

Anti-Poverty Forum Malta is a platform organisation made of 13 NGOs working in the field of poverty and social exclusion. APF – Malta is affiliated with the European Anti-Poverty Network (EAPN). The aim of the forum is in line with the European Anti-Poverty Network (EAPN) to fight against poverty and social exclusion and promote social justice. Through policy recommendations, consultations and evaluation of current ongoing scenarios the APF seeks to put in the centre of political debates the fight against poverty and the most vulnerable. With the help of our network of NGOs, APF finds strength to fulfill its objection and keep perceiving to be on the side of people in need.

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Introduction

Malta's economic growth reached 7.1%, a record among European countries that has been growing since 2013 until 2018. The country has also experienced a boost in its employment sector, whilst a low employment rate was recorded. Although the Maltese government forecasted to strengthen this economic growth this was held back due to COVID-19 outbreak. Although the decrease in the economic growth, the Maltese economy is expected to resume its positive performance and grow by 3.9 per cent in real terms in 2021, as the main economic sectors are expected to return to growth in reflection of positive developments in tourism, external demand and domestic sentiment. On the other hand, employment is expected to decline by 3.3 per cent in 2020, with a concomitant rise in the unemployment rate to 5.9 per cent. In 2021, a pick-up in economic activity is projected to generate employment growth of 3.2 per cent. These favourable labour market dynamics correspond to a reduction in the unemployment rate to reach 3.7 per cent.

The Multi-dimensionality of Poverty

Poverty is difficult to interpret and therefore is an ongoing challenge that constantly needs to be addressed by society. This brings several disagreements when defining and measuring this concept. According to Scott and Marshall (2004), the term poverty is defined as "a state where an individual or a group of people lack the sufficient resources to maintain a healthy lifestyle or even lack the necessary means to achieve a standard of living which can be considered as being suitable in a particular society." (p. 276-77).

Throughout time policymakers, sociologists and researches have classified poverty as absolute and relative. Anywhere in the world where individuals or families are not able to meet essentials, such as food, water, health, clothing and shelter are suffering from absolute poverty. These are fundamental to the human existence, as everyone must have the right not to live in such conditions (Giddens, 2001). According to Townsend (1979), relative poverty is seen as a standard of living according to a given society. The needs of societies could differ significantly. In most industrialized countries, having a phone or T.V. is considered as the norm; people who against their will do not possess such goods are living in poverty (Giddens, 2001).

Social Exclusion

Social Exclusion has been existing since the beginning of time, but the terminology came into practice by the French Deputy Minister for Social Action, Rene Lenion, back in the 1970's (Jane Mathieson et al, 2008). In his book "Les Exclus", Lenion (1974) focused on those groups within society that are continuously struggling to integrate with others due to salary limitations and rights to social citizenship. Throughout the years, this term has shifted and become more a public discourse and a concern to government policies (Jane Mathieson et al, 2008). The social exclusion terminology has been changing across time and it has different policy implications. Social exclusion refers to the situation in which individuals cannot fully function in various areas of society, such as: political, social, economic and cultural activities. This will definitely shape the lifestyle of these people from that of other members of society. Those who are experiencing poverty and social exclusion are mostly likely to adopt their own norms and values (Haralambos and Holborn, 2000).

Social exclusion on a European level was identified as the inability to implement human rights (Rouet, 2012). Back in the 1990s, the European Observatory for National Policies against social exclusion was introduced. This observatory was set up to produce reports that are related to social services in different countries and their importance to fight social exclusion (Room, 1990). This ideology has evolved since the 1990s and at present social exclusion is more connected to poverty and the lack to access goods and services.

Causes of Poverty

Unemployment is one of the factors that creates poverty. 15.635 million people across the EU are known to be unemployment. Among the Member States, the lowest unemployment rates in September 2019 were recorded in Czechia (2.1%), Germany (3.1%) and Malta (3.4%). Malta marks the fourth lowest rank in the Euro Area. The highest unemployment rates were observed in Greece (16.9% in July 2019) and Spain (14.2%).

In-work poverty means that whilst working, individuals are still experiencing poverty due to inadequate income. According to the Eurostat, Malta was among 11 other Member States where the national minimum wages were lower than the purchasing power parities for household final consumption expenditure. It must be noted that the number of individuals

living on the minimum wage in Malta is rather low. Back in 2017 approximately 5% of those in employment were paid the minimum wage. (Eurostat, 2019) Nevertheless, those low-income earners receive social transfers, in cash or in kind such as: free health care, free education, free childcare for working parents, subsidized rent, etc. All these are in addition to help those who are on the poverty line. A big challenge in Malta is associated with a huge increase in property, which is automatically affecting rents. This is making it difficult for the low-income earners to live decently.

Lone Parents According to the European Union in 2018 there was 220 million households and 65.4 million had children. (Eurostat, 2019). On a local perspective, Malta had the largest decrease of members per household since 2008, with an average household size going down from 3.0 to 2.5 members in 2008. (Eurostat, 2019). The most common household in the EU-28 was that of a single adult living without children (33.9%). Whilst Malta ranks below the EU average rate in this regard, Malta has one of the highest rates among EU-28 countries with an increase of 11.4% from 2008 (15.0%) up to 2018 (26.4%). On the other hand Malta has one of the highest rates of decrease among those couples with children, a decrease of 5.6% from 2008 (27.6%) down to 2018 (22.0%). Moreover, Malta had an increase among single adult with children, an increase of (1.5%) from 2008 (2.1%) up to 2018 (3.6%). This shows that in Malta are more opting to live alone without children. There is an increase in lone parents and when comparing this with the NSO EU-SILC 2018: Salient Indicators, the at-risk-of-poverty rate for single parent household, of one or more dependent children amounts to 48.6%; the highest of all household types. (NSO, 2019)

Young adults In 2018, those young people (aged 19-29 years) living with their parents amounted to 67.0% across all EU-28. For young men the share was 71.7% while for young women it was 62.0%. (Eurostat, 2019) Malta had one of the largest shares among EU-28 of young people (aged 19-29 years) who still lived with their parents. 87.0% was recorded for men, whilst 82.4% recorded for women. Young adults in Malta remained the longest in the parental household and left home at an average age of 32.2 and 31.9 respectively. (Eurostat, 2019) The at-risk-of-poverty or social exclusion (AROPE) rate for young people aged 16-29 years across the EU-28 was 26.8%. Malta recorded one of the lowest levels in this regard, registering a total of 13.1% in 2018. (Eurostat, 2019) Whilst the AROPE of those under the age

of 18 years was of 23%. (NSO, 2019) Having a low AROPE among those who are 19-29 years of age could be a result of a longer stay with the parents.

Maltese Context

According to the latest figures released by the National Statistics Office: In 2019 there were 82,758 (17.1%) people living on 9,212 euros a year; this compared to 78,685 (16.8%) an increase of 4,073 people from the previous year. In 2019 there were 14,549 (3.0%) people living on only 6,142 euros per year, compared to 16,241 (3.5%) a decrease of 1,692 people from the previous year. Although there was a decrease of 5.7% from the previous year, women remain the highest in the at-risk-of-poverty category, especially women who are single parents and the elderly.

The help of various free services and a number of other indirect aids are always aimed at alleviating the burden of those most vulnerable, and serve as a safety net for those on the verge of poverty. Adequate income is necessary for individuals to live decently, especially when having a family to maintain and protect. According to NSO statistics, the gap we have seen in recent years between low-income and high-income earners appears to be widening.

Minimum Income Schemes

The term minimum income scheme has not an exact definition in Malta. The non-contributory benefits regulated by the Social Security Act (Cap 318 of the Laws of Malta) is the closest to the minimum income scheme.

Together with the non-contributory benefits we do find the Social Assistance for Malta and those persons who are incapable of work due to medical reasons, or are unemployed, seeking employment and where the relative financial means falls below that established by the Social Security, are eligible for Social Assistance. These non-contributory benefits are meant to assist those people who are in poverty or at risk of poverty and social exclusion. It is in hands of the national Maltese legislation to regulate and monitor the non-contributory welfare.

The non-contributory benefits are:

- **Age Pension** – An Age Pension can be awarded to a person who reaches 60 years of age; does not have enough paid or credited Social Security Contributions to be eligible for

a Contributory Retirement Pension and satisfies the Means Test. The Age Pension is paid every 4 weeks in advance.

- **Carers Allowance** – The Carers Allowance may be awarded to single, married, in civil union, or cohabitating person who is over 18 years of age and is taking care of a relative, with low dependency, on a full-time basis living within the same household. The Carers Allowance is paid every 4 weeks in advance
- **Social Assistance** - A head of household who is not fit for employment due to sickness or due to physical or mental illness - Single parent or separated person who cannot engage in full-time employment due to family responsibilities - Single persons who are over 18 years of age and live either alone or with someone else (excluding their parents), and cannot engage in gainful occupation or register for employment due to illness. A head of household who is medically unfit for employment is referred for a medical examination appointed by the Department. Social assistance is paid at the eligible rate every four weekly intervals in advance together with the bonuses. A Social Assistance is paid every 4 weeks in advance.
- **Drug Addict Assistance** - A person who is undergoing a drug or alcohol rehabilitation therapeutic programme is eligible for this benefit. An official document from the institution concerned is received by the Department confirming date when programme was initiated. The Drug Addict Assistance is paid on a weekly basis at a fixed rate.
- **Disability Assistance** – The person may be awarded to a person with a disability who is 16 years of age and over suffering from either, a total paralysis or a permanent total severe malfunction, or else a permanent total disability through the amputation of one of the upper or lower limb. This assistance is also awarded to a person who has a hearing and speech impairment. The Disability Assistance is paid every 4 weeks in advance.
- **Unemployment Assistance** - Head of household who is seeking employment and is registering for work under Part 1 of the register with Jobsplus is eligible for this benefit. Rates payable are the same as those awarded by social assistance, however unemployment assistance is paid weekly once claimant registers for work in that same week. Bonuses are also awarded with this benefit. Dependents of persons who for

a specific reason are struck from registering under Part 1 by Jobsplus and are registered under Part 2 can apply for Social Assistance Board.

- **Visual Impairment Assistance** - This benefit may be awarded to a person who is 14 years of age and over who is completely or partially visually impaired. The Assistance for the Visually Impaired is paid every 4 weeks in advance.
- **Severe Intellectual Disability Assistance** – This benefit may be awarded to a person with a mental and general learning disability who is 16 years of age and over that can be engaged in a gainful occupation. The Severe Intellectual Disability Assistance is paid every 4 weeks in advance.
- **The Single Unmarried Parent Allowance** – This may be awarded to a single unmarried parent who is not engaged in a gainful occupation. The Single Unmarried Parent Allowance is awarded in full if the applicant is single; living alone and having care and custody of one or more children. However, if the applicant is living with a parent/s, the applicant becomes entitled to 75% of the Single Unmarried Parent Allowance rate. A Single Unmarried Parent Allowance is paid every 4 weeks. A Single Unmarried Parent Allowance is paid every 4 weeks.
- **Increased Severe Disability Assistance** – This benefit may be awarded to a person who is 16 years of age and over and is unable to work. The Increased Severe Disability Assistance is paid every 4 weeks in advance.
- **Increased Carers Allowance** – This benefit may be awarded to a single, married, in civil union, or cohabiting person who is over 18 years of age and is taking care of a relative, with high dependency, living within the same household on a full-time basis. The Increased Carers Allowance is paid every 4 weeks in advance.
- **Severe Disability Assistance** – This may be awarded to a person with a physical disability who is 16 years of age and over that can be engaged in a gainful occupation. The Severe Disability Assistance is paid every 4 weeks in advance.

During the last few budgets the Government of Malta focused to give assistance to low income earners by introducing the In-Work Benefit, which while supplementing low income earners, served as an incentive for heads of families with children to go out to work and still benefit from a subsidy of €1,000 for each child.

COVID-19

Since the start of the pandemic APF Malta has been concerned about the safety of those mostly effected by COVID-19. APF has and still is spreading more awareness and express its concern on the following areas on our islands which are being highly impacted by Coronavirus Pandemic. With this, APF asked and is still asking for the support and understanding of all the public at large, where apart from material assistance, APF request that adherence to the direction of the Medical Health Authorities would ease the pressures and sufferings hereunder outlined:

Food and Food Distribution

Several service-providing NGOs have no choice except to raise funds through appeals – in these difficult times - to build a reserve of food items for distribution to their most vulnerable service users, especially the housebound and those with mobility problems. More families in difficulties are cropping up and hence more coordination is being sought.

Children of Single parents testing positive for COVID-19

APF concern goes to lone parent households, whose parent test positive (and potentially needs to be hospitalised) and to his/her children. APF is concerned as to how their needs are going to be met under the pressuring conditioning of the pandemic.

Accommodation and Homelessness

APF is aware that emergency shelters are full and have adopted new policies under the current circumstances. There are still persons facing homelessness. APF applaud the humane gesture expressed by some landlords in Malta and across Europe who are adopting a more social approach towards those who have lost their jobs or finding it hard to cope during this COVID-19 period. APF acknowledge that the housing authority in Malta has set up new subsidy measures to support individuals and families who have been affected because of this situation. A helpline for tenants at risk of defaulting on rent payments to quickly gain access to advice as to options and measures would be an add on to keep supporting those who are in most need.

Access to Health services – overcoming the barriers due to COVID19

While acknowledging the current pressures on the medical services, APF feels the need of a scenario where no one is left in the lurch because new admissions to services have been

halted. This includes persons released from prison; persons with addictions; homeless persons and many others. APF strongly believes about swabbing and isolation facilities with medical supervision and clearance to prepare persons to be admitted to services. Safety of current services users would be thus assured while still offering access to new service users. Frontline service providers must be kept being protected by providing the necessary safety equipment.

Carers in residential settings

Besides the anxieties and practical constraints of COVID19, there is an added burden because of restrictions in residences. Children often present challenging behaviour are in a limited space, unable to meet their parents, and have their therapeutic sessions and other support services suspended indefinitely.

Elderly in Dickensian home environment

APF are deeply concerned about very vulnerable elderly living in a deplorable unacceptable state at home. These are elderly with mental health problems who are non-compliant with medication, do not turn up for medical follow-up appointments, are unable to manage their income from pension and are being financially abused. They have pets dirty the house, do not launder their clothes and bedding, are unable to do the house cleaning, live on the ground floor, have un-maintained roofs that leak and risk crashing down on them, eat canned food and bread. In our experience, industrial cleaning companies refuse to clean up such homes, even though the NGO concerned would be paying. NGOs constantly liaise with the mental health system but no mandatory admission to the psychiatric hospital seems to be possible because these hapless persons are not considered a 'danger to self and others.'

Age discrimination

Pensioners continue to highlight the anomaly that exists in our pension system: Pensioners were divided in two categories. In Category A fall those born on January 1,1992 and thereafter. In Category B fall those born on December 31,1961 and before. Now, more than ever, this discriminatory policy needs to be revisited. (see Times of Malta article, February 22, 2020, by Mr Carmel Mallia, President of the Alliance of Pensioners' Organisations).

Third Country Nationals

As these persons are not entitled to contributory benefits. NGOs in the field are doing their utmost to help with food and other essential items like personal hygiene products. However, APF is concerned this is not enough to enable them to get by without their taking unnecessary risks?

NGOs unable to raise funds to continue their service provision

NGOs are not currently able to raise funds to sustain their services to vulnerable groups. The dilemma is whether to halt services or to move on with determination and hope despite the financial insecurity. Many NGO services fill gaps in national service provision to families. Services offered by NGO volunteers involving contact have had to be reduced or halted for the safety of the same volunteers and their families. Many of these NGOs also employ persons on full-time basis to fulfil their cause. APF is concerned that their jobs are also at risk under the current circumstance.

Cost of Living necessities

APF appreciates that gas cost has gone down. We also applaud all the schemes and benefits being put in place by various Ministries to assist those mostly hit by this pandemic. However, APF is concerned about the increase in cost of other essential living needs, especially when it comes to vulnerable persons who do not have the resources to buy these needs. We are concerned that certain outlets are taking advantage of the current situation. APF recommends that, under the current circumstance, control on the cost of basic needs is exercised.

APF asks for pro-active measures to ensure that civil society organisations and vulnerable groups are adequately protected and are able to continue to protect the health and well-being of their staff and beneficiaries. The sector has had to shift in strategy, prioritisation and programme adjustment with the infrastructure of our organisations under immense financial pressure.

APF strongly recommends that a competent Research Institute is setup to monitor poverty related issues and give early recommendations to policies adaptations to minimise impact as soon as possible.

Together we must and shall continue to advocate a culture of solidarity and civic action, including individual responsibility, now more than ever.

Due to COVID-19, Malta suffered various social and economic consequences. APF is especially concerned about people at risk of poverty and social exclusion, their families, and other vulnerable groups, who have been hardest hit by this crisis and who urgently need help. We may experience an increase in people at risk of poverty during this year. Therefore, those in the lowest categories are finding themselves in more difficult situations to cope with life.

APF Malta maintains that everyone has the right to an adequate income to live a decent life. Therefore, APF is recommending to:

- 1) Develop further assistance, structures and incentives for facilitating access to healthier, fresh food by low-income households, and accompany this by appropriate, practical nutrition education
- 2) Extend free or subsidised provision for facilitating independent living, healthy ageing and lifelong learning for the different cohorts within the elderly population who have a low income or who face unexpected long-term financial burdens.
- 3) Strengthen core, long-term investment in community level education and participatory initiatives promoting more sustainable consumption patterns and lifestyles for Maltese and Gozitan families. Develop further awareness-raising and education for the elderly on prevention of health problems and on self care.
- 4) Ensure that entitlement to Education for Sustainable Development and related school subjects, such as Home Economics, are implemented comprehensively from the Early Years to nurture the right attitudes and skills from a young age towards becoming responsible citizens who make informed decisions and take action to promote and safeguard personal, family and community wellbeing.
- 5) Establish financial and other assistance, structures and incentives to support social innovation initiatives by individual entities or alliances which aim to reduce poverty and improve social inclusion.

APF is concerned about the social and economic consequences that have occurred during this year due to Covid-19. It is especially concerned about people at risk of poverty and social exclusion, their families, and other vulnerable groups, who have been hit hardest by the crisis and who urgently need help. APF acknowledges that the Maltese Government is doing its best to protect all those who are vulnerable, along with the entire population with the necessary measure. In these difficult times the Government has shown a social heart to the poor. In the light of all this, we have an obligation to continue to defend the well-being of our society.

APF believes that our country will be benefiting from various schemes provided by the government to move towards a more decent life. Despite all this we would like to come up with some ideas to continue to help those most in need (people facing low-wage poverty, precarious employment and the unemployed, particularly families with children, the elderly, the sick, disabled people, homeless and migrants). The following recommendations are suggested:

- 1) A national research institute on poverty and social impact will be set up and in-depth studies will be carried out, so that the poor can get out of poverty at a faster rate.
- 2) A plan to review the COLA mechanism so that it reflects the true cost of living and one has a minimum income to live decently in Malta. For this to happen, discussions must be launched at European level. We therefore believe that the Maltese authorities should be among the first to submit this proposal. Not only will it be helping the people of our country but Malta will be a pioneer among the European member states in this field.
- 3) We continue to urge the Government to subsidize healthy foods such as vegetables and fruits. This is to help the Maltese people eat better and motivate them to buy more of these products.
- 4) A bailout on electricity and water will be considered for those families who were most affected during the pandemic.
- 5) A Digital Currency Solution is a more radical proposal is to start working on a 'digital cash' for the low-income earners. As society moves forward in progress, the base gets left behind

in many ways, including access to financial tools that meet their needs. In contrast COVID19 has shown that governments around the world have struggled to deliver cash to the lower echelons. A digital cash directly aimed at this sector would answer both of these needs and is now on the agenda for many Central Banks around the world. Malta and other smaller countries could be at the forefront of this by building a proposal for digital cash mounted on smartphones or cards to meet its special sector needs.

With these recommendations we are continuing to strengthen APF's mission to help the poor and promote human development along with social justice. It aims to bring to the front line, important issues that are relevant to the well-being of every individual especially the most vulnerable in Maltese society including the eradication of poverty, the fight against social exclusion and the promotion of social justice.