

Means Testing: Tom Boland, University College Cork.

Broadly, welfare payments aim to fulfill several functions: First, alleviating poverty, providing a social safety net. Second, promoting equality, hence, means tests which debar those who have other income or assets from state support. Third, shaping society, for instance, making sure that 'work pays', that is, ensuring welfare payments are not a disincentive to work. Clear signaling about entitlements is vital to public trust in the social safety net but means-tests often muddy the waters.

Means testing has formed part of welfare systems since before the Poor Laws, but has changed considerably over the decades, and beyond the simple objective of limiting government spending, it can serve other functions. For instance, in May 2022, the Government instituted a means-test disregard of up to 14,000 Euro for room rental.

Broadly speaking, welfare measures which are automatic and universal enjoy broad political support, for instance, Child Benefit, is not means tested, and any attempt to introduce means-testing, despite vast inequalities of income and wealth between recipients would be unpopular.

By contrast, targeted and conditional welfare measures, for instance, Jobseekers Assistance are means tested, which equally enjoys popular support. Making such payments unconditional and non-means tested would be politically very complicated.

Public opinion on welfare payments and means-testing is nuanced. Creating new provisions, for instance, a second tier of means-tested child benefit as recommended by the ESRI, might be tricky.

Over the past decade, with colleagues and researchers, we conducted over 150 interviews with Jobseekers: Means tests were never popular, and in a very few cases led to individuals being denied reasonable supports or having their payments drastically reduced. For some means-testing was intrusive and humiliating. However, means-testing was less an issue than new elements of the system, specifically pressure from Intreo around Job-Seeking efforts, being required to take training or courses and the threat and implementation of penalty sanctions.

Existing Means Testing of welfare payments is complex and seems 'fit for purpose' mainly in terms of minimizing state expenditure. However, they could be an instrument of social policy: for instance, the aforementioned disregard of room rental income.

Justified as alleviating pressures on housing, the measure has largely been welcomed. Extending similar disregards should be considered by this committee. For instance, entitlements for most welfare payments are reduced in line with spousal income, with a small disregard of up to 60 euro per week.

This practice presumes the family is the primary economic unit, and the rule applies equally to married and co-habiting couples. On principle welfare payments should be paid to individual citizens rather than making people dependent on their spouses. For those in precarious work, short contracts or on low-incomes, means testing is a cause of considerable anxiety.

Provision of a substantial disregard of spousal income, equivalent to the rental disregard, or even as high as the average industrial wage, would serve to strengthen the safety net for struggling families. Such a measure would ensure that work pays *within* households and give confidence to jobseekers in non-standard careers.

Means testing may seem like a mere technical exercise, but with imagination it can be a formidable social policy instrument and deserves our careful consideration.

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