

Poverty and Social Exclusion in Malta

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At the end of the outgoing millennium, Maltese society was portrayed as an 'affluent society' (Galbraith 1999), with every individual enjoying the modern consumer lifestyle. National statistics and the media claim that extreme poverty has been eradicated in Malta and that poverty exists only as a relative measure. However, there are people in Malta who are living so far below the general standard of living that they have to struggle, and who lack the necessities to live decently and participate in ordinary economic, social and cultural life. This report gives a grassroots perspective on poverty and social exclusion in Malta based on official statistics and a close-up look at the 'different' poor.

Official poverty statistics

In 2008, 15% of Maltese were estimated to be living under the poverty threshold (Eurostat 2010, Wolff 2010). The 'at risk of poverty rate' in Malta (60% of the median national income) calculated for 2005, 2006 and 2007 in the Survey on Income and Living Conditions 2007 (National Statistics Office 2009) was stable at 13.8% for 2005 and 2006, rising to 14.2% in 2007.

The median National Equivalised Income (NEI) stood at €9,129 per year over this period, with a resulting at risk of poverty line of €5,477 (National Statistics Office 2009). In 2007, 57,444 people fell below this line out of a population of about 410,290 (nearly 15%). In comparison, the at risk of poverty rate in the EU27 was 16% for all three years under review (2005–2007). The other main indicators of monetary poverty in the Survey on Income and Living Conditions 2007 include the S80/S20 ratio, which shows that the income of top 20% of income earners in Malta is nearly four times that of the lowest 20%.

The Eurobarometer report 2010, (Eurostat 2010) shows that Malta's poverty rate of 15% is slightly better than the EU average of 17%, but the island's elderly seem to be in a more vulnerable position, with 22% of those over 65 considered to be at risk of poverty, which is 3% more than in the EU as a whole.

Research shows that the higher the educational attainment level, the lower the risk of poverty. For example, the at risk of poverty rate among persons aged 16 or over with a lower secondary level of education or below is 16%, while only 7% of persons with upper secondary

education are at risk (National Statistics Office 2009). The report also notes that persons who are renting are more likely to be subject to monetary poverty than homeowners, with an at risk of poverty rate of 19%, compared to 13% for homeowners (National Statistics Office 2009).

Although the at risk of poverty rate in Malta is lower than the EU average, material deprivation is significantly higher among Malta's population. In 2008, 13% of Malta's population was considered to be materially deprived, meaning they had difficulties in obtaining three out of a list of nine essential items (Eurostat 2010). The list includes the ability to meet unexpected expenses; ability to pay for a one-week annual holiday away from home; ability to keep up with bills (mortgage payments, utilities, loan repayments); capacity to afford a meal with meat, chicken, fish or a vegetarian equivalent every second day; capacity to keep the home adequately warm; and possession of a washing machine, colour television, telephone, and private car. An annual holiday away from home seems to be the most unattainable luxury for Maltese, according to Eurostat. The study showed that 65% of Maltese are unable to commit to an annual holiday. This is one of the highest rates in the EU. In the Eurostat survey, 10% of the Maltese population said they could not eat meat, chicken, fish or a vegetarian equivalent every second day, while 9% had difficulty keeping their home warm during the winter (Eurostat 2010). This material deprivation was also replicated in the Survey on Income and Living Conditions for 2005, 2006 and 2007 (National Statistics Office 2009).

In 2008, the minimum wage in Malta was a mere €142.7 per week (Government of Malta 2009) and has been referred to as a 'poverty wage' (Abela and Tabone 2008). Caritas Malta Director, Monsignor Grech, has called for the minimum wage to be redefined to an adequate amount, pointing to the rising cost of living and medicine and the high cost of property as factors causing hardship among the poor (Times of Malta 2010). He added that a redefinition of the poverty line is also necessary, pointing out that utility tariffs were pushing those who had been at risk of poverty into actual poverty.

The 'different' poor

A recent report about poverty in Malta, published by the Jesuit Centre for Faith and Justice (Cardona 2010), and based on interviews with people working among the poor and the poor

themselves, sheds light on the different facets of poverty in Malta. The report identifies some vulnerable groups that perhaps are not always recognised in the statistics, including single parents, families, those aged over 65, people with drug, alcohol and gambling problems, and irregular migrants. This section takes a look at some of these groups and the reasons for their vulnerability.

The research indicates that single-parent families are most affected; around half of all single parent families in Malta live below the poverty line. Single mothers who are caring for very young children find it hard to access childcare facilities. Many rely on grandparents or extended family. Those without family support or access to childcare facilities are precluded from taking part-time or full-time work. Young girls who become pregnant may spend the rest of their lives dependent on social security benefits.

Limited financial means preclude many single parents from investing in informal education for themselves, and in education and the socialisation of their children. Thus poverty is being passed on through single parents to the next generation. The report also found that children of some single parents suffer from neglect as their parent's time is consumed in earning a living. This can result in higher rates of absenteeism at school, especially if their parents do not value education. Some children from single parent families dropout of school early to take care of younger siblings or to enter the workforce.

Statistics show that families with dependent children have a slightly greater chance of falling below the poverty line than households without. Families with three or more dependent children have an even higher chance of being at risk of poverty. Financial problems can preclude both adults and children within these households from accessing basic necessities and education.

There is also a high percentage of people aged 65 and over living below the poverty line in Malta – 22% in 2008 (Eurostat 2010). Lack of access to financial resources is not the only problem that impinges upon the social condition of the elderly. Many old people live in apartment blocks that have several flights of stairs; the elderly can feel trapped in their homes when flights of stairs restrict their movement.

Other vulnerable groups identified by this report include those with drug or gambling

problems, people aged 40 and over who find themselves unemployed, those with low levels of education, people with mental health problems and disabled people.

In 2010, new rent laws came into force (Malta Parliament 2009), lifting the cap on tenancies from €30 per year to €185¹, with provision for rent increases every three years against inflation indexes. This will impose further hardship on vulnerable groups. People who find it hard to pay rent and buy basic necessities are especially vulnerable as their situation can force them to take high interest loans from informal moneylenders, which can trap them in a cycle of poverty and debt.

The Jesuit Report (Cardona 2010) also identifies a new category of people living on the verge of absolute poverty – irregular migrants, mainly from Sub-Saharan Africa – who are not noted in official statistics. Immigrants who are instructed to leave the open centres that house migrants in Malta find it very difficult to find regular employment and housing, and are very likely to end up in bleak conditions (Social Watch 2009). A study conducted by Advocacy Network on Destitution (ANDES) found that migrants in Malta are falling into destitution because the benefits given are not enough to cover subsistence costs, accommodation and medical services.

The Maltese Government has been urged by many Maltese civil society organisations to do more to foster a climate of understanding and integration between the Maltese and irregular immigrants. It is felt that the civil rights of irregular migrants, refugees and asylum seekers are being violated. Long stays in detention centres in inhuman conditions have been criticised by the UN (United Nations 2009), EU (European Union 2006), and human rights organisations such as MDM (Medicine du Monde 2007) and MSF (Medecins sans Frontieres 2009). When irregular migrants are released from detention, they often have no other choice than to move into one of the three open centres in Malta, which are ghetto-like complexes in the industrial areas of the island. This concentration of immigrants is leading to hostility towards immigrants in the villages around the open centres and utter indifference in the rest of the island towards the problems of both the immigrants and the Maltese people, who feel that the social life in their town has been unjustly disrupted. A report by the European Network Against Racism

(2008) states that the segregation of migrants in Malta and their reliance on social security benefits has led to an increase in xenophobia in Malta. Although those outspoken are few, they tend to be voicing the general feelings of the Maltese population.

Conclusion

Poverty may be hidden in Malta, but it exists and is very real to the people experiencing it. Statistics show that between 2005 and 2008 there was an increase in the gap between the 'haves' and the 'have-nots'. In 2010, this is expected to worsen with increases in food prices, rents and the cost of utilities. The Maltese economy over the past two decades underwent market liberalisation and the deregulation of the labour market to create flexibility, more jobs and more profit. However, this flexibility has resulted in the erosion of labour standards, insecure work status, unemployment and lower incomes for Maltese families.

Globalisation has also eroded the labour market; the trend of 'outsourcing' production weakens companies' sense of responsibility towards workers, suppliers, consumers, the natural environment and broader society in favour of shareholder profits. Globalisation has made the world a village, but it creates neighbours not brothers. The pursuit of profit by the few does not establish fraternity between nations and does not ensure the balanced distributed of wealth and opportunity.

Since the 1990s, values in Malta have started shifting away from the traditional and institutionalised values towards individualism (Tonna 1997). The consumerist and utilitarian trends of the market are reflected in individualistic trends and the growing number of family breakdowns and single mothers. These are all factors that generate and reinforce poverty.

It is the responsibility of the state to work for the common good, create wealth and equally distribute this among its people. When economic action is conceived merely as an engine for wealth creation, it creates grave imbalances within the community. In our market economy, politicians must be guardians and work for distributive and social justice among all members of society. The market must not become a place where the strong subdue the weak.

Approaches to poverty reduction should, therefore, be developmental and holistic, integrating economic and social policies to achieve people-centred development outcomes. Social policy should focus on the determinants of wealth and income distribution to improve equity, as well as generate decent employment. The system should provide universal coverage

for basic risks, particularly for ill health, ageing and unemployment, in an integrated package.

It is the responsibility of both the state and society to see that schools do not reproduce the inequalities found in society at large, but rather address these imbalances. Investment in education can play a key role in poverty reduction, owing to its growth promoting effects.

With rising inequality, social integration becomes more elusive. Social cohesion and solidarity are fundamental for development and social progress, and efforts to develop and reinforce institutions and mechanisms encouraging social integration must be sustained. Promoting inclusion and reducing deprivation strengthens democratic institutions and processes, making social and economic relations more harmonious, and providing a firm foundation for long-term development and prosperity. Strategies that promote social cohesion and the realisation of the rights of individuals and groups complement other poverty reduction strategies.

It is our responsibility to make possible a new social order that will lead to the humanisation of all. One will attain his/her own humanisation by helping others obtain theirs. It is our responsibility to work to bring about changes in the social, political and economic order that will create social justice and solidarity among all. ■

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¹ Rent of houses in Malta 40 or more years ago were around euros 2.5 a month. Children still living in their parents' home had the right to inherit and continue paying the same rent. With the new Law, children cannot inherit the same rent.

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