benefit is an example. However, with a pension funds collapsing and final-salary pensions scheme now closed to newcomers, the majority of people will be able to see the benefit of the Citizen's Pensions - and it could be the first step towards transforming our benefits system.