

Foreword by the Secretary of State

Successive governments have ignored the need for fundamental welfare reform, not because they didn't think that reform was needed but because they thought it too difficult to achieve.

Instead of grasping the nettle, they watched as economic growth bypassed the worst off and welfare dependency took root in communities up and down the country, breeding hopelessness and intergenerational poverty.

The scale of that failure can be measured in terms of a working-age welfare budget that has increased by 45 per cent in real terms over the last decade while poverty for working-age adults has increased and social mobility has reduced; the Government has spent vast sums of money but the poor have become relatively poorer and the rungs on the ladder to prosperity have moved further apart.

The welfare bill has become unsustainably expensive, but the real price of this failure has been paid by the poorest and the most vulnerable themselves. Today, five million people are on out-of-work benefits in the UK, and 1.4 million of them have been receiving out-of-work benefits for nine out of the last ten years. Not only that, but we now have one of the highest rates of workless households in Europe, with 1.9 million children living in homes where no-one has a job.

A life on benefits is a poor substitute for a working life but too much of our current system is geared toward maintaining people on benefits rather than helping them to flourish in work; we need reform that tackles the underlying problem of welfare dependency. That is why we are embarking on the most far-reaching programme of change that the welfare system has witnessed in generations.

Universal Credit: welfare that works marks the beginning of a new contract between people who have and people who have not. At its heart, Universal Credit is very simple and will ensure that work always pays and is seen to pay.

Universal Credit will mean that people will be consistently and transparently better off for each hour they work and every pound they earn. It will cut through the complexity of the existing benefit system to make it easier for people to get the help they need, when they need it. By utilising tried and proven information technology, we will streamline the system to reduce administration costs and minimise opportunities for error or fraud.

Our reforms put work, whether full time, part time or just a few hours per week, at the centre of our welfare system. As such it extends a ladder of opportunity to those who have previously been excluded or marginalised from the world of work.



**The Rt Hon
Iain Duncan Smith MP**
Secretary of State for Work and Pensions