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Centre for Social Justice responds to debate on welfare reform

Christian Guy, Managing Director at the Centre for Social Justice (CSJ), said: “The British welfare system is broken and millions of people are languishing on the benefits scrapheap as a result.

“If we are serious about changing peoples’ lives and tackling poverty, the need for these radical changes could not be greater. Overhauling a system of this magnitude was never going to be easy, but this must not detract from the fact change is essential – doing nothing is not an option.”

Mr Guy added: “Universal Credit is designed to tackle entrenched unemployment and dependency by giving people the tools to get into work. It will also ensure people keep more of their earnings from work.

“We need a system that shifts the focus towards progression in work – this will benefit both claimants and taxpayers.

“The current tax credit set-up is in a mess with arbitrary rules of 16, 24 and 30 hours. Claimants can lose 90p of every extra £1 they earn as their benefits are tapered off.

“Under the Universal Credit this will fall to 65p in every £1. Although it could go further, this will represent major progress.”