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Brussels, 18 December 2003

JOINT MEMORANDUM ON SOCIAL INCLUSION OF MALTA

In accordance with the provisions of the Accession Partnership, the Government of Malta has prepared, with the European Commission, Directorate General for Employment and Social Affairs, a Joint Inclusion Memorandum, with the purpose of preparing the country for full participation in the open method of co-ordination on social inclusion upon accession. The Memorandum outlines the principal challenges in relation to tackling poverty and social exclusion, presents the major policy measures taken by Malta in the light of the agreement to start translating the EU's common objectives into national policies, and identifies the key policy issues for future monitoring and policy review. Progress in implementing such policies will be assessed in the context of the EU social inclusion process, whose goal is to make a significant impact on the eradication of poverty in Europe by 2010.

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1. ECONOMIC AND LABOUR MARKET BACKGROUND

1.1. Economic developments

The recent performance of the Maltese economy has been marked by two major factors, namely the international economic slow-down and the restructuring process. Reducing the high government deficit and guaranteeing the sustainability of public finances in the medium-term remain the country's major economic challenges (Table 1). The general government deficit already decreased from 10.8% of GDP in 1998 to 8.2% in 1999 (ESA 95 methodology) and further from 7% of GDP in 2000 to 6.8% in 2001 and to 6.2% in 2002, (Table 1). Government gross debt as a percentage of GDP, which has followed an upward trend in recent years, reached 66.6% in 2002 (Table 1).

Following the relatively high growth rates in real GDP in the early to mid-1990s, the Maltese economy recorded relatively slower rates of economic growth in the late 1990s; in 2000, Malta's GDP (PPP) was 55% of the EU15 average. The international economic environment, particularly the considerable amount of uncertainty in world stock markets, geopolitical tensions and very volatile oil prices, led to the postponement of the recovery which was expected to materialise in 2002. As a result, in 2002, GDP in real terms advanced by 1.2%. Consumer and Government expenditure recorded improvements in real terms, which offset the fall in gross investment and exports of goods and services. The latest data published by Eurostat and the National Statistical Office show that exports of goods and services grew by 0.2% in real terms in 2002. A growth rate of 1.2% is forecast for 2003, supported by public expenditure and an increasingly amenable international environment.

Malta has been characterised by a relatively low and stable inflationary environment (Table 1). The inflation rate during 2002 slowed down significantly to 2.2%, mainly due to lower prices for food, clothing and footwear. In July 2003, the rate of inflation was 1.2%, mainly due to seasonal price drops for food and in sales of clothing and footwear.

The dependence of the domestic economy on international trade is reflected in relatively high ratios of exports and imports to GDP. During 2002, imports were at a marginally higher level than in 2001. In particular, industrial supplies saw a fall, albeit on a smaller scale than in the previous year. Imports of capital goods remained at the 2001 level. On the other hand, consumer goods imports increased, although a significant proportion was accounted for by a higher level of re-exports. Meanwhile, total exports picked up. Although the largest increase in total exports was attributable to re-exports, it is worth noting that the decline in domestic exports recorded in 2001 was halted. Tourism is one of the mainstays of the Maltese economy and contributes significantly to Malta's economic growth (Table 1), employment creation and foreign exchange earnings. Gross earnings from tourism declined by 1.2% in 2000 and fell further by 2.8% in 2001. In 2002, gross earnings from tourism decreased by 5.5%.

Since the late 1980s, the role of Government in the economy has been significantly reduced as the process of privatisation has been pursued in earnest. To this end, further liberalisation was introduced within a number of sectors, namely telecommunications, the postal services and the airport. The ultimate goal of these reforms is to achieve long-term economic growth through the creation of an enhanced competitive environment.

Maltese industry is currently going through the necessary restructuring to create more competitive companies. The restructuring process was stepped up in 1999, when a three-year

programme was launched whereby a wide array of protective tariffs on imported manufactured goods were dismantled. In fact, by January 2003, all tariffs on imports of industrial goods had been removed.

Although the agriculture and fisheries sector's contribution to the national output is relatively low, the Government is committed to devising and implementing a set of domestic policies that will maximise the potential of this sector. With regard to the fisheries sector, the Government has introduced a financial assistance package to modernise fishing boats and equipment in order to enable fishing in international waters. A restructuring of the local ship-repair and shipbuilding industry is currently under way with a view to attaining the long-term objective of commercial viability. A new collective agreement has been signed with the General Workers Union introducing work practices aiming at increasing productivity and flexibility. Excess labour has been transferred to a new company that is not related to ship-repair. A number of measures - mainly related to various voluntary and early retirement schemes - have also been introduced. Although this is contrary to the EU policy that does not encourage early retirement, a large number of the employees opting for the schemes were reintegrated in the labour market. Training programmes and support for employees seeking alternative occupations are being implemented.

1.2. Labour market

In December 2002, the employment rate¹ in the Maltese islands was estimated at 54.5%, substantially lower than the EU15 rate of 64.3% (2002), while the activity rate² reached an all-time high of 58.5%. The overall unemployment rate stood at 6.8% of the labour force (Table 1). The latest June 2003 figures indicate a 59.1% activity rate and marginal increase in the employment rate (54.6%). The unemployment rate increased to 7.5% in June 2003.

The Maltese labour market (Table 2) is characterised by a low female employment rate of 34.5% (EU15: 55.6% in 2002), which contrasts with a high male employment rate of 74.2% (EU15: 72.8% in 2002). Of particular note are the increase in the female employment rate from 31.6% in December 2001 to 34.5% in December 2002, and the decrease in the male employment rate from 76.4% in December 2001 to 74.2% in December 2002 (June 2003 figures stood at 75.6% and 33.4% for men and women respectively). An increase of 10.2% in the number of employed women has been registered between December 2001 and 2002, of which 62.6% are in full-time employment. Year-on-year December figures show that the share of open-ended contracts remained stable at 96.7% and 95.3% in 2001 and 2002 respectively. The latest June 2003 figures indicate 96.2% open-ended as against 3.8% fixed-term contracts. Women tend to be employed in temporary work or under fixed-term contracts more frequently than men, with figures of 5.0% and 3.2% for total female and male employment as at June 2003 (Table 3).

There were 7.8% self-employed women in December 2001, as against 5.4% self-employed women in December 2002 (EU15: 10.7%, 2002). In June 2003, self-employed women represented 8.1% of all women in employment. There was an increase in the proportion of self-employed men from 16.9% in December 2001 to 17.8% in December 2002 (EU15: 17.6%, 2002). 16.3% self-employed men were registered in June 2003. Self-employed men with employees are accounting for a higher share of all self-employed men, with the figure

1 Persons in employment (15-64 years) as a percentage of the working-age population (15-64 years).

2 The activity rate represents the labour force (15-64 years) as a percentage of the working-age population (15-64 years). Activity and employment rate figures are not seasonally adjusted.

increasing steadily from 27% in December 2001 to 29.5% in December 2002 (EU15: 42%). The June 2003 data show an even higher increase, to 34.0%, in the proportion of self-employed men.

As regards unemployment³, there was a marginal increase in the male unemployment rate (from 6% in December 2001 to 6.2% in December 2002, and to 6.4% in June 2003) and a slight increase in the female unemployment (from 7.8% to 8.2% and to 9.9% respectively). The unemployment rate for young people (15-24 years) fell from 9.5% in December 2001 to 8.2% in December 2002. The unemployment rate for young women fell from 8.12% in December 2001 to 7.8% in December 2002, whilst there was an even greater decrease for men over the same period (10.8% to 8.5%). In most cases, these are young persons with low employability due to their lower level of education and skills.

In terms of duration of job search, the two largest categories were those seeking employment for less than 5 months and those seeking employment for 12 months or more. However, while short-term (less than 5 months) unemployed female job-seekers account by far for the greatest share of all unemployed women, the opposite is true for men, where the long-term unemployed (12 months or more) make up the highest share (Table 4). In December 2001, the proportion of those seeking employment for less than 5 months stood at 33.1% in December 2001, compared with 36.9% in December 2002. In June 2003, 52.4% of all unemployed had been looking for a job for 5 months or less. Between December 2001 and December 2002, the share of unemployed persons looking for a job for between 6 and 11 months fell from 23.1% to 15.1%. Only 11.6% of the unemployed were in this category as of June 2003. The long-term unemployed (12 months or more) made up 43.8% and 48% respectively in December 2001 and 2002. 36.0% of all unemployed persons were long-term unemployed as of June 2003 (Table 4).

A gender bias can be discerned in the duration of the search for employment by the unemployed. The long-term unemployed account for the highest proportion of all male unemployed persons (55.2% and 60.5% in December 2001 and 2002 respectively). In June 2003, 49.3% of all unemployed men were those who had been looking for work for over 12 months. The opposite is true in the case of women, of whom 51.4% and 55.3% were short-term unemployed (5 months or less) as at December 2001 and 2002 respectively. In June 2003, this share went up to 69.1%.

Flexible (atypical) work is more common among women in Malta. This is highlighted when LFS data is compared with ETC data. Whilst the December 2002 Labour Force Survey shows that the gender distribution of unemployed persons looking for jobs for less than five months was 57.3% for women and 42.7% for men, the figures for persons registered with the ETC as unemployed for the same duration in 2002 were 27.2% for women and 72.8% for men.

As far as older workers (55-64 years) are concerned, their overall employment rate in Malta was estimated at 28.8% in 2002, the corresponding EU15 figure stood at 40.1%. The employment rate among older female workers was at the far lower level of 9.8%, as compared with 30.5% for EU15 in 2002. The employment rate among older male workers was 49.1% (the EU15 average of 50.1% in 2002).

3 Figures are not seasonally adjusted.

In comparison with European levels of education, levels among the labour force in Malta are rather low. According to the June 2003 LFS figures, 69.5% of the labour force had completed a secondary or lower level of education. A further 28.1% were at the post-secondary diploma or first-degree university level, while the remaining 1.5% of the labour force were at the post-tertiary level of education.⁴ Gender differences in respect of educational level are striking. The shares of men and women with no schooling were 1.3% and 0.1% respectively. At primary level, the figures for men were also correspondingly higher than for women (19.9% and 9.4% respectively); at secondary and post-secondary vocational level, men dominate with 9.4% and 8.2%, compared with 3.5% and 6.7% for women; on the other hand, women have higher respective shares at post-secondary (general) level: 14.2% as against 7.4% for men. 36.2% of women have completed a post-secondary, diploma or first-degree university level of education, compared with 24.5% of men. Some 1.5% of the male and female labour force had achieved higher educational levels (Masters or Ph.D.). There is an upward trend in the share of labour force with a university diploma, from 2.5% in December 2001 to 3.2% in December 2002 and 3.1% in June 2003. A marked gender bias is discernible here, with the proportion of women in this category increasing from 3.8% in December 2001 to 4.8% in December 2002 (men: 2% and 2.5% respectively). In June 2003, this share went to 4.3% for women, compared with 2.6% for men (Table 5).

In 2002, 52.7% (EU15: 18.8% in 2002) of early school-leavers with a lower secondary education at most made up 51.6% (EU15: 16.7% in 2002) of the female cohort, and 58% (EU15: 21.9% in 2002) of the male group were not in further education. The indicator for early school-leavers, as one of structural indicators, is the highest among EU25 according to Eurostat data. During 2001, only 4.6%⁵ (EU15: 8.4%) were engaged in lifelong learning in Malta.

Although the sectoral structure of employment (dominated by the services sector) has remained stable, the period from December 2001 to 2002 saw a decrease in the share of employed persons in manufacturing, wholesale and retail trade and repairs. An increase in the hospitality industry (tourism and entertainment), financial and real-estate services, public administration and defence occurred over the same period (Table 6). The restructuring process on the labour market affected employment in the furniture sector, plastics and rubber products, shipbuilding and ship repairs, banking and telecommunications during 2002, indicating that a restructuring of overstaffed firms is taking place and giving rise to leaner, more productive businesses.

1.3. Public welfare expenditure

Looking at the total social protection expenditure in the period 1998-2001⁶, the following trends become apparent. Total social expenditure amounted to 18.5% of GDP in 2001 (Table 7), representing a 4.5% increase on the 2000 share of GDP, and a 16.6% increase on the 1998 level. This increase is largely accounted for by non-means-tested benefits. However, this is a slight drop from 19% in 1998 and 18.6% in 1999. Expenditure on contributory benefits increased by 18.4% in the period 1999-2002, whilst that incurred for non-contributory benefits decreased by 1.9% mainly due to a clamp-down on benefit fraud.

4 The LFS figures for Masters, Ph.D., and persons with no formal schooling are under-represented.

5 Number of persons aged 15+ participating in education as a percentage of the total population aged 15 and over.

6 The data cover the period 1998-2001 and have been compiled in line with the ESSPROS (European System of Integrated Social Protection Statistics) programme.

The old-age component consisting mainly of retirement pensions, accounted for 53.6% of total social protection expenditure in 2001, 51.5% in 2000 and 1999, and 50.6% in 1998. The share of GDP on this expenditure item was 9.6% in 1998 and 1999, 9.3% in 2000 and 9.9% in 2001, representing the largest increase in GDP share for all categories of social protection. An average of 7.3% of the total population were recipients of this type of benefit (Table 13).

Another important social expenditure item is sickness benefit and health care, with an increasing share in the total social protection expenditure from 23.9% in 1998, 23.5% in 1999, 25.2% in 2000 and 25.1% in 2001, and with a relatively stable share of GDP that stood at 4.5% in 1998, 4.4% in 1999 and 4.6% in 2000 and 2001. Other items remained stable (disability, unemployment benefits) or saw a declining share in the total expenditure and in GDP (housing, social exclusion, family and child benefits⁷).

2. SOCIAL SITUATION

2.1. Demographic developments

The decade 1992-2002 saw continued population growth (0.6% a year⁸). As in other European countries, fertility rates have been on a steady and consistent decline since 1985, the reasons for which include widespread change in attitudes of the new generations of young Maltese couples about having children. In recent years, the total fertility rate has fallen well below replacement level and stood at 1.46 children in 2002⁹ (Table 9).

On the other hand, as a result of changing social attitudes of Maltese society, the share of births out of wedlock rose from 2.2% (of all births) in 1992 to 14.9% in 2002. Births out of wedlock to mothers aged 20 years or less have been continuously increasing from 0.6% of all births in 1992 to 4.2% of all births in 2002. In 2002, 65.7% of all births out of wedlock were to mothers under 25 years of age. Whilst the number of all births out of wedlock increased by 4.5 times in the decade 1992-2002, births out of wedlock to women under 25 increased by a factor of 5.3. The January-June 2003 figures show that 42% of all single mothers were below the age of 25.

Mortality trends have been contributing to the increase in population size as well as to the increase in longevity. The crude mortality rate¹⁰ stood at 7.85 per thousand in 2002, which represents a drop from 8.0 per thousand recorded in 1992; infant mortality stood at 6.0 per thousand live births in 2002 as against 10.8 per thousand live births in 1992. The noticeable increase in diseases of the respiratory system from 7.1% in 1992 to 11.6% in 2002 (Table 10) may be an indication of an increase in air pollution and other factors such as smoking during this period. In 2002, male life expectancy was at 75.8 years while that for women was 80.5 years. Over the decade 1992-2002, the increase in male life expectancy was marginally higher than that for women; in 1992 it stood at 73.0 years, whereas female life expectancy was 77.8 years (Table 9).

7 This drop is mainly due to a significant reduction in fraud relating to this particular benefit.

8 Based on the Maltese population data only. However, a shorter reference period (1995-2002) confirms an annual growth rate of 0.7% in the total population.

9 Malta's demographic transition started in the fifties and progressed at a higher pace than in any other EU country. Completed fertility levels in Malta have been reduced by 2.1 children, from 4.2 children to women born in 1930 to 2.1 children to women born in 1960. This absolute decline has been unmatched by other countries with similar levels of completed fertility, where the reduction stood at following levels: France (0.54), Greece (0.28), Ireland (1.1), Sweden (0.1) and the UK (0.42).

10 Based on the Maltese population mortality rate.

It is estimated¹¹ that by the end of 2005 the total population will be 400 100¹², which will increase by a further 13 400 by 2010 (Table 11). Malta's population, ageing at a fast rate, is still young by European standards. The 0-14 age-group represents 19.2% of the total population, whereas those aged 65 and over make up 12.6%. The scenario of falling fertility rates in the future, coupled with the increased life expectancy of both genders, may have a serious impact on future population size and age structure. It might also affect the supply of labour, and the sustainability of the current pension system as well as health and care services.

2.2. Family composition

In view of the downward trends in fertility, further nuclearisation of Maltese families and an increase in the number of one-person households, the average household size (3.1 persons in 1995) is expected to drop to 2.7 persons in 2020. Consequently, the total number of private households is expected to increase by 1.1% annually. The higher demand for housing might push prices up, thus creating a greater risk of poverty among those who can ill afford current market rents or purchase prices. The demand for institutional care is expected to increase, and the number of persons in institutional care is forecast to grow by 1.85% annually. This latter trend is also made more pronounced by the expected decline in the number of informal carers and the increased presence of women on the labour market.

Smaller number of people reaching the age of family formation, coupled with the trend towards entering into marriage at an older age, have been key factors in declining trends in absolute marriage rates, from 6.5% in 1992 to 5.8% in 2002. Whilst divorce is not legally possible in Malta, separation and annulment of marriage do exist. Marital separations have been on the increase, with a marital separation index of 429.5 in 2002 (1995 = 100); this figure stood at 244.6 in the period 2000-2002, thus indicating a considerable acceleration in the incidence of dissolved marriages. Family ties in Malta are still very strong, resulting in widespread informal care for grandchildren, the frail or elderly and persons with mental and physical disabilities. Neighbourhood ties are also strong at times of greatest need, such as terminal illness or death.

2.3. Immigration

As from January 2002, Malta has assumed the full responsibility for the management of asylum-seekers. The level of illegal immigration into Malta was quite high throughout 2002, which saw the unprecedented arrival of some 1686 illegal immigrants; in 2003 (up to 25 November), 497 new cases were registered. The number of undocumented immigrants during the past year exceeded the total population increase (natural increase plus registered migration) by almost 30%. Persons who entered Malta without proper documents are currently provided with shelter/housing and some basic needs. However, their upkeep presents a complex issue for the authorities.

2.4. Income disparity

Income in Malta is distributed relatively evenly among the population. Indeed, the last measure of this distribution in respect of the year 2000 gave a Gini coefficient of 30.4%. This is only slightly different from the EU15 average of 29% (2000 data). Moreover, the gap between the lowest income earners and the highest income earners (S80/S20) is marginally

11 See Table 5.

12 Projection based on 1995 Census population.

below that in the EU. The top 20% of earners in Malta were estimated to earn around 4.5 times the income earned by the lowest 20.0% (2000 data); the corresponding EU15 ratio was 4.4 (2000 data). Average earnings for women were 79.65% of men's average earnings in December 2001, and 82.02% in December 2002, indicating that the gender pay-gap in Malta is gradually narrowing. Further improvements were apparent in March and June 2003 when the figure stood at 83.1% and 82.6% respectively.

2.5. Poverty

With social security expenditure absorbing around one sixth of GDP in 2000-2001, and given the wide-ranging system of social protection, poverty has not up to now been a major issue in Malta. In 2000, around 15% of the total population (15.1% for women and 14.7% for men as at 2000), was living at risk of poverty, calculated as income below 60% of the national adjusted equivalised income median (EU15: 15% in 2000) (Table 12). The incidence of persons near the poverty line, affecting men and women in equal measure, is being considerably mitigated by the well-developed social-welfare system in Malta. In fact, it is estimated that, excluding all social transfers, the risk-of-poverty rate for Malta in 2000 was 30% (EU15: 40% in 2000). The relative risk-of-poverty gap¹³, which measures the distribution of income among the poor, is lower in Malta (17% as at 2000) than in the EU15 (21% as at 2000). The 40%, 50%, 60% and 70% of the median income households represent 3%, 8%, 15% and 23% of all households (2000 figures), which correspond to the 1999 EU15 figures of 5%, 9%, 15% and 23% respectively (Table 12). During 2000, the age groups that were mostly at risk of poverty included children, 0-15 years age group (21%; EU15: 19%) and those aged 65 years and over (20%; EU15: 17%) It is recognised that groups most at risk of poverty in Malta are children (21%; EU15: 19%) and persons aged 65 years and over (20%; EU15: 17%); similar to the EU average, it is male children (22%; EU15: 19%) and female elderly persons (20%; EU15: 19%) who are most at risk. Furthermore, the high risk-of-poverty rate among the unemployed (Malta: 50%; EU15: 39%), single parents (Malta: 55%; EU: 40%) and persons in rented housing (Malta: 29%; EU15: 24%) are particularly worrying.

In terms of type of household, single parents with at least one dependent child make up the group at greatest of falling below the risk of poverty threshold (55%; EU15: 40% in 2000). In Malta, women head 79% of the total number of single-parent households, and 26.9% of those households include children below the age of 18. Single parents also pay the highest average annual rent of all types of household, which is considered to be one of the main factors giving rise to poverty in Malta. The next type of household most at risk consists of two adults and three dependent children; 28% of these households are at risk of poverty compared with 26% for the EU15. Only 16.5% of the total number of single-parent households are engaged in gainful employment (14.1% full-time and 2.4% part-time). Whilst 35.6% of single fathers are employed full-time, the figure is only 8.1% for single mothers (1995 Census data). Single parents who are not formally engaged in employment may rely on social benefits, subsistence allowances from their partners, or be involved in the informal economy.

The risk-of-poverty rate for persons under 30 living alone – as yet an uncommon occurrence except in cases of marital breakdown, domestic discord or previous institutional residence – is quite high (34% in 2000; EU15: 33%). Those at next greatest risk are large families and

13 The difference between the median of persons below the income threshold and the low income threshold, as a percentage of the low income threshold.

single women. The rate for a 2-adult, 3-children household in 2000 was 28% (EU15: 26%). Maltese male single-person households are less at risk of poverty (17%) than female ones (28%); these figures are similar to the EU15 averages of 18% for men and 26% for women (Table 12).

It should be mentioned that disabled people are among the groups that are at high risk of poverty, regardless of their socio-economic background. Although the disability pension is a contribution towards the extra costs incurred through a disability, it does not offer sufficient means to live independently. Indeed, it might even encourage dependence on family members. A potential poverty trap also lies in the fact that the disability pension may be topped up by income from employment as long as this does not exceed the minimum wage.

As regards rented housing, 29% of tenants are at risk of poverty, and are two and a half times more likely to be poor than owner-occupiers (11%); these figures are somewhat more skewed than the EU15 averages of 24% and 12% respectively. This could be the case where low-income tenants, who are possibly also receiving social assistance, live in leased premises (often rented at market prices). This is particularly revealing considering that tenants constitute only 28% of Malta's population. 51.3% of all tenants enjoy an annual rent of less than MTL 51 (the 2003 national minimum weekly wage stands at MTL 53.13) while the other 28.6% of tenants enjoy an annual rent of less than MTL 101. Both groups of tenants include persons who are renting from private landlords as well as from the Government (social housing).

In terms of employment status, it is the unemployed who, at 50%, are at greatest risk of poverty, a figure significantly higher than the EU15 average of 39%. This might be explained by the fact that in Malta 60.3% of the unemployed are under 35 years of age and thus enjoy the lowest possible unemployment assistance levels (while factoring in marital status and number of children). The weekly unemployment assistance/social assistance in 2003 stands at MTL 30.97 for one-person households (58.3% of the national minimum wage). This assistance is means-tested. However, unemployment benefit has been fixed at MTL 3.66 daily (MTL 21.96 weekly, i.e. 41.33% of the national minimum wage) for a married person maintaining a spouse and for a single parent who may also be receiving special unemployment benefit (at a fixed daily rate of MTL 6.14 and MTL 4.00), and at MTL 2.38 daily (26.9% of the national minimum wage) for any other person. The poverty risk arising from unemployment appears to be far greater for men (57%; EU15: 43%) than for women (31%; EU15: 33%), since the latter might also be benefiting from child allowance (in the case of single mothers). The percentage of persons living in jobless households (0-65 years of age) remained quite stable, ranging from 11% in December 2001 to 10.2% in December 2002 (EU15: 12.2% in 2001 and 2002). In June 2003, the relative proportion of such persons was 11.1%. After the unemployed, retired persons have an 18.3% (EU15: 16%, 2000 data) and inactive persons an 18% risk of poverty (EU15: 24%, 2000 data). Inactivity¹⁴ for women carries a greater risk of poverty (19%) than for men (10%). However, for both genders, inactivity is far less risky in Malta than it would appear to be in the EU, with a rate of 24% in 2000 (affecting men and women in equal measure).

14 The inactive population comprises those who are not working and not seeking employment.

2.6. Living conditions

Generally, the Maltese enjoy high standards of housing accommodation. Property ownership is most common, with 68% of all dwellings being household-owned. However, there is evidence that some strata of the Maltese population live in poorer housing conditions owing to their economic situation and living arrangements. For example, elderly women heading households live in considerably poorer housing than their younger female counterparts. Some 75% of all households headed by women, in dwellings without a bathroom or kitchen, were those of women aged 60 and over (1995 Census data). Similarly, housing tenure discriminates in terms of exposure to the risk of poverty. While the home-owners bear the market cost of housing (capital savings and mortgage payments), the tenants residing in privately owned properties could be divided into two different groups: those who are paying low rent (in some cases fixed at 1939 levels) coupled with security of tenure, and others who are paying the market rent under rental arrangements prevailing on the free market. There is a considerable difference between these two groups' risk of poverty; in Malta, the risk of poverty among persons in rented accommodation is much higher than the corresponding risk in the EU15 (29.1% and 24% respectively). The exposure to poverty of those who are paying market prices is even more severe in some groups such as single parents. This makes clear the need to both revitalise the rental housing market and achieve a better balance between the rights of the two groups of tenants in Malta, and to encourage the provision of rented social housing for those in most need.

There are several sections of society which might be more affected by gender differences in the field of housing. In the event of marital breakdown, problems of safe and adequate housing conditions for the female spouse (and her children) often arise; rental tenure becomes more dominant in the event of marital split-up or in the case of unconventional families. Single mothers more often apply to purchase affordable social housing than single fathers, whereas separated women apply more often for rent subsidies for social housing than men. This suggests gender bias in the housing field which, in the case of women, could ultimately lead to a greater risk of poverty.

2.7. Regional disparities

Depopulation and migration away from the Inner Harbour district have resulted in a 1.4% annual population decrease over the period 1985-1995, resulting in a somewhat distorted socio-economic and demographic mix of the resident population in some areas of this district. As regards literacy, the highest incidence of illiteracy has been recorded in the South-Eastern district and Gozo and Comino, with 15.9% and 13% illiterate men and 11.6% and 9% illiterate women, respectively. Unauthorised absences from government primary schools¹⁵ were the highest in the Southern Harbour District and the Northern Harbour District (35.2% and 27.6% of all unauthorised absences, accounted for by 23.5% of all primary public school pupils in each of these two districts) in the period September 2001 to March 2002. Large proportions (more than 65%) of persons aged 16 and over with no qualifications have been observed in the South-Eastern and the Gozo and Comino districts. This is higher than the average share for the Maltese islands (60.2%); the Northern district registered the lowest share, namely 54.8% (data: 1995 Population Census).

15 Private and church schools enrol children irrespective of their place of residence, thus making regional comparisons meaningless.

Although there are pockets of vacant and dilapidated buildings across the country, urban regeneration is particularly necessary in the Inner Harbour district, where 19.5% of all dwellings are vacant, 38.6% are dilapidated and only 3.3% were built between 1991 and 1995. The issue of dwellings standing empty ties in directly with the current situation on the market for rented housing. In terms of regional employment differentials, Malta's regional cohesion index of 27% in 2001 is better than most EU15 countries.

2.8. Ethnic minorities

The European Community legislation prohibits racial discrimination in employment, education, social security, health care, housing and access to goods and services. Discrimination on grounds of religion or belief, age, disability and sexual orientation are also covered in the areas of employment and training¹⁶. In the case of Malta, there is a low proportion of non-Maltese (2.4% of the total) and a small number of minorities. Malta's historical ties with other nations explain the assimilation of other nationalities living permanently in the country, such as the British (49.3% of all resident foreigners, 1995 Census data), Australians (7.7%), Italians (5.7%) and Libyans (3.9%), to mention but a few. Other minorities typical of the EU15 and acceding countries, such as the Roma, are not present in Malta in any significant numbers. In any case, the effective implementation of the above Directives should form part of Malta's strategy for promoting the integration of ethnic minorities and other disadvantaged groups.

2.9. Informal sectors

There are no available data on the extent of the informal economy in Malta. However, the structure of the economy, based to a large extent on the building industry and tourism, would suggest that the informal economy might absorb a significant share of the male and female labour force which, as long as it remains outside formal employment structures, enjoys no social protection and also pays no taxes, distorts competition and weakens the funding of social and legal protection, in that it contributes to tax evasion.

2.10. Aspects specific to Malta

A low female participation rate in the labour market is highly specific to the Maltese economy. It is still not easy for women to combine motherhood and family duties with a job/professional career because of a lack of adequate support services for the family. Also, the perception of males as the main bread-winners, within the concept of stereotyped traditional roles, is still quite common in Maltese society, although signs of a trend towards a dual-earner family are becoming evident.

Despite the fact that primary and secondary education in Malta is free to everyone, some 11.2% of the total population in Malta were recorded as being illiterate in the 1995 Population Census. The number of illiterate persons aged 10-19 years, stood at 4.9% of the total number of illiterate persons. Men have higher illiteracy rates than women (12.6% and 10% respectively).

16 Directives 2000/43/EC and 2000/78/EC.

3. KEY CHALLENGES

3.1. Employment

The main challenge in this field is to increase the current overall employment and activity rate, particularly female labour-market participation. The development and delivery of co-ordinated policies encouraging the uptake of employment by particular target groups (such as disabled persons) as well as by persons engaged in the informal sector, is another challenge. This involves an understanding of the interaction between available social benefits, the current tax regime and the incentive to take up work. Developing a flexible, adaptable, more skilled and ICT-literate labour force meeting the needs of the labour market is also considered to be one of the key challenges facing Malta.

3.2. Ensuring adequate income and resources

The issues of sustainability and adequacy of pensions and social welfare provision in the context of increased life expectancy, an ageing population and other socio-demographic changes is a key challenge and represents one of the major areas requiring radical reform. Furthermore, in view of the importance of the future financial stability of the national economy, a reduction in the welfare gap and the need to reform the welfare system through a more efficient allocation of available funds should be recognised as another key challenge. This might involve a radical switch to a coordinated approach in order to ensure adequate protection while at the same time making it worthwhile for those who need not be on unemployment assistance to work. An integrated approach to long-term prevention of the risk of poverty and social exclusion, closely linked to an examination of the causal factors leading to poverty, is the second key challenge.

3.3. Education

The major challenge in the field of education is inclusion and accessibility to quality education for all, leading to higher levels of literacy and employability. Current efforts at minimising, from an early age (also by means of pre-school child care services), the effects of unfavourable social backgrounds and educational disadvantages are being intensified and increasingly integrated with other related services. The continuous development of a learner-centred and participatory school culture through all stages of life is one major commitment being undertaken in this area. The efforts to enhance the provision of vocational education and training and to increase the number of students, is a major challenge for the Government and all the social partners. The provision of educational services for early school-leavers is seen as another key factor in improving the present and future social and economic situation.

3.4. Family solidarity and children's rights

The task of supporting the family in Malta, while promoting and ensuring equal rights and opportunities, becomes even more pressing in the context of greater individualism within society, and the trend towards a more secular society in general. Measures are needed to prevent and, where appropriate, deal with risk factors that could make families vulnerable, such as long-term illness, violence or abuse, low income, inadequate housing or addiction. The specific needs of families which are disadvantaged or include disabled persons have to be recognised; the concept of 'families at risk' is still in its early stages in Malta and its further development is another key issue. At the same time, the ongoing improvements in child welfare and related services must remain a priority issue on the social policy agenda.

3.5. Equal access to quality services

The provision for employment, education, training, leisure and cultural activities for persons with disabilities or mental health problems, single parents and other vulnerable target groups is necessary in order to ensure their integration into society and greater mobility between sectors of the economy. Housing facilities and services relating to housing conditions conducive to better social cohesion and regional balance are also needed. For some groups (e.g. the disabled or elderly, or persons with mental health problems) access to information on these services is inadequate, hence the need for improvement in the provision of information focusing on these specific groups.

A major challenge is to ensure the sustainability of public health services in a situation of both higher demand (owing to the increasing frailty of an ageing population, changes in lifestyle, environmental factors, changes in social values and perceptions of care provision) as well as in an overall context of increasing healthcare costs. The promotion of good health for all and the prevention of illness through better access to health information is another key challenge. Further improvements in primary health care should focus specifically on the needs of groups lower down the socio-economic scale. The efficiency and accessibility the services are largely dependent on improvements in the existing public transport system, which has been partly contributing to the social exclusion of various specific groups, such as elderly and disabled persons.

3.6. Provision of services

Given current department- and service-based delivery structures, the major challenge is the design and development of a framework for an integrated and coordinated policy development and service-delivery structure (including partnerships with NGOs) which should make for more effective identification of social needs, including gender-specific requirements, as well as timely, appropriate and effective responses and the monitoring, evaluation and coordination of these efforts according to professional standards. The development of partnerships with the voluntary and community services sector is seen as a challenge in terms of quality and delivery of services. Taking account of beneficiaries' needs in the design, delivery and evaluation of services remains a key issue.

3.7. Housing

Affordable housing for owner-occupiers and tenants is the key challenge in the local housing sector, which is burdened with escalating prices for land and an unbalanced and weak market for rented accommodation. Making use of the vacant housing stock and further activation of the rental market are seen as key issues with considerable economic and social implications for the future. Public-private partnerships in the field of social housing and also the provision of social housing for rent while applying positive discrimination in favour of target groups (such as single parents, persons with disabilities, the long-term unemployed, ex-offenders and the elderly) should be pursued even more vigorously in the future, as these are the groups most affected by the lack of social housing for rent.

3.8. Regeneration of deprived areas

Regenerating and fostering wider communities in deprived areas and in the areas of substandard and dilapidated housing, by means of urban renewal and regeneration projects, remain a major challenge. Providing employment for the residents is one major way of

bringing about a better socio-economic environment and greater integration in these areas. Another important task is to prevent the disadvantages of living in a deprived area from being passed on from one generation to another. Collaboration between resident communities, the Government, voluntary organisations and NGOs, with the specific aim of eradicating social exclusion and poverty among the most needy groups, is another priority area for policy-makers. Although they have been considered separately here, these key challenges can be tackled effectively only by mobilising all interested parties, adopting a holistic and gender-specific approach to the problem, and by coordinating the activities of all those involved.

4. POLICY ISSUES

4.1. Facilitating participation in employment

4.1.1. Promoting access to stable and quality employment and active employment policies

The most relevant aspects of the current situation

The Maltese labour market is characterised by a **low female participation rate**. Home-making, backed up by traditional cultural norms, is still considered as a socially acceptable and fulfilling role for women. However, greater involvement in jobs outside home is hampered by the problems encountered by women on their return to the jobs market (such as lack of affordable and regulated child care for children aged 0-2¹⁷, unequal sharing of domestic responsibilities, low or irrelevant skills upon their return, lack of information about existing work opportunities)¹⁸. There are also differences between the genders in terms of job mobility and career advancement, and the stereotypical female tendency towards a work profile in the fields of manufacturing, education, sales, or health and social welfare.

The greater openness of local markets and the restructuring of the economy mean that the need to **eradicate illiteracy and improve the skills and educational levels** of the Maltese labour force is becoming even more pressing. High illiteracy levels and low uptake of re-training services might prove to be a serious obstacle to matching labour-market supply and demand, and to improving the skills of the labour force. The December 2002 LFS data show that only 6.1% of employed persons were found to be engaged in a training or education program in that month (5.9% of employed men and 6.5% of employed women). Problems of unemployment among young people and the middle- to old-aged groups, as well as the difficulties women face when re-entering the labour market, have to a very large extent been attributed to the school drop-out rate and low take-up of continuing vocational training. In other words, quality jobs can only be obtained by those women who, after a career break, are able to respond to labour-market demand, which in turn is conditioned by previous training and up-skilling.

17 There is universal provision of kindergarten services from the age of 3 to compulsory school age (namely 6 years); however this is available only on schooldays and during school hours.

18 Maternity leave is the same for employees in both the private and public sectors, and it consists of 14 weeks (13 weeks on full pay) of which at least 6 weeks must be taken after giving birth. Statutory parental leave entitlement is the same for both genders and it consists of unpaid leave of up to 3 months in the period up until the child reaching the age of 8 years. In the public service, parental leave consists of unpaid leave of 1 year per child and a one-off 3-year career break (which may be shared between the parents provided that they are both Government employees).

Low employment rates are to be seen among **persons with disabilities**, who often have low levels of education. They also encounter difficulties in gaining access to labour-market and training services. Another obstacle to engaging in productive employment is created by the **narrow gap between the minimum wage and unemployment assistance**, which proves largely counter-productive in combating long-term unemployment and the informal sector. As mentioned earlier, while there is a some difference between the weekly unemployment assistance/social assistance and the national minimum wage for a one-person household (in 2003, unemployment assistance amounts to 58.3% of the national minimum wage), the gap narrows in the case of a five-person household, where unemployment assistance is equivalent to 84.6% of the national minimum wage (Tables 7 and 13). This acts as a disincentive to take up work and could lead to dependence and a risk of poverty.

Main policies and institutions

A number of government entities are responsible for labour-market policies in Malta and committed to introducing measures to increase the overall employment rate by creating more quality jobs within the private sector. This aim was given further momentum by the setting-up of the Malta Enterprise, which will combine the activities currently carried out by the Malta Development Corporation, the Malta External Trade Corporation and the Institute for the Promotion of Small Enterprises.

Passive employment measures are administered by the Department of Social Security (within the Ministry for Social Policy). These include unemployment benefits for unemployed individuals and the invalidity pension for persons incapable of engaging in full- or part-time employment. Active measures consist mainly of employment and training services administered by the Employment and Training Corporation (ETC), the public employment service of Malta linked to the Ministry of Education. Besides the ETC, the Staff Development Organisation (within the Office of the Prime Minister) provides training to public servants, while the Malta College of Arts, Science and Technology (MCAST) and the University of Malta, both within the Ministry of Education offer training to adults.

An in-depth review of Malta's labour market policies was carried out in 2001 through the drafting of the Joint Assessment Paper of Employment Policy Priorities in Malta, which outlined a number of key challenges grouped together according to policy priorities:

1. to pursue the review of interaction between the tax and social benefit systems, in order to remove poverty traps and provide the right incentives for unemployed or inactive people to seek and take up work;
2. to increase the overall employment rate, with particular emphasis on active promotion of female labour market participation and implementation of measures to address gender gaps, including the enactment and enforcement of comprehensive gender equality and anti-discrimination legislation and the promotion of family-friendly working arrangements;
3. to strive to reduce the size of the informal sector;
4. to aim for better matching of labour demand and supply: modernising vocational education and training with greater involvement of the social partners: sustained efforts to raise the skill levels of the workforce, particularly disadvantaged groups;

up-skilling and/or redeployment of public sector restructuring. Illiteracy must be monitored and reduced;

5. to further develop active employment measures and co-ordinate labour market policies, and to strengthen the capacity of the public employment service to provide individualised services;
6. to develop the institutional structure and capacities needed to implement the European Social Fund, taking into account the policy priorities in the JAP.

In response to the **low female participation rate** in the formal labour market, the Employment and Training Corporation has launched its Gender Action Plan covering the period 2003-2004. The Plan introduces various measures that address female employment and training. Moreover, both the **Act to Promote Equality for Men and Women** and the **Employment and Industrial Relations Act**, which were passed by Parliament in 2003 and 2002 respectively, address non-discrimination on the basis of gender in employment, training and working conditions.

An **increase in the employment rate**, and in particular the employment of women, can be achieved only if proper and affordable childcare and dependent-care services are available. The Ministry for Social Policy has set up a Technical Committee on Childcare to make recommendations on the development of high-quality childcare provision (for children aged 0-2) and enhance services already available to children over 3, to parents who wish to remain in formal employment. Single parents with children would be among the main beneficiaries. Also, with the intention of promoting female (and single-parent) participation in the labour force (as provided for in the Business Promotion Act), the Government set out measures concerning the provision of benefits in the area of child care, e.g. no rent paid for the first three years on childcare premises (provided by the Malta Development Corporation); financing of up to 50% of the total cost of setting up such childcare centres; financing of 50% of the recurrent costs of childcare; financing of initial and refresher training costs involved in setting up these centres; and waiving of customs duties on imported furniture for use in the centres.

Improved alignment of labour-market supply and demand is a key policy. Measures undertaken with this aim in view include Youth Outreach Programme, Personalised Action Plans, the Basic Employment Passport aimed at school-leavers, and research projects on youth, employment and the transition from school to work. Other related measures undertaken by the Employment and Training Corporation (ETC) include the **Empowerment Skills Programme, Personalised Action Plans** and research projects on women returnees and atypical work. Furthermore, both the ETC and the MCAST have sought to run campaigns to attract more women into vocational training and apprenticeship schemes. The ETC is providing **on-the-job training** for long-term and older unemployed persons at local councils and in non-governmental organisations. The ETC is working closely with the National Commission for Persons with Disabilities under the Work Life and EU Enlargement Project to provide more individualised services to persons with disabilities and to promote gender equality in vocational guidance. The ETC has recently launched a new scheme for disabled employees, which provides permanent financial **assistance to those enterprises which employ persons with disabilities**. This financial assistance ranges from a subsidy equivalent to half the minimum wage paid to employers who employ a person with disability who does not require the service of a job coach or personal assistant on a permanent basis, to the supply of job-coaching services on a temporary basis together with the services of a personal

assistant on a permanent basis. This is in addition to the existing ‘Bridging the Gap’ scheme. The Equal Opportunities (Persons with Disabilities) Act (2000) contains provisions to stop discrimination in employment on the grounds of disability.

Summary of the key priorities for future policy reviews:

1. to increase the **overall employment rate, particularly that of women, as well to reduce the informal economy**; to develop more and better measures aimed at reconciling work and family life, particularly in private-sector employment, where such measures are still in their infancy (including the provision of affordable and regulated childcare services);
2. to match supply and demand on the labour market and further develop **vocational education and training**, with greater involvement of the social partners; to ensure better uptake of schemes providing training to long-term and older unemployed persons;
3. to promote the development and uptake of stable and quality employment by **vulnerable groups**, particularly: disabled persons, middle-aged and older women, long-term and old unemployed persons, illiterate persons, persons with low education or no skills, persons with mental-health problems, substance abusers and ex-inmates of correctional facilities;
4. to tackle poverty traps and provide the right incentives for unemployed, inactive people and those in part-time employment, particularly in view of the review of the **interaction between the tax and social benefit systems**.

The recent research study¹⁹ on the interaction between the income tax and social benefit systems identifies the substantial increase in incomes as the major factor encouraging inactive persons to take up work, followed by the decrease in family responsibilities and commitments. This latter motive, together with the prospect of working from home, is of particular significance for inactive women. A second important finding relates to the increasing perception of tax systems as inequitable, which leads to a deeper reliance on social assistance, a stronger perception of unemployment as a viable option. For those who are on social benefit and contemplate taking up a job, the benefit-replacement rate and average tax rate incurred upon moving into paid employment are related to a person’s minimum expected hourly remuneration. As for those who are already in employment, the income, age and number of financially dependent persons were found to be related to a person's average job tenure, i.e. affecting whether they remain in work, move away or change job.

4.1.2. In-work prevention of exclusion

The most relevant aspects of the current situation

The current system of wages is based on the principle that work of equal value should be rewarded with equal pay, and that a **decent income** is to be ensured. However, there is a need to **encourage further improvements** in pay by recognising experience and skills gained

19 The Interaction of Income Tax and Social Benefit Systems and its Impact on the Incentive to Work, 2003. A study carried out with support of the European Community – Community Action Programme to combat social exclusion (2001-2006).

through practice and increased productivity. Although the **wage-gap** between women and men in Malta stands at the 83.1% mark (see Table 16), there is still ample room for improvement, particularly in the lower-income groups, where low pay is seen as a real driving force behind poverty. Abrupt withdrawal of social benefits has been recognised as a strong disincentive for both men and women to come off benefits.

Main policies and institutions

The Employment and Industrial Relations Act (2002) safeguards the principle of **equal pay for work of equal value**, while the Equality between Men and Women Act (2003) contains provisions to prevent discrimination based on gender and sets out a mechanism to promote equality.

The Malta Professional and Vocational Qualifications Awards Council was set up in 2000 to establish national standards of competence and to provide for the certification of persons who demonstrate that they have attained such standards. Since being set up, eight Standard Development Boards have been established to develop standards in various occupations. The Council is also trying to enter into a strategic partnership with a foreign awarding body for the purpose of speeding up the introduction of certified occupational standards in Malta and setting up an appropriate assessment framework.

The Social Security Act (1987) provides additional financial help (Tables 7 and 13) to **particularly vulnerable groups**: single unmarried parents and persons who are undergoing rehabilitation programmes. These individuals are now still entitled to social assistance if they work, provided that the amount payable by the Department for Social Security in social assistance and their remuneration, do not together exceed the national minimum wage. Consequently, other vulnerable groups have been treated in a similar fashion: widows and pensioners can also work and receive the contributory pension under the same terms and conditions. This also applies to persons with disabilities in receipt of a disability pension. In the latter case, if the wage increases, the pension decreases. Widows who have children under the age of 18 can work without restrictions on the amount they may earn without forfeiting their right to a contributory pension.

Summary of the key priorities for future policy reviews:

1. to set up the **National Commission for the Promotion of Equality between Men and Women** so as to promote equality between men and women.
2. to recognise and evaluate the competencies derived from non-formal learning in Malta and to **establish a formally recognised system for certification of skills** derived from work practice and other non-formal means of learning.

4.2. Promoting access to resources, rights, goods and services

4.2.1. Access to social protection

The most relevant aspects of the current situation

The **general principles** of social protection in Malta are based on the Social Security Act of 1987. The Act provides for two basic schemes: the **contributory scheme**, and the non-contributory scheme. In the contributory scheme (which includes injury, sickness and unemployment benefits, as well as invalidity, widows', retirement and orphans' pensions,

among other things), the basic requirement for entitlement is that specific conditions regarding contributions are met; under the **non-contributory scheme**, the basic requirement is that the conditions governing the means test are satisfied. The non-contributory scheme, which was originally intended to cater for those below the 'poverty line', has over a period of years evolved into a comprehensive scheme with a number of provisions that are interlinked in such a way that one type of benefit supplements another. This scheme covers, among other things, social assistance/benefits/allowances, old-age pensions/allowances, rent and child allowance, medical assistance, disabled child and foster-child allowance, maternity benefit, carer's pensions and other assistance such as milk grants, communal services rebates and waivers of school examination fees. The allocation of more than one benefit at the same time is possible, thus providing simultaneous coverage in those cases where more than one contingency applies (Table 8).

Family benefits (Tables 7 and 13) include the child allowance, disabled child allowance, special allowance, foster child allowance, maternity benefit, milk grant, a non-means-tested half-yearly, end-of-year and additional bonus, supplementary allowance for heads of households on low income, subsidies for water and electricity charges and telephone rentals and waivers of examination/school fees. For households with persons over 60 years of age, heavily subsidised Telecare and Handyman services are available.

In 2003, weekly **unemployment assistance/social assistance** ranges from MTL 30.97 for a one-person household (58.3% of the national minimum wage) to MTL 44.97 (84.6% of the national minimum wage) for a five-person household (Table 14). This assistance is means-tested. However, **unemployment benefit** has been fixed at MTL 3.66 a day (MTL 21.96 a week is equivalent to 41.33% of the national minimum wage) for a married person maintaining a spouse and for a single parent, and at MTL 2.38 a day (26.9% of the national minimum wage) for any other person. Under the **special unemployment benefits** regime, benefit has been fixed at a daily rate of MTL 6.14 and MTL 4.00 for the two above-mentioned categories of beneficiary (69.3% and 45.2% of the national minimum wage respectively). **Injury benefits** are also available at daily rates of MTL 9.05 and MTL 6.81 respectively (102.2% and 43.9% of the national minimum wage), while **sickness benefit** for the two categories of beneficiaries stands at MTL 6.02 and MTL 3.89 respectively (68% and 43.9% of the national minimum wage). All these benefits are non-means-tested and valid only for a stipulated period (156 days, i.e. 6 calendar months). In cases of permanent incapacity, invalidity pension is available at a rate of 90% or more.

Pensions are available in several forms: national minimum pension, widow's/survivor's pension, retirement pension and 'two-thirds' pension (relating to earnings payable to persons who retired after January 1979) which are all contributory (see Table 8 for details). The two-thirds pension encompasses the highest number of beneficiaries, followed by the widow's pension, national minimum pension and retirement pension (Table 13). Orphans' and (contributory) invalidity pensions are also available. Reciprocal agreements on retirement benefits have been concluded between the Maltese Government and governments of the UK, Canada, Australia and the Netherlands. However, owing to demographic pressures, the sustainability of pensions and pension reform has been seen as one of the most urgent tasks confronting the Welfare Reform Commission. In addition, a price index for the index-linking of pensions was introduced in 2003, thereby addressing the effect of inflation on pensions.

Main policies and institutions

Although Malta does not have a minimum income standard in the strict sense, the universal social assistance scheme referred to above aimed at guaranteeing a minimum income is in place for Maltese citizens. Refugees with valid refugee status and resident nationals from signatory countries to the European Social Charter all qualify for the non-contributory and contributory benefits from the Department of Social Security (DSS). An index-linking mechanism, calculated on the basis of the previous year's inflation rate, leads to the topping-up of wages and the minimum wage (which are used as references for calculating a number of benefits), thus mitigating the effects of inflation. However, there is a need to appreciate the significance of poverty statistics in real terms so as to relate this to the instruments of social protection.

The DSS is responsible for the administration of all social security benefits pursuant to the Social Security Act (1987), which consolidated the Old-Age Pensions Act (1948), the National Assistance Act (1956) and the National Insurance Act (1956). This Act provides for both a contributory and non-contributory schemes. Entitlement to the former depends upon specific conditions regarding contributions being met, whilst entitlement to the latter is based on a means-test. Heads of households who are either unemployed or unable to work receive non-contributory benefits at a flat-rate which is adjusted each year in line with inflation, as explained above; these benefits are also means-tested. This approach maintains the principle of 'less eligibility', i.e. the principle that unless the actual rates of benefit themselves are increased, they will not exceed the minimum wage. The main agencies involved in social welfare provision are: Appogg (social welfare agency for children, family and community), Sedqa (the agency tackling drug and alcohol abuse) and Sapport (the agency providing community and residential services to persons with disabilities). These agencies form part of the Foundation for Social Welfare Services, which is run by the Government.

Recently-introduced changes to fiscal instruments, as well as other measures such as the clamp-down on social benefit fraud, have sought to ensure a more effective and fairer distribution of welfare benefits whilst seeking to ensure that the social welfare system remains sustainable. The Malta Council for Economic and Social Development (MCESD) and the Welfare Reform Commission have now been jointly entrusted with the task of examining the social security system in Malta and its sustainability, and making recommendations on possible reforms, especially with regard to pensions.

Summary of the key priorities for future policy reviews:

1. to ensure the sustainability and the adequacy of the social protection system, taking into account future financial requirements and demands as a result of demographic changes;
2. to tie in the benefits and services administered by the DSS with the welfare services provided by the national agencies Appogg, Sedqa and Sapport so as to increase the benefits of concurrent efforts to reduce the risk of poverty and exclusion;
3. to promote policies to 'make work pay'.

4.2.2. Access to education and culture

The most relevant aspects of the current situation

The provision of primary education (free in State schools) is guaranteed by the Constitution of Malta, while education is compulsory from the ages of 5 to 16. Most children attend nursery classes from the age of 3. However, 2.5 times more **illiterate** men than women have been identified in the 10-34 age-group. During 2001, the proportion of early school-leavers not in further education or training reached 54.9% (girls 51.6% and boys 58%) (EU15:19.3%; girls 16.7% and boys 21.9% as at 2001). However, this is about to change in the near future; in fact the share of those going into further education is increasing.

Literacy and good-quality education are necessary preconditions for **disabled persons** to participate more fully in further education and obtain quality jobs, an aim, which has proved elusive up to now. Finally, there is an evidence that, in Malta, workers with a the lowest levels of primary and secondary education are less likely to undertake training and further education, as compared with employees with a post-secondary or higher-education background (35.2% and 64.8% respectively, as at December 2002; LFS data).

Main policies and institutions

The Maltese Education Act (1988) defines the rights and obligations of students, parents, the State and NGOs (foremost among which is the Catholic Church) in the sphere of education. Educational institutions provide an extensive system of education catering for all requirements at nursery, primary, secondary and post-secondary levels. About 30% of all students attend non-State schools; education for children in special schools and technical courses are provided by State schools only. Education is free in all State-run and Catholic schools (and heavily subsidised by Government) but there is an increasing number of fee-paying private schools.

The Education Division (within the Ministry of Education) is responsible for the enforcement of the Education Act (1988), the implementation of the National Minimum Curriculum (NMC) (2000) in all schools, as well as for the running of State schools.

The NMC recognises the need for gender equality as an all-pervasive theme in order to promote more gender-inclusive approaches. This principle ensures that both male and female students follow the same curriculum, and are exposed to the same educational experiences, thus providing equal access to the same work opportunities. The NMC also redresses the imbalance between skills and knowledge, thereby increasing the skills and competencies component of our education. On the basis of their education experience, children are being equipped with a **balanced mix of knowledge, skills and attitudes** enabling them to participate effectively in the labour market.

The Foundation for Educational Services (FES) within the Ministry of Education provides courses and assistance to teachers and parents who wish to help students with **literacy problems**. FES also offers community-based training to students with literacy difficulties. The HILTI programme offers facilities for after-school **family literacy** courses in some thirty community schools in Malta and Gozo. The EU-funded Parent Empowerment for Family Literacy Project (PEFAL) was launched in the course of 2003. Courses are also being organised by the ETC for **unemployed illiterate persons**. Some of the courses are run in

collaboration with the Literacy Unit at the University of Malta, the Paolo Freire Institute (an NGO), local councils, Church institutions and employer organisations.

As regards young **persons with disabilities** and persons with learning difficulties, the Government's recent new strategy of 'inclusive education' enables these students to attend school at their place of residence, where they are mainstreamed in all spheres of life such as studying, playing and socialising with their peers. In fact, the number of students in special education dropped by 26.5% in the period 1990-1999. While most disabled students are now enjoying the benefits of inclusive education during the years of compulsory schooling, much work still needs to be done to provide them with adequate guidance and support when it comes to post-secondary education and training.

As said above, the European Community legislation prohibits racial discrimination in employment, education, social security, health care, housing and access to goods and services; further, discrimination on grounds of religion or belief, age, disability and sexual orientation are also covered in the areas of employment and training. The effective implementation of the above-mentioned anti-discrimination Directives (2000/43/EC and 2000/78/EC) should form part of Malta's strategy for promoting the integration of disabled persons and other disadvantaged groups, including ethnic minorities.

An area of priority of the Ministry of Education is **lifelong learning**. The Education Division has embarked on a process to shift the emphasis from adult education to lifelong learning, thus increasing opportunities for continuous self-development among the adult population. The Division of Education, through its Department of Further Studies and Adult Education, provides literacy courses in basic Maltese, maths and English and second-chance courses leading to the Secondary Education Certificate examination. These day courses are aimed specifically, but not exclusively, at those women who would like to upgrade their qualifications after a career break to bring up a child. The Department of Further Studies and Adult Education also runs evening courses in a wide range of subjects covering **general and vocational education**. This Department is also the principal stakeholder in drawing up a national policy and strategic plan for lifelong learning. This is in line with Government's policy to provide more opportunities and increase the participation rate of the adult population in lifelong learning, which currently stands at 4.6% (2001), well below the current 8.4% in the EU15 and the EU's 12.5% target for 2010. It should be noted that the opportunities for participating in training are twice as great for public-sector employees in Malta than for those in the private sector (8.6% compared with 4.7% as at December 2002; LFS data).

Summary of the key priorities for future policy reviews:

1. to eradicate the **causes of educational disadvantage leading to illiteracy and truancy**, and to identify the causes of low achievement among particular groups of children; to implement an integrated approach in tackling the educational problems of disadvantaged groups;
2. to recognise and take into account the particular needs of **disabled persons** by providing more personalised services and assistance, enhancing and disseminating knowledge of Maltese sign language, improving the accessibility of spoken information, increasing disabled persons' access to higher education, and providing support for persons with learning difficulties while taking measures to identify problems as early as possible and respond to their needs;

3. to increase the numbers of early school-leavers in **further education**²⁰, currently standing at 48.4% (girls; EU15: 83.3%) and 42% (boys; EU15: 78.1%) and persons engaged in **lifelong learning** activities.

4.2.3. Access to healthcare

The most relevant aspects of the current situation

Access to health care is the same for everyone, and public health services are free of charge at the point of use; in the present scenario, the government fulfils the role of financing authority and service-provider. However, there are indications that investment in personal health increases as one moves up the socio-economic scale. Free public primary healthcare services are provided through eight health centres offering a range of services, including dental care, speech therapy, immunisation, paediatric care, etc. Patient registration and continuity of care is lacking. It is estimated that around two thirds of primary health care is provided by the private sector. In the vast majority of cases, individual general practitioners provide this care.

Secondary/tertiary public care is provided in five hospitals, the largest of which will be decommissioned when the new acute-care general hospital (Mater Dei Hospital) becomes operational (in 2005). Secondary care is also provided by three private hospitals. Several clinics provide a wide range of services short of in-patient care. Recipients of social assistance or non-contributory pensions under the Social Security Act are entitled to free medicines. Persons suffering from certain chronic conditions, listed in the Fifth Schedule to the Social Security Act, are provided with government-approved medicines free of charge.

In the field of employment, a marked improvement in **occupational health and safety** has been noted. However, more needs to be done to raise awareness amongst employers and employees alike.

Main policies and institutions

The Ministry of Health, through the Health Division, acts both as the regulator as well as a service-provider for the primary and secondary/tertiary care sectors. The Ministry of Health is the licensing authority for private hospitals and clinics. Legislation prescribes standards whilst regular monitoring takes place through a system of inspections. Government policy is that the provision of health care should be developed further into structures acting independently of the Health Division, the aim being, among other objectives, to achieve more effective management.

The national health policy document 'Health Vision 2000', launched in 1995, proposed a programme of health reforms. These included the strengthening of the planning, monitoring and regulatory functions of the Health Division, while relinquishing direct responsibility for the day-to-day management of health services. The Foundation for Medical Services is currently responsible for the construction of the new general acute-care hospital and also for the management of Mount Carmel Hospital (a psychiatric facility) and Zammit Clapp Hospital (an acute geriatric rehabilitation hospital). The other hospitals are still managed by the Health Division.

20 Persons aged 18-24 who have a highest secondary level of education or less and are not attending an educational or training establishment, as a percentage of the total population aged 18-24.

The Occupational Health and Safety Authority is currently in charge of a massive capacity-building exercise, whilst carrying out its statutory duties at the same time.

Summary of the key priorities for future policy reviews:

1. to safeguard the sustainability of health care services, whilst ensuring **equity** in the provision of these services to all citizens, and to look at innovative approaches to healthcare financing;
2. to further the transformation of the Health Division into the role of a regulator, whilst independent management arrangements will be put in place for healthcare services;
3. to improve **the public primary health care** services so as to allow for greater quality and patient follow-up; to enable this service to move from its reactive role in responding to health problems towards a pro-active role in maintaining public health;
4. to improve services for persons with **mental health problems**, and their families; this includes a sustained shift in mental healthcare from a custodial to a therapeutic and community-based approach.

4.2.4. Access to housing

The most relevant aspects of the current situation

The Maltese are well housed with a relatively high home-ownership rate of 68%. As regards rented housing, a distinction may be made between two types of tenant: those who entered contractual agreements prior to 1995 where tenancy rights and rents are protected (lifetime tenure, set at very low prices often at the 1939 level, possibility of passing on the tenancy to one's next of kin, etc.) and those concluded after 1995, when the market for rented accommodation was totally liberalised and offers no such protection. Thus, in the former case, rents are usually considerably low; according to the Household Budgetary Survey (2000), 0.7% of total household expenditure goes on rent. However, the risk of poverty is higher among those in rented housing (29%; EU15: 24%) than among owner-occupiers (11%; EU15: 12%).

Despite of a wide range of mechanisms currently in place in the field of social housing (such as subsidised rents, financial assistance for home repair and maintenance, interest-rate subsidies on home loans) decent, healthy and **affordable housing** could prove difficult to come by for several groups in society. These groups mainly comprise single parents, single persons, low earners of any age, disabled persons, and elderly and frail persons. Market rents are often at a high level in relation to the financial available to the most needy groups (such as those receiving social assistance or other social benefits). The availability of rented social housing is low, although the policy is to increase the number of the newly built housing units for rent.

Main policies and institutions

The Housing Authority is the main public agency responsible for implementing all Government programmes to provide **affordable housing**. The Authority's work in alleviating poverty is channelled in particular through its new Care and Repair Programme, home maintenance schemes and schemes offering financial support for measures to increase access to affordable housing. In partnership with NGOs, the Authority is assisting in the provision of

subsidised and sheltered housing and emergency shelters, and is building new housing units for rent. The increase in the share of affordable housing allotted to **disabled persons** and the introduction of quota for **persons with mental health problems** were seen as a major moves to combat social exclusion and poverty among these groups.

The Department for Social Housing is in charge of allocating publicly owned rented housing, and manages over 10 000 requisitioned properties. These housing units are allotted according to the newly standardised system of points to ensure maximum transparency in the allocation process. Furthermore, the policy of combating homelessness has been backed up with measures such as a special rent subsidy for young people leaving residential care, and financial assistance to NGOs supporting homeless persons. Access to housing has been made much easier for single parents by means of **subsidised prices for home ownership** (with zero deposit loans) and to disabled persons by allocating affordable housing units that are fully accessible. However, these measures are not able to meet all needs.

The Access complex, within reach of one of the particularly needy areas in Malta, Cottonera, caters for employment, housing, educational and social work services. It was set up as a result of a pro-active approach towards those needing assistance in availing themselves of these services. The need for such a service was identified by means of assessments arranged by the Housing Authority's care and repair services.

Summary of the key priorities for future policy reviews:

1. to continue with the current housing policy of encouraging home-ownership, while strong emphasis on the provision of decent housing for all; to further develop **the affordable housing programme**, since particular target groups, such as separated persons, encounter difficulties during the process of separation;
2. to stimulate the **rental market, make effective use of vacant housing stock** and carry out urban regeneration of disadvantaged areas, all of which are regarded as means of increasing the housing supply and affordability for the most needy and target groups, especially families with large number of minors, persons with mental health problems, single parents, teenage-mothers, ex-offenders, young persons living alone, victims of domestic violence, persons living in shelters or coming from rehabilitation;
3. to further support and coordinate work with NGOs aimed at the provision of and financial support for small-scale **sheltered housing** for those target groups who are most in need, especially those suffering domestic violence or a family break-up;
4. to develop a role for private and non-governmental enterprises (housing and financial institutions) in the provision and maintenance of social housing so as to alleviate the negative effects in social housing provision arising from the lack of cheaper land and poor maintenance, and to further improve the supply and affordability of housing to the most vulnerable groups (disabled persons, single mothers, etc.).

4.3. Preventing the risk of exclusion

4.3.1. e-Inclusion

The most relevant aspects of the current situation

Information and Communication Technology education is provided throughout the period of compulsory schooling. Malta has a high ratio of computers to students (Table 15). At primary level, ICT is used as a cross-curricular tool right from the first year, when children are just five years old. At secondary level, besides learning IT, students have the opportunity to specialise in IT by choosing Computer Studies as a core curriculum option. Students also sit for the European Computer Driving Licence (ECDL) thus complementing their other qualifications in IT.

The number of Internet subscriptions is constantly on the increase, from 8.8 per 100 persons in December 2000 to 13.3% as at December 2001 and 16.7 per 100 persons as at December 2002. A further increase to 17.4 per 100 persons was recorded in March 2003. Indeed, according to a survey on the use of CT, the number of households with Internet access reached 31.3% of all households during 2002. The continuous increase in the number of Internet users is particularly encouraging. However, for many **vulnerable households and individuals**, ICT affordability and literacy is a concern.

There is a need to increase awareness of the importance of computer and ICT skills and knowledge **among target groups**; the recent survey results show that most women (62%) are not interested in access to the Internet, whilst 50% indicated that they did not want to have a computer. In addition, only 16% of women would like to have personal computer, and 17% access to the Internet, but cannot afford it.

Main policies and institutions

Responsibility for matters relating to the information society lies with the Ministry for Information Technology and Investment. The Maltese Government considers the creation of a first-class information society to be a priority national objective in view the economic opportunities it offers and its importance to the quality of life of all its citizens. In this context, the e-Malta Commission was set up to lend impetus to the identification, promotion and coordination of initiatives which are needed to bring about an information-based society and economy in Malta.

Current measures to promote ICT literacy include the establishment of the Internet Centres and Public Internet Access Points (PIAPs), the 20-hour 'my Web' course on basic practical IT knowledge, and Internet Centres at special locations (such as drug rehabilitation centres). The major weakness is apparent in the high drop-out rates from these courses, despite them being free-of-charge. There is also a need to reach those unable to attend evening/afternoon classes through greater provision of services in the morning hours.

As regards **disabled persons**, who may profit most from the technological changes and especially from ICT-skilled jobs and teleworking, the setting-up of the Foundation for Information Technology Accessibility (FITA) is a landmark achievement in terms of its significance for this group, which could greatly benefit from ICT. FITA is currently seeking partnerships to facilitate the e-inclusion of the disabled through the e-Malta Commission.

Summary of the key priorities for future policy reviews:

1. to **increase the take-up and affordability** of ICT to enable future development of IT skills; to continue with the Government's initiative in setting up community centres attached to local councils in order to facilitate access for those for whom IT poses an affordability problem;
2. to provide accessible **training in basic computer skills** to particular target groups, such as the unemployed, inactive women, women re-entering the labour force, and disabled persons.

4.3.2. Preventive action, family solidarity and inter-generational transmission of poverty

The most relevant aspects of the current situation

The enhancement of rights and safeguarding of equal opportunities in a scenario of both spouses participate in working life, needs further support through gender-based policies. However, disadvantaged families face greater difficulty in achieving a balance between work and family needs than other traditional types of families; of all family types in Malta, **single-parent families are at the greatest risk of poverty** and their specific needs still have to be met by an adequate policy response. In those cases where a spouse is absent or there is a lack of immediate family support, the need for good-quality and affordable childcare facilities is even more urgent. Finally, the scarcity of longitudinal data and research make any analysis of the causes and effects of poverty and social exclusion even more difficult. The 1999 national survey on the literacy achievements of Year 2 pupils demonstrated that pupils whose mothers and/or fathers were better educated, and those whose fathers had predominantly middle-class jobs, achieved higher average scores than others; regional differences were also discernible.

Main policies and institutions

Many departments, such as the Division of Education, the Division of Health, Appogg and Sedqa, carry out **preventive programmes**. Further promotion of health and healthy lifestyles is seen as one way of preventing health-related risks of poverty and social exclusion, particularly in schools. Appogg is well-placed to develop community-based social-work services as well as community development services. Community development is crucial for **fostering a stronger sense of solidarity within communities** and for strengthening local structures in order to make them work for the community.

Parenting skills programmes such as Program Ulied Darna (within the agency Appogg) is aimed at training volunteers as parenting aides. The ultimate aim is to attain and adhere to the standards of Home-Start International. This programme will be pilot-tested in two major communities, the Cottonera area and Valletta. The Program Benniena (Appogg) is a programme supporting persons going through a crisis because of a pregnancy. The Child and Family Team, within the same agency, provide social-work services meeting the individual needs of children and families. Sedqa Prevention Division, through its parental skills programmes, disseminates targeted healthy-life materials and information. Similarly, Sedqa Care Services, the Helpline referral system, the Law Court services and others all cater for individuals with addictions by assisting in a holistic way. Efforts are being made to ensure that these institutions avoid duplication in the provision of their services and instead offer a holistic approach to the well-being of their clients.

Summary of the key priorities for future policy reviews:

1. to ensure early identification of those boys and girls who might be exposed to **educational disadvantages** even at the pre-school stage and provide education and care conducive to age-appropriate development; to intensify the integration of services that identify children who are at risk of social exclusion; to adopt fully a 'child needs assessment framework' in order to identify which children are at risk and what their needs are. There is also a need for a clear policy regarding the development of new centres involved in the provision of quality childcare services;
2. to set up educational activities, projects and programmes offering guidance on issues such as allocation of household responsibilities and prioritisation of means, adequate access and opportunities to all family members.

4.4. Helping the most vulnerable

4.4.1. Child poverty

The most relevant aspects of the current situation

As already noted above, **children in Malta are at the greatest risk of poverty**, followed by elderly persons. In addition, single-parent families in Malta are at far greater risk of poverty (55% as at 2000) than their counterparts in the EU15 countries (40% as at 2000). This high incidence of poverty among single-parent families could partly explain the higher risk of poverty of the children as compared with the risk over the population as a whole. The second reason might be the skewed income distribution within families with children. Although the total entitlements (taken here to mean unemployment assistance and child allowances) of a family with three children may exceed the national minimum wage by 17.2%, the total entitlements would not be enough for the family to escape the risk of poverty (Table 14 shows the respective position of different types of households' incomes in relation to the national minimum wage).

Another important group of children are those in residential care. Their number is quite high (323 children, or 0.33% of all children below age of 18, as at 2000). More should be done to provide developmentally focused childcare for children coming from disadvantaged backgrounds, so as to increase their chances for improvement and upward mobility from an initially disadvantaged starting point. The intention is to provide **childcare** facilities in which the mental and physical development of these children will be enhanced, something that they may lack within a disadvantaged family environment. Hence, on the basis of means-tests, these children/families are provided with free or reduced-price childcare, which social workers often encourage them to take up (e.g. Smart Kids childcare service within the Access centre in the Cottonera area). In the case of 14-18-year-olds, the idea is to support them in mapping out an individual pathway plan, so as to enable them to understand better the life challenges which lay ahead. While priority should be given to children who are at risk and thus most vulnerable, access to a healthy environment, leisure activities and open spaces should be provided to all children, where they can develop their personality and character.

Main policies and institutions

In the field of **child protection**, the Child Protection Services Unit (Appogg) investigates any cases where there is reason to suspect that a child is suffering, or is likely to suffer, significant

harm. Child Safety Services (within the Education Division) provide support and action to ensure that children are free from abuse.

Together with the services referred to in 4.3.2, the Children in Care Unit and the Foster Care Unit (both within Appogg) provide social welfare services to children who cannot live within their family of origin. Moreover, a financial benefit is paid to foster parents so as to assist them in meeting the costs associated with fostering a child.

As regards **disabled children**, the Child Development and Assessment Unit aims to provide co-ordinated services for their special developmental needs, taking into account their particular disability.

Short assessment of the key priorities for future policy review

1. to establish the office of the Commissioner for Children, which will promote child welfare and compliance with the United Nations Convention on the Rights of Children, which has been ratified by Malta;
2. to develop a legal basis for children's services (child protection, fostering, child residential services, etc);
3. to focus particular attention on the children of single parents, parents in institutional care or prison, children suffering abuse within families, and children in care or leaving care, as these groups are at greater risk of poverty.

4.4.2. Families at risk

The most relevant aspects of the current situation

Of all family types, **single-parent families** are at greatest risk of poverty and social exclusion. As they are mainly female single parents, often with young children, affordable, good-quality and accessible child care services should be provided in order to make these persons more employable. Several other groups, such as victims of **domestic violence and substance abusers**, have been identified and specific services have been developed over the last decade. This development has been accompanied by an increase in the number of requests for services.

Main policies and institutions

Appogg's activities include the establishment of new services such as social welfare and shelter services for **victims of abuse** and programmes for the **perpetrators**. Other services, mainly shelters, are provided also by NGOs and with financial support from the Government.

Sedqa's Care Services provide medical, psychological, rehabilitative and employment assistance for individuals or families. Within Sedqa, there is a perceived need for specialised services and information for disabled and illiterate persons, young people (users and experimenters) and facilities for **homeless addicts** and pregnant women

Employment and training services are seen as a primary means of tackling poverty for families of prison inmates and users of illicit substances. The ETC has signed a cooperation agreement with Caritas Malta which provides for the training and subsequent employment of

such individuals. The Corporation has also had talks with a number of other organisations operating in the field, including the Substance Abuse Therapeutic Unit, OASI, and Sedqa.

Summary of the key priorities for future policy reviews:

1. to **coordinate the efforts** of everyone involved in providing services to **families at risk**, including welfare services, employment, education, housing, health and justice;
2. to **set up a Family Court** to streamline judicial and legal services to families who have to resort to the law;
3. to **draw up new legislation** providing further rights and protection to victims of domestic violence. In the case of **domestic violence**, there is a need to legislate in favour of stronger protection for women and children. Current measures to combat juvenile delinquency need further improvement through complementary services and community work.

4.4.3. Disabled persons

The most relevant aspects of the current situation

Thanks to the strong tradition of providing care, disabled persons in Malta receive a high degree of support from their immediate family and relatives. This situation might have adversely affected the development of rights and active participation of these members of society, since they are generally perceived as being unable to run their own lives, manage their assets or exercise other rights. However, under the current set-up, there is a **great risk of exclusion** of these persons when the carer dies, since they may need to be institutionalised and ultimately cut off from their neighbourhood where they have lived. Hence the importance of future provision of social and affordable housing for disabled persons.

Recent improvements in support for families with new-born babies and children with disabilities has been one step in further facilitating their care, as well as enabling other members of the family to meet their commitments at work and in the home.

Main policies and institutions

The Equal Opportunities (Persons with Disabilities) Act (2000) represents a landmark in the field of disabilities in Malta. The **National Commission for Persons with Disabilities** set up by this Act identifies, establishes and updates all national policies directly or indirectly related to disability issues. Moreover, the Commission is empowered to determine whether the provisions of the Act are being complied with, as well as to investigate allegations of failure to comply. It can also assist persons with disabilities in asserting their rights.

The National Commission for Persons with Disabilities, the Agenzija Sapport and the Day Services Development Unit are entrusted with the task of implementing policies and services for persons with disabilities, whilst Sapport is also responsible for developing and managing a wide-ranging programme of community and residential services for disabled persons.

As regards **disabled adults**, there is provision for more individualised training geared toward taking up a job. One such a scheme is the **Bridging the Gap Scheme**, which exposes disadvantaged groups to real work situations whilst allowing the employer to assess their abilities. However, one of the major obstacles is finding employers who are willing to employ

disadvantaged individuals with their special needs and circumstances. Therefore, financial and fiscal incentives such as a reduction in the social security contributions paid by employers, or tax rebates, may be instrumental in encouraging the hiring of disabled people. One of the most recent schemes is the **Supported Employment Scheme**, which offers an incentive to employers to recruit disadvantaged individuals by providing permanent financial assistance. This ranges from a subsidy equivalent to half the minimum wage for employers who take on a disabled person who does not permanently require the services of a job coach or personal assistant, to the supply of job coaching services on a temporary basis together with the services of a personal assistant on a permanent basis.

There is also a number of **Adult Training Centres (ATCs)** specifically intended for disabled persons. These centres seek to assist disabled persons to develop and maintain social, vocational, leisure and creative skills. Two similar programmes are run by NGOs with financial backing from the State.

Summary of the key priorities for future policy reviews:

1. to embark on a **nation-wide awareness-raising campaign** to educate the general public, relatives, family members and disabled persons about the need to empower disabled persons to take control of their lives and assets, and to encourage them to make their own choices of lifestyle; the disabled persons' right to choice should also mean that the financial income of these persons needs to be looked at carefully and a direct payment system should be introduced so that they can purchase the services of their choice;
2. to further develop **community support services** (both financially and structurally) so that the existing support networks (for persons with disabilities) are enhanced and strengthened whilst the demand for residential placements is reduced to a minimum; to develop residential services on the principles of a client-centred-approach respecting the dignity and privacy of each individual, so that a better quality of life for each individual can be ensured;
3. to develop **self-advocacy, life and personal skills** for disabled persons, and to make people providing services for disabled persons aware of the importance of these skills. It is necessary to enhance their perception of their roles in empowering disabled persons in all walks of life, especially in adult centres and working environments. The development of individualised service planning is also very important;
4. to promote the **employment** of persons with disabilities.

4.4.4. Care for the elderly

The most relevant aspects of the current situation

The **increasing proportion of elderly persons coupled with a decreasing number of available carers** in families with two breadwinners is becoming a great cause of concern in Malta. For some time now, residential care services and homes for the elderly have been in greater demand, which is set to increase further in the future.

Main policies and institutions

The Department for the Elderly and Community Services provides various services such as home-help services, Telecare, handyman service, incontinence service, day centres and meals on wheels. These services ensure the creation of a wide network of support that enables the elderly to continue living in their home as much as possible. However, the Department also provides long-term residential care facilities for those who, despite support in the community, would still find it difficult to cope in their own home. A number of residential placements are provided through public-private partnerships. The Government strongly supports the policy of 'active ageing', i.e. enabling the elderly to live longer free from any restrictions.

Summary of the key priorities for future policy reviews:

1. to continue the current Government policy of ageing in one's own home, whilst at the same time providing the facilities for those elderly persons who need alternative accommodation;
2. to recognise the key role of the elderly and encourage participation in policy-making so as to further promote active ageing;
3. to increase the availability of the existing day-care centres and provide for a wider regional distribution as one way of keeping the elderly within their communities;
4. to set and enforce standards of care in services for the elderly through appropriate legislation.

4.4.5. Disadvantaged areas

The most relevant aspects of the current situation

Several areas in Malta have been experiencing difficulties in reversing the deteriorating living conditions resulting in multiple drawbacks such as depopulation and ageing, dilapidated and vacant dwellings, problems of unemployment, marital dissolution, abuse, ill-health and poverty, poor communications with other areas, social stigma, etc. These are the areas where rents and property prices are lower, thus attracting families with lower incomes, which in turn usually also breeds poverty, lack of self-esteem and other problems leading to social exclusion. Regional differences are not particularly pronounced in Malta, although environmental factors tend to have more negative health effects in some areas than in others.

Main policies and institutions

In order to facilitate the employment and training of individuals living in particular areas, such as the South Harbour Region and Gozo, specific services were introduced. The **Youth Outreach Programme** has been promoted among youths living in the South Harbour and South East areas to help them acquire the basic skills necessary for finding a job. These skills include teamwork, writing skills, telephone skills and job-searching skills. The Programme complements other employment schemes and training initiatives already offered by the Corporation.

In response to the regional unemployment and inactivity rates, the Ministry for Social Policy launched its new **Access Centre** in the Cottonera region. The Centre comprises a childcare

centre, a district office of the Department of Social Security, an adult training centre for persons with disabilities, a front office for social housing, social welfare services and a job centre service provided by the ETC. The Centre also provides a venue for various other employment-related activities, including meetings with registered disabled persons, seminars for women returnees, job fairs, job-centre open days, school visits and meetings with persons registered unemployed and their families.

As for the island of Gozo, the MCAST has opened a new centre to facilitate training of Gozitan students, while the Small Business Efficiency Unit opened another centre in Gozo to help entrepreneurs. IPSE is offering tailor-made services to enterprises operating from Gozo.

A tax incentive to encourage the renovation of housing in Valletta, Floriana and Cottonera was introduced in the 2003 budget. This initiative is in response to the large number of vacant properties at these locations that could be put to use, thus increasing the supply of housing units for rent and sale.

Summary of the key priorities for future policy reviews:

1. to back up the integrated urban regeneration of these areas with a pro-active employment policy, continuing vocational training and re-skilling, facilitating the socio-demographic mix by providing facilities for all ages, encouraging entrepreneurs' initiatives (public-private partnerships) while at the same time upgrading living conditions;
2. to introduce specific regional programmes to prevent poverty being passed on from one generation to another in these areas.

4.4.6. Immigrants

The most relevant aspects of the current situation

The current average influx of undocumented immigrants and the possible continuation of this trend in the future (1 686 in 2002; 497 up to 25 November 2003) mean that the authorities must be given the appropriate administrative and operational means to provide for these immigrants' needs in addition to housing and food. Between 1 January 2002 and 31 October 2003, some 75 persons were granted refugee status and 337 persons were granted asylum on humanitarian grounds. Applications for refugee status have been rejected in 49.9% of applications processed and asylum status (refugee and humanitarian protection) has been granted in 39.7% of these applications. 7.3% have been recognised as refugees and 8.4% of applications are still being processed. The processing of 113 applications (involving 113 persons) has still to be initiated. Regarding the welfare of these persons, provisions have been laid down by the Department of Social Security (DSS) for refugees with valid refugee status and those resident nationals from signatory countries to the European Social Charter, who all qualify for non-contributory and contributory benefits. Despite the fact that the in-flow has been exceptionally high, thus hampering faster processing of applications, it is believed that with better co-ordination between all organisations involved, the issue of illegal immigrants could be dealt with more quickly.

Main policies and institutions

The main institution in this field is the **Commissioner for Refugees**, established by the Refugee Act (2000), who decides on applications for refugee status. A new Government

department has been set up to provide better services to immigrants and refugees. Persons awaiting a decision on an asylum application have access to public education and healthcare services, whilst the provisions of the Social Security Act also apply to persons granted refugee status.

The Minister responsible for immigration may grant special leave to persons not qualifying for refugee status but unable to return safely to their countries to remain in Malta until they can return home without risk. A number of NGOs are also involved in providing services to asylum-seekers and refugees. However, efforts should be made to coordinate policies and measures enabling immigrants to be processed more efficiently and treated with more dignity.

Summary of the key priorities for future policy reviews:

1. to further coordinate the activities of the Government and the various interested parties in the area of illegal immigration (home affairs, police, health, armed forces, social welfare, NGOs, etc.);
2. to improve the provision of the necessary services and amenities for immigrants during their stay in Malta.

4.5. Mobilising all relevant bodies

The most relevant aspects of the current situation

Services relating to the prevention of poverty and social exclusion are provided by the State, NGOs and the private sector. Indeed, many of the social welfare services provided by NGOs predate those provided by the State. However, developments have more often than not taken place independently of each other.

It should be emphasised that, unlike most EU Member States and applicant countries, the Maltese wrongly perceive poverty is a person's one own fault. Some 50.6% of Maltese respondents to the European Values Study believe that laziness and lack of willpower are the causes of being poor in Malta and the Government is committed to face and reverse the ill perception of society.

Main policies and institutions

The Government strongly encourages partnerships between State-run and non-governmental organisations as long as these are founded on carefully identified priorities. However, there has been recognition of the need for coordination of all these bodies, and for monitoring of the services they provide. This need is further exacerbated by the multi-faceted nature of the social exclusion problem.

The Malta **Council for Economic and Social Development** is a consultative and advisory body reporting to the Government on issues relating to the sustainable economic and social development of Malta, whilst providing a forum for consultation and social dialogue between social partners and, where necessary, with civil society organisations.

Summary of the key priorities for future policy reviews.

1. to consolidate work being done by the various entities in question in order to meet the priorities set out in the JAP and, at the same time, the challenges identified in the

JIM. A key priority is the development of Government responsibilities for identifying social needs, providing timely and effective responses and monitoring, regulating and evaluating these according to professional standards;

2. to finalise the legislation promoting and regulating voluntary activities in Malta;
3. to ensure the success of all measures by involving the clients themselves at all stages of programmes, from initial drafting to final implementation; NGOs and all the social partners should also be included in this process;
4. to develop further cross-departmental and cross-sectional partnerships, whilst involving , whenever possible, all partners engaged in combating poverty and social exclusion;
5. to encourage capacity building and the active participation of civil society in issues relating to poverty and social exclusion, as a true voice of the poor.

5. PROMOTING GENDER EQUALITY IN ALL ACTIONS TAKEN TO FIGHT POVERTY AND SOCIAL EXCLUSION

Recent employment policies in Malta have been given a strong gender dimension aiming to increase the current low female employment rate, to decrease the high inactivity²¹ rate of predominantly middle-aged women and to achieve a balance between genders in terms of reconciling work and family commitments. The gender equality principle has been incorporated into the policy of creating an inclusive labour market, underpinned by the right to equal access to employment, working conditions and training, equal pay for work of equal value (the gender pay gap in Malta stands at 82.6% (as of June 2003, LFS data; EU15: 84%) and to structures enabling a balance between family and job commitments (Table 16). The lack of affordable and quality day-care services is hampering efforts to reconcile work and family responsibilities. Moreover, specific measures are necessary so as to ease the ‘double shift’ currently imposed on working women.

This commitment to empower women in the labour market was affirmed in the Joint Assessment of Employment Policy Priorities. The ETC has endorsed its Action Plan 2003-2004 on Gender Equality, which seeks to make the labour market equally inclusive of both women and men. The recent Employment and Industrial Relations Act (2002) provides further improvements in measures concerning maternity and parental leave²², leave for urgent family reasons, minimum employment conditions for those working reduced hours and the granting of rights to part-time workers on a *pro rata* basis. The Act also ensures protection against discrimination, in recruitment and during the course of employment, and offers protection against harassment in the workplace. The Equality for Men and Women Act (2003) advocates gender equality and provides means of redress in cases of alleged discrimination while providing mechanisms to promote and ensure equality between men and women. The coming months will also see changes in the present structures, whereby the new National Commission for the Promotion of Equality between Men and Women will be established.

21 Persons not employed and not seeking employment.

22 See footnote 16.

In Malta, flexible (atypical) work is more common among women. It must be ensured that workers engaged in this type of activity are adequately informed of their rights and obligations as regards social security, conditions of employment and taxation. The ETC will be launching a number of initiatives, including Gender Audit Seminars, 'Develop your Own Career' initiatives that include a larger empowerment training component, training in career development skills, the mentor training programme and research on the 'glass ceiling', among other things.

Abused women and domestic violence are at the centre of gender-focused policies on family protection. The Family Division in the Civil Court, together with the enactment of new legal provisions, will ensure better services to victims of domestic violence, who are mainly women. Further action is needed in order to improve access to crisis-intervention services so as to help persons in need (particularly women with or without children). Improved coordination of existing services is called for.

In the field of housing, gender differences make themselves felt in several low-income social groups, particularly in cases of marital breakdown or in housing at rents below the market rate. A higher proportion of older age-groups, and women in particular, often live in substandard and inadequate conditions than is the case among other younger women in single-person households. Therefore, it is important to spread the positive effects of current policies on care and repair services in order to raise the dwellings of these elderly persons to an acceptable, and habitable, standard. Finally, disabled men in Malta are more numerous than women in each age group, except in the 70+-age bracket (National Disability Survey, 1999). It is important to cater adequately for elderly women with mobility or disability problems, since it is known that after age of 65, women spend relatively less time free from disabilities than men as they live longer.

6. STATISTICAL SYSTEMS AND INDICATORS

The National Statistics Office (NSO) has a number of social statistics databases in place. These include, among other things, a long demographic time-series comprising data on vital statistics (births and deaths), international migration and marriage/divorce. There is also a valid amount of comparable data collected from the Censuses of Population and Housing carried out every ten years. Changes in administrative classifications over time have limited the comparability of data.

An education statistics database is also available and was recently supplemented by means of an extensive data-collection exercise on life-long learning and the country's various cultural aspects. A Continuous Vocational Training Survey was carried out in 2001 in accordance with Eurostat's target methodology on the subject.

Two household budgetary surveys (1995 and 2000) have been carried out. The 2000/1 Household Budgetary Survey was a year-long project conducted in accordance with Eurostat methodologies. The data available from this survey enabled the NSO to compile poverty and social exclusion indicators that have also been made available to Eurostat. Plans are in hand to carry out this survey on an annual basis.

Data on employment and unemployment are available from the Labour Force Surveys. In May 2000, the National Statistics Office carried out its first pilot Labour Force Survey in accordance with Eurostat methodologies. This was followed by a second survey in December

2000. As from 2001, this survey began to be carried out each quarter. The relevant micro-data is also being transmitted to Eurostat on a regular basis.

The NSO is currently making the necessary preparations for the introduction of the Survey on Income and Living Conditions. This survey will be carried out in accordance with Eurostat methodologies. At European level, the survey will replace the European Community's Household Panel Survey.

It makes sense to make systematic use of the data already available in the country; efforts to bring these data into line with Eurostat recommendations will considerably simplify issues of data-collection methodology and data interpretation. There is a huge amount of data collected by various Government departments, semi-public organisations and NGOs that is either unpublished or not disseminated/exchanged. The need to exchange comparable data among producers and users of data, and to improve the quality of the data available, is greater than ever. The Government is committed to make greater efforts to update and improve the quality of the data to enable an appropriate monitoring and evaluation of the effectiveness of social policies.

The EU common indicators on social inclusion can be worked out locally on the basis of available data. However, bearing in mind the multi-faceted nature of the poverty and social exclusion issues, the challenge of generating new information through cross-tabulations and simultaneous usage of the available databases will still have to be met.

Further improvement is needed in statistical information concerning poverty and social exclusion of vulnerable and target groups in Malta: children with special needs, families at risk, teenage parents, children raised in institutional care, substance abusers, victims of domestic violence, immigrants, frail elderly persons, to mention but a few. Cross-tabulations on various aspects of their lives such educational attainment, economic activity, family circumstances and living arrangements, housing situation etc. would be beneficial when devising policy. An analysis over time of the processes involved in poverty and social exclusion is needed, taking longitudinal and cause-related approach so as to identify persistent poverty and its damaging effects.

In all the above-mentioned key priority areas and future policy implementation, the activities need to be backed up by more detailed research into the cause of poverty and social exclusion in Maltese society. It is strongly felt that a more broadly based approach is needed in future research projects.

7. SUPPORT FOR SOCIAL INCLUSION POLICIES THROUGH THE EUROPEAN SOCIAL FUND

The five ESF policy fields namely: development and promotion of active labour market policies; equal opportunities for everyone (particularly those exposed to social exclusion); training, education and counselling as a part of life-long learning policy; a skilled, trained and adaptable work force, work organisation and entrepreneurship; and women's access to the labour market and reduction in their vertical and horizontal segregation, should all be given the attention they deserve in the Maltese economy and society in order to reduce the risk of poverty and social exclusion.

The Malta National Development Plan (NDP) 2003-2006 specifies the need for the country to capitalise on its human resources by encouraging greater female participation in employment,

reducing illiteracy levels, and supporting its social target groups while at the same time supporting efforts to alleviate social exclusion and poverty. In the social field, key issues defined by the Malta NDP 2003-2006 encompass those target groups which are at the greatest risk of poverty and social exclusion, namely the elderly (involving the key issue of pension reform and its sustainability), recipients of social benefits (by controlling the abuse and promoting social inclusion rather than rewarding passive dependence on social benefits) and carers (who, while declining in numbers, need more attention, support and recognition).

Malta has already prepared the first draft of its Single Programming Document (SPD) consisting of five priority axes; Axis 2 is entitled 'Developing People' and is cofinanced almost exclusively by the ESF for the current programming period, whereby Malta will become eligible to participate between mid-2004 and 2006. This Axis comprises a total of five measures aimed specifically at achieving the objectives of the European Employment Strategy, as cofunded primarily by the ESF. One of these measures, specifically Measure 2.3, deals with 'Lifelong Learning and Social Inclusion'. The following four actions for social inclusion, to be monitored by the European Social Fund Unit within the Ministry for Social Policy's Office of Review, have been specified:

Employment Scheme for Persons with Disabilities

This action is intended to increase the level of participation of persons with disabilities in employment and vocational training programs, thereby preventing their social exclusion. A scheme of subsidies for employers, training provision for disabled employees, as well as job-coaching and personal assistance services, seek to allow disabled persons to gain access to the labour market and then find and keep down a job.

Research for Labour Market Integration of Socially Excluded Persons

This action will involve national coordinated research projects on socially excluded persons, or persons at risk of social exclusion, especially the unemployed. The establishment of a Resource Centre is planned in the context of this action.

Training and Support for Labour Market Integration of Socially Excluded Persons

This action is intended to train staff involved in social welfare and community-support services aimed at a number of client groups, including young people, disabled persons, victims of domestic violence, persons with addiction problems, persons leaving correctional institutions and persons in care in order to ensure their more effective integration into the labour market. As part of this Action, the long-term unemployed forming part of such high-risk groups will stand to benefit since one of the aims is to integrate these persons into the labour market.

Literacy Programmes

This action was devised in order to enhance the employability of those individuals who lack basic levels of literacy and numeric skills, and thereby prevent social exclusion. The action will seek to establish a Literacy for Employment Agency, which will provide basic skills training on a one-to-one basis and in small groups, in collaboration with a number of interested bodies and organisations. The development of a national strategy for ongoing basic-skills training, training of trainers, and an ongoing evaluation of programmes are intended to

feature as part of this Agency. Training will be provided for employed and unemployed persons, which is seen both as an active and preventive approach to tackling poverty.

A number of other ESF actions under Measure 2.1 (Employability and Adaptability) seek to enhance employability through training schemes for unemployed persons over 40 years of age, and through training and re-skilling programmes, primarily through VET support.

Apart from the four social inclusion actions already indicated above, there are a number of other ESF actions within the various measures provided for in Malta's SPD which will strengthen the ESF's role in increasing the proportion of women participation in the labour market, particularly under Measure 2.2 (Gender Equality). These actions include the development of child-minding services and training programmes for women returning to the workforce, as well as for those aspiring to specialist and managerial levels.

In addition to the above mainstream ESF activities due to be implemented between mid-2004 and 2006, Malta will over the same period also be benefiting, via the ESF, from the EQUAL Community Initiative Programme which is designed specifically to tackle inequality and discrimination in the labour market through innovative and transnational activities, and is implemented through development partnership structures.

It is expected that, by all means of these actions, Malta will gain first-hand experience and establish a solid foundations upon which to build even more effective ESF programmes in the area of social inclusion in the future.

8. CONCLUSIONS

The Maltese Government is fully committed to reduce the risk of poverty and social exclusion by improving the level of the several dimensions which constitute a threat to a quality social life in Malta. Therefore, a fully-fledged participation in the **open method of coordination on social inclusion is a high priority** for the Government of Malta. Following the common strategic goals and objectives of the European Union, set out in Lisbon, Nice and Stockholm, and regarding the most relevant aspects of the present situation in Malta, the general long-term strategic approach is based on economic development and the effective and mutually reinforcing links between economic, employment and social policies.

The Government acknowledges that the JIM provides an integrated approach in the fight against poverty and social exclusion and has served both to **identify the major sources of social exclusion** and to highlight **those groups most vulnerable** to poverty and exclusion. The JIM has also been instrumental in underling the relevant **political challenges** and describing the **main policies and measures** that may, on the one hand, improve the position of those groups most threatened by the risk of poverty and social exclusion in a substantial way and, on the other, reduce inequalities and promote social cohesion in Malta.

The analysis undertaken in the JIM has permitted to elucidate that **the main challenge of social inclusion in Malta** concerns the high levels of illiteracy, adults with low skills and other labour market shortcomings. Addressing the educational and labour market weaknesses, therefore, should become a high political challenge to prevent poverty in Malta. A part from the unemployed, the groups most at risk of poverty and social exclusion in Maltese society, include disabled people (namely those without adequate education or skills), disadvantage children (i.e., those living in low income or families in difficulty), and single parents

(particularly those with dependent children and paying high rents as tenants). Poverty and social exclusion is encountered also among low skill adults, with mental health problems, persons with addictions and some segments of low-income elderly (namely women) and immigrants. **The Maltese Government and the European Commission have identified the following most urgent challenges in relation to tackling poverty and social exclusion:**

- combating illiteracy and improving the educational attainment of both young students as well as adults in advanced age;
- increasing the overall employment rate – namely female – and develop policies to make work pay while promoting more and better jobs for both women and men, who are currently inactive or who are recipients of social benefits; and
- strengthening the welfare system and increasing social and affordable housing conducive to well-being.

In the light of the analysis undertaken in this report, the Maltese Government and the European Commission have agreed that the most immediate policy priorities in relation to tackling poverty and social exclusion are :

- to raise the provision of vocational education, training and lifelong learning, and to increase the number of the respective students in order to improve employability and favour better jobs;
- to provide appropriate incentives to take up work for target groups such as women, disabled persons (notably those without adequate education, skills or employment), persons engaged in the informal sector, etc., by putting in place re-training and up-skill courses as part of the employment routine in order to avoid risks of being low-paid;
- to set up programs to support women's re-entering in the labour market, by offering appropriate training to upgrade their skills and improve their career prospects;
- to reform the social protection system to ensure its sustainability, adequacy and comprehensiveness in order to stimulate work culture and minimise welfare dependence;
- to reinforce the welfare of those who are dependent by setting up additional programs to: (i) address and prevent childhood poverty; (ii) assist further the disabled persons in their access to education, training, employment and housing in order to secure their welfare both in the short- and long-term; and (iii) provide support for the unemployed, the elderly, pensioners and other groups; and
- to increase the housing supply and affordability for the most needy and target groups and, in particular, disabled persons, single parents, victims of domestic violence and persons coming from rehabilitation or institutional care.

Some of the priorities identified in the JIM for Malta and the corresponding policy actions will benefit from the EU financial support provided by the structural funds – namely the **European Social Fund** – and Cohesion funds. Further, the commitment of Malta's Government in implementing the above measures requires the setting of appropriate institutional mechanisms to ensure the effectiveness of all the concerted efforts and co-operation on behalf of the Government, social partners, local authorities, civil society, and

most importantly, with the active participation of those experiencing poverty and social exclusion in the design and delivery of all policies and services.

The Maltese Government is conscious that **promoting social inclusion** in an adequate way **is a continuous process**, which provides effective and long lasting results in the long-term and on the basis of a series of consistent measures and requires a continuous checking and updating of those already adopted. To monitor the implementation of policies and measures, assess its effectiveness and allow for comparisons between EU Member States it is extremely important that clearly defined indicators and up to date data exist.

The Government considers that its participation in the **open method of co-ordination**, which Malta will follow after the EU accession, **will contribute to the continued updating and improving of measures**. In particular, the Maltese Government will entrust the Foundation for Social Welfare Services with the prime responsibility to oversee that the key challenges and policy priorities identified in the JIM will be incorporated in the preparation of the first National Action Plan on Poverty and Social Exclusion to be presented to the Commission in 2004.

STATISTICAL ANNEX

Table 1: Main economic indicators, 1998-2002

Economic Indicator	1998	1999	2000	2001	2002
National Income and Expenditure					
GDP at current market prices (MTL million)	1,362.3	1,456.1	1,562.1	1,629.9	1,684.6
% change	5.8	6.9	7.3	4.3	3.4
GDP at constant prices (MTL million)	1,291.8	1,344.2	1,429.9	1,412.7	1,426.6
% change	3.4	4.1	6.4	-1.2	1.7
GDP per capita (MTL)	3,599	3,829	4,083	4,232	4,353
Consumer expenditure (constant prices) (%)	2.5	6.1	7.4	2.0	2.7
Government current expenditure (constant prices) (%)	-4.0	-0.6	5.4	3.0	2.5
Gross fixed capital formation (constant prices) (%)	-3.4	4.0	17.4	-11.2	-4.2
Productivity index ¹	n.a	n.a.	100.0	104.0	105.5
Minimum wage as a% of nominal average wage	n.a.	n.a.	48.79	46.73	46.95
Foreign trade (MTL million)					
Domestic exports (f.o.b.)	664.8	712.5	977.5	790.8	797.3
Re-exports	47.2	78.5	94.9	89.8	122.0
Imports (c.i.f.)	1,034.9	1,135.8	1,492.4	1,225.1	1,227.5
Balance of Payments					
Exports of goods and services (MTL million)	1,166.8	1,292.7	1,572.8	1,398.0	1,401.8
Imports of goods and services (MTL million)	1,248.1	1,371.9	1,740.1	1,475.9	1,473.0
Resource gap (MTL million)	-81.4	-79.2	-167.3	-77.8	-71.1
Current account balance (MTL million)	-84.5	-49.3	-209.2	-77.3	-78.1
Current account balance, % of GDP	-6.2	-3.4	-13.4	-4.7	-4.6
Employment²					
Employed persons (000)	n.a	n.a	145.2	145.6	148.4
Unemployment rate	n.a.	n.a.	6.5	6.5	6.8
Tourism					
Tourist arrivals (000)	1,182.2	1,214.2	1,215.7	1,180.1	1,133.8
Gross earnings from tourism (MTL million)	254.6	271.4	268.2	260.7	246.3
Inflation rate (%)	2.4	2.1	2.4	2.9	2.2
Public finance					
General government balance as a% of GDP	-10.8	-8.2	-6.9	-6.8	-6.2
General government gross debt as a% of GDP	64.9	60.8	61.3	66.1	66.6

Source: National Statistics Office, Employment and Training Corporation, Ministry of Finance and Economic Affairs

Notes: (1) Real GDP divided by the gainfully occupied population; (2) LFS.

Table 2: Employment indicators, Malta, 2001-2003

Indicator	Malta, Dec. 2001			Malta, Dec. 2002			Malta, June 2003			EU15, Dec. 2002		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Activity rate	58.0	81.3	34.2	58.8	79.1	37.6	59.1	80.8	37.1	69.7	78.4	60.9
Employment rate	54.2	76.4	31.6	54.5	74.2	34.5	54.6	75.6	33.4	64.3	72.8	55.6
Unemployment rate	6.5	6.0	7.8	6.8	6.2	8.2	7.5	6.4	9.9	7.7	6.9	8.7

Source: NSO and Eurostat.

Table 3: Share of fixed-term contracts in total employment by gender

Type of Contract	2000			2001			2002			June 2003		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Permanent employment or open-ended contract	95.6	96.5	93.6	96.7	97.8	93.9	95.3	96.2	93.2	96.2	96.8	95.0
Temporary work or fixed-term contract	4.4	3.5	6.4	3.3	2.2	6.1	4.7	3.8	6.8	3.8	3.2	5.0

Source: Labour Force Survey, NSO.

Table 4: Unemployed persons by duration of job-search, 2001-2003

Duration of job search	December 2001			December 2002			June 2003		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
5 months and less	33.1	23.4	51.4	36.9	25.5	55.3	52.4	40.8	69.1
6-11 months	23.1	21.4	26.2	15.1	14.0	16.9	11.6	9.9	14.1
12+ months	43.8	55.2	22.4	48.0	60.5	27.8	36.0	49.3	16.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: NSO, LFS March 2003, European Commission 'Employment in Europe 2002, Recent Trends and Prospects', July 2002.

Table 5: Labour force by educational level and gender, 2001-2003

Educational level	December 2001			December 2002			June 2003		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
No schooling	0.7	0.8	0.3	0.4	0.4	0.2	0.8	1.1	0.1
Primary	19.7	23.2	11.3	18.3	21.8	10.7	16.6	19.9	9.4
Secondary (general)	45.2	42.4	51.8	44.1	42.9	46.9	45.3	43.6	49.2
Secondary (vocational)	8.4	10.3	3.8	8.4	10.7	3.4	7.5	9.4	3.5
Post-secondary (general)	9.9	8.1	14.1	10.4	7.9	15.7	9.5	7.4	14.2
Post-secondary (vocational)	5.4	5.9	4.4	5.7	6.0	5.1	7.7	8.2	6.7
University diploma	2.5	2.0	3.8	3.2	2.5	4.8	3.1	2.6	4.3
First degree	7.0	6.0	9.5	7.4	5.7	11.0	7.7	6.3	10.9
Masters	0.9	1.0	0.7	1.7	1.5	2.2	1.0 ¹	1.0	1.2
Ph.D.	0.3	0.3	0.3	0.4	0.6	-	0.5	0.6	0.4
Special school for persons with disabilities	-	-	-	-	-	-	-	-	-
Total	100	100	100	100	100	100	100	100	100

Source: Labour Force Survey, 2001-2003.

Note: (1) under-represented.

Table 6: Employed persons by economic activity, 2002-2003 (%)

Economic Activity	December 2002			June 2003			EU 15
	Total	Men	Women	Total	Men	Women	2001 ¹
Agriculture, hunting and forestry	1.8	2.3	0.4	2.1	2.7	0.6	3.9
Fishing	0.3	0.3	0.2	0.3	0.5	-	
Mining and quarrying	0.5	0.7	-	0.7	1.0	0.1	-
Manufacturing	19.1	18.6	20.1	19.3	20.2	17.4	19.8
Electricity, gas and water supply	2.5	3.2	0.9	2.2	3.0	0.4	-
Construction	8.1	11.3	1.1	7.6	10.6	0.7	7.9
Wholesale and retail trade, repairs of household goods and vehicles	14.0	14.7	12.5	14.0	14.6	12.4	14.7
Hotels and restaurants	8.8	8.8	8.9	8.3	8.1	8.7	4.0
Transport, storage and communications	8.6	9.8	6.0	8.8	9.3	7.5	6.3
Financial intermediation	3.9	2.8	6.2	3.6	2.9	5.2	3.4
Real estate, leases and business activities	4.9	5.3	4.1	5.4	5.1	6.3	8.9
Public administration and defence; compulsory social security	8.4	9.1	6.9	9.2	10.1	7.1	7.7
Education	7.9	4.6	15.4	7.8	3.8	16.9	6.8
Health and social work	7.2	5.0	12.1	6.5	4.6	10.9	9.7
Other community, social and personal services	3.8	3.4	4.6	4.0	3.3	5.4	4.6
Private households with employed persons	0.1	-	0.4	0.1	0.1	0.3	-
Extra-territorial organisations and bodies	0.1	0.1	0.2	0.1	0.1	0.1	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	97.7

Source: NSO-LFS and European Commission 'Employment in Europe 2002: Recent Trends and Prospects' July 2002.

Note: (1) The national classification is not fully compatible with the EU15 classification, hence some cells are blank and the total does not come to 100%.

Table 7: Social protection expenditure by function as a percentage of total social protection expenditure, and as a share of GDP 1998-2001 (based on ESPROS)

Function	1998	1999	2000	2001	EU15 2000
Old age, survivors <i>(share of GDP)</i>	50.6 <i>(9.6)</i>	51.5 <i>(9.6)</i>	51.5 <i>(9.3)</i>	53.6 <i>(9.9)</i>	46.4
Sickness, healthcare <i>(share of GDP)</i>	23.9 <i>(4.5)</i>	23.5 <i>(4.4)</i>	25.2 <i>(4.6)</i>	25.1 <i>(4.6)</i>	27.3
Family, children <i>(share of GDP)</i>	9.0 <i>(1.7)</i>	8.2 <i>(1.5)</i>	7.7 <i>(1.4)</i>	6.3 <i>(1.2)</i>	8.2
Disability <i>(share of GDP)</i>	6.0 <i>(1.1)</i>	6.4 <i>(1.2)</i>	6.2 <i>(1.1)</i>	6.2 <i>(1.1)</i>	8.1
Unemployment <i>(share of GDP)</i>	5.7 <i>(1.1)</i>	6.2 <i>(1.1)</i>	5.9 <i>(1.1)</i>	5.7 <i>(1.1)</i>	6.3
Housing, social exclusion n.e.c. <i>(share of GDP)</i>	3.8 <i>(0.7)</i>	3.1 <i>(0.6)</i>	2.4 <i>(0.4)</i>	2.0 <i>(0.3)</i>	3.7
Administration costs <i>(share of GDP)</i>	1.0 <i>(0.2)</i>	1.0 <i>(0.2)</i>	1.1 <i>(0.2)</i>	1.1 <i>(0.2)</i>	-
Total <i>(Total GDP)</i>	100.0 <i>(100.0)</i>	100.0 <i>(100.0)</i>	100.0 <i>(100.0)</i>	100.0 <i>(100.0)</i>	100.0 <i>(100.0)</i>

Source: NSO and Eurostat

Table 8: List of main contributory and non-contributory benefits/pensions

Type of benefit/Pension	Eligibility	Granted to:	Duration
Contributory benefits and pensions			
Short-term benefits			
Injury benefit (IB)	Insurance cover; at least one contribution paid.	IB is granted to those persons who suffer injury at work, or while performing duties connected with their work. In 2003 equal MTL 9.05/Lm 6.81 ¹	A temporary disability benefit (up to when the beneficiary can resume employment) is awarded to persons who suffer an injury at work.
Injury gratuity	Permanent incapacity of 1% -19% caused by injury.		
Injury/disability pension	Permanent incapacity of 20% and less than 90%. Means-tested.	Sufferers of total permanent incapacity for suitable full-time or regular part-time work.	
Sickness benefit (SB)	At least 52 contributions paid, and no less than 20 contributions in the benefit year.	Covers only insured workers in employment and job-seekers registered with the national employment agency (ETC). In 2003: MTL 6.02/MTL 3.89.	During the period whilst abstaining from work. During the two-year period, no more than 468 benefit days may be awarded in total.
Unemployment benefit	Must have paid at least 52 contributions, and no less than 20 contributions in the benefit year	Single parent or married person supporting a spouse not in full-time employment at MTL 3.79 daily, and MTL 2.46 a day for other persons.	6 months
Special unemployment benefit (SUB)	Must be already entitled to unemployment benefit.	Granted to heads of households in lieu of unemployment benefit if he/she satisfies a means test. The benefit rate is MTL6.35 daily for a single parent or a married person maintaining a spouse who is not in full-time employment, while MTL 4.14 a day are paid to other persons.	Payable for up to 156 benefit days, after which the subsequent entitlement will be dependant upon the persons having completed at least 13 weeks of employment.
Marriage grant (MG)	Must have paid at least 26 contributions.		

Type of benefit/Pension	Eligibility	Granted to:	Duration
Invalidity pension (INV)	Permanent incapacity (injury or illness) of 90% and over. Must have paid 250 contributions.		
or the visually impaired	Means-tested. Medical certification that the visual impairment is affecting the person's employability.	Beneficiary who does not earn more than the national minimum wage.	
Contributory pensions			
Widow's pension/survivor's pension/widow's marriage grant	5/6 of the 2/3 pension of the husband, who must have paid at least 156 contributions with an annual average of 50 weeks paid or credited.	Partner surviving the death of his/hers spouse when the latter passes away at work, or while performing work-related duties, or as a consequence of a work-related illness.	
Retirement pension (contributory)	Must have paid 156 contributions and an average of 19.5 contributions (minimum) throughout his working life from the age 18/19. Benefits depend on whether entitlement exists to the earnings-related benefit after 1979, whether there was an occupational service pension and whether the person is married with a dependent spouse.	Awarded to persons who started paying National Insurance contributions prior to 1979.	
Two-thirds pension	The best three years' wages over the last ten years for employed persons, and the average of profits over the last ten years in the case of self-employed persons. Besides income, it depends on the contributions paid.	Awarded to persons who started paying National Insurance contributions in 1979 or later.	
Orphan's pension	Payable in respect of children who have lost both parents, who would have been entitled to a pension.		

Type of benefit/Pension	Eligibility	Granted to:	Duration
Refugees' entitlements	Refugees with valid refugee status and nationals from signatory countries to the European Social Charter all qualify for the above benefits, both non-contributory and contributory.		
Non-contributory benefits			
Social assistance (SA)	Means-tested	<ol style="list-style-type: none"> 1. Head of household registering for work or unfit for work 2. Separated persons 3. Single parents 4. Women exclusively occupied in looking after relatives needing medical attention. 	
Social Assistance Benefit (SAB)	Means-tested	<ol style="list-style-type: none"> 1. Wife and dependants of head of household who is unemployed but cannot register under part one for having left employment voluntarily, having been dismissed on disciplinary grounds, or having been precluded from registering under part one. 	
Social Assistance Allowance	Means-tested	<ol style="list-style-type: none"> 1. As with SAB. 2. Persons suffering from substance addiction and undergoing rehabilitation 	
Non-contributory old-age pension	Means-tested	<ol style="list-style-type: none"> 1. Persons aged over 60. 2. Disabled persons from the age of 16. 3. Persons with visual impairment, as from age 14. 4. Women and men looking after a relative who is wheel-chair bound, bed-ridden or confined to the 	

Type of benefit/Pension	Eligibility	Granted to:	Duration
		home (carers also receive social security contribution credits if they have to leave employment)	
Weekly allowance instead of pension		1. Old persons and those suffering from a disability on being admitted to a geriatric hospital or after 6 months in a government institution.	
Rent allowance	Means-tested	Beneficiaries of SA, UA and non-contributory pensions who are paying rent.	
Medical assistance and free medical aid	Means-tested	Beneficiaries of non-contributory benefits, who have a low income and own assets below a specified value.	In the form of medicines, spectacles, wheel chairs and other aids where necessary.
Child allowance	Means-tested	Households with children up to the age of 16 (21) and with an income of less than MTL 10 270 a year.	
Disabled child allowance (DCA)	Means-tested	Child suffering from: 1. cerebral palsy; 2. severe mental sub-normality; dumb, or deaf to no less than 70 decibels.	At the age of 16, this is converted into a disability pension.
Special unemployment allowance	Means-tested	Parents of children from 16 to 21 years of age who are registering for work and have never been employed.	
Special allowance	Means-tested	Parents of children from 16 to 21 years of age who are attending school but not in receipt of a grant.	
Foster child allowance	Non-means-tested	Flat rate of MTL 12 a week.	Those who qualify for DCA are paid both.
Maternity benefit	Non-means-tested	Where no maternity leave is taken.	The benefit is awarded for 14 weeks, 13 weeks of which are paid at a rate of MTL 19.25. Of the 14-week entitlement, at least 8 weeks must be taken before the expected date of childbirth and the remaining weeks are to be taken as required.
Supplementary allowance	Means-tested	Heads of households on low income.	

Type of benefit/Pension	Eligibility	Granted to:	Duration
Subsidised electricity and water (rebates)	Means-tested	Persons in receipt of an allowance or pension under the Social Security Act.	
Assistance to unmarried parents	Means-tested	Unmarried parents having custody of children and unable to take up gainful employment or, if in employment, earning less than minimum wage.	
Carer's pension and social assistance (women)	Means-tested	Unemployed persons (male or female; female in case of social assistance) staying at home to care for ageing parents or other family members (in the same household); weekly rate of MTL 32.61/MTL 23.23, plus bonuses.	Carer's pension only for those old relatives confined to a wheelchair; social assistance (for women) in relation to all sick/frail relatives.
Milk allowance	Means-tested	Households on low income. This benefit is equivalent to MTL 5.25 a week.	
Rebates on telephone rentals, free Telecare and free handyman service	Means-tested	Persons aged over 60 who are entitled to free medicines using the pink form.	
Waiver of fees for school leaving examinations (matriculation)	Means-tested	Recipients of SA and those pensioners who qualify for free medical assistance (pink form).	

Source: DSS

Note: (1) The first figure is the daily rate for single mothers or married persons maintaining a spouse who is not employed full-time, and the second figure is the daily rate for all other persons. The same applies to other figures quoted.

Table 9: Main demographic developments in Malta, 1995-2001

	1995	1996	1997	1998	1999	2000	2001	2002
Total population	378404	381405	384176	386397	388759	391415	394641	397296
Age structure in %:								
0-14	21.5	21.4	21.3	20.8	20.4	20.0	19.2	18.7
15-29	21.3	21.4	21.4	21.7	21.9	22.0	22.1	22.1
30-44	22.7	22.0	21.5	21.0	20.8	20.5	20.4	20.1
45-59	18.8	19.3	19.5	19.8	20.1	20.5	21.3	22.0
60+	15.7	15.9	16.3	16.7	16.8	17.0	17.0	17.0
65+	11.2	11.6	11.7	12.1	12.1	12.4	12.6	14.8
Dependency ratio ⁽¹⁾	59.20	59.50	60.30	60.00	59.20	58.70	56.7	55.6
Annual population growth rate (%)	0.8	0.8	0.7	0.5	0.4	0.6	0.8	0.7
Net immigration	514	305	380	228	272	400	399	286
Total fertility rate	2.0	1.9	1.8	1.8	1.8	1.8	1.5	1.5
Life expectancy at birth								
Men	73.9	74.0	74.1	74.1	74.2	74.3	76.7	75.8
Women	79.5	79.7	79.1	80.0	80.1	80.2	80.9	80.5
Life expectancy at age 65								
Men	14.3	14.5	14.7	14.8	14.9	15.0	15.4	15.0
Women	17.5	17.7	17.9	18.9	18.2	18.4	18.6	19.0

Source: NSO

Note: (1) Dependency ratio is calculated as the 0-14 and 60+ age-group divided by the number of persons aged 15-59.

Table 10: Four most common causes of death as a percentage of all deaths (2001)

Cause of death (ICD-10 chapters of causes)	1992	2001			2002		
	Total	Male	Female	Total	Male	Female	Total
Diseases of the circulatory system (9)	1161 (42.9%)	610 (40.8%)	673 (46.8%)	1,283 (43.7%)	655 (40.8%)	682 (47.8%)	1337 (44.1%)
Neoplasm (2)	731 (27.0%)	419 (28.0%)	304 (21.1%)	723 (24.6%)	421 (26.2%)	319 (22.3%)	740 (24.4%)
Diseases of the respiratory system (10)	228 (8.4%)	196 (13.1%)	165 (11.6%)	361 (12.3%)	222 (13.8%)	129 (9.0%)	351 (11.6%)
External causes of morbidity and mortality (20)	95 (3.5%)	84 (5.6%)	48 (3.3%)	132 (4.5%)	73 (4.5%)	52 (3.6%)	125 (4.1%)

Source: Demographic Review, 2001

Table 11: Maltese year-end population projections, broad age groups (%)

Age	Estimate as at 31 December 2001		Projected population					
			2005		2015		2025	
	Men	Women	Men	Women	Men	Women	Men	Women
0-4	5.8	5.5	5.6	5.1	5.8	5.3	5.2	4.8
5-19	22.0	20.4	20.4	18.9	17.2	16.0	17.5	16.0
60-74	10.7	13.0	12.3	13.9	17.6	18.0	18.2	18.3
75+	4.1	6.2	3.9	6.5	4.0	8.0	6.4	10.6

Source: Demographic Review 2001

Table 12: At-risk-of-poverty rate by gender and socio-economic category (Malta 2000)

Category	Total Malta	EU15 (1998)	EU15 (2000)	Women Malta	EU15 (1998)	Men Malta	EU15 (1998)
At-risk-of-poverty rate ⁽¹⁾ (total population)	15	18	15	15	19.0	15	17.0
Rate before social insurance contributions	30	n.a.	40	n.a.	n.a.	n.a.	n.a.
Rate including pensions but excluding all other social insurance contributions	21	n.a. ⁽²⁾	23	n.a.	n.a.	n.a.	n.a.
Relative at-risk-of-poverty gap ⁽³⁾ (total population)	17	23	21	15	23	20	21
Gini coefficient	30	n.a.	29	n.a.	n.a.	n.a.	n.a.
S80/S20 quintile share ratio	4.5	5.4	4.4	n.a.	n.a.	n.a.	n.a.
40% of the median	3	5 ⁽⁴⁾	5	n.a.	n.a.	n.a.	n.a.
50% of the median	8	9	9	n.a.	n.a.	n.a.	n.a.
60% of the median	15	15	15	n.a.	n.a.	n.a.	n.a.
70% of the median	23	23	23	n.a.	n.a.	n.a.	n.a.
Age groups:							
0-15	21	24	19	19	23	22	25
16-24	10	23	20	10	24	9	23
25-49	13	14	13	14	14	13	13
50-64	12	14	12	14	15	10	13
65 +	20	20	17	20	22	18	17
Persons 16 years and over:							
Employed	6	7	6	2	7	8	7
Self-employed	1	16	15	0	13	1	17
Unemployed	50	38	39	31	33	57	44
Retired	18	18	16	18	19	18	17
Other inactive persons	18	27	24	19	2	10	25
Household type:							
One-person household:							
Total	24	n.a.	23	28.	n.a.	17	n.a.
Under 30 years	34	32	33	n.a.	n.a.	n.a.	n.a.
30-64 years	23	16	15	n.a.	n.a.	n.a.	n.a.
65 years and over	25	28	26	n.a.	n.a.	n.a.	n.a.
Two adults, no dependent children (at least one person aged over 65)	25	16	14	n.app. ⁽⁵⁾	n.app.	n.app.	n.app.
Two adults no dependent children (both aged under 65)	11	9	10	n.app.	n.app.	n.app.	n.app.

Category	Total Malta	EU15 (1998)	EU15 (2000)	Women Malta	EU15 (1998)	Men Malta	EU15 (1998)
Other households with no dependent children	4	9	8	n.app.	n.app.	n.app.	n.app.
Single-parent household with at least one dependent child	55	35	40	n.a.	n.a.	n.a.	n.a.
Two adults and one dependent child	13	11	10	n.app.	n.app.	n.app.	n.app.
Two adults and two dependent children	16	13	13	n.app.	n.app.	n.app.	n.app.
Two adults and three or more dependent children	28	41	26	n.app.	n.app.	n.app.	n.app.
Other households with dependent children	8	22	17	n.app.	n.app.	n.app.	n.app.
Type of housing:							
Total	15	18	15	n.a.	n.a.	n.a.	n.a.
Owner-occupied	11	14	12	n.a.	n.a.	n.a.	n.a.
Tenancy	29	23	24	n.a.	n.a.	n.a.	n.a.
Gender pay gap (June 2003 data)				82.6%			

Source: Structural, Poverty and Social Exclusion Indicators (NSO, 2003) EU15: (Eurostat) ECHP.UDB version June2003

Notes: (1) Percentage of persons whose value-adjusted income is below the at-risk-of-poverty threshold as a percentage of the total population living in such households; (2) n.a - not available; (3) Difference between the median of persons below the low-income threshold and the low-income threshold itself, as a percentage of the low-income threshold.; (4) 1999 Data; (5) n.app. - not applicable.

Table 13: Number of recipients of social benefits, 1995- 2002

	Type of Benefit	1995	1996	1997	1998	1999	2000	2001	2002
SA	Social Assistance	4085	4520	4904	4839	5163	5573	5866	6412
	Percentage of Population	1.79	1.97	2.14	2.09	2.21	2.36	2.45	2.65
CA	Child Allowance	49394	51600	49053	47687	45951	42362	43903	41490
	Percentage of Households Receiving CA	41.34	42.59	39.93	38.29	36.41	33.12	33.86	31.56
SPA	Supplementary Allowance	34580	37230	25615	34641	33279	30280	31367	29274
	Percentage of Population	12.16	12.98	8.87	11.85	11.26	10.13	10.36	9.55
IRP	Increased Retirement Pension	4738	4491	4239	3977	3725	3459	3293	3098
RP	Retirement Pension	5641	6027	6329	6610	6921	7296	7527	7694
TTP	Two-Thirds Pension	11489	12100	12805	13566	14485	15391	16154	16785
NMP	National Minimum Pension	8412	8498	8566	8547	8546	8586	8499	8469
IRP+RP+TTP+NMP	Total Retirement Pension	30280	31116	31939	32700	33677	34732	35473	36046
	Percentage of Population	54.17	53.99	53.76	53.96	54.65	55.44	55.81	56.21
NMWP	Widow's Pension - Nmwp	8210	8240	8293	8392	8446	8457	8489	8376
WP	Widow's Pension	1764	1749	1728	1690	1622	1535	1440	1363
NMWP+WP	Sum Widows Pension	9974	9989	10021	10082	10068	9992	9929	9739
	Percentage Of Respective Population	17.84	17.33	16.87	16.64	16.34	15.95	15.62	15.19
IP	Invalidity Pension	433	575	662	819	998	1050	1337	1638
NMIP	National Minimum Invalidity	2026	2458	2816	3300	3927	4554	5238	5948
NMIP+IP	Total Invalidity Pension	2459	3033	3478	4119	4925	5604	6575	7586
	Percentage of Population	0.86	1.06	1.20	1.41	1.67	1.88	2.17	2.47
IB	Injury Benefit	n.a.	n.a.	263	2245	2460	2472	2418	2222
	Percentage of Population	n.a.	n.a.	0.11	0.97	1.05	1.05	1.01	0.92

Source: DSS, Ministry for Social Policy, Malta.

Table 14: Some social benefits¹ in relation to the national minimum wage

By type of household (MTL), 2003

Type of household ²	Unemployment assistance (MTL)	Children's allowance (MTL)	As a percentage of the national minimum wage
One person	30.97	-	58.29%
Two persons (one adult and one child)	34.47	8.65	81.1%
Three persons (two adults and one child)	37.97	8.65	87.7%
Four persons (two adults and two children)	41.47	12.98	102.5%
Five persons (two adults and three children)	44.97	17.31	117.22%
National minimum wage	53.13	-	-

Source: Derived from DSS data

Notes: (1) Calculated as the full rate; (2) The types of households were chosen to demonstrate that the difference between social security benefits and the minimum wage is small.

Table 15: Internet coverage in schools, 2002

	May 2001		December 2002	
	Number	%	Number	%
Primary Schools				
Total number of students	20581	100	19980	100
Students with Internet in classroom	8984	43.7	10347	51.79
Students with Internet in school	10876	52.8	13664	63.39
Number of schools	77	100	77	100
Number of schools with Internet connection	39	50.6	52	67.53
Secondary Schools				
Total number of students	18906	100	18925	100
Students with Internet access	17981	95.1	17951	94.9
Number of schools	36	100	36	100
Number of schools with Internet connection	32	88.9	32	88.9

Source: Ministry of Education

Table 16: Gender pay gap (employees only) by economic activity

Economic activity	December 2002					June 2003				
	Men		Women		Gender gap	Men		Women		Gender gap
	Count	Gross annual in MTL	Count	Gross annual in MTL		Count	Gross annual in MTL	Count	Gross annual in MTL	
Agriculture, hunting and forestry	1408	4664.82	107	7000.00	150.06	1363 ⁽¹⁾	4566.21 ⁽¹⁾	197 ⁽¹⁾	3193.39 ⁽¹⁾	69.9
Fishing	72	4080.00	69	4011.00	98.31	179 ⁽¹⁾	4648.83 ⁽¹⁾	-	-	-
Mining and quarrying	554	4510.76	-	-	-	934 ⁽¹⁾	5063.20 ⁽¹⁾	57 ⁽¹⁾	3198.00	63.2
Manufacturing	16952	5043.27	9211	4162.19	82.53	18763	5002.57	7432	4070.10	81.4
Electricity, gas and water supply	3321	5433.91	427	4015.29	73.89	3171	5363.98	194 ⁽¹⁾	4382.20	81.7
Construction	8471	4500.94	501	2904.90	64.54	8293	4962.59	261 ⁽¹⁾	4594.64	92.6
Wholesale and retail trade, repairs	8745	4639.28	4777	3653.80	78.76	9086	5056.15	4263	3845.14	76
Hotels and restaurants	7584	4607.60	3991	3120.85	67.73	7584	4829.57	3640	3638.20	75.3
Transport, storage and communication	8735	6248.43	2605	4592.32	73.50	8624	5895.07	3111	4717.65	80.0
Financial intermediation	2833	6650.86	2866	5427.22	81.60	2919	8971.52	2342	6571.61	73.2
Real estate, leases and business activities	3846	4985.96	1527	3715.54	74.52	3790	6574.99	2459	4719.04	71.8
Public admin and defence; compulsory social security	9212	5767.25	3203	4641.41	80.48	10488	5540.68	3208	4653.21	84.0
Education	4563	5932.29	7073	5059.54	85.29	3930	5695.43	7941	5104.12	89.6
Health and social work	4637	5742.54	5558	4355.40	75.84	4639	5532.75	4940	4158.63	75.2
Other community, social and personal services	2938	4382.42	1603	4095.65	93.46	2798	5108.59	1574 ⁽¹⁾	4126.64 ⁽¹⁾	80.8
Private households with employed persons	-	-	136	3258.76	-	54	4320.00 ⁽¹⁾	120 ⁽¹⁾	3344.50 ⁽¹⁾	77.4
Extra-territorial organisations and bodies	54	1170.00	69	3300.00	282.05	55	6000.00	50 ⁽¹⁾	5160.00 ⁽¹⁾	86.0
Total	83925	5234.69	43723	4293.63	82.02	86670	5424.24	41339	4481.89	82.6

Source: Labour Force Survey, NSO

Note: (1) Under-represented.