

A review of implementation of Sustainable Development Goal 1
Malta's efforts at alleviating poverty

December 2020



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List of Abbreviations

AROPE	at risk of poverty or social exclusion [as defined in EU SILC]
ARPT60i	at risk of poverty [as defined in EU SILC]
AWAS	Agency for the Welfare of Asylum Seekers
COLA	Cost-of-living adjustment
EASO	European Asylum Support Office
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
EU SILC	European Union Statistics on Income and Living Conditions
FEAD	Fund for European Aid to the Most Deprived
FSWS	Foundation for Social Welfare Services
HRID	Human Rights Integration Directorate
INTOSAI	International Organization of Supreme Audit Institutions
ISAM	IDI's SDGs Audit Model
IT	Information technology
LWI	low work intensity
MCAST	Malta College of Arts, Science & Technology
MCCAA	Malta Competition and Consumer Affairs Authority
MCESD	Malta Council for Economic and Social Development
MD	material deprivation [as defined in EU SILC]
MEAE	Ministry for European Affairs and Equality
MEDE	Ministry for Education and Employment
MESDC	Ministry for the Environment, Sustainable Development and Climate Change
MEUSAC	Malta-EU Steering and Action Committee
MFCS	Ministry for the Family, Children's Rights and Social Solidarity
MFH	Ministry for Health
MHSE	Ministry for Home Affairs, National Security and Law Enforcement
MJEG	Ministry for Justice, Equality and Governance
MSA	Ministry for Social Accommodation
NDSF	National Development and Social Fund
NEI	national equivalised income
NGOs	Non-Governmental Organisations
NRP	National Reform Programme
NSO	National Statistics Office
OECD	Organisation for Economic Co-operation and Development
OPM	Office of the Prime Minister
PIMS	Programme Implementation and Monitoring System

PSP	public social partnership
SAI	supreme audit institutions
SDGs	Sustainable Development Goals
SHPs	Specialised Housing Programmes
SILC	Survey on Income and Living Conditions
SMD	severe material deprivation [as defined in EU SILC]
UN	United Nations
UNCPRD	United Nations Committee on the Rights of Persons with Disabilities
VNR	Voluntary National Review

Executive Summary

- 1 | The Sustainable Development Goals (SDGs), adopted by all United Nations (UN) Member States in 2015, reflect the global drive to eradicate poverty, safeguard the environment and promote peace and prosperity among all by 2030. This review, which focuses on SDG 1, is in line with the role of supreme audit institutions in conducting reviews that measure progress on particular goals, thereby contributing to the successful realisation of the SDGs. SDG 1, as defined by the 2030 Agenda for Sustainable Development, aims to 'end poverty in all its forms everywhere'. This review focuses on Government's efforts at addressing poverty, considers whether these efforts were comprehensive, effective and inclusive, and assesses the extent of progress achieved in addressing poverty.
- 2 | Of note is that the consideration of the effects of COVID-19 on poverty falls outside the scope of this review. It is envisaged that the impact of this pandemic on poverty will be significant; yet, since fieldwork for this review was conducted at the start of the pandemic and given that this is as yet an ongoing situation, it would have been premature for the Office to attempt to consider its effect in detail.
- 3 | The first question that the NAO sought to address related to whether progress has been registered in the alleviation of poverty. Answering this question is no straightforward task, as poverty remains a complex, dynamic and multi-faceted issue, which characteristics render its measurement challenging and raise concerns relating to completeness.
- 4 | According to the UN, Malta has successfully achieved the target relating to the eradication of absolute poverty, measured in terms of persons earning less than \$1.90 or \$3.20 per day. While this achievement is acknowledged, one must note that the UN has not yet reported on progress registered in relation to its targets and indicators corresponding to relative poverty. National efforts do not only focus on the eradication of absolute poverty but also aim to alleviate relative poverty. Although the complete eradication of relative poverty remains a likely insurmountable endeavour, its reduction through various measures is certainly possible.
- 5 | The national target with respect to poverty is the lifting of 6,560 persons from the risk of poverty and social exclusion. Since this target does not relate to a net reduction, then progress registered cannot be measured with current data collection mechanisms. Nevertheless, the NAO was able to measure progress in terms of the yardsticks available through the European Union Statistics on Income and Living Conditions (EU SILC) data. This data plays a central role in assessing progress towards the European Union's (EU) target of reducing the number of people at risk of poverty and social exclusion (AROPE) by 20 million by 2020. EU SILC data for 2018, which was the latest data available at the time of analysis, was assessed against that of 2008, which year represents the baseline year for monitoring progress against the Europe 2020 targets, and 2015, which corresponds to the year of adoption of the SDGs.

- 6 | This Office is of the opinion that, in certain respects, substantial progress has been registered, duly evidenced in the statistics relating to AROPE and more significantly in respect of material deprivation (MD) and severe material deprivation (SMD). However, the NAO notes a regression in terms of the number of persons at risk of poverty (ARPT60i) and the corresponding prevalence rate, which have increased during the periods under review. Issues raised by the ministries, government entities and commissions, non-governmental organisations (NGOs) and academics consulted by the NAO were deemed as valid insights into areas where additional efforts are required to achieve further headway in the alleviation of poverty.
- 7 | In the case of the AROPE indicator, the rate decreased from 20 per cent in 2008 to 19 per cent in 2018, and from 23 per cent in 2015 to 19 per cent in 2018. The number of persons AROPE decreased by 10,432 between 2015 and 2018 yet increased by 9,022 for the period 2008 to 2018. This increase in headcount (despite a decrease in the rate) can be explained in terms of a substantial increase in the total population observed in the period 2008 to 2018.
- 8 | The number of persons who are MD decreased by 13,957 between 2008 and 2018, from 54,711 (13.7 per cent) in 2008 to 40,754 (8.7 per cent) in 2018. A similar decrease was registered between 2015 and 2018, with the number of persons who are MD decreasing by 26,274 in this period, from 67,028 (15.5 per cent) in 2015 to 40,754 (8.7 per cent) in 2018. A similar pattern of improvement was registered with respect to SMD, albeit to a lesser extent, for the period 2008 to 2018 when compared to 2015 to 2018. The number of persons classified as SMD decreased by 3,024 between 2008 and 2018, from 17,270 (4.3 per cent) in 2008 to 14,246 (3.0 per cent) in 2018. More significant was the decrease in the number of persons experiencing SMD between 2015 and 2018, where a decrease of 22,400 persons was registered, from 36,646 (8.5 per cent) in 2015 to 14,246 (3.0 per cent) in 2018. In this Office's opinion, when considering the brevity of the period 2015 to 2018, the staggering improvements registered in terms of the reduction of MD and SMD are commendable.
- 9 | When considering ARPT60i, the EU SILC data indicates an increase between 2008 and 2018 (15.3 per cent to 16.8 per cent), and again between 2015 and 2018 (16.6 per cent to 16.8 per cent), albeit marginal in the latter period. Persons are classified as ARPT60i if their equivalised disposable income falls below the 60 per cent of the national median equivalised disposable income, which stood at €8,868 in 2018. In real terms, the number of persons ARPT60i increased from 61,256 in 2008 to 78,685 in 2018, and from 71,712 persons in 2015 to 78,685 in 2018. In the NAO's understanding, these statistics indicate that in terms of this indicator for measuring relative poverty, a regression has been registered.
- 10 | The NAO sought to obtain further insight into whether progress was achieved in terms of the alleviation of poverty by engaging with NGOs and academics involved in the sector. On balance, the collective assessment of the NGO representatives and academics on progress registered with respect to the reduction of poverty was not positive. Key considerations raised by these contributors that substantiated their assessment of the stunted progress focused on the increase in living expenses and standard of living not matched with an equivalent increase in income, translating into households unable to cover basic expenses and resulting in more

families seeking financial support from NGOs. Other points comprised the growing polarisation in wealth distribution and the improvement in the standard of living, which fuel the persistence of relative poverty and personal perceptions of poverty. Reference was also made to the increasing complexity of social problems and the increase in material deprivation among vulnerable groups such as older persons, those with mental health issues and sub-groups of the local migrant community. Housing issues, including the increase in homeless persons and persons living in non-residential properties or sub-standard housing, were highlighted.

- 11 | In reconciling the evidence obtained from the analysis of EU SILC data and the feedback from the NGOs and academics, the NAO is of the understanding that, through contact with their service users, the NGOs may be experiencing peripheral poverty that is not captured in the EU SILC. In line with the EU methodology, the population of interest for the EU SILC is restricted to all individuals living in private households in Malta and Gozo. Consequently, persons living in collective households or institutions, such as hospitals, old people's homes, residential homes, faith-based institutions and boarding houses, correctional facilities, those who are homeless, migrants living in closed or open centres, and asylum seekers who have not reached the six-month residency requirement are excluded from the target population and are not eligible to participate in the EU SILC since they are out of scope. In this respect, the NAO is of the understanding that current statistics do not provide a complete picture of poverty in Malta. The underrepresentation of poverty is more substantial to the extent that the poverty rates for those who are not part of the target population, for those who are not captured in sampling frames, for sampled individuals who cannot be reached, or for those who fail to respond to the survey request are higher than the rates for those who participate in the EU SILC.
- 12 | The second aspect of analysis that the NAO sought to address related to whether Government's efforts were sufficient, effective and whether they addressed all vulnerable groups in the alleviation of poverty. The NAO's assessment is generally positive, although scope for improvement exists.
- 13 | In terms of sufficiency, significant efforts have been undertaken by Government in the alleviation of poverty, evidenced by the substantial investment made, as well as the diverse programmes, initiatives and schemes intended at different target groups. These efforts were also amply acknowledged by the stakeholders engaged by the NAO. Specific sectors that registered substantial improvements in terms of service provision, reach and uptake of services, and impact on the social and financial well-being of households, included the education, employment, housing, social services, domestic violence and disability sectors. The most notable measures in education comprised investment in training and educational opportunities, the removal of examination fees and the provision of free transport to all students, after-school programmes in public schools, meals, school resources and electronic apparatus. With respect to employment, efforts were undertaken to incentivise employers to recruit vulnerable individuals, and reskilling training was provided to persons who are at risk of poverty to allow these individuals to better match the evolving requirements of the job market. The significant progress registered in the housing sector was evident in terms of the various schemes introduced. These included schemes that subsidise rents when renting from the private sector, provide social loans, allow for the purchase

of property in partnership with Government, waive the down payment requirement through agreement with banks, increased capacity in terms of social housing units, and others that address the needs of specific vulnerable groups. Progress registered with respect to social services related to the establishment of the Social Care Standards Authority, the reduction of waiting times for services, the provision of social outreach services and food packages to families in need, and the enhancement of government structures working with disadvantaged groups. In relation to the domestic violence sector, improvements noted entailed efforts to render more prompt the response to victims, the offering of immediate shelter and legal aid when necessary, as well as a scheme to facilitate long-term residential arrangements. Key improvements in the disability sector related to changes in the social benefit system that provided for better rates and extended the eligibility to a higher number of beneficiaries. Other improvements relate to the provision of services, schemes and programmes that subsidise personal assistance, equipment and transport, ameliorate employment opportunities, provide respite care and allow for more inclusive community living.

- 14 | This Office's attention was drawn to important legislative changes, policy developments, as well as effectively implemented measures and initiatives. Specifically cited in this regard were broad efforts at strengthening economic growth, consequently spurring job creation, and the introduction of tax rebates. In this respect, this Office notes that the proportion of the general population aged 16 years and over that are in employment has increased in the period under review. Various positive changes were effected with respect to the social benefit system, including the widening of eligibility criteria and the increase in benefit amounts, the introduction of new benefits, as well as other initiatives such as the tapering of benefits intended to encourage uptake in employment and decrease dependence on social benefits. Several cross-cutting improvements were also noted. These related to new synergies emerging through the public social partnerships (PSPs) entered by Government and various NGOs, the further development of case management to address fragmentation in service delivery and improve coordination between service providers, as well as substantial efforts intended to build and retain professional capacity within the sector. Other cross-cutting improvements comprised simplification measures intended to reduce bureaucracy, improve accessibility and increase efficiency in terms of the timely processing of benefits, as well as efforts intended to ameliorate outreach capabilities to ensure access and augment the effectiveness of services delivered.
- 15 | In considering whether Government's efforts have been sufficient, some gaps and areas where further efforts are required were noted. Stakeholders referred to the need for more holistic, resource-intensive and long-term interventions; a greater community focus in planning, governance and service delivery; the consistent inclusion of educational elements in social care, family support and community services; as well as further housing schemes. The unmet needs of several vulnerable groups, and recommendations to address them, were highlighted by various stakeholders.
- 16 | The NAO acknowledges the substantial investment and efforts undertaken by Government in its drive to alleviate poverty. However, these efforts are not sufficient on all fronts and certain gaps

remain. This Office recognises that in view of the complexity of poverty, its changing and endemic nature, the shifting profile of those most at risk, and factors beyond the control of Government that exacerbate risk, efforts by Government at any one point in time can never be considered sufficient. Ever-expanding diverging needs require consistent and a correspondingly augmenting investment, as well as proactive, targeted and diversified measures to address these needs.

- 17 | With respect to whether Government's efforts addressed the needs of all vulnerable groups, contributors recognised that certain demographic groups, or groups facing specific social or health problems, were more susceptible to experience poverty and that current services and benefits were not always sufficient or adequate to address their specific needs. Groups cited included disadvantaged children, such as children leaving residential care and children coming from low socio-economic backgrounds, older persons, informal caregivers, single parents, migrants, persons with disability, individuals with physical or mental health issues, victims and survivors of domestic violence, persons with criminal convictions and persons who have experienced marital dissolution. The extent of vulnerability experienced by each of these groups varied significantly, contingent on the nature of the vulnerability and the type of unmet need identified.
- 18 | Consistent with the perspectives expressed by the stakeholders engaged, the NAO's analysis of salient EU SILC indicators disaggregated by demographic categories clearly indicates that certain groups are more vulnerable than others. Disparities in ARPT60i, AROPE and MD were noted across gender, age, activity status, housing tenure status, health indicators, overcrowding status, household type and geographic categories. Generally, greater vulnerability was found for persons who are female, not of working age, unemployed or inactive, have a chronic illness or condition, are limited in activity due to health issues and live in overcrowded residences. Although vulnerability was noted in various household type categories, those deemed most at risk were individuals residing in single parent households with dependent children. In terms of geographic location, although variations were observed across salient indicators for different years, the consistent vulnerability of the Southern Harbour region was evident.
- 19 | The NAO is of the opinion that while Government has undertaken several measures that positively address the vulnerabilities of particular groups, sustained efforts are required to more effectively reach all vulnerable groups. The review of official statistics on poverty and the feedback sourced from stakeholders provide insight into the systemic disadvantages of demographic groups and areas of welfare that require more attention, which insight can further direct Government in the design of efforts to alleviate poverty.
- 20 | The NAO's attention was drawn to various issues related to the effectiveness of Government's efforts as flagged by stakeholders. The main concerns relate to service quality, accessibility, capacity constraints, excessive bureaucracy and matters relating to the implementation of legislation and policy.
- 21 | Recommendations for improvement put forward by the stakeholders in this respect included additional case management capabilities across relevant ministries, the need to further reduce

bureaucracy through simplification efforts, and increased monitoring and evaluation of services. Other recommendations related to the appointment of qualified and competent persons with diverse backgrounds to boards tasked with assessing eligibility for benefits, as well as the sustained recruitment and retention efforts for trained and specialised human resources. Various recommendations to address service accessibility issues, including long waiting lists, fear of stigma, lack of awareness on the availability of services and benefits, or how and where to access them from, and the lack of easily accessible information, were cited.

- 22 | While the NAO acknowledges that services provided are generally of good standard and that the staff are professional in their approach, certain existing issues and shortcomings may impinge on the effectiveness of these services in alleviating poverty. The highlighted issues may serve to guide Government in improving the impact of its efforts.
- 23 | In the third aspect of this review, the NAO sought to assess whether there is sufficient communication, coordination and cooperation within Government in its efforts to alleviate poverty.
- 24 | The NAO is of the opinion that, at the strategic level, the governance structure for poverty is appropriately designed, functions in an efficient and effective manner, and has addressed most of the strategic actions set. This governance structure takes the form of an Inter-Ministerial Committee, which is responsible for the implementation of the National Strategic Policy for Poverty Reduction and Social Inclusion 2014-2024. The Committee is chaired by the Ministry for the Family, Children's Rights and Social Solidarity and includes ministries responsible for education, employment, culture, health and, more recently social accommodation, as main members. Nevertheless, scope for improvement in terms of effectiveness exists, with this Office deeming the involvement of other stakeholders within the Inter-Ministerial Committee as an opportunity for consolidating progress made. This further involvement could take the form of the ad hoc attendance of experts or key stakeholders contingent on the particular policy area.
- 25 | Supplementary to the Inter-Ministerial Committee on poverty are other committees responsible for related sectors, such as disability and youth, that also bear relevant impact on progress achieved with respect to the alleviation of poverty. The NAO advocates the further development of cross-ministerial coordination mechanisms and considers such structures as key to a responsive and effective Government in its efforts at alleviating poverty.
- 26 | At the level of service provision, the NAO established that as the extent of involvement of diverse entities and ministries increased, intra-organisational coordination became more challenging. Stakeholders referred to the existence of a silo mentality and an element of competition between ministries and entities. Furthermore, in certain cases, fragmentation in service provision was noted to lead to unclear lines of responsibility, as well as inefficiencies and confusion experienced by users when accessing services. It is in this context that the NAO recognises the need for further cooperation across ministries and entities at the level of policy implementation and service provision. Solutions put forward by stakeholders to address these shortcomings and better attend

to the complex needs of vulnerable persons comprise systems of case management that cut across ministries, more coherent lines of communication across Government designed around the needs of service users, and key performance indicators that capture dimensions such as communication, collaboration and quality of service.

- 27 | Evident was that the extent of communication and collaboration within and between ministries and government entities varies, with different organisations and sectors exhibiting varying levels. These differences were brought to the fore in feedback provided by the government entities and commissions when requested to indicate whether coordination between service providers is adequate. Various examples of effective working dynamics, as well as opportunities where scope for greater cooperation and coordination exists, were cited.
- 28 | Concluding in this respect, the NAO distinguishes between the strategic and service delivery level. This Office is of the opinion that the Inter-Ministerial Committee on poverty, effectively performs its strategic functions. While this Committee's role in the alleviation of poverty is pivotal, the NAO recognises that other associated policy areas also impact on progress registered, noting that the further development of cross-ministerial coordination mechanisms would be beneficial. In terms of service provision, the NAO is of the understanding that coordination within ministries is generally better than across ministries and entities. Also noted was that the extent of collaboration is dependent on the public officials and entities involved, as well as the sector that they operate in. In this respect, the NAO recognises scope for improvement to ensure consistent coordination across Government at the level of service provision. The various examples of good practice identified by this Office during this review could guide efforts in this regard.
- 29 | The final aspect of review considered by the NAO related to whether Government provided an enabling and positive environment for other actors, such as NGOs, academics, professionals in the field and affected groups, to contribute in the alleviation of poverty.
- 30 | Of interest to the NAO is that Malta's Sustainable Development Vision 2050 places a significant emphasis on the need to include different stakeholders in the decision-making process and hold more consultation meetings. This Office notes the numerous examples of positive collaboration and coordination between Government and the NGO sector at the level of service provision. The substantial budget allocated for PSPs is evidence of Government's efforts at facilitating and supporting NGOs and sharing responsibility in terms of service provision to those at risk of poverty.
- 31 | Despite acknowledging various positive examples of good working relations, with PSPs recognised as an effective method of cooperation, stakeholders were of the opinion that there is scope for further collaboration and coordination with the NGO sector. In this respect, it was noted that the extent of collaboration and communication between Government and the NGO sector was often dependent on the specific individuals holding public office, their personal approach and their affinity with specific organisations and individuals. Further involvement was envisaged in

service design and delivery, monitoring and evaluation efforts. The NGO representatives argued that such collaboration requires Government to consider NGOs as effective partners in addressing social issues and in tackling gaps in service provision. This necessitates that Government engages with NGOs in a more consistent and in-depth consultation to develop strategies and action plans using, to the extent possible, a multi-stakeholder approach.

- 32 | Although efforts are undertaken by Government to consult with stakeholders, the scope for greater consultation in legislative drafting, policy formulation as well as in service design, delivery and evaluation was highlighted. This desire for broader consultation is meant in the widest sense, applying to all relevant legislation and policy. The stakeholders indicated that NGOs, academics, professionals in the field and affected groups, as well as other government entities, were to be further included in the process of consultation. With respect to legislation, stakeholders expressed the need to be consulted at an early stage in the process, when the relevant legislation is still being drafted, rather than the current practice of consultation at a stage when the white paper is issued. Similarly, with respect to policy development, stakeholders advocated for more comprehensive consultation at earlier stages of the process, to ensure that feedback sufficiently shapes policy. Finally, consultation at service design, delivery and evaluation was seen as a means of optimising resources allocated to specific services, amplifying the impact of interventions and ensuring quality in the services provided.
- 33 | In conclusion as to whether Government has fostered an enabling environment for other actors, the Office notes that Government has integrated consultation as part of legislative development and policy formulation; however, the NAO acknowledges the concerns raised by stakeholders in terms of how meaningful this consultation is and to what extent it is shaping Government's efforts. This Office is of the opinion that opportunities for amelioration in this respect exist, particularly in terms of earlier engagement in these processes.
- 34 | The NAO recognises that many NGOs are undertaking invaluable work that directly or indirectly addresses poverty and social exclusion, collaborating with Government to address gaps and needs in services provided to groups that are susceptible to poverty. The extent of collaboration has been strengthened over recent years, with the significant increase in funds allocated to NGOs through PSPs attesting to this. The NAO acknowledges Government's commitment to share the responsibility of addressing the needs of vulnerable groups with the NGO sector. However, the opportunity for further collaboration remains as there is always more that can be done to support and further capitalise on existing services offered by the NGOs that contribute to the alleviation of poverty.
- 35 | With respect to the modality of funding, the NAO is of the understanding that PSPs present a suitable arrangement for the funding of core work. Despite some reservations expressed by certain NGOs regarding the rigidity imposed by such a structured approach and the added burden in terms of reporting requirements, the NAO deems the setting of clear contractual parameters as essential in regulating the partnership between Government and the relevant NGO, thereby ensuring good governance and value for money. In terms of the extent of funds

allocated by Government to support NGOs, the NAO is of the opinion that, if further progress is to be registered in the alleviation of poverty and the extent of NGO involvement in service provision strengthened, then appropriate funding allocations are to be sustained.

- 36 | Overall, the NAO is of the opinion that Government's efforts have contributed to substantial progress being registered in the alleviation of poverty. These efforts have sought to broadly address the needs of vulnerable groups, as well as improve on the sufficiency, timeliness, accessibility and effectiveness of services and benefits delivered. Other positive aspects were efforts intended at increasing collaboration within Government, and others aimed at creating a positive and enabling environment for other actors to contribute to the alleviation of poverty. Nevertheless, significant scope for improvement exists. Efforts must be sustained and refined to address the systemic disadvantages of certain demographic groups, gaps in service provision, as well as issues and shortcomings that impinge on the effectiveness of services. The further development of coordination mechanisms that cut across government functions will contribute to sustained progress in the address of poverty. Notable potential exists and synergies may be derived through the further development of Government's relationship with key stakeholders, through a broader and more meaningful engagement in consultative processes and greater collaboration in service provision. Considering the dynamic and complex nature of poverty, the NAO is of the opinion that it is only through sustained investment, targeted efforts and broad coordination within Government and with external stakeholders that lasting progress can be registered.

Chapter 1

What are the Sustainable Development Goals and why are they important?

In this first chapter, an introduction to the Sustainable Development Goals is provided, elaborating on what they seek to achieve (Section 1.1). An explanation of the role of the NAO in relation to the Sustainable Development Goals is also highlighted (1.2). An element of context is then outlined through reference to the local governance and legislative structures that relate to the Sustainable Development Goals (1.3).

1.1 What are the Sustainable Development Goals and what do they seek to achieve?

1.1.1 Sustainable development is commonly defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In effect, sustainable development goes beyond a sole concern for the environment, with focus also placed on the balance between economic and social progress in efforts to achieve sustainability.

1.1.2 This concept was translated in the setup of the Sustainable Development Goals (SDGs), which reflect the global drive to eradicate poverty, safeguard the environment and promote peace and prosperity among all. The 17 SDGs (Figure 1) seek to sustain that achieved through the Millennium Development Goals¹, while delving into other areas that were previously unaddressed, such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among others. While compartmentalisation of the goals aids understanding, the SDGs remain intricately interconnected, with success on one goal often realisable through the address of issues more commonly associated with another. The SDGs were adopted by all United Nations (UN) Member States in 2015 and the targets were set to be reached by 2030.

¹ The Millennium Development Goals were eight and ranged from the halving of extreme poverty rate to the halting of the spread of HIV/AIDS, all of which were targeted to be achieved by 2015.

Figure 1 | Sustainable Development Goals



Source | United Nations Development Programme

1.2 What is the role of the National Audit Office in relation to the Sustainable Development Goals?

- 1.2.1 Governments have a central role in promoting sustainable development, particularly through direction-setting, establishing policy and providing coordination. Among others, this responsibility is manifested through tax policies, which provide a form of economic incentive or disincentive; legislation and regulation intended to promote good governance; and direct expenditure programmes, which strive to balance environmental issues with social and economic requirements. However, achieving the SDGs is not a responsibility that rests solely on Government's shoulders, for it necessitates partnership with the private sector, civil society and citizens alike to ensure betterment for future generations.
- 1.2.2 Supreme audit institutions (SAIs), such as ours, can also contribute to the success of SDGs through reviews that assess levels of preparedness, performance audits that measure progress on particular goals, or through financial and compliance audits that assess matters of regularity. This review, intended as part of a series that is to address SDGs, seeks to take stock of where Malta is at in terms of a particular SDG, in this case 'Goal 1: No poverty'.
- 1.2.3 By means of this review, we assessed the implementation of the set of policies that contribute to the achievement of the nationally agreed targets. We also analysed and discussed with different stakeholders, including representatives of non-governmental organisations (NGOs) involved in the social and humanitarian sector and academics, the progress, appropriateness, and probability of reaching the targets set. Stakeholder feedback was also sought to identify any shortcomings in efforts undertaken to address poverty, and possible mitigating actions to improve the effectiveness of such efforts. Our review delves into the different structures set up to address poverty and the various strategies, measures and initiatives that have been implemented. We paid special attention

to the measures carried out and the targets achieved during 2018. Additionally, we analysed in detail locally available data that aims to measure the existing levels of poverty, social exclusion and material deprivation, attempting to identify the demographic profile of those at risk, risk factors that increase one's probability of being at risk, and changing trends over time. Further details regarding the scope adopted and methodology employed in this review may be referred to in Annex 1.

1.3 What are the local governance and legislative structures in relation to the Sustainable Development Goals?

- 1.3.1 The notion of sustainable development has long been considered an important priority by Government. Its emergence in the local setting can perhaps be traced to the introduction of the Development Planning Act in 1992, which mainly focused on the environmental aspect of sustainability. The broader concept of sustainable development, encompassing environmental, economic and social considerations was then provided for in 2002 with the setting up of a National Commission for Sustainable Development through the Environment Protection Act (Chapter 435 of the Laws of Malta). The Commission was to advocate on sustainable development across all sectors and to review progress in its achievement. The Commission was also entrusted with preparing a national strategy for sustainable development.
- 1.3.2 Following public consultation, in 2006, the Commission proposed 'A Sustainable Development Strategy for the Maltese Islands 2007-2016', which was endorsed by Cabinet in December 2007. The Strategy identified 20 priority areas, all of which were accompanied by targets and indicators. The priority areas included the environment, the economy, society and various cross-cutting issues. To oversee its implementation, the Strategy called for the establishment of a permanent structure, appropriately staffed and funded, to coordinate, monitor, revise and promote the Strategy among all stakeholders. The permanent structure was to work under the direction of the Commission and was to strive to involve the general public to keep them informed and facilitate their ownership of the Strategy.
- 1.3.3 In 2012, Malta enacted the Sustainable Development Act (Chapter 521 of the Laws of Malta) to establish and enforce the manner through which sustainable development was to be addressed across Government. The Act set up a Competent Authority and provided for a sustainable development coordinator. The latter role was to be taken up by the permanent secretary for each ministry.² On the other hand, every department of Government, agency or entity had to have a sustainable development focal point, who was tasked with assisting the sustainable development coordinator in developing the ministry's position in respect of any request by the Competent Authority. This role was entrusted to the director responsible for policy development within each ministry or the head of each government agency and entity.³

² Part III art 7(2) of Chapter 521 of the Laws of Malta

³ Part III art 7(3) of Chapter 521 of the Laws of Malta

- 1.3.4 The Act also sets up a Guardian of Future Generations, with the aim of safeguarding inter-generational and intra-generational sustainable development in Malta.⁴ The Guardian, whose role is regulatory, has the power to carry out audits and make recommendations on the better achievement of the SDGs. In meetings held with the NAO, the Sustainable Development Directorate within the Office of the Prime Minister (OPM) informed this Office that to make relevant recommendations the Guardian had, in the past, organised conferences to source feedback from those working on the ground, including civil society organisations and NGOs. According to the Act, nothing precluded the Guardian from appointing experts to carry out studies on specific issues. Although the Guardian could make recommendations to the government entities on what proposals to adopt, it was left up to the entity to follow the recommendations made.
- 1.3.5 The Act also provides for a Sustainable Development Network,⁵ with the aim of promoting sustainable development in Malta. The Network was meant to be stakeholder-driven and, by end 2019, was attended by various NGOs and permanent secretaries. The Network was empowered to set up sub-committees to promote the economic, social and environmental dimensions of sustainable development. The sub-committees were to comprise representatives of the social partners, civil society actors and those with specific interest in the area.⁶ The Network was designed as a think tank, having the freedom to propose solutions that go beyond the limits of Government and provide innovative ideas. However, their recommendations are not legally binding.
- 1.3.6 The Sustainable Development Act, as enacted, identified the OPM as the Competent Authority. In 2013, the responsibility for the Sustainable Development Act was assigned by the Prime Minister to the Ministry for the Environment, Sustainable Development and Climate Change (MESDC). However, in January 2020, this responsibility reverted to the Sustainable Development Directorate within OPM, under the headship of the Ministry within OPM in charge of Sustainable Development.
- 1.3.7 Also stipulated in the Sustainable Development Act was that an annual report had to be compiled and presented to Parliament to outline the efforts undertaken by Government at promoting sustainable development. The report was meant to illustrate the national commitment towards sustainable development and, wherever possible, present indicator data. The first annual report corresponded to 2014, while the latest report tabled to Parliament was that of 2018.

⁴ Part IV of Chapter 521 of the Laws of Malta

⁵ Part V of Chapter 521 of the Laws of Malta

⁶ Part V of Chapter 521 of the Laws of Malta

- 1.3.8 The Competent Authority is also entrusted with the development and implementation of Malta's Sustainable Development Strategy. One of the activities undertaken by the Competent Authority during 2018 was the launch of a public consultation on Malta's Sustainable Development Vision for 2050. This public consultation was intended to source feedback in defining an updated strategic focus in order to portray Malta's image for the future. According to the 2018 Annual Report, since several developments took place at national, European Union (EU) and international fora on various policy sectors, a new strategic framework was deemed necessary. The new Strategy was to supersede the Sustainable Development Strategy for the Maltese Islands 2007-2016, which expired, and was considered by the Sustainable Development Directorate, MSDEC as having too short a timeframe, while being more academically rather than policy oriented.
- 1.3.9 The new strategy is to cover a longer term, with the target set for 2050. A need was also felt for the strategy to take a more holistic approach by providing for a vision and not just a strategy and to also include an action plan. The vision was to cover all areas and be less changing in nature, the strategy on the other hand was to include proposals for addressing the three pillars of sustainable development (economic, social and environmental), while the action plan was meant to provide a breakdown of activities for addressing the issues presented in the strategy. These proposals were undertaken by the Competent Authority in consultation with the Organisation for Economic Co-operation and Development (OECD) and supported by the European Commission under the Structural Reform Support Programme.
- 1.3.10 Malta's Sustainable Development Vision 2050 sets itself as the guiding principle for developing policies, and a reference when planning and implementing projects. It puts a greater emphasis on the need to include different stakeholders in the decision-making process and hold more consultation meetings. The Vision segments responsibility among different sectors of society and calls for government entities and departments to work in unison and towards a single goal. Local councils will also be involved in sustainable development and are to assume a crucial role in translating national policies into tangible practical actions that can bring sustainable development concepts closer to the community. They will also be tasked with raising awareness among the local communities on sustainable development and how it can improve their quality of life and the wider environment. Since sustainable development concepts involve everyone, Government will include civil society and the private sector in its discussions in order to consider the vision of its citizens. In line with its Vision, Government will also seek to work in partnership with key stakeholders on sector-specific issues. This will be done through public and sectoral consultations or through existing stakeholder engagement mechanisms. Government also committed to continue supporting organisations to make their own contributions in achieving the goals of the Vision. A clearer delineation of the different sectors that will be involved is portrayed in Figure 2.

Figure 2 | Malta's Sustainable Development Vision 2050



1.3.11 The Vision will in turn lead to the development of the Sustainable Development Strategy, which outlines how the Vision will be realised through the setting of strategic goals for sustainable development. The Strategy is to provide for an action plan listing the policies, reforms, projects and initiatives that should be undertaken. It should also state who will be responsible for carrying out these actions together with the resources required to undertake them and by when these must be achieved.

1.3.12 Another structure at national and international levels that supports SDGs is the National Statistics Office (NSO). The NSO is responsible for the collection, compilation, analysis and publication of a wide range of statistical information and related matters, which data is key in monitoring Malta's progress with respect to the SDGs. The NSO have undertaken an exercise to identify the data available at a national level relating to the SDG indicators and in so doing, identify gaps. The data produced by the NSO only addresses 25 per cent of the 235 indicators. To form a complete picture on the existing data available and identify any gaps, the NSO, in collaboration with the Sustainable Development Directorate organised meetings with the Ministries' Focal Points. This process was primarily carried out with a focus on the budgetary measures; however, it also served to identify other SDG-related data held at the Ministries' Focal Points. The process is to be concluded towards the end of 2020. Additionally, the NSO is currently assessing the approach it will be adopting in the publication of Sustainable Development Indicators data.

1.3.13 To tie in the work that the NGOs and voluntary organisations carry out with respect to sustainable development, Government launched a Sustainable Development Fund in December 2017. The Fund is intended for voluntary organisations and NGOs that are actively involved in different economic, social and environmental areas and that contribute to the attainment of the SDG targets through their work. The Fund was also considered an effective means of conveying the message that sustainable development could be better achieved with the involvement of all, including civil society. In May 2018, the best three projects from the three pillars of sustainable development were selected from seventeen project proposals. The budget allocated for this first grant amounted to €30,000.

Chapter 2

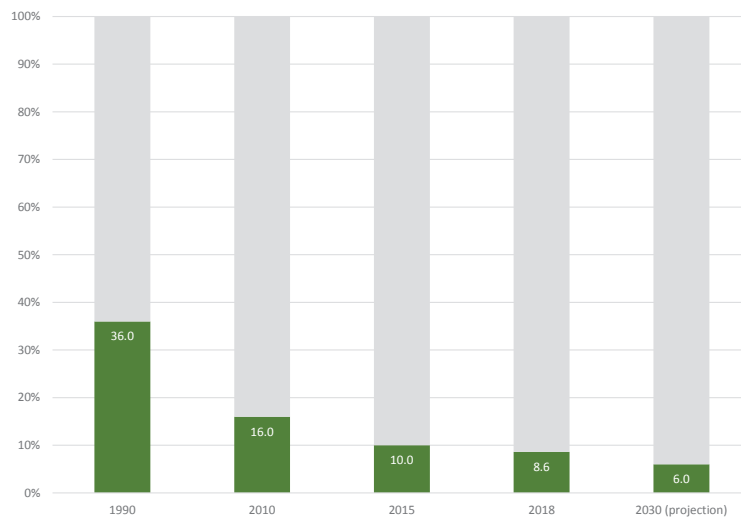
Sustainable Development Goal 1

The second chapter of this review delves into understanding what constitutes Sustainable Development Goal 1 (Section 2.1). Of interest is Malta's performance with respect to this Goal and therefore, attention is directed towards identifying the indicators that apply in this regard (2.2) and the rating achieved so far (2.3). Focus is then shifted onto how the EU measures poverty (2.4), Malta's rating in terms of this measure (2.5) and its performance in comparison to other EU states (2.6).

2.1 What is Sustainable Development Goal 1?

- 2.1.1 Sustainable Development Goal 1, as defined by the 2030 Agenda for Sustainable Development, aims to 'end poverty in all its forms everywhere'. According to the UN, poverty is more than the absence of income and resources to guarantee a sustainable livelihood. Its signs include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, and lack of participation in decision-making. Pivotal in this respect was the UN General Assembly held on 25 September 2015, wherein it was agreed that all people must enjoy a basic standard of living, even if by means of social protection systems. The UN was determined to end hunger and all forms of malnutrition and achieve food security as a matter of priority by 2030.
- 2.1.2 While the number of people living in extreme poverty has declined considerably since 1990, the existence of poverty persists, with the latest global estimate suggesting that in 2018, 8.6 per cent of the world's population lived below the extreme poverty threshold of \$1.90 per day. While the proportion of the world's population living in such extreme poverty has dropped drastically over the past two decades, from 36 per cent in 1990 to 16 per cent in 2010, and 10 per cent in 2015, concerns regarding the attainment of SDG 1 – the eradication of poverty – persist. Subsequent progress indicates reduced gains, with 8.6 per cent recorded in 2018 and a projection showing that 6 per cent would continue to live in extreme poverty in 2030 (Figure 3 refers).
- 2.1.3 The majority of the extremely poor, about 79 per cent of the world's extremely poor, lived in rural areas. Noted in the UN's SDG Report 2019 was that the extreme poverty rate in rural areas was 17.2 per cent, more than three times higher than in urban areas (5.3 per cent).

Figure 3 | Proportion of people living below \$1.90 a day, 1990-2015, 2018 nowcast and 2030 projection (percentage)



Source | UN SDG Report, 2019

2.1.4 Although the UN calls for the use of social protection systems to reduce the brunt of poverty and prevent people from falling into poverty in the first place, the SDG Report 2019 indicates that 55 per cent of the world’s population had no access to social protection, equivalent to four billion people being left behind. Data from 2016 indicates that large regional variations prevail, with 87 per cent without coverage in sub-Saharan Africa to 14 per cent in Europe and Northern America. Children continue to carry a disproportionately heavy burden, with one in five children living in extreme poverty and close to half (46 per cent) of extremely poor people being children under 14 years of age. Globally, 68 per cent of people above retirement age were found to receive a pension; however, the benefits in many countries were found not to be enough to lift older people out of poverty. The data in the SDG report 2019 also pointed to a social protection global deficit for other population groups. Less than one in four of unemployed persons (22 per cent) received unemployment benefit payments, and only 28 per cent of persons with severe disabilities received disability cash benefits. Moreover, only one third of children globally were effectively covered by social protection and maternity cash benefits were received by only 41 per cent of women giving birth. Furthermore, only 1 in 4 of children, people of working age and older persons not protected by contributory schemes are covered by social assistance cash benefits.

2.1.5 In addition, noted in the SDG Report 2019 was that poverty was a major underlying driver of disaster risk. While disasters cause enormous suffering irrespective of where they strike, the poorest countries experience a disproportionate share of damage and loss of life attributed to such events. For example, a disaster in a high-income country would normally result in 18 deaths per one million people, while that in a low- and middle-income country would result in 130 deaths for every one million people.

2.2 What are the indicators for Sustainable Development Goal 1?

2.2.1 The UN devised a global indicator framework for all 17 SDGs. All SDGs are further disaggregated to the level of targets. According to UN Resolution 70/1, targets are “global in nature and universally applicable, taking into account different national realities, capacities and levels of development and respecting national policies and priorities”. It is in this sense that one must bear in mind that the SDGs and targets are universal objectives that must be understood in the context of 193 countries that are at diverse stages of development in the various dimensions that form part of the 2030 Agenda. Key in tracking progress registered with respect to the targets is data that is collected from different national entities, which the UN compiles to form a global understanding of where we stand. In contrast with information submissions that occur within the context of the EU, the NSO does not fulfil the role of a primary link for the UN in its efforts at data collection, with the UN instead seeking information from different sources.

2.2.2 The targets and indicators for SDG 1, as developed by the UN’s Inter-Agency and Expert Group on SDG indicators are presented in Figure 4. While some targets are absolute in nature, for example referring to earning a given amount per day, others are sensitised to national contexts and relate to relative poverty, such as targets relating to national definitions of poverty. It should be noted that further refinements have been made to the SDG 1 targets following their original release. These amendments have been incorporated in Figure 4 for ease of reference.

Figure 4 | Global targets and indicators for SDG 1

Targets		Indicators	
1.1	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day (as of 2018 this has been updated to \$1.90 a day)	1.1.1	Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)
1.2	By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	1.2.1	Proportion of population living below the national poverty line, by sex and age
		1.2.2	Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
1.3	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable	1.3.1	Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, new-borns, work-injury victims and the poor and the vulnerable

1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	1.4.1	Proportion of population living in households with access to basic services
		1.4.2	Proportion of total adult population with secure tenure rights to land, (a) with legally recognized documentation, and (b) who perceive their rights to land as secure, by sex and type of tenure
1.5	By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	1.5.1	Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population
		1.5.2	Direct economic loss attributed to disasters in relation to global gross domestic product (GDP)
		1.5.3	Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030
		1.5.4	Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies
1.a	Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	1.a.1	Proportion of domestically generated resources allocated by the government directly to poverty reduction programmes
		1.a.2	Proportion of total government spending on essential services (education, health and social protection)
		1.a.3	Sum of total grants and non-debt-creating inflows directly allocated to poverty reduction programmes as a proportion of GDP
1.b	Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	1.b.1	Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups

2.2.3 In the context of reporting, the Sustainable Development Directorate within OPM noted that indicators utilised by the UN for each country may vary depending on several factors: data availability, applicability of the indicator to the country's context, and to allow for comparability across countries.

2.2.4 Aside from the targets outlined in Figure 4, the SDG Report 2019 incorporated a new indicator relating to SDG 1 that was introduced in 2018 (Figure 5 refers).

Figure 5 | New indicator included in the 2018 SDG Index and Dashboards

Indicator		Methodology	
1.1	Poverty headcount ratio at \$3.20/day (% population)	1.1.1	Estimated percentage of each country's population that in 2019 is living under the poverty threshold of US\$3.20 a day. Estimated using historical estimates of the income distribution, projections of population changes by age and educational attainment, and GDP projections.

2.2.5 The Maltese Competent Authority (the Sustainable Development Directorate) noted that the UN has directed the focus of SDG 1 to eradicate extreme poverty by 2030 and highlighted the limited relevance of this target to the local context, since absolute poverty is a phenomenon with very little national prevalence. However, the Competent Authority acknowledged that there are other levels of poverty that need to be addressed. This was corroborated by the NSO when acknowledging that the extreme poverty target was not applicable to Malta since extreme poverty at that threshold is not prevalent locally. Regardless, the NSO emphasised that all the targets and indicators are applicable to Malta. Furthermore, the NSO informed us that for some of the indicators, the type of data to be collected and the methodology to be applied, was yet to be determined. For example, this is the case with indicator 1.3.1, which focuses on the proportion of the population covered by social protection systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, and other vulnerable categories. In their efforts to identify the correct data source for indicators, the NSO is considering what other European statistical institutes are doing and refers to the OECD for technical guidance when necessary. Figure 6 provides more information regarding the availability of NSO data for each of the SDG 1 indicators. In a meeting held with the NAO, the NSO noted that data gaps are substantial. As previously indicated, the NSO is also carrying out an exercise to identify data requirements relevant to the indicators linked to budgetary measures targeting the SDGs.

Figure 6 | NSO Data Available for SDG Indicators

Indicator		Indicator Availability at the NSO
1.1.1	Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	This information is not available. The NSO does not calculate the at-risk-of-poverty rate according to the international poverty line. In this respect, the NSO adheres to EU harmonised methodology as per the relevant EU regulation and collects data on relative poverty not on absolute poverty.
1.2.1	Proportion of population living below the national poverty line, by sex and age	Data is available from EU SILC.
1.2.2	Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Data is available from EU SILC.

1.3.1	Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	The availability of information for this indicator was uncertain. Information from the Ministry responsible for social security was required to compile it. Discussions were still ongoing regarding the methodology to be used.
1.4.1	Proportion of population living in households with access to basic services	Data on households which do not have access to a bathroom was available. It was noted that the metadata referred to access to sanitation and water supply.
1.4.2	Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure	Information was not available and the NSO was to consult with the OECD on whether new legislation on tenure rights could be used as a proxy for the indicator.
1.5.1	Number of deaths, missing persons and persons affected by disaster per 100,000 people	The availability of information for this indicator was uncertain and more information was required from the Directorate for Health Information and Research on whether disaster as a cause of death could be distinguished. More information was also required from other sources.
1.5.2	Direct disaster economic loss in relation to global gross domestic product (GDP)	The availability of information for this indicator was uncertain. The NSO noted that measurement of this indicator depended on how indicator 1.5.1 would be tackled.
1.5.3	Number of countries with national and local disaster risk reduction strategies	Found to be not applicable to the NSO, since it was a qualitative non-statistical indicator.
1.a.1	Proportion of resources allocated by the government directly to poverty reduction programmes	Information for this indicator was unavailable. While such information could possibly be collected by the NSO, certainty on the matter would be achieved when the metadata for this indicator was available.
1.a.2	Proportion of total government spending on essential services (education, health and social protection)	Data for this indicator was available.
1.b.1	Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups	The availability of information for this indicator was uncertain. No metadata for this indicator was yet available.

2.2.6 Additionally, the Ministry for the Family, Children’s Rights and Social Solidarity (MFCS) informed the NAO that the ministry is in the process of linking data administered by the Department of Social Security through the Social Security Benefits System with data from other social service providers, including, the FSWS, Aġenzija Sapport, and the Housing Authority.⁷ Once this interlinkage of data is in place relevant statistical information can be compiled.

⁷ The MFCS noted that amendments to the Housing Authority Act may be required to authorise this Ministry to extract data from the Authority’s database. This was due to the Authority forming part of a different ministry, that is, the Ministry for Social Accommodation.

2.3 How do we rate in the achievement of Sustainable Development Goal 1?

- 2.3.1 The 2018 SDG Index and Dashboards Report, which measures countries' progress towards the achievement of all SDGs, ranked Malta 30th out of 156 countries. In 2019, Malta ranked 28th out of 162 countries, while in 2020, Malta's ranking was revised to 32nd out of 166 countries. The UN notes that these reports and progress registered therein are not comparable year-on-year, but the index is a unique snapshot of the progress registered in that particular year. The Competent Authority for Malta elaborated on this matter, explaining that a change in a country's ranking does not necessarily signify a change in its SDG performance, for changes in the indicators and refinements in the methodology are occurring in parallel. Notwithstanding this, the Index does help gauge Malta's performance in terms of the achievement of the targets and allow for comparisons with other countries.
- 2.3.2 Regarding SDG 1, in 2018 reporting for Malta was limited to indicator 1.1.1, and Malta scored an achievement of 99.9 out of 100 as only 0.1 per cent of the population in Malta was found to be living under \$1.90/day. A constant trend in this respect was recorded, whereby the country was found to maintain this achievement of SDG 1 over a number of years. In fact, the 2019 SDG Index and Dashboards Report still showed a 99.9 achievement with only 0.1 per cent of the population recorded to live under \$1.90/day. Nevertheless, the projected poverty headcount ratio at \$1.90/day by 2030 was expected to be zero per cent of the population. As for the new indicator introduced in 2018, 0.2 per cent of the population was found to live below \$3.20/day (Figure 7 refers).

Figure 7 | Malta's achievement of SDG 1 - SDG Index Country Profile, 2019

SDG1 – End Poverty	Value	Rating	Trend
Poverty headcount ratio at \$1.90/day (% population)	0.1	●	↑
Poverty headcount ratio at \$3.20/day (% population)	0.2	●	↑

■ SDG achieved

2.4 How does the EU measure poverty?

- 2.4.1 Aside from the UN's central role in driving forward its 2030 Agenda, progress registered with respect to the SDGs is also monitored by the EU. In this context, the EU has set its own targets, with Member States translating these into their own national goals. In the EU, progress registered in terms of the SDGs is measured by Eurostat as part of the Europe 2020 targets, which targets are intended to facilitate growth within the Union.
- 2.4.2 While the aims of the Europe 2020 targets and the SDGs share commonalities and the EU SDG indicator set is largely aligned with the UN's global indicator framework, elements of difference emerge, owing to the different reporting frames, one global and the other limited to the European dimension. Furthermore, the main measure of poverty in the EU is relative poverty, rather than absolute poverty. This is worked out through reference to relative-income poverty lines and involves calculating average or median equalised household incomes in a country and setting

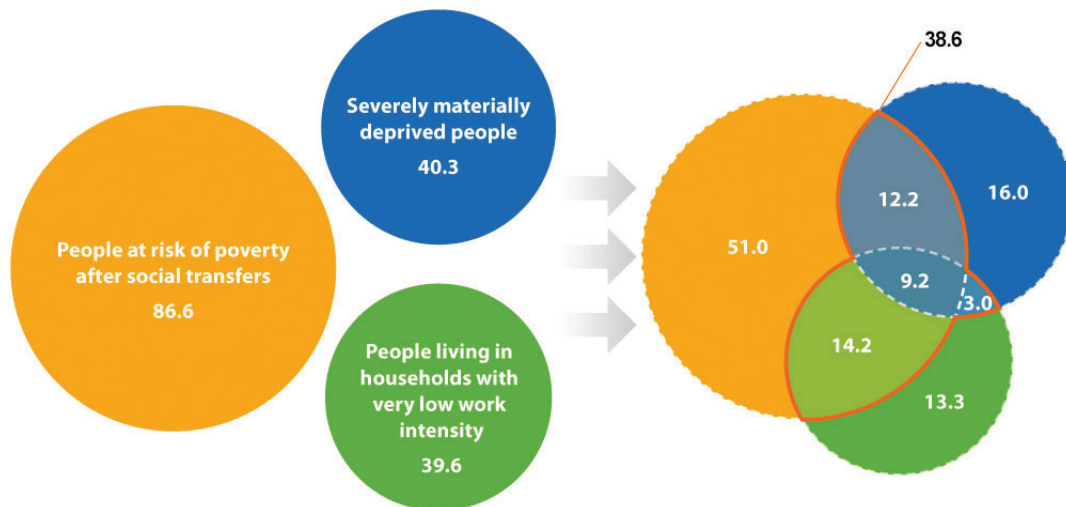
a poverty line, commonly ranging from 40 to 70 percent of that household income. Additionally, contrary to the UN, EUROSTAT collects data through an organised set of questionnaires governed by a common regulation and administered periodically through the national statistical offices. Indicator values are determined on the basis of the collected data.

2.4.3 Central in terms of these efforts at collecting information is the European Union Statistics on Income and Living Conditions Survey (EU SILC). EU SILC data corresponding to Malta is produced annually by the NSO. It provides a measure of poverty and living conditions among persons residing in private households in Malta and Gozo. For this survey, which follows a harmonised statistical methodology, non-income components, such as material deprivation and housing costs, refer to the data collection year, while income statistics for this survey refer to the previous calendar year. Salient indicators produced annually in the EU SILC are defined by Eurostat and include the following:

- a | at risk of poverty (ARPT60i): Having an equivalised disposable income (after social transfers) below the at-risk-of-poverty threshold. The threshold is set at 60 per cent of the national median equivalised disposable income after social transfers. Equivalised disposable income is the total income of a household, after tax and other deductions, divided by the number of equalised adults, as per the OECD equivalence scale.
- b | material deprivation (MD): The inability to afford at least three of the following nine items: to pay their rent, mortgage or utility bills; to keep their home adequately warm; to face unexpected expenses; to eat meat or protein alternatives regularly; to go on holiday; a television set; a washing machine; a car; or a telephone.
- c | severe material deprivation (SMD): The inability to afford at least four of the above-mentioned nine items.
- d | people living in households with very low work intensity (LWI): Households where the members of working age worked less than 20 per cent of their total potential during the previous 12 months.
- e | at risk of poverty or social exclusion (AROPE): Being categorised as ARPT60i, SMD or LWI.

2.4.4 Hence, an individual who is either ARPT60i, or experiencing SMD, or is living within a household with very LWI is considered as being AROPE. However, these categorisations are not mutually exclusive, meaning that it is possible for an individual to fall under more than one category of risk. This is aptly captured by EUROSTAT in their 2019 report, which presents an aggregation of persons AROPE across the then 28 Member States as at 2017 (Figure 8 refers).

Figure 8 | Aggregation of sub-indicators of 'People at risk of poverty or social exclusion', EU-28, 2017 (million people)



Source | Eurostat (online data code: ilc_pees01)

2.5 How do we rate on the EU measure of poverty?

2.5.1 The EU's target as per the Europe 2020 Strategy for smart, sustainable and inclusive growth was to bring at least 20 million people out of poverty and social exclusion by 2020. The corresponding Maltese national target was to reduce the number of people AROPE by 6,560. The MFCS explained that this does not mean that the number of persons AROPE overall would be reduced by 6,560, but that this number of persons would be lifted out of the risk of poverty. According to data published by the NSO for the year 2018, the number of persons living in households with an equivalised income below the at-risk-of-poverty line of €8,868 was 78,685 (Figure 9 refers). This represented an ARPT60i rate of 16.8 per cent. Of note is that the exclusion of social transfers results in a substantial increase in the number of persons below the at-risk-of-poverty line, increasing by approximately 95,000 persons to 172,906 persons. The MFCS acknowledged this point and noted that this corroborates and underscores the argument of the strong and viable network of social benefits and services available in Malta, without which the number of persons ARPT60i would have been much higher.

Figure 9 | Difference in the at-risk-of-poverty rate by type of disposable income: EU SILC 2017 – 2018

Computation of National Equivalised Income based on ...	2017 (revised)	2018	
	%	%	Number of persons below the threshold
Total household disposable income	16.7	16.8	78,685
Household disposable income excl. social transfers (but incl. old-age and survivor's benefits)	23.9	24.2	113,238
Household disposable income excl. social transfers	37.5	37.0	172,906

Source | NSO

- 2.5.2 The MFCS noted certain reservations regarding the ARPT60i indicator. As a scoreboard, the indicator charts the poverty threshold in a countercyclical way. The MFCS contended that in a growing economy the threshold rises rapidly, but conversely it precipitates in a recession. This is true even though the amount of income to maintain a minimum socially acceptable standard of living does not fluctuate in a similar fashion. This anomaly was exposed by the fallout from the 2008 financial crisis. The economies of member states were hard hit and their populations suffered an overall drop in disposable income, resulting in perceptible drops in National Minimum Equivalized Income. Paradoxically, the ARPT60i rates of these member states were listed among the better performers when their populations were worse off, even those above the ARPT60i threshold. In this case, regression registered as a positive development. The MFCS argued that, had Malta's median equivalized disposable income remained at the same levels registered in 2013, 42,000 persons would have been estimated as living below the poverty line today. This amount would be nearly half as much as the amount deemed to have an income below the updated poverty line, which is 20 per cent higher as a result of a 21 per cent increase in average disposable income.
- 2.5.3 Of interest is data presented by the NSO regarding MD and SMD (Figure 10 refers). Between 2017 and 2018, a marginal increase of 0.7 percentage points was recorded in terms of households that were materially deprived, that is, from 8 per cent to 8.7 per cent, thereby bringing the total number of persons living in materially deprived households to 40,754 persons. Contrastingly, SMD marginally decreased within this period, from 3.3 per cent in 2017 to 3 per cent in 2018. In 2018, there were 14,246 persons living in households that were severely materially deprived. It is to be noted that Malta's SMD rate was less than the European average, which stood at 6.1 per cent in 2018.
- 2.5.4 With respect to MD and SMD data also available for 2019.⁸ A marginal decrease of 0.3 percentage points was registered for MD, from 8.7 per cent in 2018, to 8.4 per cent in 2019, while an increase of 0.7 percentage points was registered for SMD, from 3 per cent in 2018 to 3.7 per cent in 2019. Despite a decrease in the SD prevalence rates, the headcount increased by 198 from 2018 to 2019, which figure can be explained in terms of population growth. On the other hand, the number of persons experiencing SMD increased by 3758. For 2018 and 2019, the two most common deprivation items are the ability to face unexpected financial expenses (13.9 per cent for 2018 and 15.1 per cent for 2019) and the ability to pay one week's annual holiday away from home (30.6 per cent for 2018 and 30.8 per cent for 2019).

⁸ At the time this analysis was carried out salient indicators for 2019 had not been published yet (August 2020 release), except for MD and SMD (March 2020 release). The figures cited here correspond to the March 2020 release and have not been revised as per the August 2020 release.

Figure 10 | Number and percentage rates of persons living in households by perceived capacity to afford various items: EU SILC 2017-2018

Material deprivation items	2017 (revised)	2018		2019	
	%	%	Number of persons	%	Number of persons
Household cannot afford to face unexpected financial expenses	15.6	13.9	64,926	15.1	73,272
Household cannot afford to pay one week's annual holiday away from home	33.9	30.6	142,871	30.8	149,501
Household has been in arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments	6.5	8.1	37,702	7.8	37,853
Household cannot afford a meal with meat, chicken, fish or vegetarian equivalent every second day	5.6	5.7	26,688	5.9	28,562
Household not able to keep the home adequately warm in winter	6.3	7.6	35,692	7.8	37,564
Household cannot afford a washing machine	:	[0.3]	[1,404]	:	:
Household cannot afford a colour TV	:	:	:	:	:
Household cannot afford a telephone (including mobile phone)	:	:	:	:	:
Household cannot afford a car	1.7	2.0	9,514	2.3	10,910
Household is deprived of at least 3 of the above items (materially deprived persons)	8.0	8.7	40,754	8.4	40,952
Household is deprived of at least 4 of the above items (severely materially deprived persons)	3.3	3.0	14,246	3.7	18,004

Source | NSO

Note 1 | Data with respect to 2019 corresponds to the NSO publication dated March 2020.

Note 2 | Figures in square brackets are to be used with caution: less than 49 reporting households.

2.5.5 The AROPE rate for 2018 for Malta stood at 19 per cent (n=88,777) and had decreased by 0.3 percentage points from the previous year. The LWI rate for 2018 stood at 5.5 per cent (n=19,419), a substantial improvement of 1.6 percentage points over the previous year.

2.5.6 According to the European Commission's Country Report Malta 2020, Malta's headline indicators of poverty and social exclusion showed a good performance; however, these results were simultaneously masking differences between social groups. Wage polarisation was cited as an example of this phenomenon, contributing to an increase in people at risk of in-work poverty.⁹ Also noted was that social benefits had reduced the incidence of poverty in Malta by slightly less than the EU average. According to the Report, in 2018, social transfers (excluding pensions) reduced the risk of poverty by 30.6 per cent (33.2 per cent in the EU). Particularly, sickness,

⁹ In-work poverty is defined as being in employment or self-employment for more than half of the year and living in a household that is at risk of poverty.

disability, and social-inclusion benefits were found to have had a large impact on the risk-of-poverty rate. However, certain groups were still found to face higher risks of poverty. Children whose parents are single, foreign or with low income were found to be at higher risk of poverty, even though child poverty was found to have decreased. In addition, stated in the Report was that single-earner households, the low-skilled, older people, and non-EU nationals were still at a higher risk of poverty and social exclusion. Finally, noted in the Report was that in 2018, 89,000 persons, that is, 19 per cent of the Maltese population, were AROPE, and in absolute terms this amounted to 9,000 more persons AROPE than in 2008, but 10,000 less than in 2015.

- 2.5.7 The Maltese Competent Authority noted that although the EU's definition of poverty and its tools for measurement could be seen as more comprehensive than those of the UN, the EU's capture of the situation only provided a partial snapshot of the real situation. According to the Competent Authority, the selected criteria do not consider important variables such as the benefits of a free health care system, the accessibility to medicines, and a free educational system that extends from the primary to the tertiary levels, among others. The Competent Authority maintained that these benefits form an essential part of the well-being of the Maltese population and must be adequately measured and assessed to provide a holistic picture of the situation of poverty in Malta.
- 2.5.8 The MFCS expressed agreement with the viewpoint put forward by the Maltese Competent Authority on this issue. According to the MFCS, although education and health services in Malta are provided at no charge at point of use, these costly services do not feature in the EU SILC's measurement of poverty despite the saved expenditure registered by the benefitting households. For example, if a household in Malta had a weekly income of €180, while a household in another member state had a weekly income of €220, according to the EU SILC, the household in the other member state would be in a better financial position than that in Malta. However, if one were to consider the social transfers in kind, the household in Malta would be in a better financial position compared to the other household. Moreover, the MFCS noted that if one considers the social transfers in kind for the older persons, which include free healthcare, free medication, free nappies and heavily subsidised services, including long-term care, then the income of pensioners would almost be double than what they actually receive. Yet these benefits in kind are not captured in the EU SILC.
- 2.5.9 The MFCS noted other issues that indicated elements of inadequacy of certain deprivation measures as presented in the EU SILC questionnaire. One of the deprivation items is the ability to keep the house warm; however, in Malta, what is necessary is the ability to keep the house cool in summer. Another deprivation item listed in the EU's definition of poverty is whether the household is able to go on holiday. In this case, the MFCS contended that the wording of the question may be inconsistent with the local understanding of a holiday. The MFCS stated that the emphasis should not be on whether the person went on a holiday, but whether they could afford a holiday. Elaborating in this respect, the MFCS noted that the concept of going on holiday for most Maltese may mean going abroad rather than staying within the country, so going to Gozo for a short break or moving to a summer residence may not be considered as going on

holiday. The NSO clarified that during data collection, it is specified that a one-week stay in Gozo is considered as a one-week holiday.

- 2.5.10 Another factor cited by the MFCS is the actual disposable income of households rather than their income. The argument posited by the MFCS was explained through an example. In this respect one could consider a household earning a minimum wage as worse off than another one earning double the minimum wage. However, if the first household is an outright home-owner without any loan repayment dues, while the other one has either a significant loan or rent payment to make, then, in fact, the first household is likely to have relatively greater purchasing power than the second household when total housing costs (including utility bills) are taken into consideration.

2.6 How do we rate on the EU measure of poverty in comparison to EU countries?

- 2.6.1 The prevalence rates for ARPT60i, LWI, MD, SMD and AROPE for the 28 countries of the EU, including Malta, and the average rate for these countries (EU28) are presented in Figure 11, Figure 12, Figure 13, Figure 14 and Figure 15. It can be noted that in 2018 Malta consistently ranked below the EU28 average for all the indicators, though the advantage is minimal for ARPT60i. More specifically, in 2018, in Malta the prevalence rates were 4.4, 3.1, 2.9, 2.8 and 0.3 percentage points lower than the EU28 average for MD, LWI, SMD, AROPE and ARPT60i, respectively. Moreover, Malta ranked 7th, 7th, 9th, 12th and 16th for SMD, LWI, MD, AROPE and ARPT60i, respectively. Overall, these statistics indicate that Malta performed well when compared to the rest of the EU, especially on MD and work intensity.
- 2.6.2 To compare Malta's performance with the best performing country in the EU, Malta's prevalence rates for 2018 were compared to the lowest prevalence rates obtained among the EU28 for each of the indicators. It can be noted that the greatest discrepancy is obtained for ARPT60i, whereby Malta's rate, that is, 16.8 per cent, is 7.2 percentage points higher than the rate of 9.6 per cent obtained by the Czech Republic. This is followed by the AROPE rates, for which Malta's rate is 6.8 percentage points higher than that obtained by the Czech Republic, that is, 19 per cent against 12.2 per cent. The discrepancy between Malta's rates and that of the lowest ranking EU countries is 4.2, 1.7 and 1.2 percentage points for MD, SMD and LWI, respectively.

Figure 11 | ARPT60i prevalence rates, EU28: EU SILC 2018

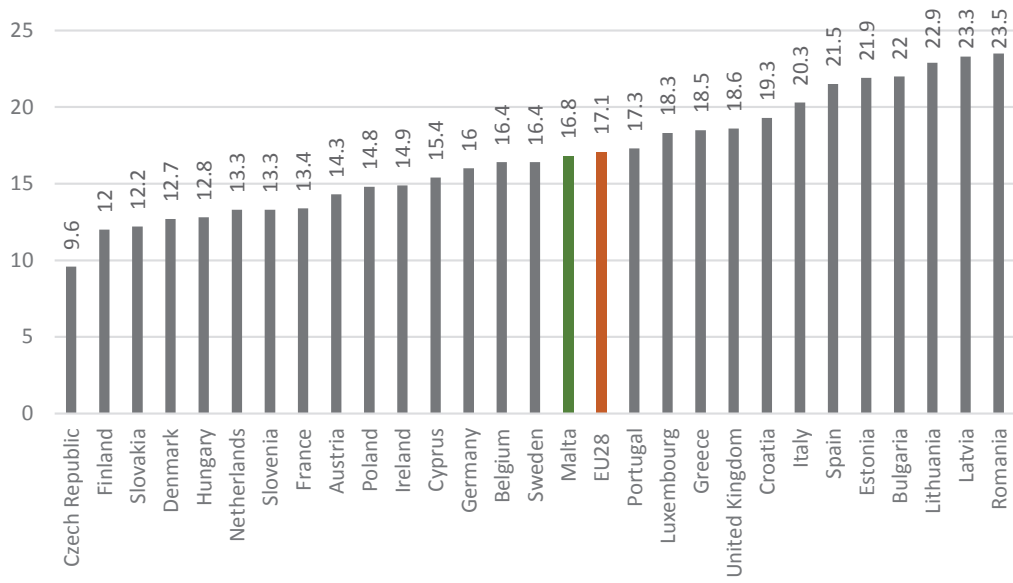


Figure 12 | LWI prevalence rates, EU28: EU SILC 2018

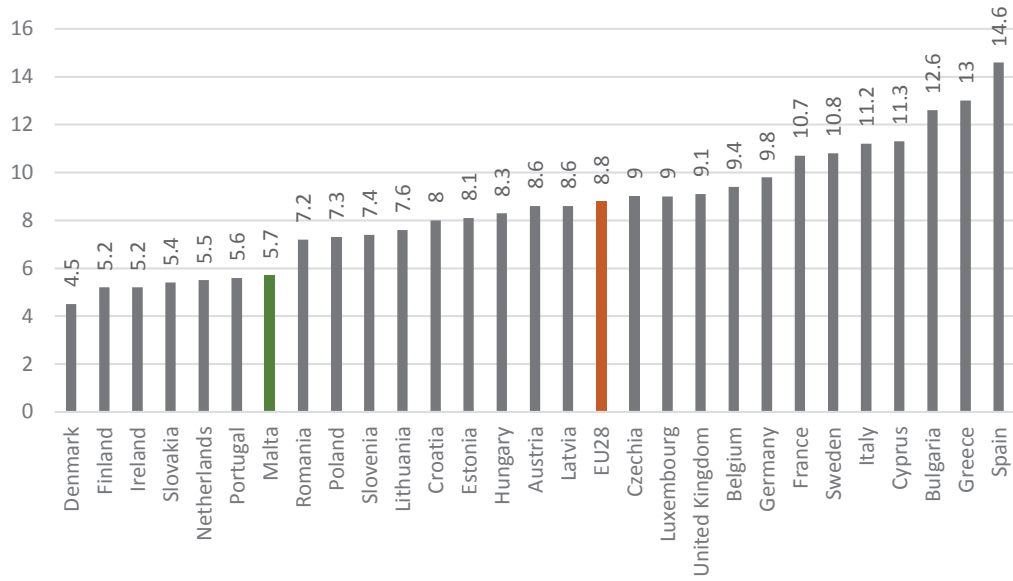


Figure 13 | MD prevalence rates, EU28: EU SILC 2018

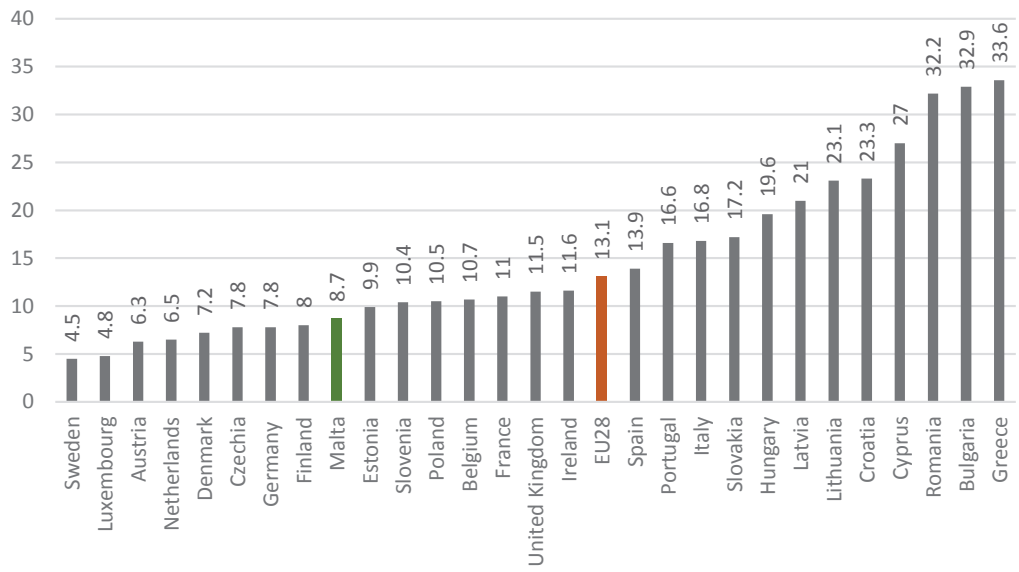


Figure 14 | SMD prevalence rates, EU28: EU SILC 2018

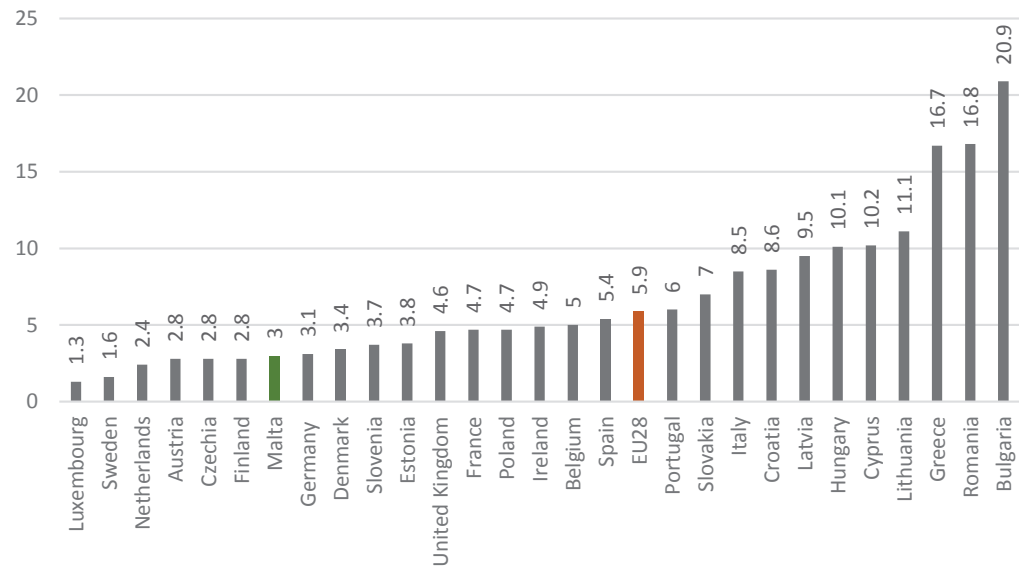
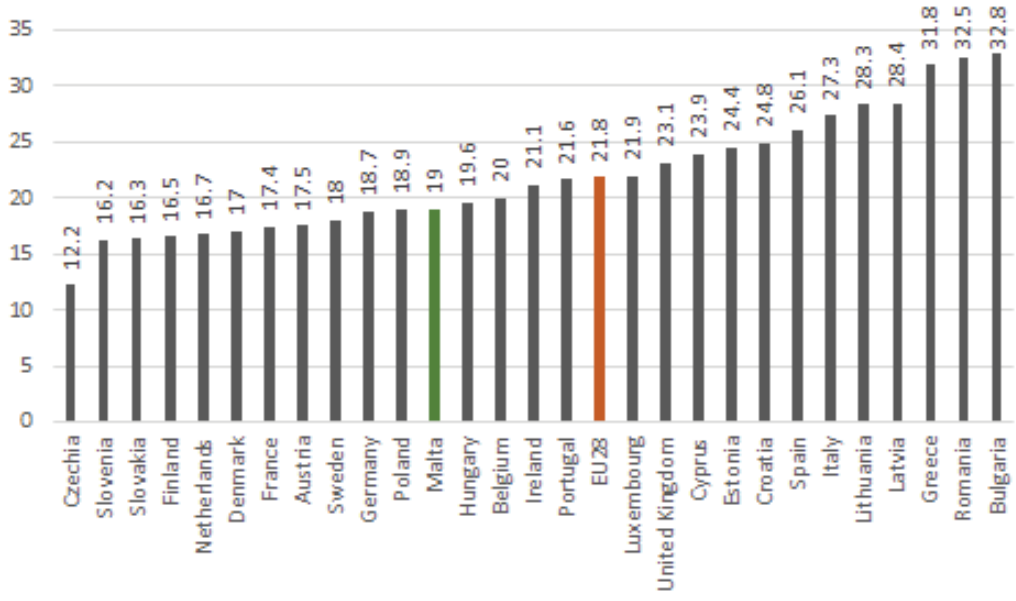


Figure 15 | AROPE prevalence rates, EU28: EU SILC 2018



Chapter 3

Government's address of poverty

In this chapter, focus is placed on Government's address of poverty. This is explored by first understanding the local governance structure in relation to SDG 1 (Section 3.1). Next, attention is directed towards the policies that regulate Malta's efforts to alleviate poverty (3.2). The final part of this chapter seeks to capture the measures undertaken by Government to tackle poverty (3.3). The measures relate to several functions of Government, namely, income and social benefits, employment, education, health and the environment, social services, housing, culture and overseas aid.

3.1 What is the local governance structure in relation to SDG 1?

3.1.1 Poverty is multifaceted and this complexity necessitates close collaboration by different ministries in the drafting and implementation of policies which impinge on its alleviation. The MFCS heads an Inter-Ministerial Committee on poverty tasked with driving forward the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024 launched in 2014. This Inter-Ministerial Committee is composed of the MFCS and other stakeholders, including the Ministries responsible for education, employment, culture, health and, more recently social accommodation, as main members. Each ministry assumes ownership of the policy's strategic actions falling within its remit and regularly monitors and reports on new or enhanced measures and initiatives feeding into its respective policy actions. The measures and initiatives mainly emanate from budgetary measures, EU-funded projects and enhancements relating to the core business of the ministry concerned. As part of its monitoring process, every quarter, the MFCS requests an update on the implementation of measures being undertaken that feed into the policy actions of the poverty strategy. Most updates are registered in the first quarter of each year, when new budgetary measures come into effect and are integrated in the reporting.

3.1.2 The NAO noted that the Competent Authority in charge of SDGs is not involved in the Inter-Ministerial Committee on poverty. The Competent Authority obtains information sought from the sustainable development focal point within each ministry, which focal points are obligated to inform it of any efforts being undertaken to target the SDGs. Notwithstanding this procedure, the Competent Authority raised doubts as to whether the Focal Points were submitting all information required. However, following the introduction of the requirement to align the budgetary measures to the SDGs in 2019, the Competent Authority deemed matters to be progressing in the right direction, with policies now better aligned to meet the targets to be achieved. This in turn allows the Competent Authority to have a better picture of any additional measures required to fill any existing gaps.

3.1.3 Aside from the above, the Programme Implementation and Monitoring System (PIMS) is used to monitor the implementation of the electoral manifesto on a monthly basis. Since poverty reduction is a national commitment, PIMS allows for the verification of whether there are any policies requiring correction because they hinder the achievement of this commitment. In addition, the Ministry for Finance, through the National Reform Programme (NRP), also keeps a check on measures undertaken in terms of the Europe 2020 targets, including those on poverty reduction. In this respect, the Ministry for Finance requests proposals from ministries on measures that could be incorporated in the next NRP.

3.2 What are the policies that regulate Malta's efforts to alleviate poverty?

3.2.1 The National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024 is Malta's main policy on poverty, and addresses the subject through focus on six dimensions, namely, income and benefits, employment, education, health and environment, social services, and culture. The policy defines people as living in poverty if their financial, material, social and personal resources preclude them from having a standard of living that is commonly regarded as the average norm¹⁰ by Maltese society, with the most vulnerable considered to be children, older persons, persons with disability, unemployed persons and the working poor.



¹⁰ The policy defined average norm as having the opportunity to exercise the right of: developing one's potential and capacity through education, vocational training and stable and quality employment; accessing basic medical services equitably and enjoying a healthy environment; accessing quality and sustainable social welfare services, particularly social security benefits, social assistance and housing; and participating actively in the community's socio-cultural life.

- 3.2.2** The main objective of the policy is to increase the disposable income of vulnerable groups, thereby raising their standard of living. It is noted in the document that this could be partly achieved through the consolidation of social services promoting social solidarity and social cohesion. Better quality employment opportunities and initiatives that create employability were also being sought, together with measures providing inclusive further and higher education. Other factors, namely, equal access to quality health care, a health and well-being promoting environment and the improvement of accessibility and participation in cultural activities, were also believed to create the necessary environment in which higher income could be attained.
- 3.2.3** The policy uses 2013 statistics as a baseline and measures progress against this data. In 2013, 38.4 per cent of the total population were at risk of poverty before all social transfers, while the MD rate stood at 19.4 per cent. Additionally, the SMD rate comprised 9.5 per cent of the population. The NAO notes that there are limitations to these figures as the data only included persons who have been living in private households for at least six months. The policy document in fact notes that people living in institutions, people who are incarcerated, children in out-of-home-care, persons living in shelters or who are homeless, and asylum seekers in closed or open centres, as well as asylum seekers who have not reached the six month residency requirement, were not being captured by the statistics. The MFCS explained that these reference groups were being excluded in line with the European Commission's guidelines for EU SILC, which focuses solely on the population living in private households.
- 3.2.4** A total of 94 policy actions are outlined in the policy, with different ministries responsible to introduce measures and initiatives that could address them. Figure 16 illustrates the number of policy actions allocated to each policy dimension, with almost a third corresponding to social services. While 44 of the 94 policy actions fall under the responsibility of the MFCS, the remainder fall within the remit of other ministries.

Figure 16 | Policy dimensions and policy actions

Policy dimension	Policy actions
Income and social benefits	14
Employment	13
Education	17
Health and environment	11
Social services	30
Culture	9
Total	94

- 3.2.5** An implementation report, first published in November 2017 and covering the period from 2014 to 2016, is drawn up every three years. The report delineates information sourced quarterly from the ministries in charge of implementing measures addressing the policy actions. The report lists all the measures that were implemented and highlights those which significantly contributed to poverty reduction. When information is at hand, the report also includes data on the uptake of various measures. The next implementation report is due to be published in November 2020 and will cover the period from 2017 to 2019.

3.2.6 Apart from the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024, Government has published several other policy documents meant to contribute towards the alleviation of poverty. The Voluntary National Review (VNR)¹¹, which outlines the governance mechanisms in place to implement the SDGs in Malta, mentions among others the:

- a | National Strategic Policy for Active Ageing 2014-2020 – published in 2013, through this Policy Government sought to increase the number of older workers in the labour market, while enabling persons above statutory retirement age to remain in or re-enter employment with the intention, among others, to reduce potential risk of poverty among older persons;
- b | National Policy on the Rights of Persons with Disability – published in 2014, this Policy called for measures to ensure that the phenomenon of poverty was analysed in depth and continually so that persons with a disability would not fall into poverty and would be assisted in this respect;
- c | National Strategic Policy for Positive Parenting 2016-2024 – launched in 2016, this Policy aimed to ensure that parents were supported to fulfil their role well, ultimately protecting them and their children from adverse circumstances or risk of poverty;
- d | National Children’s Policy 2017 – published in November 2017, this Policy acknowledged the fact that within households that manifested challenges such as poverty, domestic violence, addictions, child abuse, long-term ill-health and terminal conditions, the well-being of children required an increased focus, with several actions proposed to address this;
- e | National Strategic Policy on Dementia 2015-2023 – published in April 2015, this Policy shows the financial impact of dementia on persons diagnosed with this condition and their care givers, and puts forward several actions to enhance their quality of life;
- f | National Social Report 2015 – this Report delves into matters concerning persons with disability; and
- g | pensions reform – the older persons were also supported through a pension reform programme that commenced in 2004.

3.2.7 Other policy documents being implemented also refer to people at risk of poverty and include the National Health Systems Strategy for Malta 2014-2020; the Mental Health Strategy for Malta 2020-2030; the 2014-2024 Framework for the Education Strategy for Malta and the National Youth Policy Towards 2020.

¹¹Published on 19 July 2018 and presented by the Minister for Foreign Affairs to the UN to the High-Level Political Forum (HLPF) on Sustainable Development of the United Nations’ Economic and Social Council (ECOSOC).

- 3.2.8 The health-related policies' overarching objective is the reduction of health inequalities. Health inequalities could arise either because of lifestyle choices or due to social determinants leading one to live an unhealthy lifestyle, defined as either not having enough food, not eating the right type of food or living in accommodation that is not conducive to a healthy lifestyle. In a meeting with this Office, the Ministry for Health (MFH) outlined that although some factors that induce poverty go beyond its policies, it still strived to implement measures to better reach out to these individuals while ensuring access to a minimum level of care to all. Furthermore, the MFH maintained that actions to address poverty must be ongoing, hence the policies being drafted, such as the vaccination strategy and the physical activity strategy, will take into consideration affordability and accessibility.
- 3.2.9 The National Health Systems Strategy for Malta 2014-2020, published in June 2014, identifies as vulnerable groups those that necessitate special attention in most health-related strategies. It makes specific reference to people at high risk of poverty such as lower socio-economic classes and single parent households. The Strategy called for the need to continuously update health practitioners so that they remain highly knowledgeable about the range of services provided and how these can be accessed by vulnerable groups. Areas identified as meriting special attention include mental health issues among older persons, access to sexual health services and the multiple and complex health issues of people at a higher risk of poverty, such as children from disadvantaged backgrounds. Regarding the latter, the MFH noted that disadvantage grows cumulatively along one's life, therefore any initiatives targeted at reducing disadvantage, especially poverty, should prioritise children, as this group is most prone to cumulative disadvantage.
- 3.2.10 The Mental Health Strategy for Malta 2020-2030, published in July 2019, is meant to guide investment and reform in mental health services. This strategy follows the National Health Systems Strategy approach and provides specific measures for vulnerable groups. The Strategy concludes that living in poverty or living in a society with generally higher inequality is one of the major factors leading to mental disorders. Hence, one of the measures proposed in the Strategy is a significant expansion in sheltered social housing for persons with mental health problems, providing access to decent housing while pursuing active rehabilitation and support in an assisted living environment.
- 3.2.11 Although most health strategies are disease-oriented, some measures and initiatives in the sector specifically address people who are financially unable to maintain health. Some policies provide for certain medical services and treatments to be means tested, therefore targeting persons with lower income. In this respect, in Malta, pink card holders are eligible for more free medical services, treatment and medicinal products than people with means higher than the specified limits. On the other hand, persons with specific conditions, irrespective of their means, have access to medication under the yellow card scheme.
- 3.2.12 The Ministry for Education and Employment (MEDE) has also included indicators targeting poverty in its 2014-2024 Framework for the Education Strategy for Malta. One of the four broad goals included in the Strategy is the provision of educational support to children at risk of poverty or

born in households having low socioeconomic status, with the aim of reducing the relatively high incidence of early school leavers and diminishing the educational gaps between different categories of schoolchildren.

3.2.13 Building on the 2014-2024 Framework for the Education Strategy for Malta, Aġenzija Żgħażaġh (Malta’s National Youth Agency) has incorporated in its National Youth Policy Towards 2020 an action plan for social inclusion that specifically targets, among others, young people from families at risk of poverty or social exclusion. The action plan encourages and supports initiatives for young people from disadvantaged backgrounds to integrate and fully participate in social and community life. The National Youth Policy Towards 2020 also mentions other action plans tackling early school leaving, employment and healthier lifestyles.

3.3 What are Government measures to tackle poverty?

3.3.1 In seeking to understand the measures being undertaken to alleviate poverty reduction, the NAO requested the relevant ministries to provide details of projects and initiatives being carried out in this regard. Information obtained by this Office from the MFCS shows that, as at June 2019, 442 measures were feeding into policy actions emanating from the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024, addressing 91 out of 94 policy actions. In submissions to this Office, the MFCS emphasised that it was not possible to attribute a reduction in poverty to a particular measure, as it is the conglomerate effect of various measures and initiatives that ultimately resulted in a reduction in poverty rates.

3.3.2 Up till 2016, 276 measures were already implemented and addressed around 86 policy actions. Figure 17 provides an overview of these as per the implementation report for the period from 2014 to 2016.

Figure 17 | Overview of implementation of measures, 2014 - 2016

Dimensions	Policy actions	Actions being implemented	Actions not yet implemented	No. of policy actions addressed
Income and social benefits	14	12	2	48
Employment	13	10	3	29
Education	17	16	1	48
Health and environment	11	10	1	36
Social services	30	29	1	94
Culture	9	9	0	21
Total	94	86	8	2761

Note 1 | This total excludes two overarching measures which commenced in 2016, namely, the Fund for European Aid to the Most Deprived and the Positive Parenting Policy 2016-2024.

3.3.3 An overview of several measures to alleviate poverty undertaken by Government in 2018 is presented in the ensuing sections of this report. The measures are classified into eight categories, closely reflecting the policy actions identified in the National Strategic Policy for Poverty Reduction

and for Social Inclusion 2014-2024. While this review focuses on 2018, the NAO acknowledges that many other initiatives were undertaken prior and after this date. All these initiatives undoubtedly contribute to the alleviation of poverty; however, for reasons of scoping and practicality, it was not possible to delve into such measures.

Income and social benefits

- 3.3.4 The Government initiated or continued to undertake several measures in 2018 targeted at increasing the disposable income of vulnerable people. These measures add to the benefits, allowances and pensions provided under the Social Security Act (Cap. 318) of the Laws of Malta, including the sickness benefit, sickness assistance, invalidity pension, disability assistance, injury benefit, unemployment benefit, pensions for widowhood and the retirement pension.
- 3.3.5 One of the measures in this respect was the entitlement of employees on a minimum wage to receive an obligatory raise in their pay after the first year of employment with the same employer. Employees earning more than the minimum wage were also entitled to a part of the raise in the second and third year of employment. In addition, for the years 2018 and 2019, the weekly cost of living allowance was supplemented by an additional €1 on a yearly basis and in 2017, the income ceilings for eligibility to supplementary allowance were raised, thereby increasing the number of benefit recipients.
- 3.3.6 Other implemented measures focused on pensioners and older persons. In 2018, pensioners received an increase of €2 a week in their contributory pension. Older persons who were 75 years of age and lived at home were granted an additional sum of €300 a year. Furthermore, older persons who on entering residential care returned their social accommodation back to the Housing Authority were entitled to a lesser deduction on their pension as payment to reside in a care home. Revisions introduced in previous years on the means test determining eligibility to the age pension continued to apply in 2018, allowing pensioners to receive more benefits.
- 3.3.7 Another set of measures targeted single parents. Single parents under 23 years of age could receive the unemployment benefit until their children reached the age of one. After this, the single parent could then start benefitting from the Youth Guarantee Scheme, which provides support through the provision of social benefits and free childcare services. Furthermore, single parents who eventually married an employed person were no longer set to lose their benefits on marrying, but were entitled to a gradual reduction of these over a period of three years.
- 3.3.8 Moreover, during 2018, the Government continued supporting youths who furthered their studies through the provision of a student maintenance grant. In addition, in the academic year 2018-2019, all students in receipt of a student maintenance grant benefitted from a pro rata cost-of-living adjustment (COLA) increase.
- 3.3.9 Other implemented measures were targeted at persons with disability. In submissions to this Office, the Commission for the Rights of Persons with Disability (CRPD) noted that during the

past years, there were improvements and changes in the Social Security Act in relation to the disability assistance/allowance. This resulted in an increase in the number of persons eligible for disability assistance, including those who were employed.

3.3.10 Other measures implemented in 2018 included the widening of the eligibility of the special allowance granted to orphaned children up to the age of 21 even if they were in employment, increases in the Drug Addict Allowance from €10 a week to €40 a week and increases in the Foster Care Allowance from €70 a week to €100 a week. Furthermore, 40 families benefitted from an adoption benefit that continued to be granted in 2018. A number of projects were also undertaken in order to assist migrants to support themselves, including the provision of material aid. This assistance was part financed through EU funds.

Employment

3.3.11 One of the measures commonly understood to alleviate poverty is employment. The MFCS has launched several initiatives to support employability and, in turn, move people away from dependence on social security. One such initiative is the tapering of benefits scheme introduced in 2014, which encourages people to seek employment while retaining some financial assistance which decreases gradually over a period of three years. In 2018, persons who had been registering for work for a year could also benefit from this scheme, thereby doing away with the previous obligation to be registering for work for two years in order to be eligible.

3.3.12 The Government also continued to assist parents to work. Through the in-work benefit, parents whose income fell below a certain threshold were, in 2018, granted €450 per child instead of €350 as per previous years. Furthermore, the free childcare scheme allowed more parents to work outside the home, and was also extended to all those attending training courses organised by Jobsplus. For parents of school-age children, the MEDE provided an after-school care service, while children attending primary school could also participate in the Breakfast Club, enabling parents to take their children to school at 7am. Apart from these initiatives, various community centres around Malta and the Foundation for Social Welfare Services (FSWS) assisted children with their homework, organised play groups for children of various ages and organised tailor-made activities for teenagers or younger teens aged 11 to 13. During the summer months, MEDE, FSWS and certain community centres such as the one in Valletta also organised programmes for children.

3.3.13 Pensioners were also assisted to continue employment through the provision of several benefits. First, social security paid after reaching pensionable age contributed towards the pension received. Also, persons who fell under an early retirement scheme and continued to work on a part-time basis were not to pay the full social security contribution but the pro rata rate of 15 per cent of their basic weekly income. Furthermore, widowed pensioners who worked and had dependent children under the age of 23 years continued to retain the sickness benefit.

3.3.14 The Government also implemented a mature workers scheme to assist persons aged over 45 to find employment. To entice employers to engage such persons, the Government allowed

employers to benefit from a tax deduction of 50 per cent of the cost of training up to a maximum of €400 for each employee.

- 3.3.15** Apart from the above benefits, Jobsplus launched various schemes and initiatives that support the unemployed, including the Community Work Scheme, which placed vulnerable individuals into employment; the Work Programme Initiative, which involves Jobsplus collaborating with the private sector to assist long-term unemployed individuals to re-enter the labour market; and the NEET¹² Activation Scheme, which provides young people under the age of 25 who are not in education, employment or training personal and professional mentoring to facilitate their transition from education to gainful employment. By means of EU funds, specifically the European Social Fund (ESF), several projects were undertaken, including employment assistance schemes such as individual profiling, sheltered employment training, work exposure, work placements and traineeships to aid vulnerable groups to capitalise on work opportunities. In order to attract employers to engage the most challenged among the jobseekers, Government has granted employment-related subsidies to employers recruiting them. Furthermore, the Lino Spiteri Foundation, a leading cooperative that employs persons with disability in collaboration with the private sector, also assists persons with disability to find employment.
- 3.3.16** Further support measures were also undertaken by the Government to end the underemployment of persons with disabilities. In this respect, the Government enforced a two per cent quota on employers hiring more than 20 employees, and provided them with positive incentives, namely tax credits and exemptions from paying the social security dues of employed persons with a disability. At a local government level, a scheme is launched every year by the Local Government Division titled Community Inclusive Employment Scheme with the objective of encouraging persons with special needs to enter the labour market through work with local councils. Through this scheme, persons with special needs are provided with work experience intended to facilitate future work opportunities. In addition, other grant schemes are issued from time to time that promote the well-being of the community.
- 3.3.17** Several measures were also being implemented by the FSWS such as the Embark for Life Programme (E4L), which has been running since 2014. The Programme matches young persons to available schemes and educational/vocational training according to what best suits their needs, and supports them to find suitable employment through, for instance, workshops focused on personal and communication skills. These workshops were also provided to young persons with criminal convictions at the Centre of Residential Restorative Services, with the intention to facilitate their re-integration back into the community. Through the LEAP project, another initiative implemented by the FSWS, a number of activities were undertaken to enhance the skills of vulnerable and disadvantaged groups. In 2018, these activities continued taking place at the Corradino Correctional Facility, with the participation of 55 persons with criminal convictions. LEAP also facilitated the process for the establishment of beauty and well-being courses for

¹² NEET refers to not in education, employment or training.

female inmates, which lead to the attainment of a certificate of attendance, thus enhancing their eventual employment opportunities on release. The FSWS also set up a community workshop whereby young male teens, usually early school leavers or those at risk of becoming early school leavers, learned basic woodwork and stonework skills.

- 3.3.18** Furthermore, during 2018, the National Commission for the Promotion of Equality (NCPE) continued to empower and encourage a society free from inequalities. A set of initiatives were prepared in order to address the gender pay and pension gap as part of the project titled 'Prepare the Ground for Economic Independence'. One of the main motives of the project was the development of an equal pay tool suitable for Malta's labour market. This tool is meant to safeguard equal pay for women and men, to enhance their equal economic independence and consequently reduce poverty risk nationwide.
- 3.3.19** On a more general note, in order to fight abusive employment, the Ministry for European Affairs and Equality (MEAE) enacted legislation intended to render it difficult for employers to tamper with the calculation of hours worked, remuneration owed and remaining hours of vacation leave. The Itemised Payslip (Amendment) Regulation of 2018 made it obligatory for all employers to issue an itemised payslip allowing employees to verify whether the wage paid to them was correct and whether they were in receipt of all entitlements due, thereby protecting them from abuse.

Education

- 3.3.20** The MEDE undertook various initiatives and schemes in 2018 that served to alleviate poverty. To assist those who could not finance school-related costs, the MEDE, through its Scheme 9, provides uniforms, photocopies and packed lunches to students in need. This initiative was launched in 2017, and until the end of 2018, 1,134 students benefitted from it, with heads of schools identifying eligible families and assisting them to apply. Close collaboration with the MFCS was also being established so that this service was made available to a larger number of households. Other measures in relation to the education sector, that is, the elimination of examination fees, free provision of past papers, free transport and the provision of scholarships eased financial burdens for families and indirectly alleviated poverty by improving children's educational achievement and their future job prospects and income.
- 3.3.21** During 2018, a further 26 projects funded through the ESF were being implemented. These specifically focused on education and training. Certain projects aimed to upgrade the skills and facilitate the transition into employment of various vulnerable or target groups, including unemployed or inactive persons, persons with disability, prison inmates, vulnerable students, early school leavers and youth. In some cases, for instance, within community centres or residential care homes for vulnerable children at risk of poverty or social exclusion, funds were utilised for the provision of information technology (IT) educational devices. Tablets and ancillary educational programmes and applications within schools were also financed. A few projects focused on the development of vocational education, including the setting up of educational centres, the

development of syllabi and workforce training. Others focused on the development of flexible teaching approaches, innovative technologies and mentoring within mainstream education to engage vulnerable students. The funds also supported projects addressing tertiary education and research, including the provision of scholarship or grants for tertiary education, the development and delivery of postgraduate courses, and grants for postdoctoral research. Specialised training courses on topics such as ecommerce and health and safety were also being supported. Through the LEAP project, a number of courses tackling different themes were provided, such as basic literacy, parenting skills, child nutrition, food handling and money management, well-being, empowerment, energy efficiency and neighbourhood security. The FSWS, in partnership with the Malta Communications Authority, Aġenzija Appoġġ, the Commission for Children, the Education Department and the Malta Police Force, also carried out activities concerning the promotion of the safer use of the internet through the BeSmartOnline! Project. The partners to the project also established and promoted an online reporting facility for illegal online content, particularly child abuse material, and offered support services to respective victims.

- 3.3.22** Other projects were also supported through the European Regional Development Fund (ERDF). The project 'INVEST' provided equipment to a number of labs in secondary schools to further support vocational education and training. Furthermore, three new buildings were constructed at the Malta College of Arts, Science & Technology (MCAST) main campus in Corradino: the Building and Construction Facilities within the Institute of Engineering and Transport, the MCAST Resource Centre and the Institute of Information and Communication and Technology. Additionally, the ERDF also funded the setting up of assistive technology centres intended for use by persons with a disability.
- 3.3.23** Other services related to education that also served to alleviate poverty targeted migrants and their integration into society. In this respect, several services were provided by the Human Rights Integration Directorate (HRID) within the Ministry for Justice, Equality and Governance (MJEG). One such service was the provision of language training, partly funded by the EU through the project 'I belong'. The HRID also worked closely with local councils to reach out to migrants and provide services through them. Furthermore, amendments made to the Local Government Act introduced an obligation for a Local Councillor to be responsible for integration and inclusion. The International Protection Agency continued its role and function in administering the asylum procedure so as to ensure that those persons in need of international protection are able to obtain it. Furthermore, the FSWS provided adult language learning courses in Maltese and English as part of an ongoing project and set up a support group for the better integration of migrants in the community.
- 3.3.24** In 2018, there were also several initiatives in the education sector relating to the training of persons working with vulnerable groups. An accredited course in financial literacy was offered to all employees working in various social sectors. In addition, EU-funded projects were undertaken to build training material and train professionals providing health and social support to vulnerable groups. These included projects intended to develop the mental health of first aiders, provide non-

technical skills in patient care to healthcare professionals and train professionals and employees within gaming companies on gambling problems and addictions. Other training initiatives involved the health, education and film sector industry. Additionally, the MFH led a project aimed to train an adequate number of professionals as allied health care workers in specialised areas such as prosthetics, orthotics, orthoptics, optometry and clinical physiology. Training was also provided to FSWS volunteers in order to carry out community services among the older persons and persons with disability.

- 3.3.25** Besides training, other projects in the education sector in 2018 included awareness raising and research activities. Awareness raising campaigns were carried out as part of projects related to tackling problem gambling, poverty and social exclusion, management of debt and budget, health and safety at the workplace, and healthier lifestyles. Research work was an integral component of the projects related to health and safety at the place of work and produced recommendations for legislative and regulatory improvements. Research was also undertaken as part of the project aimed at strengthening the film industry, by providing a skills gap analysis in order to more effectively resort to training where required.
- 3.3.26** Through its National Literacy Agency, the MEDE embarked on several projects as part of its National Literacy Strategy. One such project was the book gifting scheme, which provided vulnerable families of kindergarten children with 12 Maltese books and 12 English books each. In collaboration with the FSWS, the National Literacy Agency also carried out outreach activities with families having children under the age of three during the food distribution activities undertaken with the most deprived. Other programmes carried out by the National Literacy Agency supported students with literacy difficulties, provided reading sessions for 4,137 children between 0 to 3 years of age and their parents or care givers and 3,925 children aged 4 to 7 years. The National Literacy Agency also equipped primary schools and school libraries with books of various levels and organised reading events in schools.
- 3.3.27** Several education initiatives, which indirectly potentially affected poverty levels, were undertaken by Local Councils in conjunction with the MFCS. These included the provision of training in life skills under the ‘Għaqal id-Dar’ programme and life-long learning training programmes aimed at giving the necessary social and life skills to all.

Health and environment

- 3.3.28** Several projects directly or indirectly alleviating poverty which were carried out or continued in 2018 were related to the health and environment sector. In submissions made to this Office, the MFH recognised that poverty and poor health were inextricably linked, with poor health being both caused by and a consequence of poverty. While poverty raises the chances of poor health, poor health contributes to lower income, creating what is known as the health-poverty trap.
- 3.3.29** In view of the close link between health and poverty, some of the activities cited to the NAO by the Ministry in relation to the alleviation of poverty relate to the normal functions of the Public

Health Regulation Department and the Health Care Standards Directorate, rather than those specifically directed towards the most vulnerable. The core work of the Public Health Regulation Department includes efforts in health promotion and disease prevention, environmental health and food safety, outreach programmes and awareness raising campaigns and public health policy development. Core work performed by the Health Care Standards Directorate includes the regulation, inspection and licensing of health care establishments, the formulation of national standards for health care services and the promotion of a quality of care and patient safety culture. Notwithstanding the general nature of their work, the MFH stressed that the ministry always strived to offer the best and latest treatments and extended their availability to all, including those persons who fell below the poverty line.

3.3.30 The MFH also embarked on an EU-funded project and set up a national platform aiming to reduce health inequalities by tackling the social determinants of health. The Office of the Superintendent of Public Health set up a unit to focus on establishing and addressing these determinants. The deliverables of this project included research to form health strategies and awareness raising among stakeholders within Government, civil society and society at large about social determinants and their role in promoting healthier lifestyles. The project also financed capacity building sessions for stakeholders to develop the necessary skills and tools to promote healthier lifestyles. This was followed by a research project undertaken in 2019 to determine how various social characteristics, including income, housing and educational level are associated with risky health behaviours and health. This was the first study dedicated to determining the link between ill health/risky behaviour and social variables locally. Another study conducted as part of this project aims to collect data on primary school children to identify children with health risks caused by their social circumstances. In 2018, work also commenced on the development of an application to establish the level of vulnerability experienced by an individual and direct them to the most appropriate health services in their situation. Another planned initiative was to guide individuals to cook healthy meals with a low budget. In addition, the MFH launched the e-Bug software in schools, with the aim of preventing infections, increasing awareness of antibiotic use and antimicrobial resistance and change behaviour in this respect.

3.3.31 Another aim which Government continued striving towards in 2018 was the assurance that everyone could afford the medications they require. Apart from the provision of the pink and yellow card schemes referred to in paragraph 3.2.11 of this report, the Medicines Authority and the Malta Competition and Consumer Affairs Authority (MCCAA) negotiated to decrease the prices of medicinal products. In this respect, the Office for Consumer Affairs within the MCCAA engages with the respective pharmaceutical importer whenever a local recommended retail price exceeds the calculated reference value. Since 2013, the price of 264 medicines on the Maltese market was reduced, with consumers saving up to 70 per cent on these medicines. The MFH also referred to several initiatives designed to facilitate access to costly medication, thereby rendering treatment accessible to more individuals.

3.3.32 Several measures in relation to the alleviation of poverty targeted older people requiring residential care. In this respect, Government entered into agreements with the private sector for the provision

of more residential homes and in 2018, an agreement in this respect was reached with a private sector operator for 107 beds to be made available to older people receiving residential care by the Government. Furthermore, the Government granted a sickness allowance to persons with mental health issues or who were terminally ill and lived with a parent who was a pensioner, thereby alleviating the pensioner's financial burden.

- 3.3.33** Older persons and persons with disability were provided with financial support to engage a live-in carer or employ a personal assistant that could assist them in their needs. With respect to persons with disability, Government also provided subsidies to purchase equipment to improve quality of life, and provided exemptions on vehicle road licences and registration taxes. Furthermore, service users at the Sonia Tanti Independent Living Centre and the Access to Communication and Technology Unit were directed towards specialised communication devices, wheelchairs, mobility scooters and any other aids they required in order to have an independent life. Funding for these could be accessed from Aġenzija Sapport's Personal Assistance Schemes. In submissions made to this Office, Aġenzija Sapport noted that while the aforementioned services were offered free of charge, support was given to the applicants to access financial support via its Empowerment Scheme and Independent Community Living Monitoring Services. A financial package, titled Direct Payment, was also offered to persons with disability for the selection of their own personal carer. Another financial package offered to persons with disability was the Independent Community Living Fund, which provided assistance for independent living and covered an amount of hours of service that exceeded the maximum offered through the Agency's own human resources or the aforementioned Direct Payment (13 hours weekly). An additional financial package offered by Aġenzija Sapport, titled Personal Assistance Fund, provided persons with disability the opportunity to employ live-in carers. Aġenzija Sapport also supported its service users to obtain alternative financial assistance, such as the White Goods Scheme, support for certain programmes or medical treatments from the Malta Community Chest Fund and home modifications or stair lifts from the Housing Authority.
- 3.3.34** Several government health and environmental measures targeted children coming from vulnerable families. The Butterfly Centre provides medical check-ups for children that make use of the community services at the Qawra and Cottonera Community Centres. This service continued to be provided in 2018. In addition, the regular meetings with a professional from Aġenzija Sedqa's Family Team Services also served to broaden the approach to the interventions made by social workers in difficult family situations. Furthermore, a doctor attends LEAP Centres four times a year, with 60 children benefitting from this service in 2018.
- 3.3.35** Other assistance was also provided by the FSWS, which organised support groups on issues and circumstances that could impinge on individuals' well-being such as mental health, marital separation, single parenting and bereavement.
- 3.3.36** EU funds co-financed other projects in this area. Among these was the construction of the walking and cycling trail at Ulysses Grove and the sports outdoor facility in Gozo and the setting up of a regional primary health care hub in Paola.

Social services

- 3.3.37** Several measures that the Government worked on in 2018, which directly or indirectly alleviated poverty in Malta, related to social services. Government launched the Social Care Standards Authority mandated by the Social Care Standards Authority Act (Chapter 582) of the Laws of Malta. This Authority seeks to promote and establish the regulation of social welfare services. In this respect, the Social Regulatory Standards on Adoption of Children Regulations were enacted in 2018, ensuring that quality standards are upheld in the adoption process.
- 3.3.38** Work was also undertaken to enhance Government entities working with disadvantaged groups. The Commission for the Rights of Persons with Disability set up a new unit to enforce the rights of persons with disability and their families.
- 3.3.39** In 2018, work was also undertaken to reduce waiting times for people in need of access to social services. More people were employed at Sedqa and Aġenzija Appoġġ to reduce waiting times to access their services. In 2018, the Child Protection Directorate also introduced a new system of case weight management to address the adequacy of social work caseloads. Furthermore, response intervention for cases that required minimal intervention started to be conducted weekly rather than twice yearly, resulting in the Child Protection Services' waiting list being reduced from 675 families (802 children) in 2018 to 111 families (185 children) in 2019.
- 3.3.40** Several social outreach services were also being provided to assist families in difficulties. These included a home-based therapeutic service addressing positive parenting run by the Social Care Standards Authority. The Agency for Community and Therapeutic Services also offers home-based therapeutic services with the aim of assisting multi-stressed families to retain family preservation and prevent placement breakdown. In addition, outreach in the community is an integral part of the Agency's community services and takes place in every community they work with. The FSWS indicated that there are 10 Family Community Centres that strive to engage closely with the communities. In addition, the FSWS provided therapy for families experiencing multiple problematic issues related to poverty, such as drug abuse, violence, mental health problems and the risk of a child being taken into care. Furthermore, the FSWS also ran a mother and baby club targeting mothers needing more support to develop a secure attachment with their babies, as well as a mum and toddler club. The FSWS also ran another group providing assistance to parents on managing challenging behaviour. Furthermore, FSWS community development workers started to contact people door-to-door in Cottonera and Kalkara. Addictive behaviour was also being tackled in schools, local councils and places of work through the consolidation of preventive measures, outreach and rehabilitative services. In addition, Aġenzija Appoġġ also operated a hotline service and in 2018 obtained the necessary accreditation to continue this service. In relation to addictions, with the amalgamation of the Alcohol and Gambling Community Service and the Drugs Community Team into the Addictions Community Teams, Sedqa started adopting a more bio-psycho-social perspective, with the typical resident entering into a three-phase rehabilitation programme, where a multidisciplinary team aims to go deeper into the

notions leading to addiction and substance misuse. Ultimately, the aim is to help the individual lead a constructive lifestyle, whilst minimising relapse rates as much as possible.

3.3.41 Other forms of assistance to vulnerable groups were also provided in 2018. The FSWS set up a self-help group for women and operated a programme prepared by the community development worker and social workers. In 2018, there were 30 participants in this group. Women residing in Valletta could also meet to improve their personal development skills as part of a project undertaken by the Valletta Community Centre. In 2018, the FSWS also opened a new office in Fgura to provide services in the south of Malta and received 131 referrals concerning 160 individuals. In June 2018, the FSWS set up a directorate in Gozo to ensure that its services to vulnerable persons are extended to all Gozitan residents. The FSWS also provided community service and social work to help persons with criminal convictions re-integrate into society and find employment. Additionally, Sedqa provided therapeutic rehabilitation together with residential services to all those who had a substance abuse problem. By means of the EU funds, Government also set up The Meeting Place, a centre supporting the integration of persons at risk of poverty or social exclusion within the community through community-based services. The Meeting Place aims to offer NGOs in the sector the facility of where to meet and plan their actions and events.

3.3.42 Work was also undertaken to ensure that families who are poor or at risk of poverty or social exclusion were provided with food items. In this respect, in 2018, 9,980 families were eligible to collect food through the Fund for European Aid to the Most Deprived (FEAD). Three distributions were carried out during 2018, through which 8,532 families collected or had their entitlement delivered to them. Complementing FEAD is the National State-Funded Food Distribution (SFFD), which also involves the distribution of food packages. In 2018, 42,693 households were entitled to the scheme and 33,076 of these collected their entitlement. Two distributions were held in 2018.

3.3.43 The Government also continued to provide legal aid services to people who do not afford a lawyer. In this respect, the Legal Aid Services Agency provided legal services and covered court fees of all those who applied to it. While legal aid for criminal cases is offered irrespective of one's means, assistance with respect to civil cases is provided if the applicant passes a means and merits test.

Housing

3.3.44 The Housing Authority has embarked on several initiatives to reach out not only to those who are poor but also to other individuals needing affordable housing. The Housing Authority provides subsidised rents of up to 80 per cent of the value of the rent. Furthermore, the home ownership scheme assists individuals through different measures, including the provision of social loans entered into by the Housing Authority and the banks, equity sharing, and the elimination of the 10 per cent down payment for loans taken by families referred to by the FSWS. The Foundation highlighted that it works in close collaboration with the Housing Authority to facilitate these bank

loans for families currently leasing property or requiring shelter. An agreement was reached with two local banks, whereby the FSWS facilitated referrals and follow-up, resulting in the elimination of the down payment in 22 deeds in 2018.

- 3.3.45 In 2018, a white paper titled 'Renting as a Housing Alternative' was published. The white paper called for all rental agreements to be registered with the Housing Authority to better regulate the sector and eliminate potential abuse by both parties to the contract. In 2020, the Private Residential Leases Act became effective. The Act introduced a minimum duration of one year for all long-term residential lease agreements intended for the primary residence of tenants. This minimum condition, among others, served to promote stability and security of tenure.
- 3.3.46 The Housing Authority also sought to increase the number of housing units available at its end. By means of a scheme titled 'Nikru biex Nassistu', several landlords were enticed to enter into a rental agreement with the Housing Authority for ten years. The housing units available in this respect were allocated to those in need of social housing. Similarly, in 2018, a scheme was launched whereby owners of dilapidated houses were granted a sum of money to restore the building to have it rented out to the Housing Authority for 10 years. Work also continued on the renovation and maintenance of housing estates as well as the building of further units. Two infrastructural projects supported by the ERDF focused on the regeneration of social housing infrastructure. Other projects, financed by the National Development and Social Fund (NDSF), committed funds towards the provision of social housing and investments in community centres catering to the specific needs of vulnerable groups.
- 3.3.47 Other initiatives targeted persons with disability, such as the EU-funded project titled 'Reach', which aimed to provide semi-independent living arrangements to persons with disability, while offering them therapeutic and health services, sports activities, training and employment advice. In addition, the Scheme for Persons with Disability offers financial aid and technical advice to carry out adaptation works at the residence of a person with disability. This Scheme has also been extended to individuals and families whose members are on the autism spectrum or who have other sensory processing difficulties through the 'Sensability' policy initiative. Furthermore, several persons with disabilities were able to continue living independently within their communities through the project titled 'Proġett Soċjetà Ġusta'. This project has seen the construction of several homes around Malta and Gozo. Additionally, in 2018, the residential care centre for persons with disability in Marsascala started to be rebuilt in order to provide its residents with better residential care services while also housing a day care centre for other persons with disability.
- 3.3.48 New Specialised Housing Programmes (SHPs) which amalgamate housing with an integrated service provision meant to specifically address the needs of persons with mental health conditions were provided in line with the Mental Health Strategy for Malta 2020-2030. While the social dimension generally has lower priority in urban development, SHPs prioritise the specific needs of the users at all stages, including the planning, design and implementation phases. The SHPs aim to help vulnerable groups to thrive, prevent poverty and homelessness, and facilitate the integration of vulnerable people in society. This programme is run by the Housing Authority,

which entity also liaises with shelters and NGOs for the identification of the needs of vulnerable individuals.

3.3.49 Residential home services have been provided since 2014, at first by Aġenzija Appoġġ and then by the Directorate for Alternative Care (Children and Youths). Over the years, several community homes and shelters were opened to provide a residence for adolescents and children. Three new residences were opened in 2018: the Safe Haven Community Home, the Marsascala Community Flat and the Mosta Community Flat. At any given time, a total of 30 youths and children are hosted, with efforts made to keep siblings together.

3.3.50 Women who are victims of domestic violence were also supported by Government. These women are granted a sum of money to be used as a deposit on accommodation as part of the Private Rent Housing Benefit Scheme. This allows women to seek alternative accommodation other than shelters.

Culture

3.3.51 Various cultural initiatives were carried out in 2018 and addressed different cohorts of individuals. All students attending primary or secondary education received the Heritage Malta card, providing them with free unlimited access for themselves and any two accompanying adults to almost all Heritage Malta sites and museums. In 2019, free admission was also extended to senior citizens together with two accompanying youths. Heritage Malta also reduced entrance fees for persons with disability and gave free access to the carer accompanying them. Heritage Malta also organised events to give more insight into the works carried out at the museums and sites. Special reduced rates for local groups (€1 per person) were also made available. Thematic programs in collaboration with the Health department were also provided, with programmes targeting children attending resource centre schools. Furthermore, hearing-impaired individuals could benefit from special tours of the sites and museums.

3.3.52 Other free of charge cultural initiatives were also organised as part of the Valletta 2018 programme, with some open for all and some targeted towards children. Adults with intellectual disabilities were also given the opportunity to take up diverse artistic practices as part of the project '(In) Visibility'. The Culture Pass, which is available to all students, provides exposure to a variety of cultural pursuits from an early age. It is intended to foster social inclusion. The FSWS also organised creativity sessions for children and their parents which involved social and physical activities meant to improve social skills.

3.3.53 Funds were also allocated to support creativity and provide opportunities to develop artistically through programmes managed and administered by the Arts Council Malta. Work carried out in this respect included training, research, and the development of artistic projects led by the community for the community as part of the Creative Communities programme. Contemporaneously, the Kreattiv programme enabled dialogue and collaboration among educators and creative practitioners while encouraging students and educators to further engage within the creative

sector. To promote and support organisations who engage vulnerable and disadvantaged groups in creativity and arts-driven projects a President's Award for Creativity (il-Premju tal-President għall-Kreattività) jointly managed by the Office of the President and Arts Council Malta, was granted.

Overseas aid

3.3.54 For 2018, Government also allocated €134,496 as Official Development Assistance projects and €1,157,812 as other contributions to address the alleviation of poverty internationally or to assist in the acceleration of development. Official Development Assistance funded projects related to the provision of health services, including capital investment in health facilities, and the provision of various services targeting children and youth, including social and residential care, counselling, recreational activities and training. The majority of other contributions (€525,000) were directed towards agencies and projects aiding migrants, mostly refugees and internally displaced persons. The next largest contribution (€230,000) was directed towards the re-construction of countries ravaged by war. Other contributions with an amount of €190,000 were aimed as aid towards countries experiencing natural disasters, humanitarian and developmental aid for children and women, funds to address hunger and promote food security while a total of €212,812 were allocated towards scholarships and capacity building courses.

Chapter 4

How does Malta rate?

This chapter provides an overview of how Malta rates in terms of poverty through an in-depth analysis of official statistics on poverty. The analysis of the 2018 EU SILC microdata includes the computation of salient indicators by demographic characteristics, such as housing tenure status and health status, as well as an analysis of housing costs (Section 4.1). Attention is then shifted onto the analysis of trends for salient indicators of poverty (4.2). This analysis entailed the review of ARPT60i data and dispersion around this threshold, the consideration of income profiles, AROPE, MD and SMD, as well as projection-related analysis and the disaggregation of salient indicators by demographic characteristics.

4.1 EU SILC microdata

4.1.1 Anonymised EU SILC 2018 microdata was obtained from the NSO to allow for further analysis of EU SILC data beyond that provided in periodical press releases. Further analysis included the computation of salient indicators by demographic characteristics not usually reported in press releases, such as tenure status and health status. Statistics for supplementary indicators of deprivation, including housing and environmental deprivation, were produced. Another analysis focused on housing costs, in view of the sustained increase and the much-debated impact of these costs on the household's risk of being in poverty. Descriptive statistics, showing the distribution of housing costs, as well as housing costs as a proportion of the household disposable income, were produced. An analysis of the equivalised disposable income after deducting housing costs, and the resultant at-risk-of-poverty rates was also undertaken.

Salient indicators by tenure status

4.1.2 According to EU SILC 2018, the ARPT60i rate for the general population of persons living in private households is 16.8 per cent. Figure 18 shows the ARPT60i rates by tenure status (in ascending order) as well as the corresponding headcounts. Tenure status is defined at the household level according to the standard EU SILC methodology, and therefore all members of the same household are identified in the same way. Individuals are identified as 'Outright owners' if one of the household members is the owner of the accommodation and has no pending mortgage to pay on this property. On the other hand, if a member of the household is the owner of the accommodation but still has a mortgage to pay for this dwelling, then individuals within the households are categorised as 'Owners paying mortgage'. Members of households whose residence is rented at prevailing or market rates, even if the rent is wholly or partially recovered from housing benefits or other sources, are classified as 'Tenants or subtenants paying rent at prevailing or market rate'. In those cases where the rent is lower than the market price, such as in the case of rented social housing, the individuals belonging to the household are classified

as 'Accommodation is rented at a reduced rate'. For those households within which none of the members are owners or pay rent, but the accommodation is provided rent-free, such as in cases where the accommodation is provided as part of an employment package, the individuals are classified as 'Accommodation is provided free'.

- 4.1.3 Data from the EU SILC 2018 indicates that those living in accommodation that is rented at market rates and those living in accommodation that is rented at a reduced rate are those most likely to experience being ARPT60i (30.6 per cent and 32.4 per cent), while those living in accommodation owned against a mortgage are the least likely to be at risk (8 per cent). Those living in rented accommodation at reduced rates are four times more likely than those living in accommodation owned against a mortgage to be ARPT60i.

Figure 18 | Number of persons and percentage rates of persons at-risk-of-poverty by tenure status

Tenure status	ARPT60i	ARPT60i	not ARPT60i
	n	%	%
	2018	2018	2018
Total population	78,685	16.8	83.2
Owners paying mortgage	8,492	8.0	92.0
Outright owners	45,053	16.4	83.6
Accommodation is provided free	3,898	20.8	79.2
Tenants or subtenants paying rent at prevailing or market rate	9,701	30.6	69.4
Accommodation is rented at a reduced rate	11,541	32.4	67.6

Source | EU SILC 2018

- 4.1.4 According to EU SILC 2018, the AROPE rate for the general population living in private households is 19 per cent. Figure 19 illustrates the AROPE rates by tenure status (in ascending order) as well as the corresponding headcounts. Similar to the ARPT60i, the highest risk of being AROPE is noted for those who live in accommodation rented at reduced rates (37.8 per cent), followed closely by those who live in accommodation rented at market rates (33.8 per cent). The lowest rate was noted for those who live in accommodation owned against a mortgage (8.6 per cent). Those living in accommodation that is rented out at reduced rates were 4.4 times more likely to be AROPE than those living in accommodation owned against a mortgage.

Figure 19 | Number of persons and percentage rates of persons at-risk-of-poverty or social exclusion by tenure status

Tenure status	AROPE	AROPE	not AROPE
	n	%	%
	2018	2018	2018
Total population	88,777	19.0	81.0
Owners paying mortgage	9,091	8.6	91.4
Outright owners	50,771	18.5	81.5
Accommodation is provided free	4,720	25.2	74.8
Tenants or subtenants paying rent at prevailing or market rate	10,731	33.8	66.2
Accommodation is rented at a reduced rate	13,463	37.8	62.2

Source | EU SILC 2018

4.1.5 The rate of MD for the general population living in private households was 8.7 per cent in 2018. Figure 20 depicts the MD rates and headcounts by tenure status (in ascending order). The highest MD rates are observed for those who live in accommodation that is rented at reduced rates (28.5 per cent).

Figure 20 | Number of persons and percentage rates of persons MD by tenure status

Tenure status	MD n 2018	MD % 2018	not MD % 2018
Total population	40,754	8.7	91.3
Owners paying mortgage	[3,002]	[2.8]	[97.2]
Outright owners	18,885	6.9	93.1
Tenants or subtenants paying rent at prevailing or market rate	5,471	17.2	82.8
Accommodation is provided free	[3,245]	[17.3]	[82.7]
Accommodation is rented at a reduced rate	10,151	28.5	71.5

Source | EU SILC 2018

Note | Figures in square brackets are to be used with caution: less than 49 reporting households.

4.1.6 For all three indicators, when comparing the rates for each tenure group to the overall population rate, it can be noted that the rates for those living in owned accommodation is lower than the overall population rate, while other tenure groups have higher rates, with those living in accommodation rented at reduced rates consistently showing the highest rates. Consistently, those living in accommodation provided for free experience lower risk than those living in accommodation that is rented at a reduced rate. Similarly, those who live in accommodation rented at market rate experience lower risk than those living in accommodation that is rented at a reduced rate. This applies for ARPT60i, AROPE and MD rates.

Salient indicators by health status indicators

4.1.7 In the EU SILC survey, information regarding the health of respondents is gathered for household members aged 16 and over. Respondents are asked to indicate whether they have any long-standing illness or health problems and also to indicate whether their health problems limit their activities.

Chronic condition

4.1.8 Consistently, those who indicated that they had a chronic illness or condition were more likely to be ARPT60i, AROPE, and experiencing MD and SMD, than those not affected by such illnesses or conditions. Out of those who indicated that they had a chronic illness or condition, 21.9 per cent were also ARPT60i, compared to 13.6 per cent of those who did not have a chronic illness or condition. The probability of being ARPT60i is 61 per cent higher for those with a chronic illness or condition than those who aren't (Figure 21). Similarly, 25.2 per cent of those who have a chronic illness or condition and 15.4 per cent of those who don't were found to be AROPE. The probability of being AROPE is 64 per cent higher for those with a chronic illness or condition

(Figure 22). Additionally, those who have a chronic illness or condition are much more likely to be experiencing MD and SMD (10.9 per cent and 4.1 per cent) than all other individuals (7.3 per cent and 2.4 per cent). The probability of being materially deprived and severely materially deprived are 49 per cent and 71 per cent higher for those with a chronic illness or condition (Figure 23 and Figure 24).

Figure 21 | Crosstabulation of ARPT60i and chronic condition indicator

			Chronic (long-standing) illness or condition		Total
			Yes	No	
ARPT60i	Not at risk	Count	93,045	239,305	332,350
		%	78.1%	86.4%	83.9%
	At risk	Count	26,071	37,513	63,584
		%	21.9%	13.6%	16.1%
Total	Count	119,116	276,818	395,934	
	%	100.0%	100.0%	100.0%	

Figure 22 | Crosstabulation of AROPE and chronic condition indicator

			Chronic (long-standing) illness or condition		Total
			Yes	No	
ARPE	Not at risk	Count	89,077	234,193	323,270
		%	74.8%	84.6%	81.6%
	At risk	Count	30,039	42,626	72,665
		%	25.2%	15.4%	18.4%
Total	Count	119,116	276,819	395,935	
	%	100.0%	100.0%	100.0%	

Figure 23 | Crosstabulation of MD and chronic condition indicator

			Chronic (long-standing) illness or condition		Total
			Yes	No	
MD	Not deprived	Count	106,122	256,736	362,858
		%	89.1%	92.7%	91.6%
	Deprived	Count	12,994	20,083	33,077
		%	10.9%	7.3%	8.4%
Total	Count	119,116	276,819	395,935	
	%	100.0%	100.0%	100.0%	

Figure 24 | Crosstabulation of SMD and chronic condition indicator

			Chronic (long-standing) illness or condition		Total
			Yes	No	
SMD	Not severely deprived	Count	114,256	270,306	384,562
		%	95.9%	97.6%	97.1%
	Severely deprived	Count	4,860	6,512	11,372
		%	4.1%	2.4%	2.9%
Total	Count	119,116	276,818	395,934	
	%	100.0%	100.0%	100.0%	

Activity limitation due to health problems

4.1.9 Activity limitation due to health problems is associated with a higher incidence of ARPT60i, AROPE, MD and SMD. Those experiencing a limitation in activities due to health problems are much more likely to be ARPT60i (23.6 per cent) than the group who did not experience these limitations (15.0 per cent). The probability of being ARPT60i is 57 per cent higher for those experiencing a limitation in activities due to health problems (Figure 25). Out of individuals whose activities are limited due to health problems, 30 per cent are AROPE, compared to 16.8 per cent of those who do not experience activity limitations. The probability of being AROPE is 79 per cent higher for those experiencing activity limitations (Figure 26). Additionally, those who experience activity limitation due to health problems are much more likely to be experiencing MD and SMD (18.9 per cent and 7.0 per cent) than other individuals (6.9 per cent and 2.3 per cent). The probability of being MD and SMD are 174 per cent and 204 per cent higher for those with a chronic illness or condition (Figure 27 and Figure 28).

Figure 25 | Crosstabulation of ARPT60i and activity limitation indicator

			Limitation in activities because of health problems		Total
			Yes	No	
ARPT60i	Not at risk	Count	36,036	296,314	332,350
		%	76.4%	85.0%	83.9%
	At risk	Count	11,138	52,446	63,584
		%	23.6%	15.0%	16.1%
Total	Count	47,174	348,760	395,934	
	%	100.0%	100.0%	100.0%	

Figure 26 | Crosstabulation of AROPE and activity limitation indicator

			Limitation in activities because of health problems		Total
			Yes	No	
ARPE	Not at risk	Count	33,009	290,261	323,270
		%	70.0%	83.2%	81.6%
	At risk	Count	14,165	58,499	72,664
		%	30.0%	16.8%	18.4%
Total	Count	47,174	348,760	395,934	
	%	100.0%	100.0%	100.0%	

Figure 27 | Crosstabulation of MD and activity limitation indicator

			Limitation in activities because of health problems		Total
			Yes	No	
MD	Not deprived	Count	38,281	324,576	362,857
		%	81.1%	93.1%	91.6%
	Deprived	Count	8,893	24,184	33,077
		%	18.9%	6.9%	8.4%
Total	Count	47,174	348,760	395,934	
	%	100.0%	100.0%	100.0%	

Figure 28 | Crosstabulation of SMD and activity limitation indicator

			Limitation in activities because of health problems		Total
			Yes	No	
SMD	Not severely deprived	Count	43,850	340,712	384,562
		%	93.0%	97.7%	97.1%
	Severely deprived	Count	3,324	8,048	11,372
		%	7.0%	2.3%	2.9%
Total	Count	47,174	348,760	395,934	
	%	100.0%	100.0%	100.0%	

4.1.10 The higher risk of ARPT60i, AROPE, MD and SMD for persons with chronic illness and conditions and persons who experience activity limitations arising from health issues may be explained in terms of the higher healthcare expenses incurred by them. Additionally, individuals with chronic health conditions as well as individuals who experience activity limitations due to health problems:

- a | have an older age profile;
- b | are more likely to come from households with LWI;

c | are less likely to live in a household that is owned against a mortgage;

d | are more likely to live in accommodation that is rented; and

e | are more likely to come from smaller households

than the rest of the population (those who do not have a chronic health condition or experience activity limitations due to health problems).

In-depth analysis of deprivation

Material deprivation

4.1.11 In EU SILC, MD is defined as the inability to afford at least three of the following nine items: to pay rent, mortgage or utility bills; to keep the home adequately warm; to face unexpected expenses; to eat meat or protein alternatives regularly; to go on holiday; a television set; a washing machine; a car; or a telephone. SMD is defined as the inability to afford at least four of the aforementioned nine items.

4.1.12 According to EU SILC 2018, 8.7 per cent of the population living in private households (n=40,754) were found to be experiencing MD, and 3.0 per cent (n=14,246) were found to be experiencing SMD. With respect to EU SILC 2019, the NSO news release published in March 2020 on estimates of MD and housing problems indicates that the MD rate and the SMD rate stood at 8.4 per cent and 3.7 per cent, respectively. This implies a decrease of 0.3 percentage points and an increase of 0.7 percentage points in MD and SMD respectively, when compared to 2018.

4.1.13 If we consider the number of items not afforded by the population, we can analyse two different indicators – one which quantifies persons who cannot afford an exact number of items (equal to x items), and one which quantifies persons who cannot afford a minimum number of items (greater than or equal to x items). When considering the first indicator, according to EU SILC 2018, 290,495 persons (62.2 per cent) were able to afford all the nine items listed above. Another 93,441 persons (20.0 per cent) could not afford one of the items listed while 42,602 persons (9.1 per cent) were unable to afford two of these items. Moreover, 26,508 persons (5.7 per cent) were unable to afford three of the items and 9,386 persons (2.0 per cent) could not afford four of these. A further 4,860 persons (1.0 per cent) were unable to afford five or more of the items listed (Figure 29). Alternatively, when considering the second indicator, 176,796 (37.8 per cent) could not afford at least one of these items, whilst 83,355 (17.8 per cent) could not afford at least two of these items. The values corresponding to those who cannot afford at least three and at least four items are equal to the MD and SMD rates (Figure 30).

Figure 29 | Number of persons and percentage rates of persons who cannot afford x items

Number of items lacked	N	%
5+	4,860	1.0
4	9,386	2.0
3	26,508	5.7
2	42,602	9.1
1	93,441	20.0
0	290,495	62.2

Source | EU SILC 2018

Figure 30 | Number of persons and percentage rates of persons who cannot afford x items or more

Number of items lacked	N	Cumulative %
5+	4,860	1.0
4	14,246	3.0
3	40,754	8.7
2	83,355	17.8
1	176,796	37.8

Source | EU SILC 2018

4.1.14 If we look at which specific items persons residing in private households in Malta and Gozo could not afford, we note that a week's annual holiday was the most common item, perceived by 30.6 per cent of the population as unaffordable. Furthermore, 13.9 per cent of the population, that is, 64,926 persons, indicated that their household did not afford to pay an unexpected required expense (of €675 or over) through its own resources. Another 8.1 per cent of the population, that is, 37,702 persons, pertained to households that in the previous 12 months were either unable to pay at least one of their rent or mortgage payments, utility bills, or hire purchase instalments or other loan payments for their main dwelling on time. Moreover, 7.6 per cent of the population, that is, 35,692 persons, lived in households that could not afford to keep their home adequately warm, while 5.7 per cent of the population, that is, 26,688 persons, pertained to households that could not afford a meal with meat, chicken, fish or vegetarian equivalent every second day. Another 2 per cent of the population, that is, 9,497 persons, lived in households that wanted to have a car but could not afford it. Not affording a washing machine, colour TV or telephone (including mobile phone) was less common, and for this reason the statistics for these items are not being reported since the estimates are not reliable (Figure 31).

Figure 31 | Number of persons and percentage rates of persons who cannot afford specific items

Item	n	%
Household cannot afford to pay for one week's annual holiday away from home	142,871	30.6
Household cannot afford to face unexpected financial expenses	64,926	13.9
Household has been in arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments	37,702	8.1
Household cannot afford to keep the home adequately warm in winter	35,692	7.6
Household cannot afford a meal with meat, chicken, fish or vegetarian equivalent every second day	26,688	5.7
Household cannot afford a car	9,497	2.0

Source | EU SILC 2018

Secondary indicators of material deprivation

4.1.15 The EU SILC survey also collects supplementary statistics on material deprivation and social exclusion for household members aged 16 and over, which information serves to supplement the MD indicators. Figure 32 presents the number of persons, and the corresponding share of the population, aged 16 and over and living in private households who indicated that they cannot afford specific items or activities. Missing responses were excluded from the analysis. The most common items that were indicated as unaffordable were regular participation in a leisure activity (13.6 per cent) and spending a small amount of money on oneself every week (12 per cent).

Figure 32 | Number of persons and percentage rates of persons 16 years and over who cannot afford specific items

Indicator	%	n
	2018	2018
Regularly participate in a leisure activity	13.6	54,027
Spend a small amount of money each week on yourself	12.0	47,385
Get-together with friends/family (relatives) for a drink/meal at least once a month	6.9	27,375
Own two pairs of properly fitting shoes (including a pair of all-weather shoes)	4.8	19,146
Replace worn-out clothes by some new (not second-hand) ones	4.4	17,553
Have internet connection for personal use at home	1.9	7,457

Source | EU SILC 2018

4.1.16 A questionnaire item relating to the whole population of persons living in private households in Malta and Gozo (no age filtering) relates to the affordability of furniture replacement. In this respect, 17.0 per cent of the population, equivalent to 79,578 persons, live in households that do not afford to replace worn-out or damaged furniture.

Overcrowding

4.1.17 According to EU SILC 2018, 15,782 individuals, that is, 3.4 per cent of all those living in private households, lived in overcrowded residences. A person is considered as living in an overcrowded household if the household does not have at its disposal a minimum number of rooms equal to:

- a | one room for the household;
- b | one room per couple in the household;
- c | one room for each single person aged 18 or more;
- d | one room per pair of single people of the same gender between 12 and 17 years of age;
- e | one room for each single person between 12 and 17 years and not included in the previous category; and
- f | one room per pair of children under 12 years of age.

4.1.18 According to the EU SILC 2018, the ARPT60i, AROPE and SMD rates were much higher for those individuals who resided in overcrowded households when compared to those who did not. Those living in overcrowded households were found to be 2.2 and 2.1 times more likely than those who live in accommodation that is not overcrowded to be ARPT60i and AROPE, respectively. The relative risk of being in SMD is also much higher for those who lived in overcrowded households compared to those who live in accommodation that is not considered overcrowded (Figure 33).

Figure 33 | Salient indicator rates and headcounts by overcrowding status

	ARPT60i %	not ARPT60i %	ARPT60i N	not ARPT60i n
Total population	16.8	83.2	78,685	388,606
Persons living in overcrowded household	34.9	65.1	5,501	10,281
Persons not living in an overcrowded household	16.2	83.8	73,184	378,325
	AROPE %	not AROPE %	AROPE N	not AROPE n
Total population	19.0	81.0	88,777	378,514
Persons living in overcrowded household	38.0	62.0	5,996	9,785
Persons not living in an overcrowded household	18.3	81.7	82,781	368,729
	SMD %	not SMD %	SMD N	not SMD n
Total population	3.0	97.0	14,246	453,045
Persons living in overcrowded household	[14.0]	86.0	[2,215]	13,566
Persons not living in an overcrowded household	2.7	97.3	12,031	439,479

Source | EU SILC 2018

Note | Figures in square brackets are to be used with caution: less than 49 reporting households.

Other housing deprivation indicators

4.1.19 Indicated in Figure 34 are the prevalence rates for self-reported problems in the physical and social environment according to the EU SILC 2018. Pollution, grime or other environmental problems are the most common issue, experienced by 29.7 per cent of persons living in private households in 2018. On the other hand, not having a bath or shower in one's dwelling or not having an indoor flushing toilet for the sole use of the household was experienced by a very small minority of respondents, equivalent to 0.8 per cent of the population in 2018.

Figure 34 | Number of persons and percentage rates of persons who experience housing deprivation

Indicator	2018 %	2018 n
Pollution, grime or other environmental problems	29.7	138,880
Noise from neighbours or from the street	28.2	131,553
Crime, violence or vandalism in the area	12.5	58,181
Dwelling too dark, not enough light	11.2	52,245
Leaking roof, damp walls/floors/foundation, or rot in window frames or floor	7.1	32,947
No or shared bath or shower or indoor flushing toilet	0.9	4,057

Source | EU SILC 2018

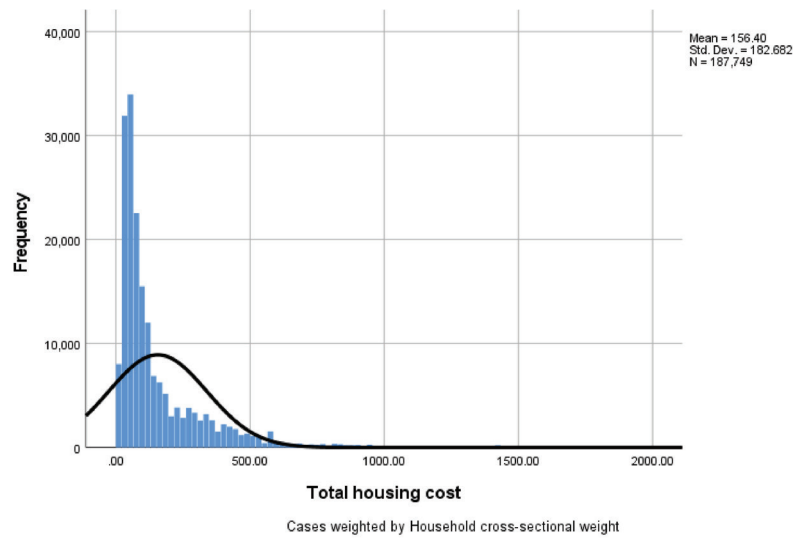
Housing costs

4.1.20 A further analysis undertaken by the NAO focuses on housing costs, a consideration deemed important by this Office in view of the impact of rising housing costs on one's risk of experiencing poverty. Specifically, the analysis includes descriptive statistics about the distribution of housing costs, and housing costs as a proportion of the household disposable income. Costs are measured at the household level, and in this respect have not been equivalised, and are being reported at the household level in this analysis. An analysis of the equivalised disposable income after deducting equivalised housing costs, and the resultant at-risk-of-poverty rates (at the individual level) is also presented.

Monthly housing costs

4.1.21 A self-reported measure of the household monthly housing cost is included in the EU SILC survey. This includes costs of utilities (water, electricity, gas and heating), structural insurance, mandatory services and charges, regular maintenance and repairs and applicable taxes. In the case of households living in residences that are owned, mortgage interest payments are also included, while rental payments are included for those households living in rented accommodation. Figure 35 shows the distribution of monthly housing costs for the 187,749 Maltese households in 2018. The distribution indicates that most households have low monthly costs and that there are some outliers with very high costs.

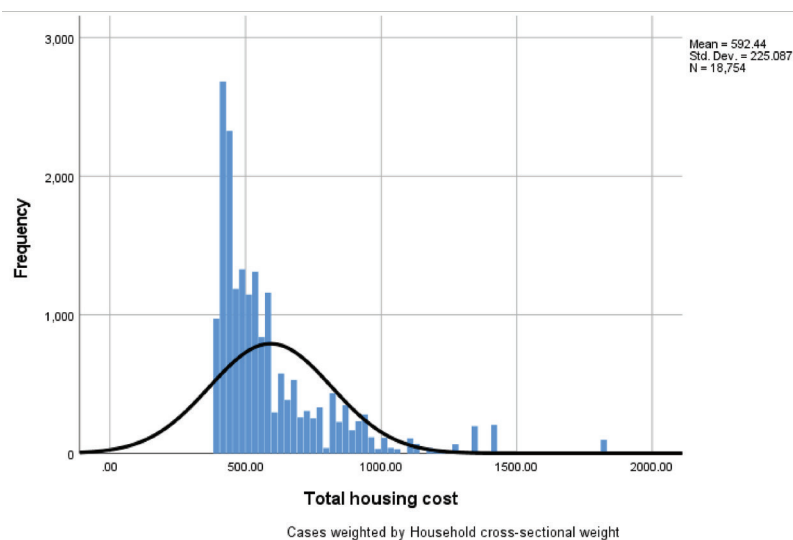
Figure 35 | Distribution of monthly housing costs for Maltese households, 2018



4.1.22 In 2018, the average household had housing costs equal to €156. Housing costs were €47 monthly or less for the bottom quartile of Maltese households. The 50th percentile stood at €84, indicating that for the 50 per cent of Maltese households with the lowest housing costs, this expense was equal to €84 monthly or less. For the top quartile and the top decile of Maltese households, housing costs were higher than €189 and €391 monthly, respectively.

4.1.23 Figure 36 illustrates the frequency distribution of monthly housing costs for the top decile (housing cost > €391). As can be noted, some households have major housing costs, with the highest quoted being €1,826.

Figure 36 | Frequency distribution of monthly housing costs for the top decile



4.1.24 Figure 37 presents housing costs by type of housing tenure. As expected, costs are lowest for those households having accommodation provided for free, followed by households that are outright owners of their residence and households with accommodation rented at a subsidised rate. Substantially higher costs are recorded for households whose residence is owned subject to a mortgage and for those households renting accommodation at market rate.

Figure 37 | Percentile and Mean Values for Housing Costs by Tenure Status

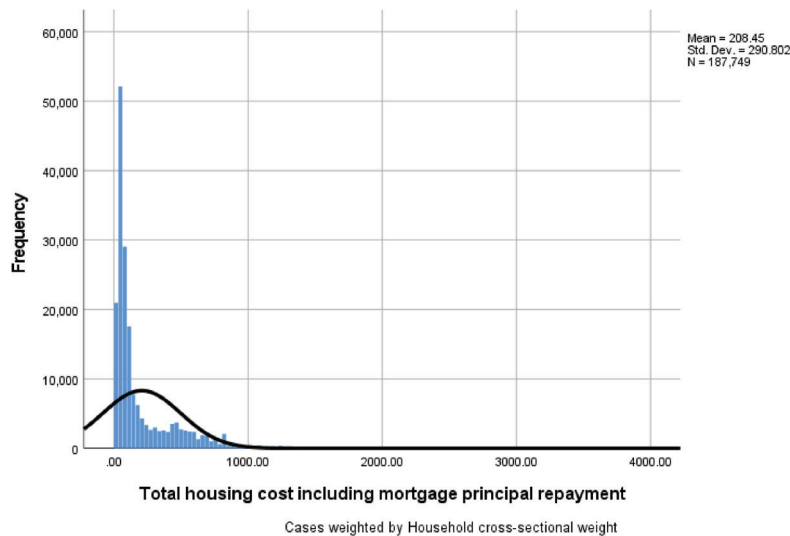
	25 th percentile	50 th percentile	75 th percentile	90 th percentile	Mean
Total population	€47	€84	€189	€391	€156
Accommodation is provided free	€29	€43	€61	€113	€60
Outright owners	€39	€61	€104	€169	€89
Accommodation is rented at a reduced rate	€55	€75	€104	€155	€99
Tenants or subtenants paying rent at prevailing or market rate	€73	€147	€416	€629	€266
Owners paying mortgage	€209	€304	€421	€575	€346

Source | EU SILC 2018

Monthly housing costs including mortgage principal payments

4.1.25 The EU SILC also includes a measure of the mortgage principal repayment for the main dwelling. Figure 38 shows the distribution for monthly housing costs when the mortgage principal repayment is added to the total housing cost. When comparing this distribution to the one excluding the mortgage principal repayment it can be noted that, as expected, the integration of this additional expense in housing costs drastically extends the range of outlier cases with high values.

Figure 38 | Distribution of monthly housing costs when mortgage principal repayment is added to total housing cost



4.1.26 In 2018, the average household had housing costs (including the mortgage principal repayment) equal to €208. For the bottom 25 per cent of Maltese households, housing costs (including the mortgage principal repayment) were €47 monthly or less. For the half of the Maltese households with the lowest housing costs (including the mortgage principal repayment), this expense was equal to €85 monthly or less whereas for the top quartile and the top decile of Maltese households, housing costs were higher than €291 and €599 monthly, respectively.

4.1.27 Figure 39 indicates that the 25th and the 50th percentiles are almost equivalent for the two measures of housing costs, while the 75th and 90th percentiles are higher for the measure that includes the mortgage principal repayment. This reflects the observation that households who

own their residence against a mortgage have the highest housing costs (exclusive of mortgage principal repayment).

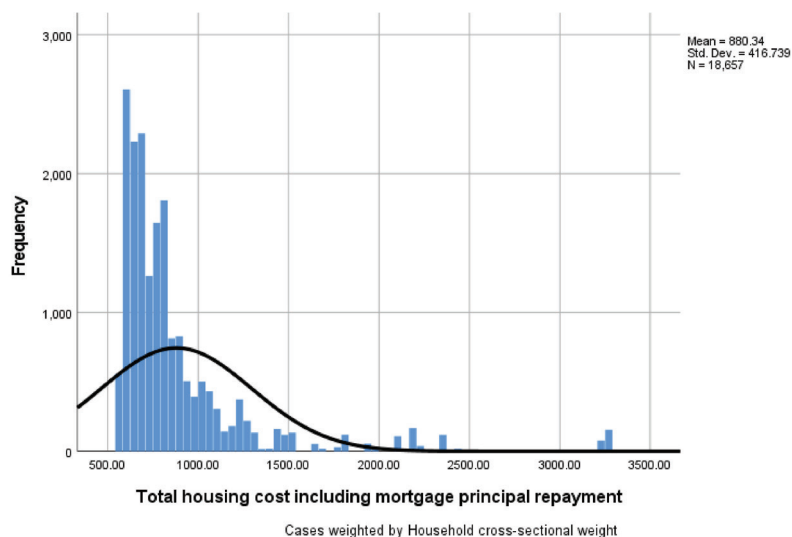
Figure 39 | Percentile and mean values for the two measures of housing costs

	25 th Percentile	50 th Percentile	75 th Percentile	90 th Percentile	Mean
Housing cost for total population	€47	€84	€189	€391	€156
Housing cost including mortgage principal repayment	€47	€85	€254	€576	€208

Source | EU SILC 2018

4.1.28 Figure 40 shows the frequency distribution of monthly housing costs for the top decile of the population (housing cost > €599). The highest housing cost (including the mortgage principal repayment) quoted was that of €3,288.

Figure 40 | Frequency distribution of monthly housing costs for the top decile of the population



4.1.29 The percentiles and mean for each tenure status group remained the same as for the total housing cost without including the mortgage principal repayment, except for the category 'owners paying mortgage', with values for this category being shifted upwards (Figure 41). This reflects the fact that only this category pays a mortgage.

Figure 41 | Percentile and mean values for housing costs inclusive of mortgage principal repayment

	25 th Percentile	50 th Percentile	75 th Percentile	90 th Percentile	Mean
Total population	€47	€85	€254	€576	€208
Owners paying mortgage	€380	€519	€697	€945	€598

Source | EU SILC 2018

Housing costs as a proportion of household disposable income

4.1.30 Housing affordability is being considered by analysing the number of households whose housing costs (inclusive of mortgage principal repayments) exceed 30 per cent of the household disposable

income, a widely accepted convention. As per EU SILC 2018 data, 15,153 households, equivalent to 8.1 per cent of all households, incurred housing costs (including mortgage principal repayment) that exceeded this threshold.¹³ According to EU SILC 2018 data, 7,997 households, equivalent to 4.3 per cent of all households, incurred housing costs (including mortgage principal repayment) that exceeded 40 per cent of the household’s disposable income. Furthermore, for 4,542 households, equivalent to 2.4 per cent of all households, such housing costs exceeded 50 per cent of disposable income.

4.1.31 To better understand the prevalence of housing unaffordability, the number of individuals pertaining to households having housing costs that exceed the thresholds considered was produced. According to the EU SILC 2018, 32,001 individuals, equivalent to 6.8 per cent of the population, exceeded the 30 per cent threshold, while 15,861 and 8,580 persons, equivalent to 3.4 per cent and 1.8 per cent of the population, exceeded the 40 per cent and 50 per cent thresholds, respectively (Figure 42). These statistics indicate that housing affordability affects a substantial portion of the Maltese population. A greater proportion of households, compared to the equivalent proportion of individuals, fall above the indicated thresholds. This can be explained by the fact that the average household size is smaller for those households that fall above the indicated thresholds. This would imply that smaller households face higher costs in proportion to their income.

Figure 42 | Rates and number of households and persons with housing cost exceeding thresholds

	n households	% households	n persons	% persons
30% threshold	15,153	8.1	32,001	6.8
40% threshold	7,997	4.3	15,861	3.4
50% threshold	4,542	2.4	8,580	1.8

Source | EU SILC 2018

4.1.32 Out of the 15,153 households whose housing cost exceeds 30 per cent, the largest proportion, composed of 9,019 households (59.5 per cent), own their residences against a mortgage, followed by 4,595 (30.3 per cent) households that rent their residence at market rates. When considering all households with residences that are owned against a mortgage, 23.2 per cent incur housing costs that exceed the 30 per cent threshold. The proportion is highest for households that rent their residence at market rates, being equal to 29.7 per cent. The proportions are minimal for the other categories of housing tenure.

4.1.33 For the EU SILC 2018 data, a crosstabulation of the indicator showing individuals belonging to households that had housing costs exceeding 30 per cent of their household disposable income and ARPT60i was produced. Figure 43 indicates that only 34.5 per cent of those classified as having housing costs above the threshold were also ARPT60i, while the remaining 20,975 were not.

¹³ Disposable income measured in EU SILC 2018 refers to calendar year 2017, while housing costs refer to the data collection year 2018

Figure 43 | Crosstabulation of indicator for housing cost exceeding 30% of household disposable income and ARPT60i

			ARPT60i		Total
			Not at risk	At risk	
Housing cost indicator	No	Count	367,630	67,659	435,289
		%	84.5%	15.5%	100.0%
	Yes	Count	20,975	11,026	32,001
		%	65.5%	34.5%	100.0%
Total	Count	388,605	78,685	467,290	
	%	83.2%	16.8%	100.0%	

At-risk-of-poverty rate after deducting housing costs

4.1.34 An analysis was carried out to determine the at-risk-of-poverty rate once housing costs are deducted from the equivalised disposable income (ARPT60i_Housing). The 60 per cent of the median was retained as the threshold for the poverty line. However, this poverty line was computed on the distribution of equivalised disposable income less equivalised housing costs. The yearly equivalised housing costs (including mortgage principal repayments) were deducted from the equivalised disposable income to provide the equivalised disposable income after deducting the apportioned housing costs. According to the EU SILC 2018, the at-risk-of-poverty rate for the housing cost adjusted indicator (ARPT60i_Housing) is 17.7 per cent, which is slightly higher than the ARPT60i rate of 16.8 per cent. This 0.9 per cent difference in rates is equivalent to an additional 3,992 individuals considered at risk of poverty. Interestingly, of the 82,678 individuals classified as at risk of poverty for ARPT60i_Housing, only 84.1 per cent are classified as at risk of poverty with the conventional indicator ARPT60i, and the remaining 15.9 per cent (equivalent to 13,148 individuals) are not classified as at risk of poverty according to the conventional indicator ARPT60i (Figure 44).

Figure 44 | Crosstabulation of ARPT60i_Housing and ARPT60i

			ARPT60i		Total
			Not at risk	At risk	
ARPT60i_Housing	Not at risk	Count	375,458	9,156	384,614
		%	97.6%	2.4%	100.0%
	At risk	Count	13,148	69,530	82,678
		%	15.9%	84.1%	100.0%
Total	Count	388,606	78,686	467,292	
	%	83.2%	16.8%	100.0%	

4.2 EU SILC trends

Poverty indicators – Changes over time: Introduction

4.2.1 The NAO sourced data for various EU SILC salient indicators for the years 2008 to 2018 from the NSO.¹⁴ The EU SILC provides a measure of income, poverty, social exclusion and living conditions among persons residing in private households in Malta and Gozo, and in this respect the population referred to in this chapter is limited to such persons. The last available statistics (2018) were compared to the data for 2008 and 2015 to identify progress registered, if any, over this period. While the baseline year for monitoring progress against the Europe 2020 targets is 2008, the SDGs were adopted by world leaders in September 2015, and therefore 2015 represents another reasonable baseline. The yearly changes in headcounts and prevalence rates over time were considered for the various poverty indicators. Besides considering the general trend over time for the period 2008 to 2018, the aggregate change for the periods 2008 to 2018 and 2015 to 2018 were also noted.

4.2.2 The NSO also provided salient indicator figures disaggregated by age, sex, district, most frequent activity status and household type. For the years 2008, 2015, and 2018, the NAO sought to identify the demographic profile of those ARPT60i, AROPE, or experiencing from MD, as well as assess differences in the prevalence rates for specific categories of the population. These statistics allow for changes in the profile or prevalence rates during these periods to be highlighted. Figures presented for the disaggregated statistics include the headcount, as well as the prevalence rate and the profile percentage. The prevalence rate denotes the percentage of persons pertaining to a specific category who are ARPT60i (or AROPE or MD). For example, in 2008, 20.8 per cent of those who were below 16 years of age were ARPT60i. The other percentage represents the profile percentage – the percentage of persons who are ARPT60i (or AROPE or MD) that pertain to a specific category. For example, in 2008, 24.3 per cent of those ARPT60i were under 16 years of age, while the remaining 75.7 per cent of those ARPT60i pertain to other age categories (Figure 45 refers). The prevalence rates for specific categories of the population can be compared to the national rates (total population rates) as a benchmark (Figure 46 refers). The statistics for severely materially deprived persons disaggregated by the demographic variables outlined above will not be analysed due to small sample sizes.

Figure 45 | Example - ARPT60i: EU SILC 2008

		2008		
		#	% (prevalence)	% (profile)
Age	<16	14,880	20.8	24.3

¹⁴ At the time this analysis was carried out salient indicators for 2019 were not published, except for MD and SMD. For this reason, the analysis was carried out for 2008-2018 for all indicators.

Figure 46 | Salient indicators - Prevalence rates: EU SILC 2008, 2015 & 2018

Year	AROPE (%)	ARPT60i (%)	MD (%)
2008	20.0	15.3	13.7
2015	23.0	16.6	15.5
2018	19.0	16.8	8.7

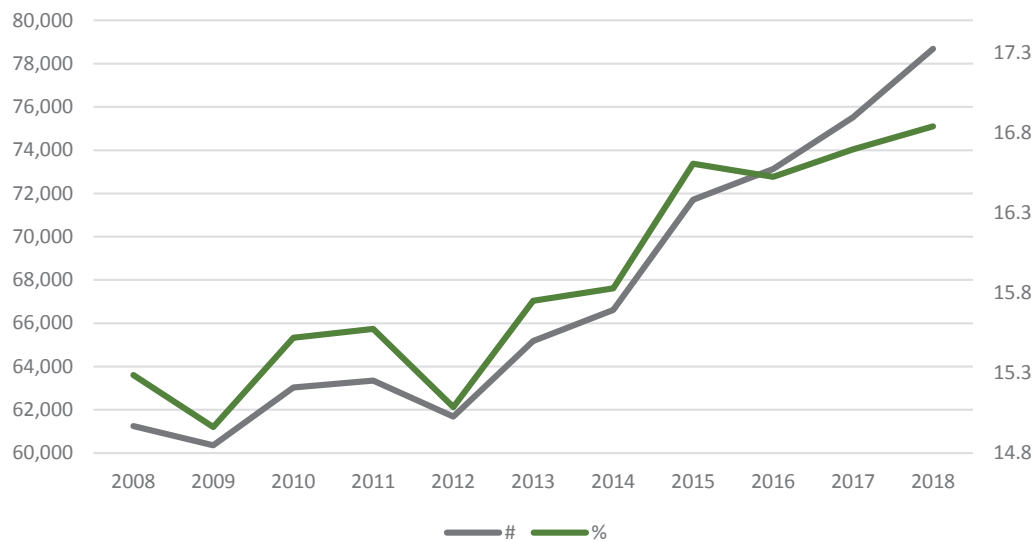
At Risk of Poverty

4.2.3 Aggregate yearly figures indicate that the number of persons ARPT60i, using the 60 per cent median national equivalised income (NEI) threshold, have increased from 61,256 in 2008 to 71,712 in 2015 to 78,685 in 2018 (Figure 47 and Figure 48 refer). The general trend for the 11-year period under review is a consistent increase in the number of persons ARPT60i year-on-year, except for 2009 and 2012. For the period 2008 to 2018, the number of persons ARPT60i increased by 17,429 persons, while for the years 2015 to 2018, the increase is equal to 6,973 persons. For the 2008 to 2018 period, the increase in the headcount is also mirrored by an increase in the percentage of the population ARPT60i of 1.6 percentage points. For the 2015 to 2018 period, a minimal increase of 0.2 percentage points is observed. This indicates that the increase in persons ARPT60i for the period under review is not solely explained by an increase in the total population observed in the 2008 to 2018 period.

Figure 47 | ARPT60i: EU SILC 2008-2018

Year	#	%
2008	61,256	15.3
2009	60,360	15.0
2010	63,033	15.5
2011	63,351	15.6
2012	61,689	15.1
2013	65,186	15.8
2014	66,621	15.8
2015	71,712	16.6
2016	73,137	16.5
2017	75,516	16.7
2018	78,685	16.8

Figure 48 | ARPT60i: EU SILC 2008-2018



Dispersion around the at-risk-of-poverty threshold

4.2.4 Different cut-off points are considered to determine the dispersion around the at-risk-of-poverty threshold (60 per cent median NEI). Diverse patterns emerge when considering different cut-off points, that is, 40, 50 and 70 per cent of the median NEI (Figure 49 refers).

4.2.5 Of note is the fact that for lower income thresholds, the headcount and prevalence rates are drastically lower. The number of persons whose income falls below the 70, 60, 50 and 40 per cent of the median NEI thresholds is equal to 117,899, 78,685, 40,884 and 16,241 for 2018, respectively. Similarly, the prevalence rates for the 70, 60, 50 and 40 per cent NEI thresholds are equal to 25.2 per cent, 16.8 per cent, 8.7 per cent and 3.5 per cent for 2018, respectively. These same patterns in headcounts and prevalence rates for different thresholds is observed for 2015 and 2008. When considering the proportion of those ARPT60i whose income falls below the 40 per cent of the median NEI threshold, an improvement is noted in 2018 compared to 2008, with this proportion decreasing from 28.8 per cent in 2008 to 20.6 per cent in 2018.

4.2.6 In 2018, compared to 2008, there was a greater number (78,685 vs 61,256 persons) and proportion (16.8 per cent vs 15.3 per cent) of the population that were ARPT60i (60 per cent median NEI). An increase of 17,429 persons is observed for the period 2008 to 2018, equivalent to an increase of 1.6 percentage points, and an increase of 6,973 persons, equivalent to an increase of 0.2 percentage points for the period 2015 to 2018.

4.2.7 For the 70 per cent of the median NEI cut-off point, an increase of 15,187 is observed for the 2008-2018 period, and an increase of 5,501 for the 2015-2018 period. When considering the percentage of the population below the 70 per cent of the median NEI cut-off point, a decrease is noted for both periods, with 25.6 per cent registered in 2008, 26.0 per cent registered in 2015, and 25.2 per cent registered in 2018, implying a decrease of 0.4 percentage points for the period

2008-2018 and a decrease of 0.8 percentage points for the period 2015-2018. In this instance, therefore, an increase in the headcount corresponds to a decrease in the rate.

4.2.8 The data for the 50 per cent of the median NEI cut-off point shows that, from 2008 to 2018, there was an increase of 6,552 persons below this cut-off point, and a minimal increase in the percentage of the population below this cut-off point of 0.2 percentage points. For the period 2015 to 2018, the headcount increased by 3,551 and the percentage increased by a negligible 0.1 percentage point.

4.2.9 The number of persons falling below the 40 per cent of median NEI cut-off point decreased from 2008 to 2018 by 1,385 persons, equivalent to a decrease of 0.9 percentage points. On the other hand, the number of persons below this threshold increased from 2015 to 2018 by 2,320, equivalent to a 0.3 percentage point increase.

Figure 49 | Different median NEI thresholds: EU SILC 2008-2018

Year	ARPT40i		ARPT50i		ARPT60i		ARPT70i	
	#	%	#	%	#	%	#	%
2008	17,626	4.4	34,332	8.6	61,256	15.3	102,712	25.6
2009	11,073	2.7	29,124	7.2	60,360	15.0	98,135	24.3
2010	15,002	3.7	32,395	8.0	63,033	15.5	95,937	23.6
2011	12,763	3.1	33,837	8.3	63,351	15.6	96,515	23.7
2012	11,537	2.8	30,456	7.4	61,689	15.1	100,262	24.5
2013	13,219	3.2	35,988	8.7	65,186	15.8	104,302	25.2
2014	10,202	2.4	35,044	8.3	66,621	15.8	108,196	25.7
2015	13,920	3.2	37,333	8.6	71,712	16.6	112,398	26.0
2016	13,116	3.0	34,413	7.8	73,137	16.5	113,334	25.6
2017	12,800	2.8	38,742	8.6	75,516	16.7	110,557	24.4
2018	16,241	3.5	40,884	8.7	78,685	16.8	117,899	25.2
2018-2008	-1,385	-0.9	6,552	0.2	17,429	1.6	15,187	-0.4
2018-2015	2,320	0.3	3,551	0.1	6,973	0.2	5,501	-0.8

Figure 50 | Different median NEI thresholds - %: EU SILC 2008-2018

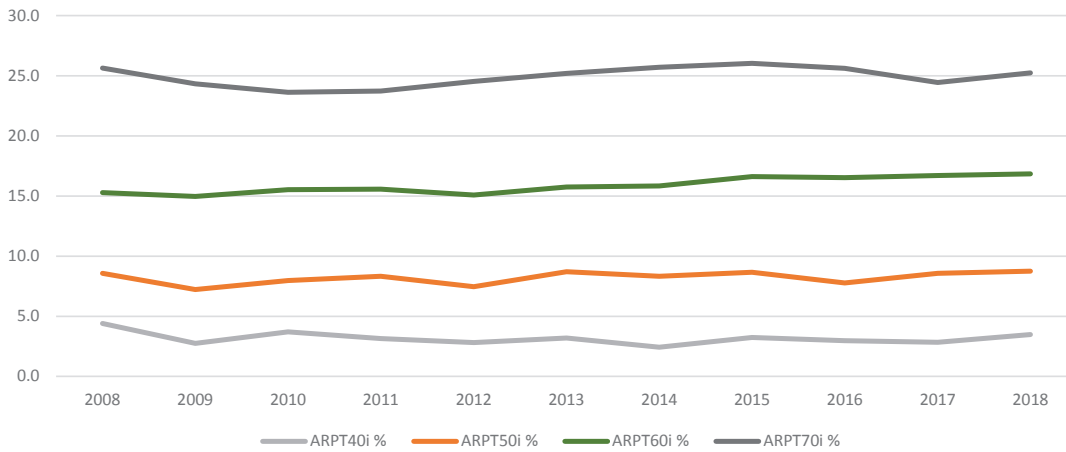
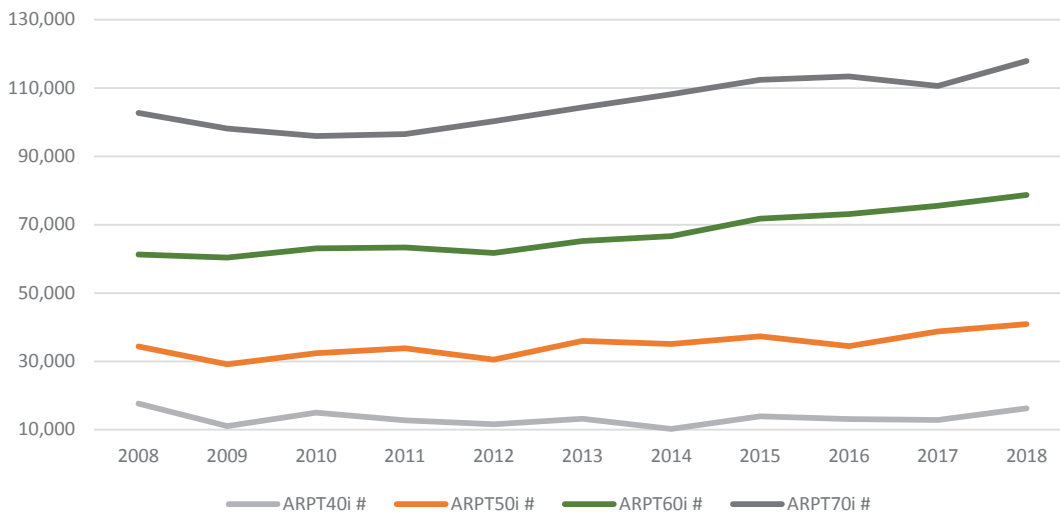


Figure 51 | Different median NEI thresholds - #: EU SILC 2008-2018



Income profile

4.2.10 An analysis was undertaken to understand the changes in the income profile across the period under review. Income is categorised into four groups, defined in terms of different cut-off points with respect to the median NEI. The comparison of the income profile headcounts and percentage distribution for 2008 and 2018 and separately for 2015 and 2018 provided insights into the structural changes in income that have occurred during the 2008-2018 and 2015-2018 periods.

4.2.11 When considering the 2008 to the 2018 period, the number of persons in the lowest income group, that is, below the 40 per cent median NEI threshold, decreased by 1,385, equivalent to a 0.9 percentage point decrease, from 4.4 per cent in 2008 to 3.5 per cent in 2018 (Figure 52 refers).

This is a positive result, indicating that those in the lowest income bracket have decreased in the period 2008-2018. Those falling below the at-risk-of poverty threshold, but who are not part of the lowest income group, that is those between the 40 per cent median NEI and the 60 per cent median NEI threshold, increased by 18,815, equivalent to an increase of 2.5 percentage points. Furthermore, the number of persons falling just above the poverty threshold, between the 60 per cent median NEI and the 70 per cent median NEI threshold, decreased by 2,243, equivalent to a 2.0 percentage point decrease. The number of persons falling in the highest income bracket, that is above the 70 per cent median NEI threshold, increased by 51,393, equivalent to a 0.4 percentage point increase.

4.2.12 If one were to collapse the first two income categories together and the last two income categories together, one would obtain two categories: one representing those falling below the poverty threshold (60 per cent median NEI) and one representing those who fall above it. An analysis of the percentage distribution using this categorisation indicates that, when compared to 2008, the category representing those who fall beneath the poverty line constitutes a larger share of the population in 2018, by 1.6 percentage points. Consequently, those above the poverty line constitute a smaller percentage (1.6 percentage points) of the population in 2018 compared to 2008.

Figure 52 | Income profiles, 2008 and 2018

	2008 (#)	2018 (#)	2008 (%)	2018 (%)	2018 (#) – 2008 (#)	2018 (%) – 2008 (%)
	[A]	[B]	[C]	[D]	[B-A]	[D-C]
<40% median NEI	17,626	16,241	4.4	3.5	-1,385	-0.9
>=40% median NEI and <60% median NEI	43,630	62,444	10.9	13.4	18,815	2.5
>=60% median NEI and <70% median NEI	41,456	39,214	10.3	8.4	-2,243	-2.0
>=70% median NEI	297,999	349,392	74.4	74.8	51,393	0.4

4.2.13 When considering the 2015 to the 2018 period, the number of persons in the lowest income group, that is, below the 40 per cent median NEI threshold, increased by 2,320, equivalent to a 0.3 percentage point increase (Figure 53 refers). This is opposite to the change noticed for the period 2008 to 2018, and represents a negative result, with those in the lowest income bracket having increased in the period 2015-2018. With respect to those within the population who fall below the poverty threshold, but who are not part of the lowest income group, that is those between the 40 per cent median NEI and the 60 per cent median NEI threshold, it can be noted that these constitute 13.4 per cent of the population in 2015 and 2018. While there is no change in the percentages, the headcount increased by 4,653 between 2015 and 2018. This increase may be explained in terms of the population increase, of 8.2 per cent, observed during this period. Furthermore, the number of persons falling just above the poverty threshold, between the 60 per cent median NEI and the 70 per cent median NEI threshold, decreased by 1,472, equivalent

to a 1 percentage point decrease. The number of persons falling in the highest income bracket, that is above the 70 per cent median NEI threshold, increased by 29,956, equivalent to a 0.8 percentage point increase.

4.2.14 If one were to collapse the first two income categories together and the last two income categories together, one would obtain two categories: one representing those falling below the poverty threshold and one representing those who fall above it. An analysis of the percentage distribution using this categorisation indicates that, when compared to 2015, the category representing those who fall beneath the poverty line constitutes a larger share of the population in 2018, by a minimal 0.2 percentage points. Consequently, those above the poverty line constitute a smaller percentage (0.2 percentage points) of the population in 2018 compared to 2015.

Figure 53 | Income profiles, 2015 and 2018

	2015 (#)	2018 (#)	2015 (%)	2018 (%)	2018 (#) – 2015 (#)	2018 (%) – 2015 (%)
	[A]	[B]	[C]	[D]	[B-A]	[D-C]
<40% median NEI	13,920	16,241	3.2	3.5	2,320	0.3
>=40% median NEI and <60% median NEI	57,791	62,444	13.4	13.4	4,653	0.0
>=60% median NEI and <70% median NEI	40,686	39,214	9.4	8.4	-1,472	-1.0
>=70% median NEI	319,436	349,392	74.0	74.8	29,956	0.8

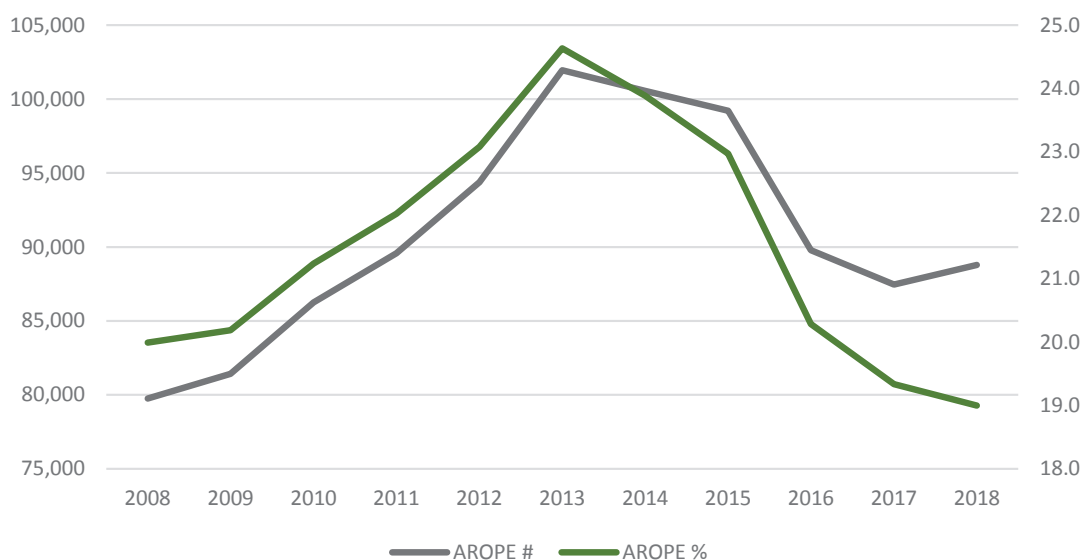
At risk of poverty or social exclusion

4.2.15 When considering AROPE, the headcount increased by 9,022 in 2018 compared to 2008, from 79,755 persons in 2008 to 88,777 persons in 2018 (Figure 54 refers). This was equivalent to a 1.0 percentage point decrease in the percentage of the population AROPE, from 20.0 per cent in 2008 to 19.0 per cent in 2018. On the other hand, the headcount of persons AROPE decreased by 10,432 from 2015 to 2018, from 99,209 persons in 2015 to 88,777 persons in 2018, equivalent to a decrease of 4.0 percentage points. The prevalence rates for AROPE increased consistently year-on-year from 2008 till 2013, and then decreased consistently for subsequent years. The same trend is observed for the headcount figures, except for a small increase of 1,323 persons for the period 2017 to 2018, which still corresponds to a decrease in the prevalence rate, from 19.3 per cent in 2017 to 19.0 per cent in 2018.

Figure 54 | AROPE: EU SILC 2008-2018

Year	AROPE	
	#	%
2008	79,755	20.0
2009	81,430	20.2
2010	86,264	21.2
2011	89,569	22.0
2012	94,369	23.1
2013	101,949	24.6
2014	100,547	23.9
2015	99,209	23.0
2016	89,783	20.3
2017	87,454	19.3
2018	88,777	19.0

Figure 55 | AROPE: EU SILC 2008-2018



Materially deprived and severely materially deprived

4.2.16 The number of persons who are materially deprived decreased by 13,957 persons between 2008 and 2018, and by 26,274 between 2015 and 2018 (Figure 56 and Figure 57 refer). The rate of MD similarly decreased by 5.0 percentage points and 6.8 percentage points for these periods, respectively. The rate of MD (as well as the headcount) show a steady year-on-year increase from 2008 till 2014, then sharply decline until 2017, and then increase in 2018. Of note is the substantial yearly improvement registered in the periods 2014 to 2015 and 2015 to 2016, with reductions of 16,849 and 21,799 in the number of persons experiencing MD registered for those periods, respectively.

4.2.17 An improvement was also registered, albeit to a lesser extent for the period 2008 to 2018, in relation to SMD. The number of persons in this group decreased by 3,024 between 2008 and 2018, and by 22,400 between 2015 and 2018 (Figure 56 and Figure 58 refer). The rate of SMD similarly decreased by 1.3 and 5.5 percentage points for these periods. The rate of SMD (as well as the headcount) shows a steady increase from 2008 till 2014, and then a decline till 2018. Of note is the substantial yearly improvement registered in the period 2015 to 2016, with 17,125 less persons experiencing MD than in 2015.

Figure 56 | Materially deprived and severely materially deprived: EU SILC 2008-2018

Year	Materially deprived		Severely materially deprived	
	#	%	#	%
2008	54,711	13.7	17,270	4.3
2009	61,328	15.2	19,831	4.9
2010	63,250	15.6	26,232	6.5
2011	69,651	17.1	26,999	6.6
2012	80,821	19.8	37,447	9.2
2013	82,253	19.9	42,210	10.2
2014	83,876	19.9	43,178	10.3
2015	67,028	15.5	36,646	8.5
2016	45,228	10.2	19,521	4.4
2017	36,019	8.0	14,833	3.3
2018	40,754	8.7	14,246	3.0

Figure 57 | Materially deprived: EU SILC 2008-2018

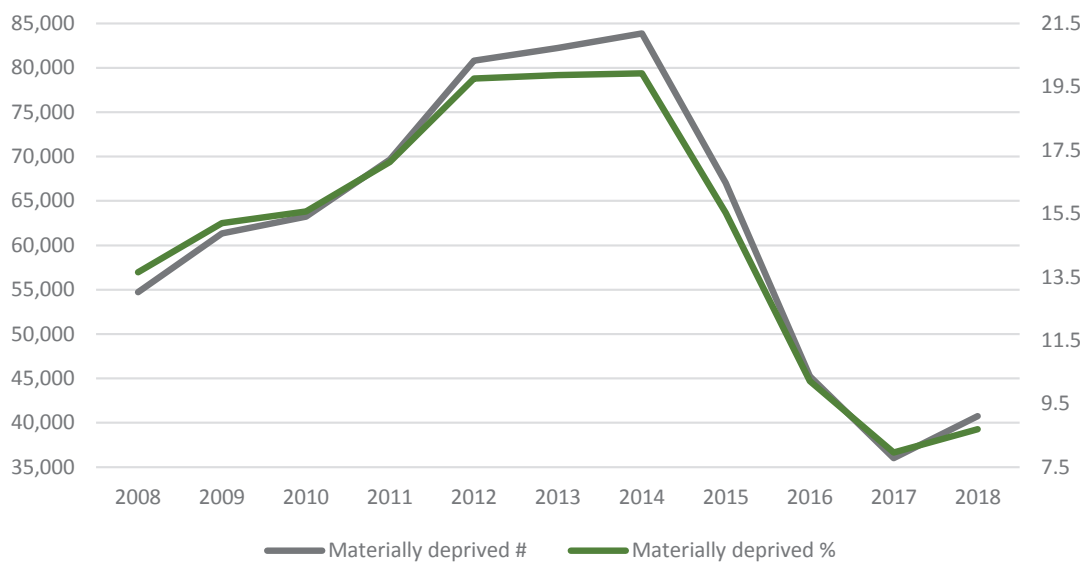
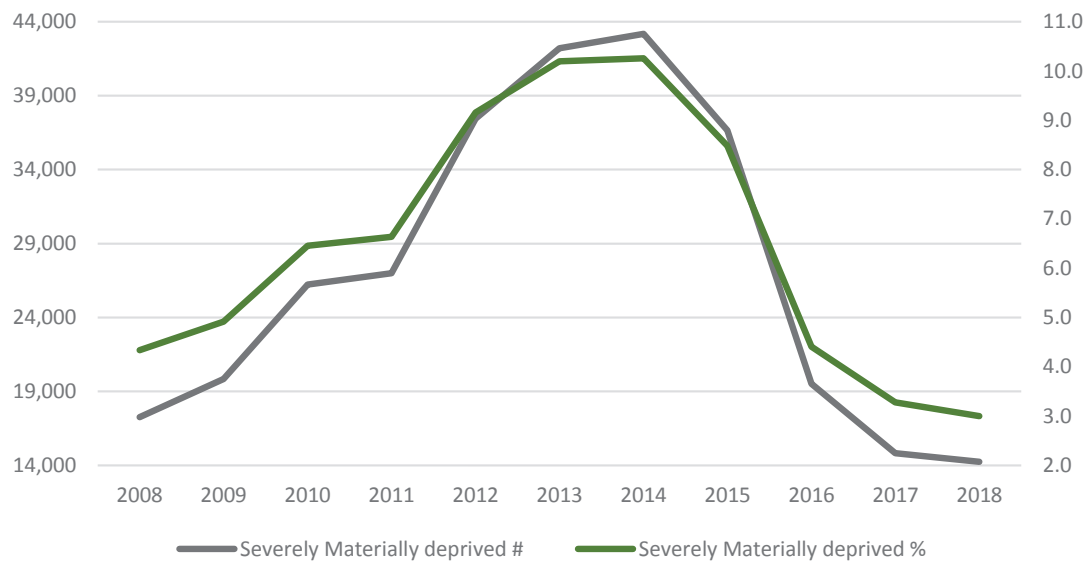


Figure 58 | Severely materially deprived: EU SILC 2008-2018



Projections

4.2.18 Projection exercises were carried out with the intention of quantifying the extent of changes in the headcounts for ARPT60i, AROPE, MD and SMD that would be attributable solely to the actual increase in population observed in the time period, had the prevalence rate (for all salient indicators) and income distribution (for ARPT60i and AROPE) remained constant as at the baseline. For each salient indicator two projection exercises were carried out – one for the 2008 to 2018 period and one for the 2015 to 2018 period. For the 2008 to 2018 period, the income distribution and the prevalence rate were held constant to the actual ones observed in 2008. For the 2015 to 2018 period, the income distribution and the prevalence rate were held constant to the actual ones observed in 2015. Differences in the projected headcounts and the corresponding actual headcounts observed in 2018 are attributable to changes in the prevalence rates (for all salient indicators) or changes in the income distribution (for ARPT60i and AROPE).

ARPT60i

4.2.19 An exercise was carried out to calculate the hypothetical increase in the number of persons ARPT60i by 2018 in two different scenarios: one in which the 2008 prevalence rate was held constant and another in which the 2015 prevalence rate was held constant, with both accounting for actual population increases in the period. In both scenarios the income distribution was assumed constant as at the initial period. In these scenarios any calculated increase in the number of persons ARPT60i are attributable only to the increase in the total population. Had the percentage of persons ARPT60i remained constant at the 2008 level, and the income distribution remained constant as at 2008, then considering the increase in total population during the 2008-2018 period the headcount of persons ARPT60i would have increased by 10,178 by 2018 (Figure 59 refers). This is substantially lower than the increase of 17,429 observed during this

period. Therefore, an increase of 7,251 in the ARPT60i population cannot be explained in terms of a population increase. Had the percentage of persons ARPT60i remained constant at the 2015 level, and the income distribution remained constant as at 2015, then considering the increase in total population during the 2015-2018 period the headcount of persons ARPT60i would have increased by 5,888 (Figure 60 refers). This increase is marginally lower, by 1,085, than the actual increase observed during the 2015-2018 period. Even when accounting for the period length (three-year period for 2015-2018 and ten-year period for 2008-2018) the increase in the ARPT60i headcounts observed during the 2008-2018 which cannot be attributed to population increases is double that of the 2015-2018 period. This would indicate that though an increase in poverty attributable to other factors other than population increase was observed for both periods, the rate of increase has slowed down for the period 2015 to 2018 compared to the period 2008 to 2018.

Figure 59 | Projection 1: 2008 Prevalence Rate - ARPT60i

	Actual 2008 (#)	Actual 2018 (#)	Projected 2018 (#)	Actual 2018 – Actual 2008 (#)	Projected 2018 – Actual 2008 (#)	Actual 2018 – Projected 2018 (#)
	[A]	[B]	[C]	[B-A]	[C-A]	[B-C]
ARPT60i	61,256	78,685	71,434	17,429	10,178	7,251

Figure 60 | Projection 2: 2015 Prevalence Rate - ARPT60i

	Actual 2015 (#)	Actual 2018 (#)	Projected 2018 (#)	Actual 2018 – Actual 2015 (#)	Projected 2018 – Actual 2015 (#)	Actual 2018 – Projected 2018 (#)
	[A]	[B]	[C]	[B-A]	[C-A]	[B-C]
ARPT60i	71,712	78,685	77,600	6,973	5,888	1,085

AROPE

4.2.20 An exercise was carried out to calculate the hypothetical increase in the number of persons AROPE by 2018, in the scenarios that the prevalence rates existing in 2008 (Figure 61 refers) and 2015 (Figure 62 refers) remained constant. In both scenarios the income distribution was assumed constant as at the initial period. In such scenarios, any increase in the projected number of persons AROPE would be attributable only to the increase in the total population. Had the percentage of persons AROPE remained constant at the 2008 level, and had the income distribution remained as in 2008, then considering the increase in total population the headcount of persons AROPE would have increased by 13,252 during the period 2008 to 2018. This is substantially higher, by 4,229, than the actual increase of 9,022 observed for this period. Had the percentage of persons AROPE remained constant at the 2015 level, and had the income distribution remained as in 2015, then considering the increase in total population, the headcount of persons AROPE would have increased by 8,146. The projected figure for 2018 is 18,577 higher than the actual figure for 2015, assuming 2015 prevalence rates. In this respect, an improvement was registered for both periods (2008-2018 and 2015-2018), though to a greater extent for the 2015-2018 period.

Figure 61 | Projection 3: 2008 Prevalence Rate - AROPE

	Actual 2008 (#)	Actual 2018 (#)	Projected 2018 (#)	Actual 2018 – Actual 2008 (#)	Projected 2018 – Actual 2008 (#)	Actual 2018 – Projected 2018 (#)
	[A]	[B]	[C]	[B-A]	[C-A]	[B-C]
AROPE	79,755	88,777	93,006	9,022	13,252	-4,229

Figure 62 | Projection 4: 2015 Prevalence Rate - AROPE

	Actual 2015 (#)	Actual 2018 (#)	Projected 2018 (#)	Actual 2018 – Actual 2015 (#)	Projected 2018 – Actual 2015 (#)	Actual 2018 – Projected 2018 (#)
	[A]	[B]	[C]	[B-A]	[C-A]	[B-C]
AROPE	99,209	88,777	107,354	-10,432	8,146	-18,577

MD and SMD

4.2.21 The projection exercise provides a more comprehensive understanding of the improvements registered in reducing MD in the period under analysis (Figure 63 and Figure 64 refer). When considering that the total population increased by 16.6 per cent and 8.2 per cent, respectively, for the periods 2008 to 2018 and 2015 to 2018, had the same deprivation prevalence rates been maintained as at the start of each period this would have resulted in an increase in the headcount of MD and SMD by 9,091 and 2,870, respectively, for the period 2008 to 2018, and by 5,504 and 3,009 for the period 2015 to 2018. This contrasts sharply with the observed decreases of 13,957 and 3,024 for MD and SMD, respectively for the period 2008 to 2018, and 26,274 and 22,400 for the period 2015 to 2018. This indicates the extent of the progress registered in addressing MD and SMD.

Figure 63 | Projection 5: 2008 Prevalence rate - MD & SMD

	Actual 2008 (#)	Actual 2018 (#)	Projected 2018 (#)	Actual 2018 – Actual 2008 (#)	Projected 2018 – Actual 2008 (#)	Actual 2018 – Projected 2018 (#)
	[A]	[B]	[C]	[B-A]	[C-A]	[B-C]
MD	54,711	40,754	63,802	-13,957	9,091	-23,048
SMD	17,270	14,246	20,140	-3,024	2,870	-5,894

Figure 64 | Projection 6: 2015 Prevalence Rate - MD & SMD

	Actual 2015 (#)	Actual 2018 (#)	Projected 2018 (#)	Actual 2018 – Actual 2015 (#)	Projected 2018 – Actual 2015 (#)	Actual 2018 – Projected 2018 (#)
	[A]	[B]	[C]	[B-A]	[C-A]	[B-C]
MD	67,028	40,754	72,531	-26,274	5,504	-31,777
SMD	36,646	14,246	39,655	-22,400	3,009	-25,409

Salient Indicators disaggregated by demographic characteristics

4.2.22 This section presents salient indicator figures for 2008, 2015 and 2018 disaggregated by various demographic characteristics, as well as the demographic profile of the general population and of the ARPT60i, AROPE and MD populations. The demographic variables considered are age, sex, district, most frequent activity status and household type. Differences in the prevalence rates for each demographic group for a specific demographic variable are compared with the average prevalence rate for the total population. Similarly, the differences in the demographic profile of the general population and the ARPT60i, AROPE and MD populations highlight demographic groups that are particularly at risk. Additionally, changes over time in the prevalence rates and in the demographic profiles are examined for the two periods under review, that is, 2008 to 2018 and 2015 to 2018.

Age

4.2.23 Individuals are categorised into three age groups: those under 16 years of age, the working age group (16 to 64 years of age) and older persons (aged 65 and older).

ARPT60i: Age profile and prevalence rates by age groups

4.2.24 The greatest number of persons ARPT60i are in the working age group, that is, between the ages of 16 and 64 years (33,656 in 2008, 40,222 in 2015, and 42,158 in 2018) (Figure 65 refers). However, this is simply because the greater proportion of the population falls within this age category (69.1 per cent in 2008, 66.9 per cent in 2015 and 66.7 per cent in 2018 according to EU SILC statistics) and therefore there is a greater number of persons exposed to the risk pertaining to this age group. The prevalence rates are actually the lowest for this age group (12.2 per cent in 2008, 13.9 per cent in 2015 and 13.5 per cent in 2018), and highest for the group aged 65 years and older in 2008 and 2018 (24.3 per cent in 2008 and 25.4 per cent in 2018) and highest for the under 16s in 2015 (22.8 per cent in 2015).

4.2.25 In 2018, the second largest group of persons ARPT60i were those aged 65 years and older, while in 2008 it was the group of persons under 16 years of age. In 2015, the number of persons ARPT60i in the youngest and oldest age group differ only marginally, with the oldest age group exceeding the youngest age group by 460 persons.

4.2.26 The prevalence rates in 2018 increased compared to the 2008 rates as follows: by 0.3 percentage points for the under 16 years age group, by 1.4 percentage points for the 16-64 year group, and by 1.1 percentage points for the 65 years and older group. The prevalence rates in 2018 varied compared to the 2015 rates as follows: decreased by 1.7 percentage points for the under 16 years age group, decreased by 0.4 percentage points for the 16 to 64 year group, and increased by 4.1 percentage points for the 65 years and older group. Therefore, only for the oldest age group have prevalence rates increased consistently for both periods under review.

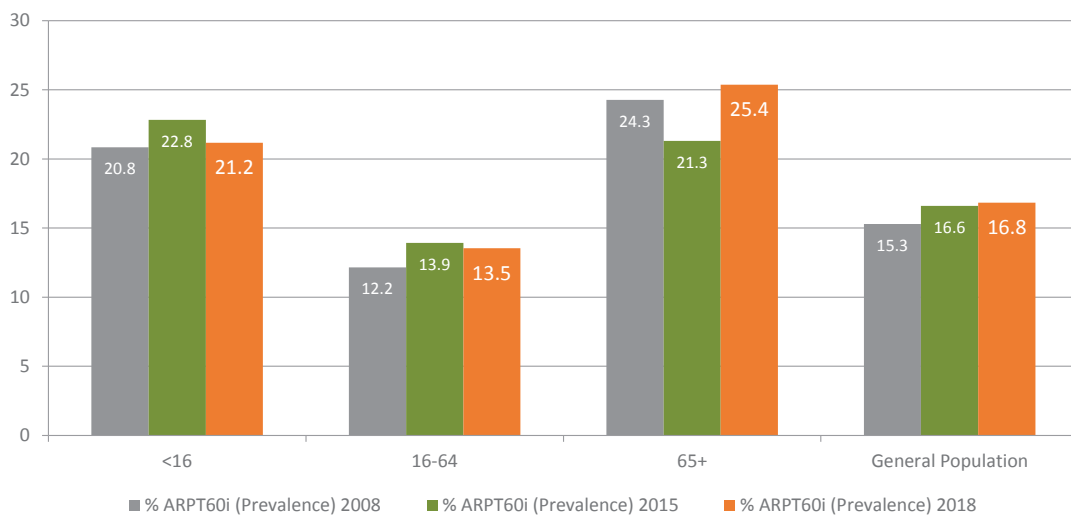
Figure 65 | ARPT60i by Age: EU SILC 2008, 2015, 2018

Age	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
<16	14,880	20.8	15,515	22.8	15,101	21.2	0.3	-1.7
16-64	33,656	12.2	40,222	13.9	42,158	13.5	1.4	-0.4
65+	12,720	24.3	15,975	21.3	21,427	25.4	1.1	4.1

*prevalence rates

4.2.27 The comparison of the disaggregated ARPT60i prevalence rates by age group with the average prevalence rates for the whole population (15.3 per cent in 2008, 16.6 per cent in 2015, and 16.8 per cent in 2018) indicates substantial variations in the prevalence rates compared to the national average (Figure 66 refers). The 16 to 64 age group have a prevalence rate that is consistently below the national average, while the other two age groups have prevalence rates which are consistently above the national average. For example, in 2018, while in the general population 17 persons out of 100 persons are ARPT60i, for those aged 65 years and older this proportion is much higher, at 25 persons per 100 persons.

Figure 66 | ARPT60i prevalence rates by age: EU SILC 2008, 2015 & 2018



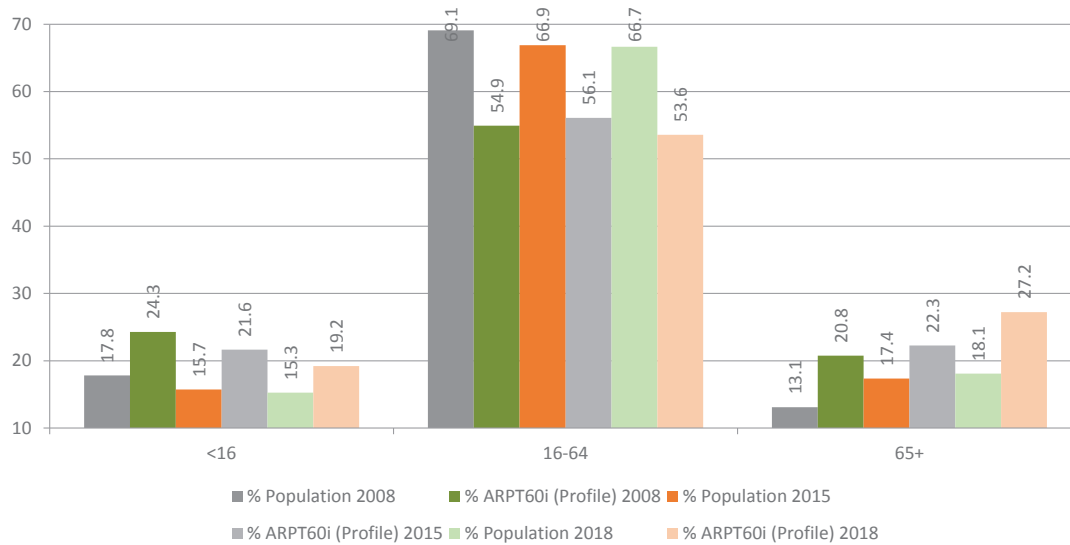
4.2.28 In 2018, compared to 2008, a greater proportion of those ARPT60i were in the older age group (20.8 per cent in 2008 and 27.2 per cent in 2018) (Figure 67 and Figure 68 refer). On the other hand, in 2018, compared to 2008, a smaller proportion of those ARPT60i were in the under 16 and 16 to 64 age groups (24.3 per cent and 54.9 per cent in 2008 as opposed to 19.2 per cent and 53.6 per cent in 2018). The same pattern can be observed when comparing the age profile of poverty for 2015 and 2018. Therefore, the age structure of those ARPT60i has changed over this period, becoming older (this change in age structure is also observed for the general population).

Figure 67 | Age profiles - General population and ARPT60i population: EU SILC 2008, 2015 & 2018

Age	% Population 2008 [A]	% ARPT60i* 2008 [B]	[B-A]	% Population 2015 [C]	% ARPT60i* 2015 [D]	[D-C]	% Population 2018 [E]	% ARPT60i* 2018 [F]	[F-E]
<16	17.8	24.3	6.5	15.7	21.6	5.9	15.3	19.2	3.9
16-64	69.1	54.9	-14.2	66.9	56.1	-10.8	66.7	53.6	-13.1
65+	13.1	20.8	7.7	17.4	22.3	4.9	18.1	27.2	9.2

*Profile percentages

Figure 68 | Age profiles - General population and ARPT60i population: EU SILC 2008, 2015 & 2018



4.2.29 Comparing the age distribution of the general population with the ARPT60i population also provides insight into the relationship between poverty and age and the patterns of prevalence rates across age groups. Figure 67 provides a comparison of the age profile for the general population and the ARPT60i population. If all age groups had the same likelihood of being ARPT60i, then the profile percentages obtained for the general population would be equal to the percentages obtained for the ARPT60i population. Any discrepancies between these percentages would indicate that there are variations in the prevalence rates across age groups. More specifically, negative differences in Figure 67 indicate that that age group is under-represented among those ARPT60i, while positive differences indicate that the age group is over-represented.

4.2.30 The proportion of the population ARPT60i of working age is substantially lower than the proportion of the general population pertaining to this age group in 2008, 2015 and in 2018 (54.9 per cent versus 69.1 per cent in 2008; 56.1 per cent versus 66.9 per cent in 2015; 53.6 per cent versus 66.7 per cent in 2018) (Figure 67 refers). On the other hand, the under-16s are over-represented in the population ARPT60i, such that 17.8 per cent of the general population are under 16 in 2008, while 24.3 per cent of those ARPT60i are under 16 in 2008. Similarly, in 2015 and 2018, the percentage of the general population aged under 16 is lower than the percentage of those ARPT60i aged under 16, by 5.9 and 3.9 percentage points, respectively. Those aged 65 years and older are also over-represented in the ARPT60i population in all three years being analysed (20.8

per cent versus 13.1 per cent in 2008; 22.3 per cent versus 17.4 per cent in 2015; and 27.2 per cent versus 18.1 per cent in 2018).

AROPE: Age profile and prevalence rates by age groups

4.2.31 As noted for the ARPT60i, the greatest number of persons AROPE are in the working age group, that is, between 16 and 64 years of age (48,150 in 2008, 62,121 in 2015, and 50,147 in 2018) (Figure 69 and Figure 70 refer). Again, this is simply because the greater proportion of the population falls within this age bracket and therefore, there is a greater number of persons exposed to the risk pertaining to this age group. Similarly as for the ARPT60i, the AROPE prevalence rates are the lowest for the working age group (17.5 per cent in 2008, 21.5 per cent in 2015 and 16.1 per cent in 2018), and the age group with the highest risk is the oldest age group in 2008 and 2018 (26.2 per cent in 2008 and 26.7 per cent in 2018), and the youngest age group in 2015 (27.8 per cent).

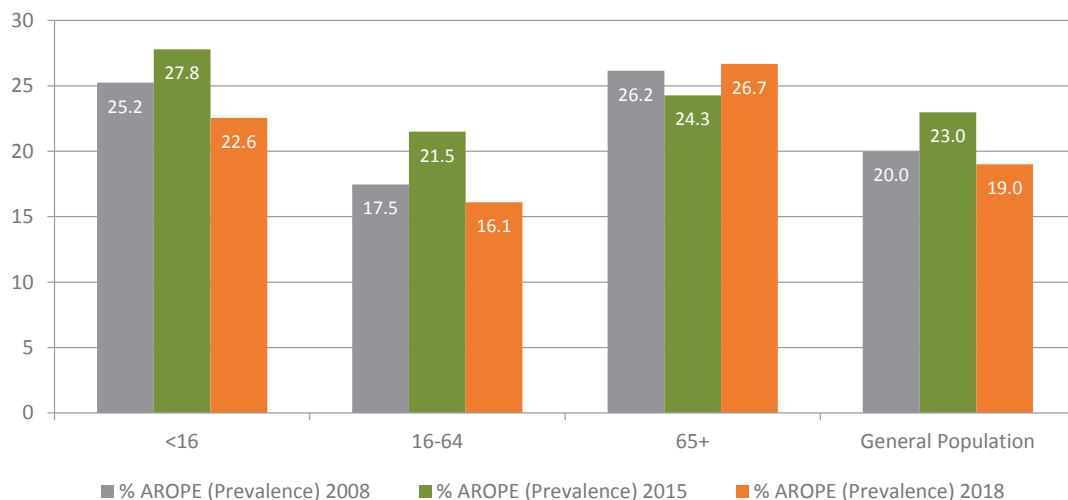
4.2.32 When compared to the 2008 and 2015 rates, the prevalence rates in 2018 increased for the 65 years and older group (0.5 percentage points for 2008-2018 and 2.4 percentage points for 2015-2018), decreased for the under 16 years age group (2.7 percentage points for 2008-2018 and 5.2 percentage points for 2015-2018) and also decreased for the 16-64 year group (1.4 percentage points for 2008-2018 and 5.4 percentage points for 2015-2018).

Figure 69 | AROPE by age: EU SILC 2008, 2015 & 2018

Age	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
<16	17,992	25.2	18,888	27.8	16,090	22.6	-2.7	-5.2
16-64	48,150	17.5	62,121	21.5	50,147	16.1	-1.4	-5.4
65+	13,613	26.2	18,200	24.3	22,541	26.7	0.5	2.4

*prevalence rates

Figure 70 | AROPE prevalence rates by age: EU SILC 2008, 2015 & 2018



4.2.33 Similar to the ARPT60i rates, the prevalence rates for 2008, 2015 and 2018 for the 16 to 64 age group are lower than the average prevalence rate for the whole population, while the rates pertaining to the other two age groups are higher (Figure 70 refers).

4.2.34 As noted for the ARPT60i, the biggest proportion of persons AROPE consistently pertains to the working age group (60.4 per cent in 2008, 62.6 per cent in 2015 and 56.5 per cent in 2018) (Figure 71 and Figure 72 refer). The smallest proportion pertains to the youngest age group in 2018 (18.1 per cent), and the oldest age group in 2008 (17.1 per cent) and in 2015 (18.3 per cent). In 2018, the proportion of persons AROPE who belong to the older age group was 25.4 per cent, a substantial increase from the proportions in 2008 and 2015, standing at 17.1 per cent and 18.3 per cent, respectively. On the other hand, the proportion of persons AROPE belonging to the 16 and 16 to 64 age groups decreased in the two periods under consideration. Therefore, similarly to what was observed for the ARPT60i age profile, the age structure of those AROPE has changed over this period, becoming older.

4.2.35 A comparison of the age profile for the general population and the population AROPE in 2008, 2015 and 2018 indicates that the proportion of the population AROPE of working age is substantially lower than the proportion of the general population pertaining to this age group, while the other age groups are over-represented. This same pattern was observed for the ARPT60i profile.

Figure 71 | Age profiles - General population and AROPE population: EU SILC 2008, 2015 & 2018

Age	% 2008			% 2015			% 2018		
	Population [A]	AROPE* [B]	[B-A]	Population [C]	AROPE* [D]	[D-C]	Population [E]	AROPE* [F]	[F-E]
<16	17.8	22.6	4.7	15.7	19.0	3.3	15.3	18.1	2.9
16-64	69.1	60.4	-8.7	66.9	62.6	-4.3	66.7	56.5	-10.2
65+	13.1	17.1	4.0	17.4	18.3	1.0	18.1	25.4	7.3

*profile percentages

Figure 72 | Age profiles - General population and AROPE population: EU SILC 2008, 2015 & 2018



MD: Age profile and prevalence rates by age groups

- 4.2.36** Similarly to ARPT60i and AROPE rates, the greatest number of persons experiencing MD are in the working age group, that is, 16 to 64 years of age (34,938 in 2008, 45,158 in 2015, and 26,108 in 2018) (Figure 73 refers). However, a different relationship to that observed for the ARPT60i and AROPE rates is noted between age and MD prevalence rates), with the lowest rate observed for the working age only for 2008 (12.6 per cent in 2008), and for the oldest age group in 2015 (13 per cent) and 2018 (8.3 per cent). The age group with the highest prevalence rate is consistently the youngest age group for all three years (17.2 per cent in 2008, 17.8 per cent in 2015 and 10.8 per cent in 2018).
- 4.2.37** With respect to MD, substantial improvements in the absolute numbers as well as the prevalence rates can be observed for all age groups in the periods under review. The greatest decrease in absolute terms is noted for the working age group (8,830 for 2008-2018 and 19,051 for 2015-2018), followed by the under 16 (4,623 for 2008-2018 and 4,419 for 2015-2018) and finally the 65 years and above group (504 for 2008-2018 and 2,804 for 2015-2018). For the period 2008 to 2018, the greatest absolute change in the prevalence rates is noted for the youngest age group (6.5 percentage points), followed by the eldest age group (6 percentage points), and finally the working age group (4.2 percentage points). For the period 2015 to 2018, the greatest absolute change is noted for the working age group (7.2 percentage points), followed by the youngest age group (7.0 percentage points), and finally the eldest age group (4.8 percentage points).

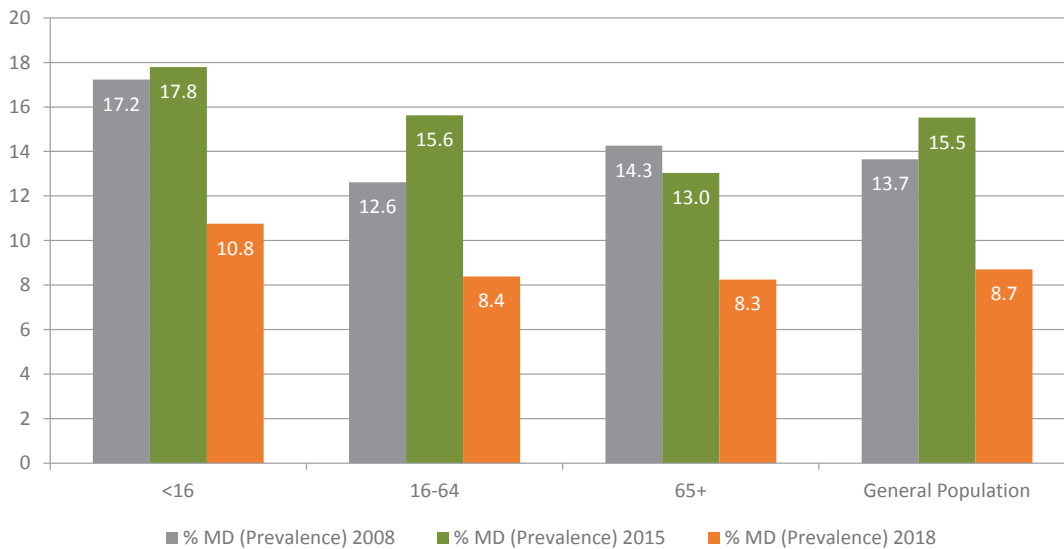
Figure 73 | MD by age: EU SILC 2008, 2015 & 2018

Age	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
<16	12,300	17.2	12,096	17.8	7,677	10.8	-6.5	-7.0
16-64	34,938	12.6	45,158	15.6	26,108	8.4	-4.2	-7.2
65+	7,473	14.3	9,773	13.0	6,969	8.3	-6.0	-4.8

*prevalence rates

- 4.2.38** When comparing the MD prevalence rates for each age group with the average prevalence rate for the whole population, the differences noted are not consistent over time, unlike what was observed for the ARPT60i and AROPE rates (Figure 74 refers). The one consistent difference that can be noted over time is the higher prevalence rates for the under 16 category when compared to the average rate. For the 16 to 64 age group and the over 65 age group, the direction of the discrepancy changes across these three years. The prevalence rates for the 16 to 64 age group are lower than the average rate for 2008 (12.6 per cent versus 13.7 per cent) and 2018 (8.4 per cent versus 8.7 per cent) and practically equal for 2015 (15.6 per cent versus 15.5 per cent). For the over 65 age group, the prevalence rates are higher than the average for 2008 (14.3 per cent versus 13.7 per cent) and lower than average for 2015 (13 per cent versus 15.5 per cent) and 2018 (8.3 per cent versus 8.7 per cent).

Figure 74 | MD prevalence rates by age: EU SILC 2008, 2015 & 2018



4.2.39 Some changes in the profile of those experiencing MD were also noted for the two periods under consideration (Figure 75 and Figure 76 refer). In 2018, the proportion of MD pertaining to the over 65 age group was higher than that in 2008, 17.1 per cent against 13.7 per cent, similarly as observed for the ARPT60i and AROPE profiles. The proportion of the MD population pertaining to the working age group increased by a marginal 0.2 percentage points during this period, whereas decreases were noted for the ARPT60i and AROPE profiles. On the other hand, similarly to the ARPT60i and AROPE profiles, the proportion of the MD population pertaining to the under 16 age group decreased from 22.5 per cent in 2008 to 18.8 per cent in 2018. When comparing 2018 to 2015, the proportion of MD pertaining to the working age group decreased from 67.4 per cent to 64.1 per cent, while the over 65 age group increased from 14.6 per cent to 17.1 per cent and the under 16 group increased from 18 per cent to 18.8 per cent. This varies somewhat from that observed for the ARPT60i and AROPE profiles, whereby an increase was noted for the over 65 age groups, and decreases were noted for the other two age groups. However, consistent for both periods was the increase in the proportion of the population experiencing MD that pertained to the over 65 age group. This was also noticed for the ARPT60i and AROPE profiles.

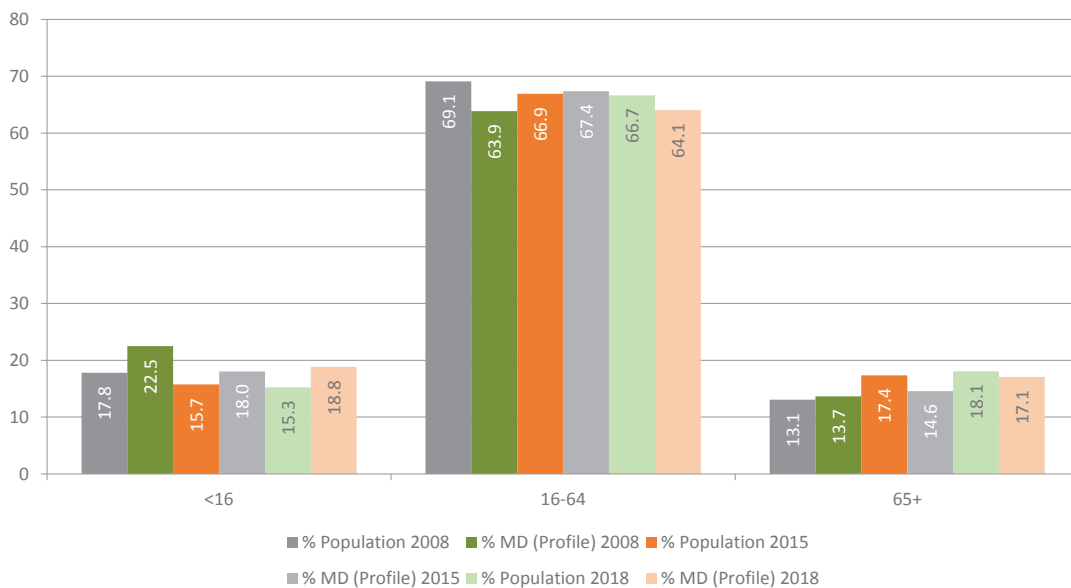
4.2.40 In 2008, the proportion of the population experiencing MD of working age is substantially lower than the proportion of the general population pertaining to this age group (5.2 percentage points), while the other two age groups are over-represented to varying extents, with the under 16 age group showing the largest positive discrepancy (4.7 percentage points). In 2015, the under 16 age and working age groups are over-represented (2.3 and 0.5 percentage points respectively), while the over 65 age group is under-represented, by 2.8 percentage points. In 2018, the 16 to 64 age group and the over 65 age group are under-represented in the population of persons experiencing MD (2.6 and 1 percentage points, respectively), while the under 16 age group is over-represented (3.6 percentage points). This shows variations over time in the over and under-representation of particular age groups, unlike the ARPT60i and AROPE profiles, which consistently showed an over-representation of the young and old age group and an under-representation of the working age group. The one consistent pattern noted was the over-representation of the under 16 category in the population experiencing MD.

Figure 75 | Age profiles – General population and materially deprived population: EU SILC 2008, 2015 & 2018

Age	% 2008			% 2015			% 2018		
	Population [A]	% MD* [B]	[B-A]	Population [C]	% MD* [D]	[D-C]	Population [E]	% MD* [F]	[F-E]
<16	17.8	22.5	4.7	15.7	18.0	2.3	15.3	18.8	3.6
16-64	69.1	63.9	-5.2	66.9	67.4	0.5	66.7	64.1	-2.6
65+	13.1	13.7	0.6	17.4	14.6	-2.8	18.1	17.1	-1.0

*Profile percentages

Figure 76 | Age profiles – General population and materially deprived population: EU SILC 2008, 2015 & 2018



Sex

4.2.41 This aspect of the analysis of the salient indicators is based on a male and female categorisation.

ARPT60i: Sex profile and prevalence rates by sex

4.2.42 For all three years being reviewed, the number of females ARPT60i exceeded the number of males ARPT60i (Figure 77 refers). The difference was most pronounced in 2008, standing at 5,615 persons, and the least pronounced in 2015, being equal to 996. Similarly, the prevalence rates for females is consistently higher than that for males, though the difference in rates varies from 2.7 percentage points in 2008, to 0.7 percentage points in 2015, to 2.5 percentage points in 2018. The prevalence rates for males and females increased from 2008 to 2018, by 1.7 and 1.5 percentage points respectively. On the other hand, for the period 2015 to 2018, the prevalence rates increased by 1.2 percentage points for females and decreased by 0.7 percentage points for males. These figures indicate a consistent disadvantage for females.

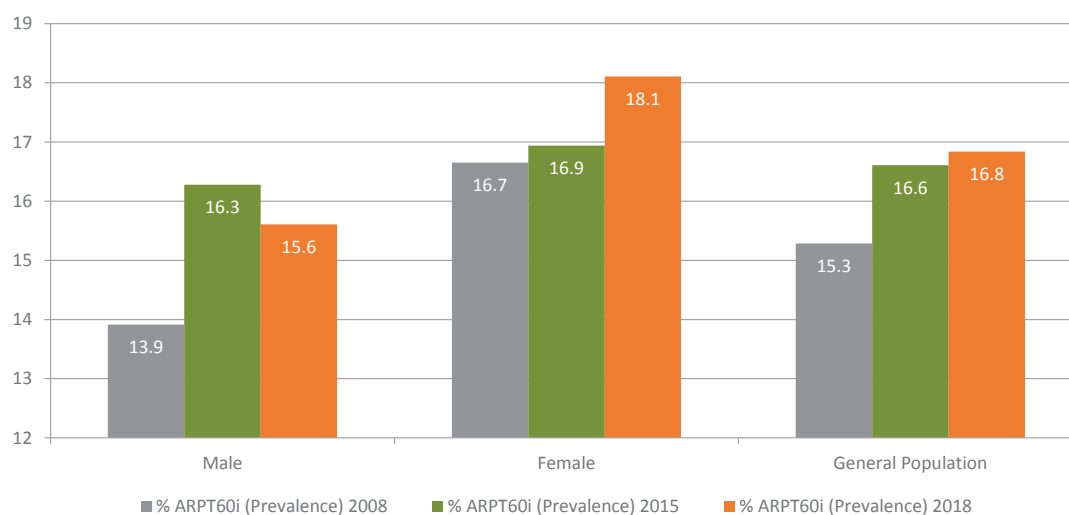
Figure 77 | ARPT60i by sex: EU SILC 2008, 2015 & 2018

Sex	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
Male	27,820	13.9	35,358	16.3	37,013	15.6	1.7	-0.7
Female	33,436	16.7	36,354	16.9	41,672	18.1	1.5	1.2

*prevalence rates

4.2.43 The comparison of the prevalence rates by sex with the average prevalence rates for the whole population (15.3 per cent in 2008, 16.6 per cent in 2015 and 16.8 per cent in 2018) indicates consistently higher rates for females and lower rates for males when compared to the national average (Figure 78 refers).

Figure 78 | ARPT60i prevalence rates by sex: EU SILC 2008, 2015 & 2018



4.2.44 When considering the sex structure of the population ARPT60i for the years being analysed, it can be noted that while the majority of those at-risk-of-poverty were females in all years analysed, the proportion of females fluctuated from 54.6 per cent to 50.7 per cent to 53.0 per cent for 2008, 2015 and 2018, respectively (Figure 79 and Figure 80 refer).

4.2.45 Comparing the gender distribution of the entire population with the population ARPT60i also provides insight into the relationship between poverty and sex. The table indicates that the female proportion of the population ARPT60i is higher than the female proportion of the general population, with the extent of over-representation being greatest in 2008 and least in 2015. This implies that gender disparities were least pronounced in 2015, and most pronounced in 2008. Despite improvements registered in 2015, disparities widened in 2018.

Figure 79 | Sex profiles – General population and ARPT60i population: EU SILC 2008, 2015 & 2018

Sex	% 2008		[B-A]	% 2015			% 2018		
	Population [A]	ARPT60i* [B]		Population [C]	ARPT60i* [D]	[D-C]	Population [E]	ARPT60i* [F]	[F-E]
Male	49.9	45.4	-4.5	50.3	49.3	-1.0	50.8	47.0	-3.7
Female	50.1	54.6	4.5	49.7	50.7	1.0	49.2	53.0	3.7

*Profile percentages

Figure 80 | Sex profiles – General population and ARPT60i population: EU SILC 2008, 2015 & 2018



ARPE: Sex profile and prevalence rates by sex

4.2.46 In 2008, 2015 and 2018 the number of females AROPE exceeded the number of males AROPE (Figure 81 refers). This was similar to the pattern observed in the ARPT60i headcounts. The difference in AROPE numbers was most pronounced in 2018, being equal to 6,073 persons, followed by 2008, being equal to 5,425, and the least pronounced in 2015, being equal to 2,851. The prevalence rates for females is consistently higher than that for males, though the difference in rates varies across time, from 2.6 percentage points in 2008, to 1.6 percentage points in 2015, to 3.2 percentage points in 2018. The prevalence rates for males and females decreased for both periods analysed, albeit to a greater extent for males. The reduction in prevalence rates for males and females was more pronounced in the period 2015 to 2018, standing at 4.7 percentage points for males and 3.2 percentage points for females, in comparison to 1.2 percentage points for males and 0.7 percentage points for females for the period 2008 to 2018.

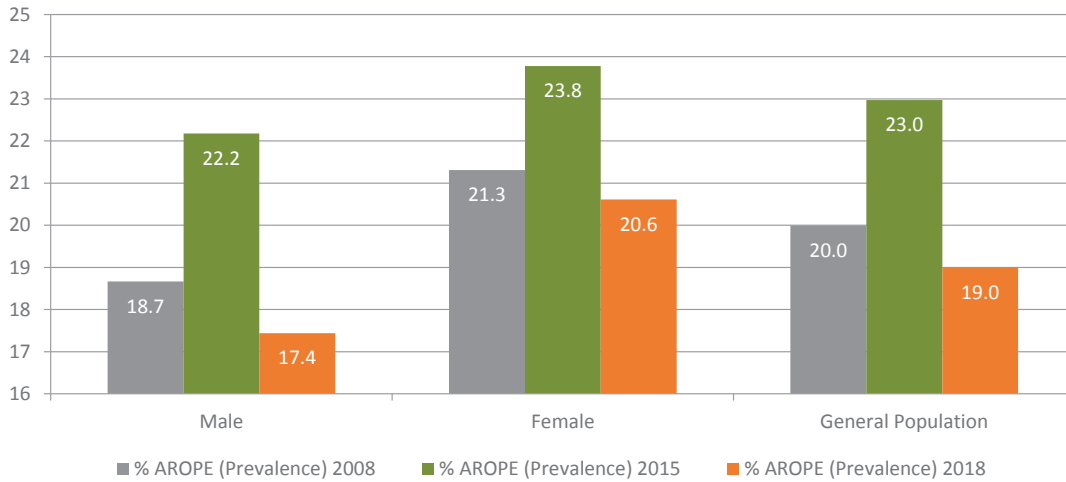
Figure 81 | AROPE by sex: EU SILC 2008, 2015 & 2018

Sex	2008		2015		2018		2018-2015	2018-2008
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
Male	37,165	18.7	48,179	22.2	41,352	17.4	-1.2	-4.7
Female	42,590	21.3	51,030	23.8	47,425	20.6	-0.7	-3.2

*prevalence rates

4.2.47 When comparing the AROPE prevalence rates for each sex with the average prevalence rate for the whole population it can be noted that, same as for the ARPT60i rates, the prevalence rates for males are consistently lower than the average rate, while the rates pertaining to females are consistently higher than the average rate (Figure 82 refers).

Figure 82 | AROPE prevalence rates by sex: EU SILC 2008, 2015 & 2018



4.2.48 As observed for ARPT60i, in 2008, 2015 and 2018, the majority of persons AROPE were females (Figure 83 refers). The proportion of females decreased from 53.4 per cent to 51.4 per cent from 2008 to 2015 and then increased back to 53.4 per cent in 2018. In this respect, there was no change in the sex profile composition between 2008 and 2018 for the AROPE population.

4.2.49 Figure 84 indicates that females make up 53.4 per cent, 51.4 per cent and 53.4 per cent of the population AROPE in 2008, 2015 and 2018 respectively, and 50.1 per cent, 49.7 per cent and 49.2 per cent of the general population for equivalent years. Therefore, females are over-represented and males are under-represented in the AROPE population, with the discrepancy in profiles (for AROPE and the general population) being greatest in 2018 (4.2 percentage points), followed by 2008 (3.3 percentage points). This contrasts with the profiles observed for ARPT60i, where the greatest discrepancy was observed for 2008, followed by 2018. The smallest discrepancy observed for 2015 is consistent with what was observed for the ARPT60i profiles.

Figure 83 | Sex profiles – General population and AROPE population: EU SILC 2008, 2015 & 2018

Sex	2008			2015			2018		
	% Population	% AROPE*	[B-A]	% Population	% AROPE*	[D-C]	% Population	% AROPE*	[F-E]
	[A]	[B]		[C]	[D]		[E]	[F]	
Male	49.9	46.6	-3.3	50.3	48.6	-1.7	50.8	46.6	-4.2
Female	50.1	53.4	3.3	49.7	51.4	1.7	49.2	53.4	4.2

*profile percentages

Figure 84 | Sex profiles – General population and AROPE population: EU SILC 2008, 2015 & 2018



MD: Sex profile and prevalence rates by sex

4.2.50 The number of females experiencing MD exceeds the number of males experiencing MD in 2008 and 2018, by 1,612 and 1,999, respectively, while males exceed females by 972 in 2015 (Figure 85 refers). Similarly, the prevalence rates for females is higher than that for males by 0.7 and 1.1 percentage points in 2008 and 2018, respectively, and slightly lower, by 0.3 percentage points, in 2015. This contrasts somewhat with the headcounts and prevalence rates observed for ARPT60i and AROPE, which were found to be consistently higher for females.

4.2.51 Similarly, as observed for the AROPE prevalence rates, the MD prevalence rates decreased for both sexes for both periods (Figure 85 refers). From 2008 to 2018, the MD prevalence rates decreased by 5.1 percentage points for males and 4.7 percentage points for females. They also decreased from 2015 to 2018, by 7.5 percentage points for males and 6.1 percentage points for females.

Figure 85 | MD by sex: EU SILC 2008, 2015 & 2018

Sex	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
Male	26,550	13.3	34,000	15.7	19,377	8.2	-5.1	-7.5
Female	28,162	14.0	33,028	15.4	21,377	9.3	-4.7	-6.1

*prevalence rates

4.2.52 With respect to MD, the prevalence rates for females was higher than the average rate for the whole population in 2008 (14 per cent versus 13.7 per cent) and 2018 (9.3 per cent versus 8.7 per cent) and marginally lower for 2015 (15.4 per cent versus 15.5 per cent) (Figure 86 refers). On the other hand, the prevalence rates for males was lower than the population prevalence rates in 2008 (13.3 per cent versus 13.7 per cent) and 2018 (8.2 per cent versus 8.7 per cent) and

marginally higher in 2015 (15.7 per cent versus 15.5 per cent). This contrasts with the consistently higher prevalence rates for females and consistently lower prevalence rates for males (when compared to the average rates) observed with respect to ARPT60i and AROPE rates.

Figure 86 | MD prevalence rates by sex: EU SILC 2008, 2015 & 2018



4.2.53 The female proportion of the population experiencing MD increased by 1 percentage point from 2008 to 2018, and increased more substantially by 3.2 percentage points from 2015 to 2018, while the male proportion decreased accordingly for these periods (Figure 87 refers). The same trend of an increase in the proportion of persons at risk that are female is noted for ARPT60i and AROPE profiles for the period 2008 to 2015 period.

4.2.54 The gender profile of the general population shows a lower proportion of females than that observed for the population experiencing MD in 2008 and 2018 (Figure 88 refers). This discrepancy is observed to a greater extent in 2018 (52.5 per cent versus 49.2 per cent) than in 2008 (51.5 per cent versus 50.1 per cent). The opposite is observed in 2015, where males are over-represented (50.7 per cent versus 50.3 per cent). This deviates from that observed for ARPT60i and AROPE profiles, whereby females are consistently over-represented for all three years.

Figure 87 | Sex profiles – General population and materially deprived population: EU SILC 2008, 2015 & 2018

Sex	% Population 2008 [A]	% MD* 2008 [B]	[B-A]	% Population 2015 [C]	% MD* 2015 [D]	[D-C]	% Population 2018 [E]	% MD* 2018 [F]	[F-E]
Male	49.9	48.5	-1.4	50.3	50.7	0.4	50.8	47.5	-3.2
Female	50.1	51.5	1.4	49.7	49.3	-0.4	49.2	52.5	3.2

*profile percentages

Figure 88 | Sex profiles – General population and materially deprived population: EU SILC 2008, 2015 & 2018



District

4.2.55 Gozo and Comino, Northern, Western, Northern Harbour, Southern Harbour and South Eastern are the six categories of the district variable, as per the Local Administrative Units Level 1 classification. The MD 2018 values for Gozo and Comino are based on small sample sizes and should therefore be interpreted with caution. In view of this, the district profile distribution for the 2018 MD population should also be interpreted with caution, since profile values for all districts are reliant on headcount values for each individual district.

ARPT60i: District profile and prevalence rates by district

4.2.56 The ranking of the different districts in terms of the highest number of persons at-risk-of-poverty within each district remained the same for 2008, 2015 and 2018. For all three years, in descending order, the highest frequencies of persons ARPT60i were found within the Northern Harbour, Southern Harbour, Northern, South Eastern, Western and Gozo and Comino districts (Figure 89 refers). However, the rankings in terms of prevalence rates were not consistent for the three years under review. In 2018, the prevalence rates for being ARPT60i were highest in the Northern Harbour (18.9 per cent), followed by the Southern Harbour (18.5 per cent), Northern (16.9 per cent), South Eastern (15.8 per cent), Gozo and Comino (14.1 per cent), and Western districts (12 per cent). This ranking varies from that observed in 2008 and 2015. In 2008, the highest rate was observed for the Southern Harbour (18.5 per cent), followed by Northern (16.6 per cent), Gozo and Comino (14.7 per cent), Northern Harbour (14.4 per cent), South Eastern (14 per cent) and finally Western (13 per cent) districts. In 2015, the highest rate was observed for Gozo and Comino (20.0 per cent), followed by Southern Harbour (19.3 per cent), Northern (17.6 per cent), Northern Harbour (17.0 per cent), South Eastern (14.7 per cent) and finally Western (11.0 per cent) districts. The one commonality in prevalence rates rankings across the three years being examined was that the Western district consistently obtained the lowest rates.

4.2.57 In comparison to 2008, the 2018 rates were higher for the Northern Harbour, the South Eastern and the Northern districts, having increased by 4.5, 1.8 and 0.3 percentage points, respectively (Figure 89 refers). The rate remained constant for the Southern Harbour district, and decreased by 1 percentage point for the Western district and by 0.6 percentage point for Gozo and Comino. Changes in rates between 2015 and 2018 showed a different pattern than that observed during the period 2008 to 2018. In 2018, compared to 2015, the rates were lower for Gozo and Comino (5.9 percentage points), the Southern Harbour (0.8 percentage points) district and the Northern district (0.7 percentage points), while they increased for the Northern Harbour (1.9 percentage points), South Eastern (1.1 percentage points) and Western (1.0 percentage points) districts. The number of persons ARPT60i by district showed substantial changes in the periods under review. Most significantly, in 2018, compared to 2008, there were an additional 10,487 persons from the Northern Harbour, 3,387 from the Northern and 3,271 from the South Eastern districts ARPT60i. When comparing the headcounts of persons ARPT60i for 2018 with 2015, the most substantial changes noted were an increase of 5,084 in the Northern Harbour district, an additional 1,881 in the South Eastern district and a decrease of 1,402 in Gozo and Comino.

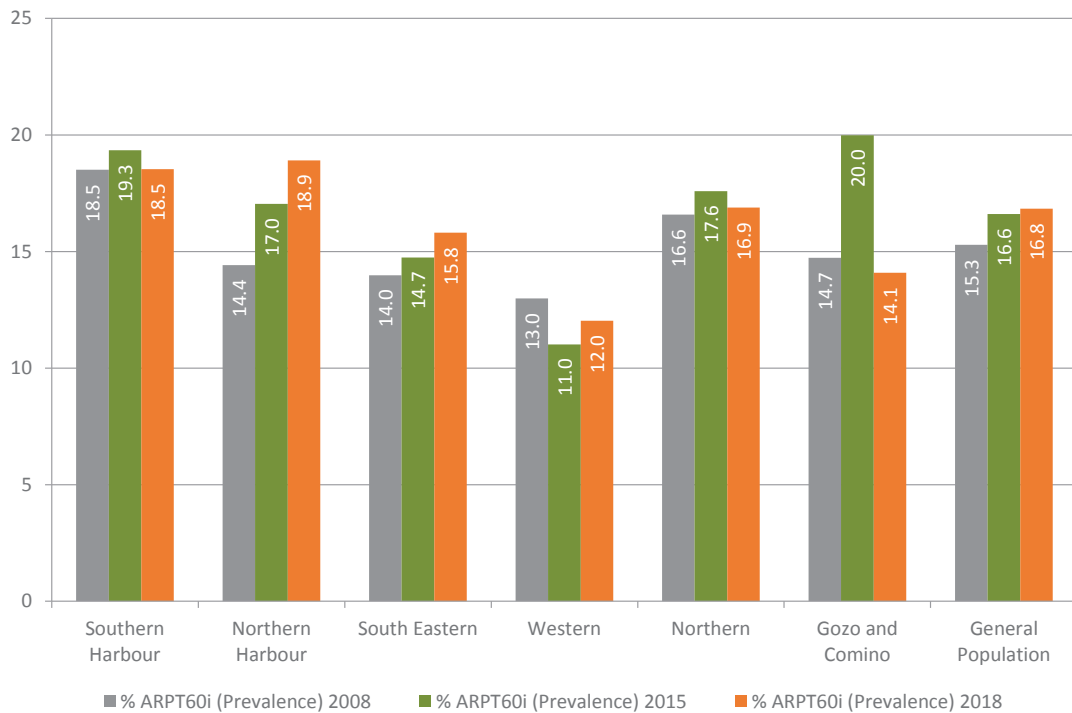
Figure 89 | ARPT60i by district: EU SILC 2008, 2015 & 2018

District	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
Southern Harbour	14,439	18.5	14,852	19.3	15,013	18.5	0.0	-0.8
Northern Harbour	17,025	14.4	22,428	17.0	27,512	18.9	4.5	1.9
South Eastern	8,367	14.0	9,757	14.7	11,638	15.8	1.8	1.1
Western	7,228	13.0	6,213	11.0	6,908	12.0	-1.0	1.0
Northern	9,667	16.6	12,500	17.6	13,054	16.9	0.3	-0.7
Gozo & Comino	4,530	14.7	5,962	20.0	4,560	14.1	-0.6	-5.9

*prevalence rates

4.2.58 The comparison of the district prevalence rates with the average at-risk-of-poverty rate for the general population indicates varying geographical patterns across the three years (Figure 90 refers). The South Eastern and Western districts prevalence rates are consistently below the national average, while the Southern Harbour is consistently above the national average. The rates for other districts fluctuate above, below or are equal to the average rate. In 2008, the greatest deviation from the national average can be noted for the Southern Harbour district, which is 3.2 percentage points above the national average. Next, the prevalence rate for the Western district is 2.3 percentage points below the national average. In 2015, the Western district rate is 5.6 percentage points below the national average, and Gozo and Comino and the Southern Harbour district rates are 3.4 and 2.7 percentage points above it, respectively. In 2018, the Western and the Gozo and Comino district rates are 4.8 and 2.7 percentage points below the national average, respectively, while the Northern Harbour district rate is 2.1 percentage points above the national average. All other deviations from the national average were less than 2 percentage points.

Figure 90 | ARPT60i prevalence rates by district: EU SILC 2008, 2015 & 2018



4.2.59 The geographic profile of those ARPT60i changed over time (Figure 91 refers). Most prominently, the 2018 ARPT60i profile includes a higher percentage of persons living in the Northern Harbour district (7.2 percentage points), and a lower percentage of those living in the Southern Harbour (4.5 percentage points) and Western district (3 percentage points) compared to the 2008 profile. When comparing the 2018 ARPT60i profile with the equivalent 2015 profile, the largest discrepancies noted are a higher percentage of individuals living in the Northern Harbour (3.7 percentage points) and a lower percentage of persons living in Gozo and Comino (2.5 percentage points).

4.2.60 When comparing the district profile for the whole population and for the population ARPT60i some differences can be noted (Figure 92 refers). For 2008, 2015 and 2018, the Southern Harbour district is consistently over-represented, while the South Eastern and the Western districts are consistently under-represented in the population ARPT60i. Of note is the fact that the differences in the district profile percentages for the general population and the population ARPT60i are very similar across the three years, implying comparable levels of regional disparities across time.

Figure 91 | District profiles – General population and ARPT60i population: EU SILC 2008, 2015 & 2018

District	% Population 2008 [A]	% ARPT60i* 2008 [B]	[B-A]	% Population 2015 [C]	% ARPT60i* 2015 [D]	[D-C]	% Population 2018 [E]	% ARPT60i* 2018 [F]	[F-E]
Southern Harbour	19.5	23.6	4.1	17.8	20.7	2.9	17.3	19.1	1.7
Northern Harbour	29.5	27.8	-1.7	30.5	31.3	0.8	31.1	35.0	3.8
South Eastern	14.9	13.7	-1.3	15.3	13.6	-1.7	15.8	14.8	-1.0
Western	13.9	11.8	-2.1	13.1	8.7	-4.4	12.3	8.8	-3.5
Northern	14.5	15.8	1.2	16.5	17.4	1.0	16.5	16.6	0.0
Gozo & Comino	7.7	7.4	-0.3	6.9	8.3	1.4	6.9	5.8	-1.1

* profile percentages

Figure 92 | District profiles – General population and ARPT60i population: EU SILC 2008, 2015 & 2018



AROPE: District profile and prevalence rates by district

4.2.61 The rankings of districts by AROPE prevalence rates vary across the years being analysed (Figure 93 refers). However, what is consistent is that the Southern Harbour district always registers the highest prevalence rate (27.6 per cent in 2008, 29.6 per cent in 2015 and 22.1 per cent in 2018), while the Western district always registers the lowest prevalence rate (16.5 per cent in 2008, 14.9 per cent in 2015 and 14.2 per cent in 2018). The ranking of the different districts in terms of the highest number of persons AROPE within each district varied slightly for the three years under review. In contrast, ARPT60i headcounts rankings remained constant across all three years under review. Across the three years the districts with the highest frequencies were the Southern Harbour and the Northern Harbour districts, and the two districts with the

lowest frequencies were consistently the Western district and Gozo and Comino. In descending order, the highest frequencies of persons AROPE (same as ARPT60i headcounts) in 2018 were found within the Northern Harbour, the Southern Harbour, Northern, South Eastern, Western and Gozo and Comino districts.

4.2.62 In comparison to 2008, the 2018 rates were higher for the Northern Harbour district by 3.1 percentage points (Figure 93 refers). The rates decreased by 5.5 percentage points for the Southern Harbour, 4.6 percentage points for Gozo and Comino, and 2.3 and 1.4 percentage points for the Western and Northern districts, respectively. The prevalence rate for the South Eastern district remained unchanged during this period. On the other hand, in the period 2015 to 2018, all districts registered a decrease in the prevalence rates. The largest absolute decreases, of 7.5 and 6.3 percentage points, were registered for the Southern Harbour and the South Eastern districts, respectively. On the other hand, the Western district registered the smallest absolute decrease of 0.7 percentage points. The number of persons AROPE by district showed substantial changes in the periods under review. The largest increase in the persons AROPE was noted for the period 2008 to 2018 for the Northern Harbour district (9,565), and the greatest decreases were registered in the Southern Harbour district for the periods 2008 to 2018 and 2015 to 2018 (3,587 and 4,785, respectively).

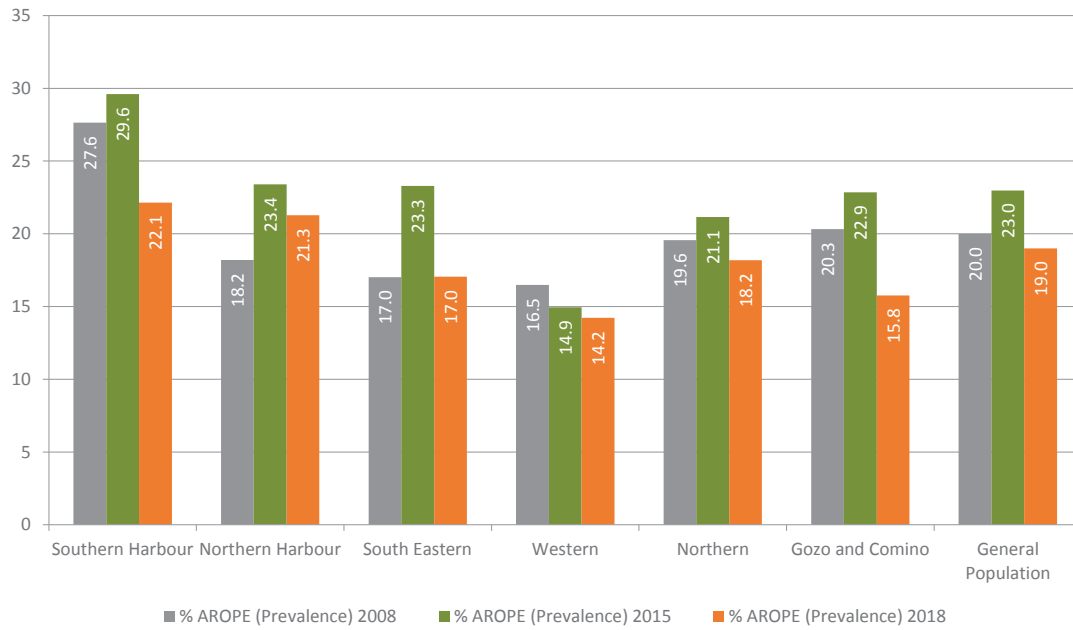
Figure 93 | AROPE by District: EU SILC 2008, 2015 & 2018

District	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]		
Southern Harbour	21,525	27.6	22,723	29.6	17,938	22.1	-5.5	-7.5
Northern Harbour	21,393	18.2	30,795	23.4	30,959	21.3	3.1	-2.1
South Eastern	10,106	17.0	15,416	23.3	12,549	17.0	0.0	-6.3
Western	9,165	16.5	8,428	14.9	8,171	14.2	-2.3	-0.7
Northern	11,390	19.6	15,028	21.1	14,062	18.2	-1.4	-3.0
Gozo & Comino	6,175	20.3	6,818	22.9	5,098	15.8	-4.6	-7.1

*prevalence rates

4.2.63 When comparing the average AROPE prevalence rates with the rates for each district different patterns emerge for 2008, 2015 and 2018 (Figure 94 refers). In 2008, the most substantial variations from the average rate are observed for the Southern Harbour (+7.6 percentage points), Western (-3.5 percentage points) and South Eastern (-3 percentage points) districts, whereas in 2015, these were in the Southern Harbour (+6.6 percentage points), and Western (-8.0 percentage points) districts. In 2018, the most substantial variations observed were with respect to the Western (-4.8 percentage points), Gozo and Comino (-3.2 percentage points) and Southern Harbour (+3.1 percentage points) districts. The common trend across all three years is the higher rates for the Southern Harbour district and lower rates for the Western and Northern districts.

Figure 94 | AROPE Prevalence Rates by District: EU SILC 2008, 2015, 2018



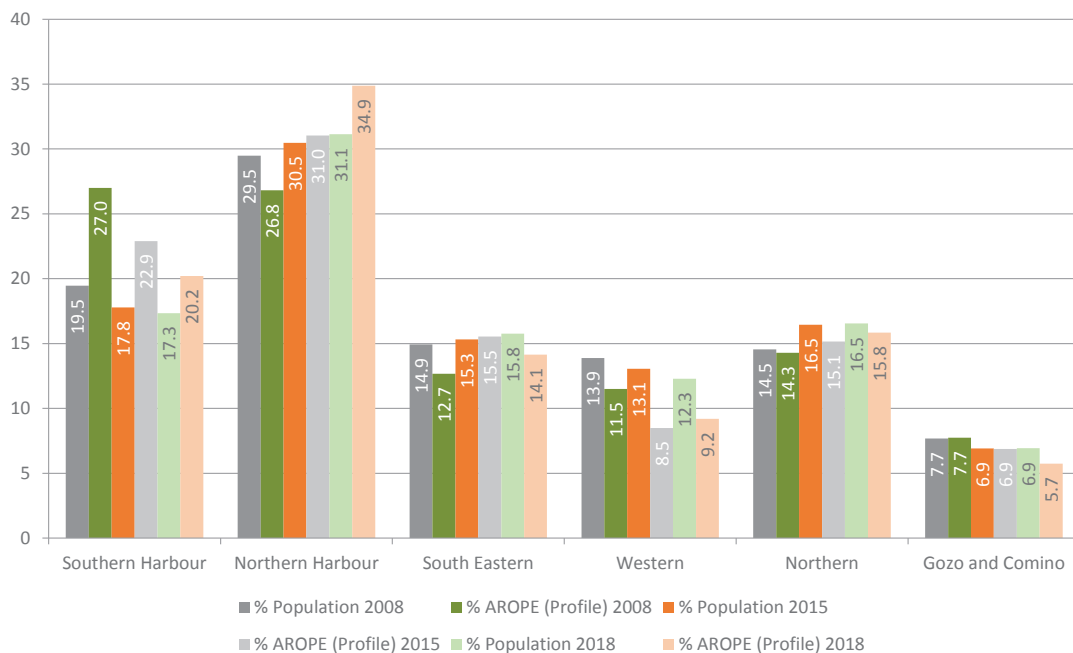
4.2.64 The district profile for the general population and for the population AROPE vary (Figure 95 and Figure 96 refer). Most prominently, in 2008, Southern Harbour residents are over-represented in the population AROPE by 7.5 percentage points, while the Northern Harbour, Western, and South Eastern districts are under-represented by 2.7, 2.4 and 2.3 percentage points, respectively. In 2015, the largest differences in profiles are observed for the Southern Harbour district, over-represented among those AROPE by 5.1 percentage points, and the Western district, under-represented by 4.6 percentage points. In 2018, the largest discrepancies are noted for the Northern Harbour, Southern Harbour, and Western districts, with the Northern Harbour and Southern Harbour being over-represented by 3.7 and 2.9 percentage points among those AROPE, respectively, and the Western district being under-represented by 3.1 percentage points. For 2008, 2015 and 2018, the Southern Harbour district is consistently over-represented, while the Northern and the Western districts are consistently under-represented in the AROPE population.

Figure 95 | District profiles – General population and AROPE population: EU SILC 2008, 2015 & 2018

District	% Population 2008 [A]	% AROPE* 2008 [B]	[B-A]	% Population 2015 [C]	% AROPE* 2015 [D]	[D-C]	% Population 2018 [E]	% AROPE* 2018 [F]	[F-E]
Southern Harbour	19.5	27.0	7.5	17.8	22.9	5.1	17.3	20.2	2.9
Northern Harbour	29.5	26.8	-2.7	30.5	31.0	0.6	31.1	34.9	3.7
South Eastern	14.9	12.7	-2.3	15.3	15.5	0.2	15.8	14.1	-1.6
Western	13.9	11.5	-2.4	13.1	8.5	-4.6	12.3	9.2	-3.1
Northern	14.5	14.3	-0.3	16.5	15.1	-1.3	16.5	15.8	-0.7
Gozo & Comino	7.7	7.7	0.1	6.9	6.9	0.0	6.9	5.7	-1.2

*Profile percentages

Figure 96 | District profiles – General population and AROPE population: EU SILC 2008, 2015 & 2018



4.2.65 The residence profile of the persons AROPE showed some changes in the period under review. In comparison to the 2008 profile, the 2018 profile includes more persons from the Northern Harbour (8 percentage points), Northern (1.6 percentage points) and South Eastern (1.5 percentage points) districts, and fewer persons from the Southern Harbour (6.8 percentage points), Western (2.3 percentage points) and Gozo and Comino (2 percentage points) districts. On the other hand, in comparison to the 2015 profile, the 2018 profile includes more persons from the Northern Harbour (3.8 percentage points), Northern (0.7 percentage points) and Western (0.7 percentage points) districts, and fewer persons from the Southern Harbour (2.7 percentage points), South Eastern (1.4 percentage points) and Gozo and Comino (1.1 percentage points) districts. In effect, the trend in the change across both periods was in a similar direction for all districts except for the South Eastern and the Western districts.

MD: District profile and prevalence rates by district

4.2.66 In 2018, the prevalence rates for MD were highest in the Southern Harbour (12.3 per cent), followed by Northern Harbour (11.2 per cent), Northern (8.4 per cent), Western (6.2 per cent), Southern Eastern (4.8 per cent) and Gozo and Comino (2.3 per cent) (Figure 97 refers). The only consistent ranking across the three years under review is that the highest prevalence rates were recorded for the Southern Harbour (24.3 per cent in 2008, 26.7 per cent in 2015 and 12.3 per cent in 2018). Consistently, the highest prevalence rates were found in the Southern Harbour district also for AROPE. In comparison to 2008, the 2018 rates were higher only for the Northern district, having increased by 2.6 percentage points, while they decreased for all other districts, most significantly by 12 percentage points for the Southern Harbour, 9.6 percentage points for the South Eastern district and 6.5 percentage points for Gozo and Comino. When compared to 2015, the 2018 rates decreased for all districts, with the greatest absolute decrease registered for the Southern Harbour district (14.4 percentage points) and the smallest absolute decrease registered for the Western district (1.8 percentage points). The ranking of districts by the number

of persons experiencing MD in absolute terms changed from 2008 to 2015 to 2018. However, the Southern Harbour and Northern Harbour remained the two districts with the highest frequency of persons experiencing MD.

Figure 97 | MD by District: EU SILC 2008, 2015, 2018

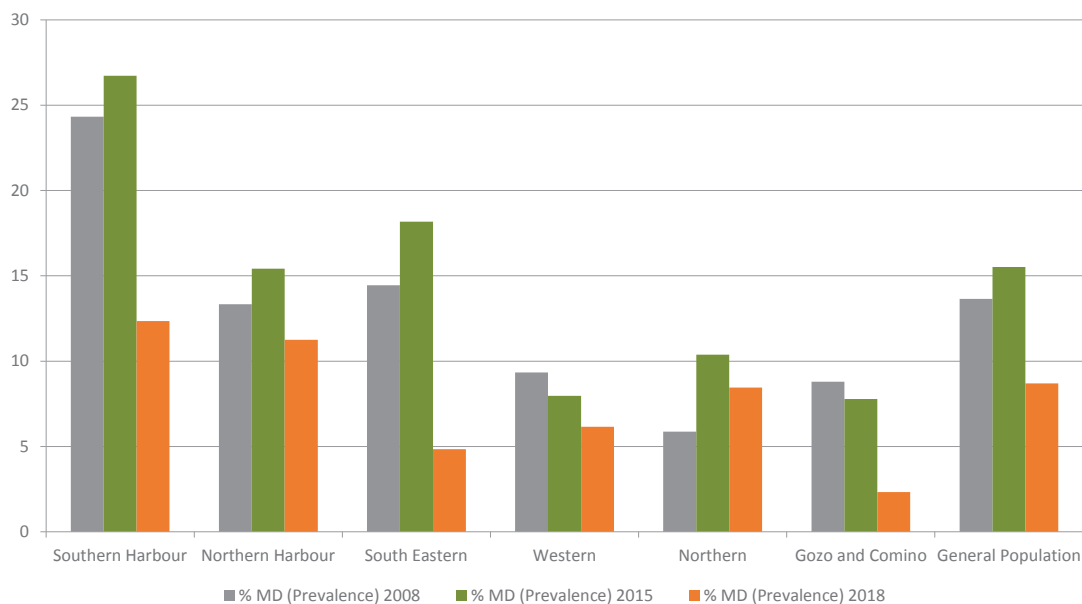
District	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
Southern Harbour	18,981	24.3	20,527	26.7	10,005	12.3	-12.0	-14.4
Northern Harbour	15,758	13.3	20,293	15.4	16,363	11.2	-2.1	-4.2
South Eastern	8,649	14.5	12,023	18.2	3,567	4.8	-9.6	-13.3
Western	5,194	9.3	4,490	8.0	3,534	6.2	-3.2	-1.8
Northern	3,425	5.9	7,374	10.4	6,533	8.4	2.6	-1.9
Gozo & Comino	2,703	8.8	2,321	7.8	[751]	[2.3]	[-6.5]	[-5.5]

*prevalence rates

Note | Figures in square brackets are to be used with caution: less than 49 reporting households.

4.2.67 The district prevalence rates for MD differ substantially from the overall prevalence rate (Figure 98 refers). The biggest deviations in 2008 are noted for the Southern Harbour, which had a prevalence rate of 24.3 per cent, that is, 10.7 percentage points greater than the overall rate of 13.7 per cent, and the Northern district, which has a prevalence rate of 5.9 per cent, that is, 7.8 percentage points less than the overall rate. In 2015, the biggest deviations from the average rate were noted for the Southern Harbour, which had a prevalence rate of 26.7 per cent, that is, 11.2 percentage points above the average rate of 15.5 per cent, and Gozo and Comino, with a prevalence rate of 7.8 per cent, that is, 7.7 percentage points below the average rate. In 2018, the greatest deviations were registered for Gozo and Comino and the South Eastern districts, registering 6.5 percentage points and 3.9 percentage points below the average rate of 8.7 per cent, respectively.

Figure 98 | MD prevalence rates by district: EU SILC 2008, 2015 & 2018



4.2.68 Variations can be noted in the district profile for the general population and for the population experiencing MD for each year under review (Figure 99 refers). Most prominently, in 2008, Southern Harbour residents were over-represented in the MD population by 15.2 percentage points, while the Northern and Western districts and Gozo and Comino were under-represented by 8.3, 4.4 and 2.7 percentage points, respectively. In 2015, the Southern Harbour and South Eastern districts were over-represented among those experiencing MD by 12.8 and 2.6 percentage points, respectively. On the other hand, the Western and Northern districts and Comino and Gozo were under-represented by 6.4, 5.5 and 3.4 percentage points. In 2018, the Northern Harbour and Southern Harbour districts were over-represented by 9 and 7.2 percentage points, while the South Eastern district, Gozo and Comino, and the Western district were under-represented by 7.0, 5.1 and 3.6 percentage points. For 2008, 2015 and 2018, the Southern Harbour district was consistently over-represented, while the Northern and the Western districts, and Gozo and Comino were consistently under-represented in the population ARPT60i.

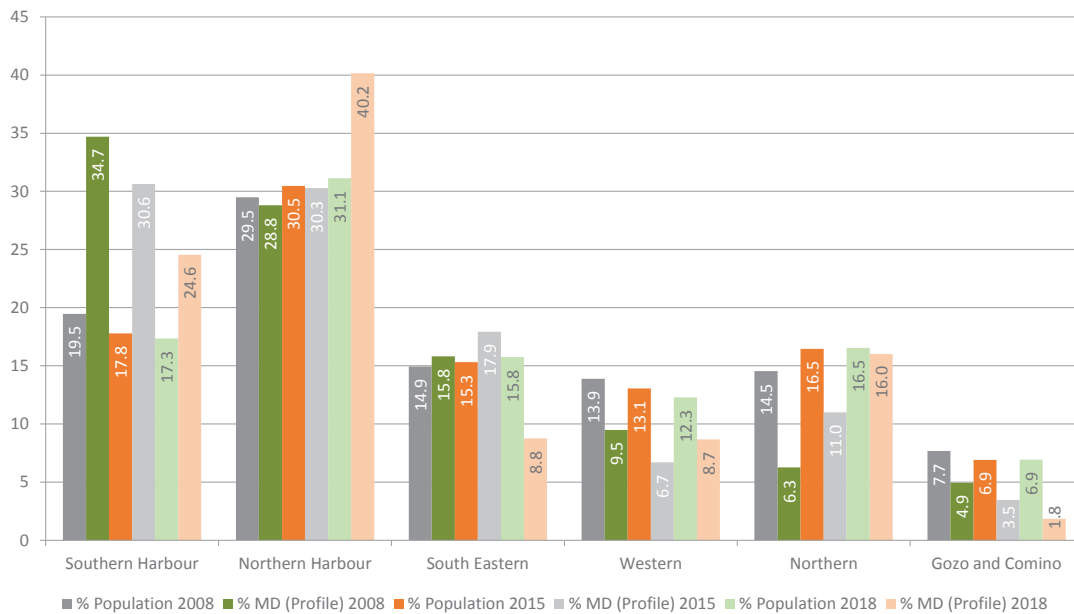
4.2.69 The residence profile of the persons experiencing MD showed some changes in the period under review (Figure 100 refers). The 2018 profile, in comparison to the 2008 profile, includes more persons from the Northern Harbour (11.3 percentage points) and the Northern (9.8 percentage points) districts, and fewer persons from the Southern Harbour (10.1 percentage points), South Eastern (7.1 percentage points), Gozo and Comino (3.1 percentage points) and Western (0.8 percentage points) districts. On the other hand, the 2018 profile in comparison to that of 2015 includes more persons from the Northern Harbour (9.9 percentage points), Northern (5.0 percentage points) and Western (2.0 percentage points) districts, and fewer persons from the South Eastern district (9.2 percentage points), Southern Harbour (6.1 percentage points) and Gozo and Comino (1.6 percentage points). In effect the trend in the change in both periods was in a similar direction for all districts except the Western districts.

Figure 99 | District profiles – General population and MD population: EU SILC 2008, 2015 & 2018

District	% Population 2008 [A]	% MD* 2008 [B]	[B-A]	% Population 2015 [C]	% MD* 2015 [D]	[D-C]	% Population 2018 [E]	% MD* 2018 [F]	[F-E]
Southern Harbour	19.5	34.7	15.2	17.8	30.6	12.8	17.3	24.6	7.2
Northern Harbour	29.5	28.8	-0.7	30.5	30.3	-0.2	31.1	40.2	9.0
South Eastern	14.9	15.8	0.9	15.3	17.9	2.6	15.8	8.8	-7.0
Western	13.9	9.5	-4.4	13.1	6.7	-6.4	12.3	8.7	-3.6
Northern	14.5	6.3	-8.3	16.5	11.0	-5.5	16.5	16.0	-0.5
Gozo & Comino	7.7	4.9	-2.7	6.9	3.5	-3.4	6.9	1.8	-5.1

*profile percentages

Figure 100 | District Profiles – General Population and MD Population: EU SILC 2008, 2015, 2018



Activity Status

4.2.70 Activity Status relates to the main activity status held by individuals during the reference period of the survey. Individuals are classified as either At Work, Unemployed, Retired or Other Inactive. Other Inactive includes students, those carrying out full-time further training or unpaid work experience, those who are permanently disabled or unfit to work, and those fulfilling domestic tasks and care responsibilities on a full-time basis. The statistics provided by the NSO relate only to the population aged 16 years and above. In this respect, the prevalence rates and activity status profile of the general population are restricted to the population aged 16 years and older. Due to small sample sizes, the figures for retired persons for 2008 for ARPT60i and MD, the unemployed figure for MD for 2018 and the corresponding activity status profile distributions for the ARPT60i (2008) and the MD (2008 and 2018) populations should be interpreted with caution.

ARPT60i: Activity status profile and prevalence rates by activity status

4.2.71 The largest group of persons ARPT60i in 2018 pertain to the Other Inactive group (n=29,388), followed by the Retired group (n=15,036), those At Work (n=13,645) and the Unemployed (n=3134), comprising 48 per cent, 24.6 per cent, 22.3 per cent and 5.1 per cent of the population aged 16 years and older ARPT60i (Figure 101 refers). In 2018, the prevalence rates in this respect were highest for the Unemployed group (59.6 per cent), followed by the Other Inactive (29.2 per cent), the Retired (23.7 per cent) and finally those At Work (6.4 per cent). The same pattern was observed for the 2008 and the 2015 prevalence rates.

4.2.72 When comparing the prevalence rates for 2018 with 2008, increases can be noted for all categories, with the largest absolute increase observed for the unemployed. While the prevalence rate for the unemployed stood at 30.1 per cent in 2008, this increased by 29.4 percentage points to 59.6 per cent in 2018. Despite an increase of 6.1 percentage points in the prevalence rates for the Other Inactive category, the number of persons ARPT60i in this group decreased by 3,280. This decrease can be attributed to the large reduction in persons with inactive working status in 2018 compared to 2008. The prevalence rates also increased for all activity status categories from 2015 to 2018, though to a lesser extent than the increases observed for the period 2008 to 2018. Despite an increase of 1.6 percentage points in the prevalence rates for the Unemployed category, the number of persons ARPT60i in this group decreased by 2,318. This decrease can be attributed to the large reduction in unemployed persons in 2018 compared to 2015.

Figure 101 | ARPT60i by activity status: EU SILC 2008, 2015 & 2018

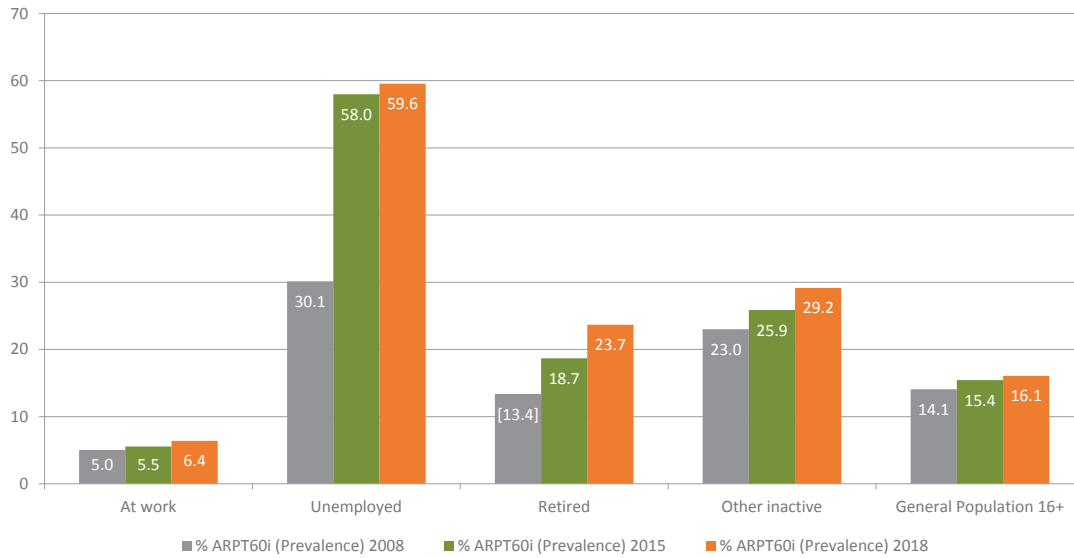
Activity status	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
At work	7,905	5.0	9,893	5.5	13,645	6.4	1.4	0.9
Unemployed	2,466	30.1	5,452	58.0	3,134	59.6	29.4	1.6
Retired	[1,462]	[13.4]	10,451	18.7	15,036	23.7	[10.3]	5.0
Other inactive	32,668	23.0	27,317	25.9	29,388	29.2	6.1	3.3

*prevalence rates

Note | Figures in square brackets are to be used with caution: less than 49 reporting households.

4.2.73 When comparing the prevalence rates of the activity status categories with the average rate for the population aged 16 years and older, it can be noted that consistently for 2008, 2015 and 2018, the At Work category rate is lower than the average rate, by 9, 9.9 and 9.7 percentage points, respectively (Figure 102 refers). The Unemployed and Other Inactive categories show positive deviations for all three years under review, with the Unemployed category showing the largest absolute deviation. Of note is the fact that for the Unemployed category, the deviation in absolute terms in 2015 (42.5 percentage points) and 2018 (43.5 percentage points) is almost 3 times the value of that observed in 2008 (16 percentage points). The prevalence rates for the Retired category were below the average ARPT60i rate in 2008, and above this average rate in 2015 and 2018.

Figure 102 | ARPT60i prevalence rates by activity status: EU SILC 2008, 2015 & 2018



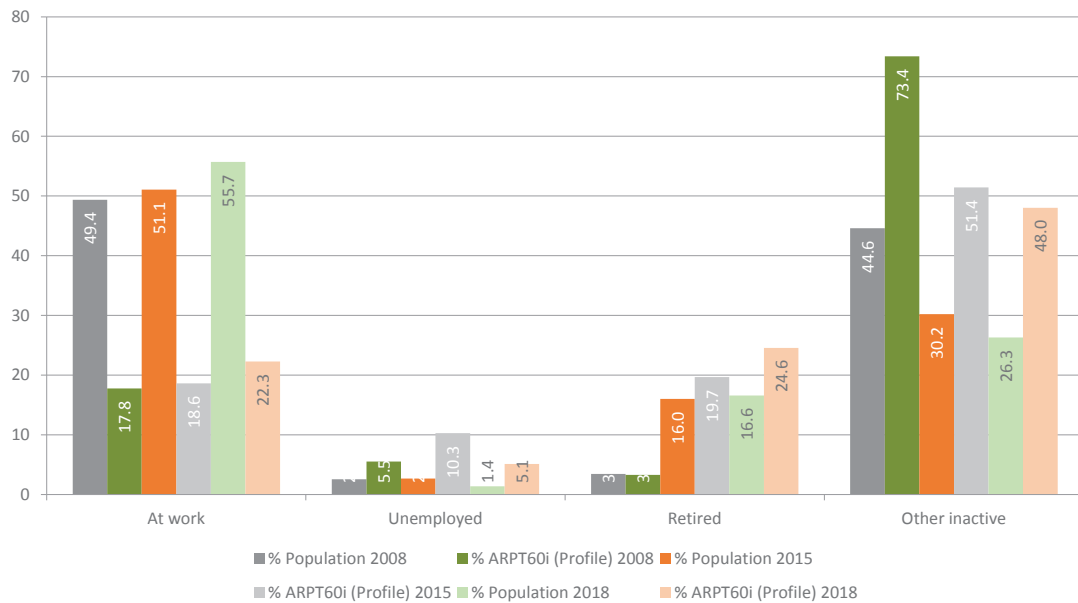
4.2.74 Figure 103 indicates that the proportion of the population ARPT60i At Work is substantially lower than the proportion of the general population 16+ At Work (17.8 per cent versus 49.4 per cent in 2008; 18.6 per cent versus 51.1 per cent in 2015; 22.3 per cent versus 55.7 per cent in 2018). On the other hand, the other three categories are over-represented in the population ARPT60i (with the exception of Retired in 2008), most noticeably the Other Inactive group (by 28.8 percentage points in 2008, 21.2 percentage points in 2015, and 21.7 percentage points in 2018) (Figure 104 refers). Also of note is the fact that the population ARPT60i in 2018, when compared to 2008, has a much higher proportion of Retired (24.6 per cent versus 3.3 per cent) and lower percentage of Other Inactive (48 per cent versus 73.4 per cent).

Figure 103 | Activity status profiles – General population and ARPT60i population: EU SILC 2008, 2015 & 2018

Activity status	% Population 2008 [A]	% ARPT60i* 2008 [B]	[B-A]	% Population 2015 [C]	% ARPT60i* 2015 [D]	[D-C]	% Population 2018 [E]	% ARPT60i* 2018 [F]	[F-E]
At work	49.4	17.8	-31.6	51.1	18.6	-32.5	55.7	22.3	-33.4
Unemployed	2.6	5.5	3.0	2.7	10.3	7.6	1.4	5.1	3.7
Retired	3.4	3.3	-0.2	16.0	19.7	3.7	16.6	24.6	8.0
Other inactive	44.6	73.4	28.8	30.2	51.4	21.2	26.3	48.0	21.7

*profile percentages

Figure 104 | Activity status profiles – General population and ARPT60i population: EU SILC 2008, 2015 & 2018



AROE: Activity status profile and prevalence rates by activity status

4.2.75 The largest group of persons AROPE in 2018 pertained to the Other Inactive group (n=34,418), followed by the Retired group (n=16,159), those At Work (n=15,816) and the Unemployed (n=3,653), comprising 49.1 per cent, 23.1 per cent, 22.6 per cent and 5.2 per cent, respectively, of the working age population AROPE (Figure 105 refers). This same ranking in headcounts was also noted for ARPT60i. While the rankings in AROPE headcounts varied across the three years under review, Other Inactive remained the largest proportion. In 2018, the AROPE prevalence rates were highest for the Unemployed (69.4 per cent), followed by the Other Inactive (34.2 per cent), the Retired (25.4 per cent) and finally those At Work (7.4 per cent). This same pattern was also observed in 2008 and 2015. This consistent ranking in prevalence rates was also noted for ARPT60i rates.

4.2.76 When comparing the headcounts AROPE in 2018 with that in 2008 it can be noted that the main changes are the higher number of retired persons (+14,072) and the lower number of Other Inactive persons (-7,369). Also substantial is an increase of 4,694 persons AROPE who are At Work. When comparing 2015 to 2018, similarly to what was observed in the period 2008 to 2018, the number of retired persons also increased substantially, by 3,804 persons, and the number of Other Inactive and Unemployed decreased by 5,232 and 3,284, respectively. In contrast to that observed in the period 2008 to 2018, the number of At Work AROPE decreased by 1,729.

4.2.77 In comparison to 2008, the 2018 prevalence rates increased for all categories (by 17.9 percentage points for the Unemployed, 6.4 percentage points for the Retired, 4.6 percentage points for the Other Inactive, and 0.3 percentage points for those At Work). On the other hand, in the period 2015 to 2018, an increase of 3.4 percentage points was noted for the Retired, while decreases of 4.3, 3.4 and 2.4 percentage points were noted for the Unemployed, Other Inactive and At Work categories, respectively. While in the period 2015 to 2018 increases in the prevalence rates

corresponded to increases in the number of persons AROPE, the same cannot be said for the period 2008 to 2018. Substantial changes in the population counts and population profile in this period impact the absolute numbers of persons AROPE and the profile of persons AROPE. For example, while the prevalence rates for the Retired and Other Inactive groups increased from 2008 to 2018 by 6.4 and 4.6 percentage points, respectively, the number of Retired persons AROPE increased by 14,072 while the number of Other Inactive AROPE decrease by 7,369. This can be explained by the fact that the total number of retired persons in the population increased substantially (over 52,000) and the number of Other Inactive decreased substantially (over 41,000).

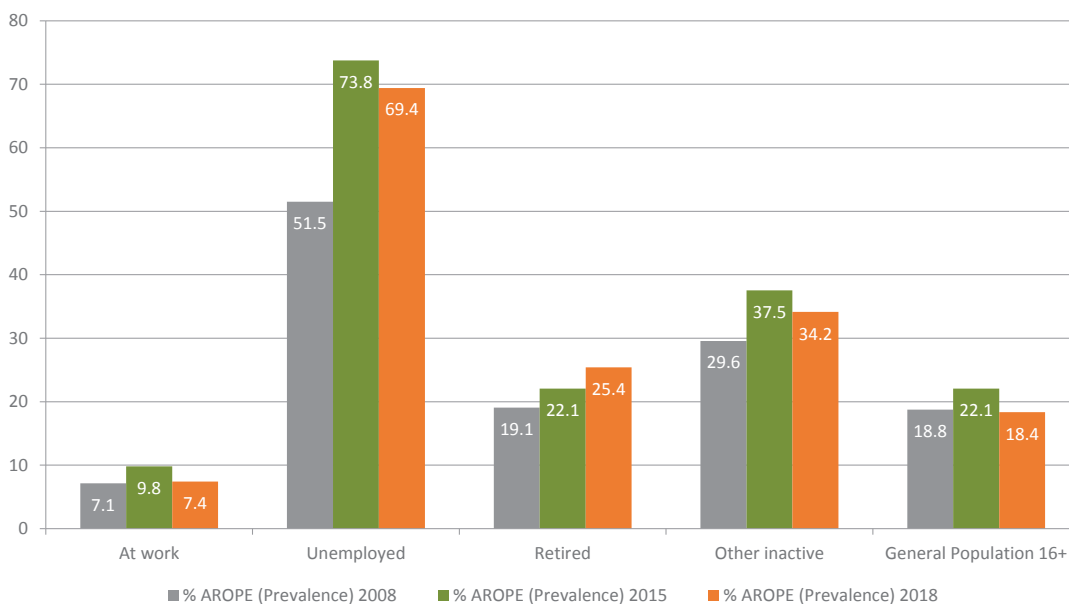
Figure 105 | AROPE by activity status: EU SILC 2008, 2015 & 2018

Activity status	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
At work	11,122	7.1	17,545	9.8	15,816	7.4	0.3	-2.4
Unemployed	4,215	51.5	6,937	73.8	3,653	69.4	17.9	-4.3
Retired	2,086	19.1	12,354	22.1	16,159	25.4	6.4	3.4
Other inactive	41,787	29.6	39,650	37.5	34,418	34.2	4.6	-3.4

*prevalence rates

4.2.78 The Activity Status prevalence rates for AROPE differ substantially from the overall prevalence rate (Figure 106 refers). The At Work prevalence rates are consistently below the average rate, and the rates for the other categories are consistently above the average rate (except for the Retired in 2015, which has a rate equal to the 2015 average rate). The highest deviation can be noted for the Unemployed category, that registers rates that are 32.7, 51.7 51.1 percentage points above the average rate for 2008, 2015 and 2018, respectively. Of note is the fact that for the Unemployed category, the deviation in absolute terms in 2015 and 2018 is around 20 percentage points higher than that observed in 2008.

Figure 106 | AROPE prevalence rates by activity status: EU SILC 2008, 2015 & 2018



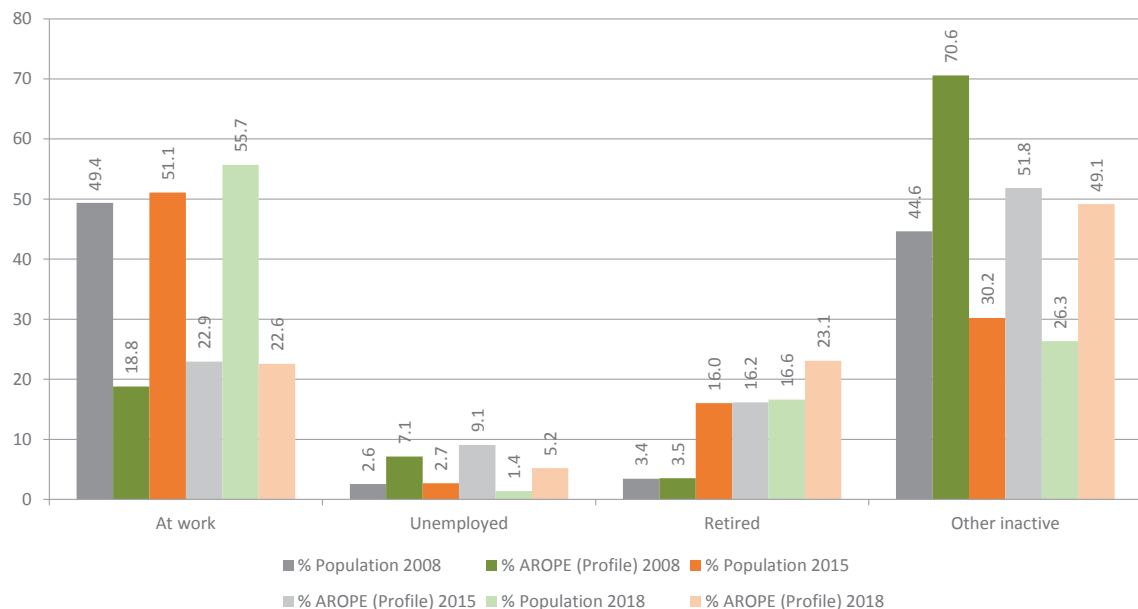
4.2.79 Figure 107 and Figure 108 indicate that the proportion of the population AROPE At Work is substantially lower than the proportion of the general population 16+ At Work in 2008, 2015 and in 2018 (18.8 per cent versus 49.4 per cent in 2008; 22.9 per cent versus 51.1 per cent in 2015; 22.6 per cent versus 55.7 per cent in 2018). On the other hand, the other three categories are over-represented in the population 16+ AROPE, most noticeably the Other Inactive group, by 25.9 percentage points in 2008, 21.6 percentage points in 2015 and 22.8 percentage points in 2018. These patterns are also noticeable for the ARPT60i profiles. Also of note is the fact that the population AROPE in 2018, when compared to 2008, has a much higher proportion of Retired (23.1 per cent versus 3.5 per cent) and lower percentage of Other Inactive (49.1 per cent versus 70.6 per cent), same as observed in the ARPT60i profiles.

Figure 107 | Activity status profiles – General population and AROPE population: EU SILC 2008, 2015 & 2018

Activity status	% Population 2008 [A]	% AROPE* 2008 [B]	[B-A]	% Population 2015 [C]	% AROPE* 2015 [D]	[D-C]	% Population 2018 [E]	% AROPE* 2018 [F]	[F-E]
At work	49.4	18.8	-30.6	51.1	22.9	-28.2	55.7	22.6	-33.1
Unemployed	2.6	7.1	4.5	2.7	9.1	6.4	1.4	5.2	3.8
Retired	3.4	3.5	0.1	16.0	16.2	0.1	16.6	23.1	6.5
Other inactive	44.6	70.6	25.9	30.2	51.8	21.6	26.3	49.1	22.8

*profile percentages

Figure 108 | Activity status profiles – General population and AROPE population: EU SILC 2008, 2015 & 2018



MD: Activity status profile and prevalence rates by activity status

4.2.80 Due to small sample sizes the figures for retired persons for 2008 and for the unemployed in 2018 should be used with caution. Consequently, the profile distributions must also be interpreted with caution.

4.2.81 In 2008, 2015 and 2018, the Other Inactive were the largest group of persons in MD, followed by those At Work (Figure 109 refers). The number of Other Inactive experiencing MD was 22,437 in 2008, 22,865 in 2015, and 14,197 in 2018, while the number of At Work experiencing MD was 13,802 in 2008, 18,008 in 2015 and 11,256 in 2018. The prevalence rates were highest for the Unemployed, followed by the Other Inactive, Retired and At Work for all three years. This ranking in prevalence rates was also noted for ARPT60i and AROPE rates. The prevalence rates decreased for all categories for the periods 2008 to 2018 and 2015 to 2018, with the biggest absolute decrease noted for the Unemployed category. The headcounts decreased for all categories for all years except for the retired for the period 2008 to 2018, which increased by 3,579. The largest decreases in headcounts were noted for the Other Inactive category.

Figure 109 | MD by activity status: EU SILC 2008, 2015 & 2018

Activity status	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
At work	13,802	8.8	18,008	10.1	11,256	5.3	-3.5	-4.8
Unemployed	3,060	37.4	4,875	51.8	[1,675]	[31.8]	-5.5	-20.0
Retired	[1,182]	[10.8]	7,033	12.6	4,761	7.5	-3.3	-5.1
Other inactive	22,437	15.8	22,865	21.6	14,197	14.1	-1.7	-7.6

*prevalence rates

Note | Figures in square brackets are to be used with caution: less than 49 reporting households.

4.2.82 The Activity Status prevalence rates for MD differ substantially from the overall prevalence rate (Figure 110 refers). The Unemployed and Other Inactive prevalence rates are consistently above the average rate, and the rates for the At Work and Retired groups are consistently below the average rate. Similarly, as noted for ARPT60i and AROPE rates, the highest deviation for MD rates can be noted for the Unemployed category, that registered rates of 24.5, 36.7, and 23.5 percentage points above the average rate for 2008, 2015 and 2018, respectively. This implies that the Unemployed are at substantially higher risk of experiencing MD than the other Activity Status categories.

Figure 110 | MD Prevalence Rates by Activity Status: EU SILC 2008, 2015 & 2018



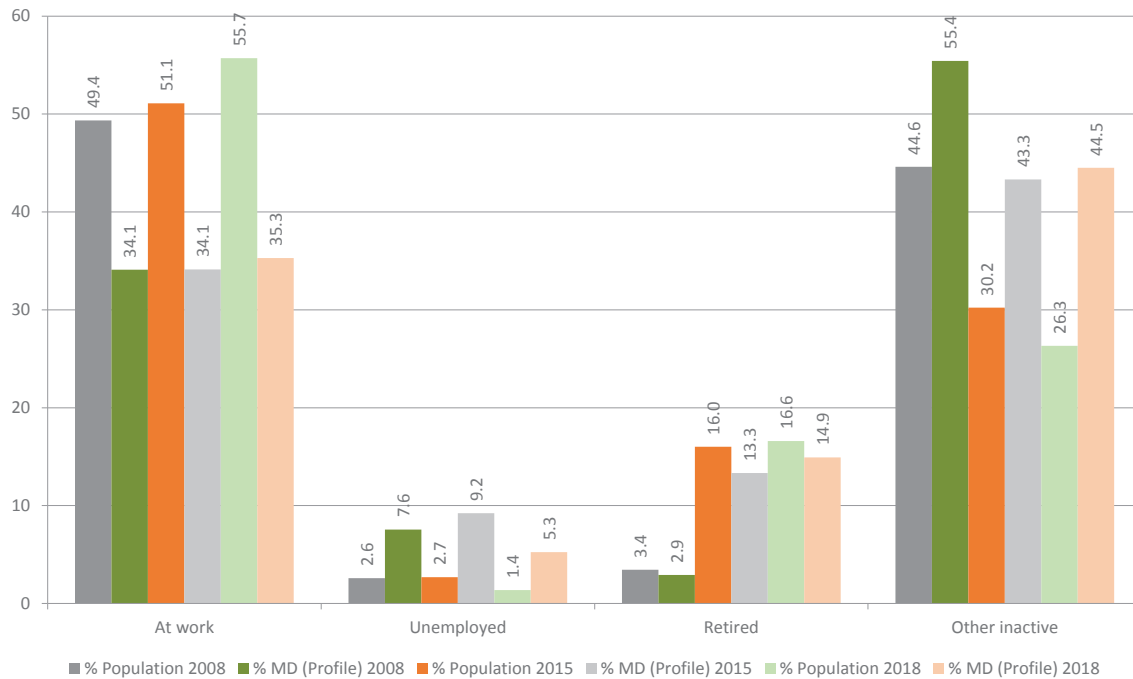
4.2.83 Figure 111 and Figure 112 indicate that the proportion of the population MD At Work was substantially lower than the proportion of the general population 16+ At Work in 2008, 2015 and in 2018 (34.1 per cent versus 49.4 per cent in 2008; 34.1 per cent versus 51.1 per cent in 2015; 35.3 per cent versus 55.7 per cent in 2018). The Retired Category was just slightly under-represented. On the other hand, the other two categories were over-represented in the population 16+ AROPE, most noticeably the Other Inactive group, by 10.8 percentage points in 2008, 13.1 percentage points in 2015 and 18.2 percentage points in 2018. Of note is the fact that the population MD in 2018, when compared to 2008, had a much higher proportion of Retired (14.9 per cent versus 2.9 per cent) and lower percentage of Other Inactive (44.5 per cent versus 55.4 per cent). This has also been observed in the ARPT60i and AROPE profiles.

Figure 111 | Activity status profiles – General population and MD population: EU SILC 2008, 2015 & 2018

Activity status	% Population 2008 [A]	% MD 2008 [B]	[B-A]	% Population 2015 [C]	% MD 2015 [D]	[D-C]	% Population 2018 [E]	% MD 2018 [F]	[F-E]
At work	49.4	34.1	-15.3	51.1	34.1	-17.0	55.7	35.3	-20.4
Unemployed	2.6	7.6	5.0	2.7	9.2	6.5	1.4	5.3	3.9
Retired	3.4	2.9	-0.5	16.0	13.3	-2.7	16.6	14.9	-1.7
Other inactive	44.6	55.4	10.8	30.2	43.3	13.1	26.3	44.5	18.2

*profile percentages

Figure 112 | Activity status profiles – General population and MD population: EU SILC 2008, 2015 & 2018



Household Type

4.2.84 Individuals are classified according to their household composition. At the higher level, all individuals are classified as pertaining to either households without dependent children or to households with dependent children. These two groups are further broken down into five sub-categories each. ‘One-person household, under 65 years’, ‘One-person household, 65 years and older’, ‘Two adults, no dependent children, both under 65 years’, ‘Two adults, no dependent children, at least one adult 65 years or more’ and ‘Other households without dependent children’ represent the five sub-categories for households without dependent children. ‘Single parent household, one or more dependent children’, ‘Two adults, one dependent child’, ‘Two adults, two dependent children’, ‘Two adults, three or more dependent children’, and ‘Other households with one or more dependent children’ represent the five sub-categories for households with dependent children.

4.2.85 The MD 2018 values for the ‘One-person household, 65 years old and over’ and ‘Two adults, three or more dependent children’ categories are based on small sample sizes and should therefore be interpreted with caution. In view of this, the household type profile distribution for the 2018 MD population should also be interpreted with caution.

ARPT60i: Household Type Profile and Prevalence Rates by Household Type

- 4.2.86** The prevalence rate of being ARPT60i was higher for those living in households with dependent children for all three years under review (Figure 113 refers). In 2018, the prevalence rate for individuals living in households with dependent children was 17.6 per cent, compared to 16.1 per cent for individuals living in households without dependent children. When considering different types of households without dependent children, it can be noted that, in 2018, those living in households with two adults with at least one adult being 65 years or older, adults of 65 years and older persons living alone and adults under 65 years of age living alone, experienced the highest prevalence rates, standing at 25.5 per cent, 28.4 per cent and 24.1 per cent, respectively. For 2008 and 2015, the top three categories of households without dependent children with respect to ARPT60i prevalence rates are the same as for 2018, though the rankings vary. For 2018, when considering different types of households with dependent children, individuals living in single parent households and households with two adults with three or more dependent children experience the highest prevalence rates, 48.6 per cent and 27.3 per cent respectively. For 2008 and 2015, the ranking for the top two categories of households with dependent children with respect to ARPT60i prevalence rates was the same as for 2018.
- 4.2.87** When comparing the 2008 and 2018 rates, six out of the ten categories of household types registered an improvement (Figure 113 refers). The largest improvements were registered for those residing in single parent households (-10 percentage points) and those residing in households composed of two adults both under 65 years of age with no dependent children (-6.1 percentage points). On the other hand, rates worsened most prominently for adults of 65 years and older persons living alone (+4.2 percentage points) and those living in other households with dependent children (+5.6 percentage points). When comparing the 2018 prevalence rates with the 2015 rates, five categories registered an improvement. The largest improvement was noted for those individuals pertaining to households of two adults with three or more dependent children (-9.8 percentage points). On the other hand, rates worsened mostly for those adults of 65 years and older persons living alone (+6.8 percentage points) and those residing in single parent households (+4.1 percentage points). The number of persons ARPT60i increased to a greater degree for households without dependent children than households with dependent children, 9,898 and 7,531 for the period 2008 to 2018 and 6,208 and 765 for the period 2015 to 2018.

Figure 113 | ARPT60i by household type: EU SILC 2008, 2015 & 2018

Household type	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]		
Households without dependent children	26,676	13.9	30,366	14.4	36,574	16.1	2.1	1.7
One-person household, under 65 years	3,388	24.7	5,758	26.8	5,636	24.1	-0.6	-2.7
One-person household, 65 years old and over	3,698	24.2	4,559	21.6	7,679	28.4	4.2	6.8
Two adults, no dependent children, both under 65 years	6,904	17.8	5,346	11.7	6,346	11.6	-6.1	-0.1
Two adults, no dependent children, at least one adult 65 years or more	9,759	28.3	11,395	24.1	13,493	25.5	-2.7	1.4
Other households without dependent children	2,927	3.3	3,308	4.4	3,420	4.9	1.6	0.5
Households with dependent children	34,580	16.5	41,346	18.7	42,111	17.6	1.0	-1.1
Single parent household, one or more dependent children	6,591	58.6	7,171	44.5	8,561	48.6	-10.0	4.1
Two adults, one dependent child	3,341	8.6	6,369	12.4	7,573	11.7	3.1	-0.7
Two adults, two dependent children	11,433	17.8	11,361	16.5	10,584	16.1	-1.7	-0.4
Two adults, three or more dependent children	7,095	28.8	7,208	37.1	4,726	27.3	-1.5	-9.8
Other households with one or more dependent children	6,120	8.7	9,238	14.0	10,667	14.3	5.6	0.3

*prevalence rates

4.2.88 When comparing the prevalence rates of the household type categories with the average rate for the population, it can be noted that overall those living in households without dependent children have prevalence rates below the overall rates, while individuals pertaining to households with dependent children have prevalence rates above the average rate (Figure 114 refers). Individuals pertaining to the following households are particularly prone to being ARPT60i: ‘One person household, under 65 years’, ‘One person household, 65 years and over’, ‘Two adults, no dependent children, at least one adult 65 years or more’, ‘Single parent household, one or more dependent children’ and ‘Two adults, three or more dependent children’. Most prominently, persons pertaining to single parent households had prevalence rates that were 43.3, 27.9 and 31.8 percentage points higher than the average rates in 2008, 2015 and 2018, respectively. This would indicate that living alone; being part of a household with a single parent and having dependent children within the household; being part of a household composed of two adults with no dependent children and at least one adult being 65 years and over; and living in a household with at least three children, are risk factors for being ARPT60i. On the other hand, those living

in households classified as 'Other households without dependent children and 'Two adults, one dependent child' have prevalence rates that are substantially lower than the average rates.

Figure 114 | ARPT60i prevalence rates by household type: EU SILC 2008, 2015 & 2018

Household Type	%* 2008 [A]	%* 2015 [B]	%* 2018 [C]	A – Mean %* 2008	B – Mean %* 2015	C – Mean %* 2018
Households without dependent children	13.9	14.4	16.1	-1.4	-2.2	-0.8
One-person household, under 65 years	24.7	26.8	24.1	9.4	10.1	7.2
One-person household, 65 years old and over	24.2	21.6	28.4	9.0	5.0	11.6
Two adults, no dependent children, both under 65 years	17.8	11.7	11.6	2.5	-4.9	-5.2
Two adults, no dependent children, at least one adult 65 years or more	28.3	24.1	25.5	13.0	7.5	8.7
Other households without dependent children	3.3	4.4	4.9	-12.0	-12.2	-11.9
Households with dependent children	16.5	18.7	17.6	1.2	2.1	0.7
Single parent household, one or more dependent children	58.6	44.5	48.6	43.3	27.9	31.8
Two adults, one dependent child	8.6	12.4	11.7	-6.6	-4.2	-5.1
Two adults, two dependent children	17.8	16.5	16.1	2.5	-0.1	-0.7
Two adults, three or more dependent children	28.8	37.1	27.3	13.5	20.5	10.5
Other households with one or more dependent children	8.7	14.0	14.3	-6.6	-2.6	-2.5
General Population	15.3	16.6	16.8			

*prevalence rates

4.2.89 In all years under review, individuals pertaining to households with dependent children constituted a bigger proportion of those ARPT60i than those pertaining to households without dependent children (56.5 per cent versus 43.5 per cent in 2008; 57.7 per cent versus 42.3 per cent in 2015; 53.5 per cent versus 46.5 per cent in 2018) (Figure 115 refers). Figure 115 indicates that the proportion of the population ARPT60i that pertains to households without dependent children is lower than the proportion of the general population living in households without dependent children (43.5 per cent versus 47.8 per cent in 2008; 42.3 per cent versus 48.8 per cent in 2015; and 46.5 per cent versus 48.7 per cent in 2018). The opposite is true for those pertaining to households with dependent children. Those living in other households without dependent children were most under-represented in the ARPT60i population, while those living in single parent households were most over-represented in the ARPT60i population.

Figure 115 | Household type profiles – General population and ARPT60i population: EU SILC 2008, 2015 & 2018

Household Type	%	%	%	%	%	%
	Population 2008	ARPT60i* 2008	Population 2015	ARPT60i* 2015	Population 2018	ARPT60i* 2018
Households without dependent children	47.8	43.5	48.8	42.3	48.7	46.5
One-person household, under 65 years	3.4	5.5	5.0	8.0	5.0	7.2
One-person household, 65 years old and over	3.8	6.0	4.9	6.4	5.8	9.8
Two adults, no dependent children, both under 65 years	9.7	11.3	10.6	7.5	11.7	8.1
Two adults, no dependent children, at least one adult 65 years or more	8.6	15.9	10.9	15.9	11.3	17.1
Other households without dependent children	22.3	4.8	17.4	4.6	14.9	4.3
Households with dependent children	52.2	56.5	51.2	57.7	51.3	53.5
Single parent household, one or more dependent children	2.8	10.8	3.7	10.0	3.8	10.9
Two adults, one dependent child	9.7	5.5	11.9	8.9	13.8	9.6
Two adults, two dependent children	16.0	18.7	15.9	15.8	14.1	13.5
Two adults, three or more dependent children	6.1	11.6	4.5	10.1	3.7	6.0
Other households with one or more dependent children	17.6	10.0	15.2	12.9	16.0	13.6

* profile percentages

AROPE: Household type profile and prevalence rates by household type

4.2.90 The prevalence rates in 2018 for those living in households with dependent children and those living in households without dependent children were both 19 per cent (Figure 116 refers). When considering different types of households without dependent children, it can be noted that, in 2018, adults of 65 years and older living alone, those living in households with two adults with at least one adult being 65 years or older, and adults under 65 years of age living alone experience the highest prevalence rates, standing at 30.2 per cent, 28.2 per cent and 27.6 per cent, respectively. For 2008 and 2015, the top three categories of households without dependent children with respect to AROPE prevalence rates were the same as for 2018, though the rankings vary. This is similar to that observed for the ARPT60i rates. When considering different types of households with dependent children, those living in single parent households with dependent children and those living in households composed of two adults with three or more dependent children experienced the highest prevalence rates, 51 per cent and 27.3 per cent. For 2008 and 2015, the ranking for the top two categories of households with dependent children with respect to AROPE prevalence rates was the same as for 2018. This same pattern was observed for ARPT60i prevalence rates.

4.2.91 When comparing the 2008 and 2018 AROPE rates, similarly to ARPT60i rates, six out of the ten categories of household types registered an improvement (Figure 116 refers). It can be noted that the largest improvements were registered for individuals residing in single parent households (-20.6 percentage points) and individuals less than 65 years of age living alone (-13.7 percentage points). On the other hand, the greatest increase in AROPE prevalence rates was registered for individuals who are 65 years and older living alone (+2.1 percentage points) and those living in households composed of two adults and one dependent child (+2.1 percentage points). In comparison to 2015, 2018 AROPE prevalence rates were lower for eight out of the ten categories of household types. The greatest reductions were registered for individuals living in households composed of two adults and three or more dependent children (-12.2 percentage points) and adults under 65 years of age living alone (-10.1 percentage points). The only increase was registered for adults 65 years and over living alone (+4.9 percentage points). The number of persons AROPE increased by 6,473 and 2,549 for individuals living in households without dependent children and individuals living in households with dependent children, respectively, from 2008 to 2018. On the other hand, the number of persons AROPE decreased by 1,923 and 8,508 for individuals living in households without dependent children and individuals living in households with dependent children, respectively, from 2015 to 2018.

Figure 116 | AROPE by household type: EU SILC 2008, 2015 & 2018

Household type	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]		
Households without dependent children	36,651	19.3	45,047	21.4	43,124	19.0	-0.3	-2.4
One-person household, under 65 years	5,589	41.3	8,107	37.7	6,460	27.6	-13.7	-10.1
One-person household, 65 years old and over	4,239	28.1	5,342	25.3	8,149	30.2	2.1	4.9
Two adults, no dependent children, both under 65 years	9,340	24.4	8,739	19.1	8,208	15.0	-9.4	-4.1
Two adults, no dependent children, at least one adult 65 years or more	11,158	32.5	13,287	28.1	14,870	28.2	-4.4	0.0
Other households without dependent children	6,325	7.1	9,572	12.8	5,437	7.8	0.7	-5.0
Households with dependent children	43,104	20.6	54,161	24.5	45,653	19.0	-1.6	-5.4
Single parent household, one or more dependent children	8,044	71.6	9,053	56.2	8,981	51.0	-20.6	-5.2
Two adults, one dependent child	4,636	12.0	8,273	16.1	9,079	14.1	2.1	-2.1
Two adults, two dependent children	12,618	19.7	13,721	20.0	10,878	16.5	-3.1	-3.4
Two adults, three or more dependent children	7,895	32.3	7,674	39.5	4,726	27.3	-5.0	-12.2
Other households with one or more dependent children	9,911	14.1	15,441	23.5	11,989	16.1	2.0	-7.4

*prevalence rates

4.2.92 When comparing the prevalence rates of the household type categories with the average rate for the population, it can be noted that individuals pertaining to the following households are particularly prone to being AROPE: ‘One person household, under 65 years’, ‘One person household, 65 years and over’, ‘Two adults, no dependent children, at least one adult 65 years or more’, ‘Single parent household, one or more dependent children’ and ‘Two adults, three or more dependent children’ (Figure 117 refers). This is similar to what was observed for the ARPT60i rates. This would indicate that living alone; being part of a household composed of two adults with no dependent children and at least one adult being 65 years and over; being part of a household with a single parent and having dependent children within the household; and living in a household with two adults and at least three dependent children, are risk factors for being AROPE. Particularly pronounced were the AROPE rates for individuals pertaining to single parent households, with rates being 56.3, 39.6 and 34.2 percentage points higher than the average rates in 2008, 2015 and 2018, respectively. On the other hand, those living in households classified as ‘Other households without dependent children’ and to a lesser extent ‘Two adults, one dependent child’ had prevalence rates that were substantially lower than the average rates.

Figure 117 | AROPE prevalence rates by household type: EU SILC 2008, 2015 & 2018

Household type	%* 2008 [A]	%* 2015 [B]	%* 2018 [C]	A – Mean %* 2008	B – Mean %* 2015	C – Mean %* 2018
Households without dependent children	19.3	21.4	19.0	4.0	4.8	2.1
One-person household, under 65 years	41.3	37.7	27.6	26.0	21.1	10.7
One-person household, 65 years old and over	28.1	25.3	30.2	12.8	8.7	13.3
Two adults, no dependent children, both under 65 years	24.4	19.1	15.0	9.1	2.5	-1.8
Two adults, no dependent children, at least one adult 65 years or more	32.5	28.1	28.2	17.2	11.5	11.3
Other households without dependent children	7.1	12.8	7.8	-8.2	-3.8	-9.0
Households with dependent children	20.6	24.5	19.0	5.3	7.9	2.2
Single parent household, one or more dependent children	71.6	56.2	51.0	56.3	39.6	34.2
Two adults, one dependent child	12.0	16.1	14.1	-3.3	-0.5	-2.8
Two adults, two dependent children	19.7	20.0	16.5	4.4	3.4	-0.3
Two adults, three or more dependent children	32.3	39.5	27.3	17.0	22.9	10.5
Other households with one or more dependent children	14.1	23.5	16.1	-1.2	6.8	-0.8
General Population	20.0	23.0	19.0			

*prevalence rates

4.2.93 In all years under review, individuals pertaining to households with dependent children constituted a larger proportion of those AROPE than those pertaining to households without dependent children (54 per cent versus 46 per cent in 2008; 54.6 per cent versus 45.4 per cent in 2015, and 51.4 per cent versus 48.6 per cent for 2018) (Figure 118 refers). Figure 118 indicates that the

proportion of the population AROPE that pertains to households without dependent children was lower than the proportion of the general population living in households without dependent children, though this difference is negligible for 2018 (46 per cent versus 47.8 per cent in 2008; 45.4 per cent versus 48.8 per cent in 2015; and 48.6 per cent versus 48.7 per cent in 2018). The opposite is true for those pertaining to households with dependent children. Those living in other households without dependent children are most under-represented in the AROPE population, while those living in single parent households are most over-represented. This is similar to that observed for the ARPT60i profiles.

Figure 118 | Household type profiles – General population and AROPE population: EU SILC 2008, 2015 & 2018

Household Type	% Population 2008	% AROPE* 2008	% Population 2015	% AROPE* 2015	% Population 2018	% AROPE* 2018
Households without dependent children	47.8	46.0	48.8	45.4	48.7	48.6
One-person household, under 65 years	3.4	7.0	5.0	8.2	5.0	7.3
One-person household, 65 years old and over	3.8	5.3	4.9	5.4	5.8	9.2
Two adults, no dependent children, both under 65 years	9.7	11.7	10.6	8.8	11.7	9.2
Two adults, no dependent children, at least one adult 65 years or more	8.6	14.0	10.9	13.4	11.3	16.7
Other households without dependent children	22.3	7.9	17.4	9.6	14.9	6.1
Households with dependent children	52.2	54.0	51.2	54.6	51.3	51.4
Single parent household, one or more dependent children	2.8	10.1	3.7	9.1	3.8	10.1
Two adults, one dependent child	9.7	5.8	11.9	8.3	13.8	10.2
Two adults, two dependent children	16.0	15.8	15.9	13.8	14.1	12.3
Two adults, three or more dependent children	6.1	9.9	4.5	7.7	3.7	5.3
Other households with one or more dependent children	17.6	12.4	15.2	15.6	16.0	13.5

* profile percentages

MD: Household type profile and prevalence rates by household type

4.2.94 In 2018, the MD prevalence rate for individuals who live in households with dependent children was 9.5 per cent, whereas for individuals living in households without dependent children this stood at 7.9 per cent (Figure 119 refers). The higher rates for individuals living in households with dependent children is similar to that observed for ARPT60i rates. When considering different types of households without dependent children, it can be noted that prevalence rates do not vary excessively between different household types, with the highest rate of 15.2 per cent pertaining to persons belonging to a 'one person household, under 65 years' and the lowest rate of 5.8 per

cent corresponding to individuals pertaining to 'Other households without dependent children'. When considering different types of households with dependent children, the rates vary more, with the highest rate of 36.1 per cent pertaining to those belonging to single parent households and the lowest rate of 4.6 per cent pertaining to households composed of two adults and two dependent children.

4.2.95 When comparing the 2008 and 2018 MD rates, prevalence rates decreased for all household types, with the largest absolute improvements registered for those living in single parent households (-15.4 percentage points) and those living in single person households (-11.7 percentage points for persons under 65 years and -12 percentage points for persons 65 years old and over) (Figure 119 refers). Similarly, all household types show a decrease in the prevalence rate for MD for the period 2015 to 2018. The greatest absolute improvements were registered for those living in single parent households (-11.6 percentage points), adults under 65 years of age living alone (-11.5 percentage points), and those living in other households with dependent children (-11.2 percentage points). The number of persons experiencing MD decreased across both periods for the two main categories of household types. A greater increase was registered for individuals living in households with dependent children compared to those living in households without dependent children (13,419 versus 12,854 for 2015-2018, 9,041 versus 4,916 in 2008-2018). The improvements registered in the period 2015 to 2018 were greater than the improvements registered in the period 2008 to 2018.

Figure 119 | MD by household type: EU SILC 2008, 2015 & 2018

Household type	2008		2015		2018		2018-2008	2018-2015
	#	%*	#	%*	#	%*		
	[A]	[B]	[C]	[D]	[E]	[F]	[F-B]	[F-D]
Households without dependent children	22,920	12.0	30,858	14.7	18,004	7.9	-4.1	-6.7
One-person household, under 65 years	3,682	26.8	5,739	26.7	3,551	15.2	-11.7	-11.5
One-person household, 65 years old and over	3,078	20.2	2,928	13.9	[2,212]	[8.2]	-12.0	-5.7
Two adults, no dependent children, both under 65 years	3,848	9.9	5,375	11.8	3,987	7.3	-2.6	-4.5
Two adults, no dependent children, at least one adult 65 years or more	4,268	12.4	5,327	11.3	4,236	8.0	-4.4	-3.3
Other households without dependent children	8,044	9.0	11,488	15.3	4,017	5.8	-3.3	-9.6
Households with dependent children	31,792	15.2	36,170	16.3	22,750	9.5	-5.7	-6.9
Single parent household, one or more dependent children	5,781	51.4	7,668	47.6	6,351	36.1	-15.4	-11.6
Two adults, one dependent child	3,758	9.7	4,819	9.4	4,595	7.1	-2.6	-2.3
Two adults, two dependent children	7,785	12.1	6,709	9.8	3,005	4.6	-7.6	-5.2
Two adults, three or more dependent children	3,657	14.8	3,072	15.8	[1,410]	[8.1]	-6.7	-7.7
Other households with one or more dependent children	10,811	15.3	13,901	21.1	7,390	9.9	-5.4	-11.2

*prevalence rates

Note | Figures in square brackets are to be used with caution: less than 49 reporting households.

4.2.96 When comparing the prevalence rates of the household type categories with the average rate for the population, it can be noted that individuals pertaining to the following households are particularly prone to experiencing MD: 'One person household, under 65 years', and 'Single parent household, one or more dependent children' (Figure 120 refers). Similarly, as observed for the AROPE rates, particularly pronounced are the MD rates for individuals pertaining to single parent households, with rates being equal to 51.4 per cent, 47.6 per cent and 36.1 per cent for 2008, 2015 and 2018, respectively. These rates are significantly higher than the average rates for the general population, being 37.8, 32.1 and 27.4 percentage points higher than the average rates in 2008, 2015 and 2018, respectively.

Figure 120 | MD prevalence rates by household type: EU SILC 2008, 2015 & 2018

Household type	%* 2008 [A]	%* 2015 [B]	%* 2018 [C]	A – Mean %* 2008	B – Mean %* 2015	C – Mean %* 2018
Households without dependent children	12.0	14.7	7.9	-1.7	-0.9	-0.8
One-person household, under 65 years	26.8	26.7	15.2	13.2	11.1	6.5
One-person household, 65 years old and over	20.2	13.9	[8.2]	6.5	-1.7	-0.5
Two adults, no dependent children, both under 65 years	9.9	11.8	7.3	-3.8	-3.8	-1.4
Two adults, no dependent children, at least one adult 65 years or more	12.4	11.3	8.0	-1.3	-4.2	-0.7
Other households without dependent children	9.0	15.3	5.8	-4.6	-0.2	-2.9
Households with dependent children	15.2	16.3	9.5	1.5	0.8	0.8
Single parent household, one or more dependent children	51.4	47.6	36.1	37.8	32.1	27.4
Two adults, one dependent child	9.7	9.4	7.1	-3.9	-6.1	-1.6
Two adults, two dependent children	12.1	9.8	4.6	-1.5	-5.8	-4.1
Two adults, three or more dependent children	14.8	15.8	[8.1]	1.2	0.3	-0.6
Other households with one or more dependent children	15.3	21.1	9.9	1.7	5.6	1.2
General Population	13.7	15.5	8.7			

*prevalence rates

Note | Figures in square brackets are to be used with caution: less than 49 reporting households.

4.2.97 In all years under review, individuals pertaining to households with dependent children made up a bigger proportion of those MD than those pertaining to households without dependent children (58.1 per cent vs 41.9 per cent in 2008; 54 per cent vs 46 per cent in 2015 and 55.8 per cent and 44.2 per cent in 2018). Figure 121 indicates that the proportion of the MD population that pertains to households without dependent children is lower than the proportion of the general population living in households without dependent children (41.9 per cent versus 47.8 per cent in 2008; 46.0 per cent versus 48.8 per cent in 2015; and 44.2 per cent versus 48.7 per cent in 2018). The opposite is true for those pertaining to households with dependent children.

The deviation of the profile percentage for each household type for the general population and the MD population fluctuates greatly, and no clear pattern could be identified in terms of over-representation or under-representation of particular groups.

Figure 121 | Household type profiles – General population and MD population: EU SILC 2008, 2015 & 2018

Household type	% Population 2008	% MD* 2008	% Population 2015	% MD* 2015	% Population 2018	% MD* 2018
Households without dependent children	47.8	41.9	48.8	46.0	48.7	44.2
One-person household, under 65 years	3.4	6.7	5.0	8.6	5.0	8.7
One-person household, 65 years old and over	3.8	5.6	4.9	4.4	5.8	5.4
Two adults, no dependent children, both under 65 years	9.7	7.0	10.6	8.0	11.7	9.8
Two adults, no dependent children, at least one adult 65 years or more	8.6	7.8	10.9	7.9	11.3	10.4
Other households without dependent children	22.3	14.7	17.4	17.1	14.9	9.9
Households with dependent children	52.2	58.1	51.2	54.0	51.3	55.8
Single parent household, one or more dependent children	2.8	10.6	3.7	11.4	3.8	15.6
Two adults, one dependent child	9.7	6.9	11.9	7.2	13.8	11.3
Two adults, two dependent children	16.0	14.2	15.9	10.0	14.1	7.4
Two adults, three or more dependent children	6.1	6.7	4.5	4.6	3.7	3.5
Other households with one or more dependent children	17.6	19.8	15.2	20.7	16.0	18.1

* profile percentages

Chapter 5

Poverty as seen by different stakeholders

In this chapter, the NAO addresses poverty as seen by different stakeholders. Following some methodological considerations (Section 5.1), attention is directed towards the stakeholders' assessment of the achievement of progress in the alleviation of poverty (5.2), their views on unmet needs and vulnerable groups (5.3) and their views on the need for a greater community focus in planning, governance and service delivery (5.4). Focus is then shifted onto legislative considerations (5.5), the policy context (5.6 and 5.7), governance and capacity (5.8) and funding for NGOs (5.9). The process of consultation (5.10) as well as the building of collaborative and coordinating relationships within Government and between Government and other key stakeholders (5.11) are also explored. The effect of housing-related issues on the poverty landscape is also specifically addressed (5.12). Finally, other issues of interest that warrant attention (5.13), additional required action (5.14) and concerns with respect to the monitoring of progress relating to poverty targets (5.15) are highlighted.

5.1 Introduction

5.1.1 This chapter presents stakeholder feedback on various matters relating to Government efforts aimed at the alleviation of poverty. The feedback obtained highlighted areas that warrant improvement and recommendations. In sum, the NAO enquired whether Government:

- a | provided for an enabling legal and policy framework;
- b | established an enabling institutional set-up;
- c | adequately planned and budgeted to achieve its objectives;
- d | implemented sufficient actions to address poverty and whether such actions were effective and inclusive;
- e | undertook sufficient efforts to facilitate the engagement of multiple stakeholders, including civil society and NGOs; and
- f | achieved planned progress.

5.1.2 The NAO held focus groups with various NGO representatives and academics, separately, to obtain their views on these matters. The NGOs were engaged through the distribution of an open call to all NGOs working in the social and humanitarian sector by the Malta Council for the

Voluntary Sector, as well as through direct contact with the Anti-Poverty Forum Malta. Academics were engaged through direct email submissions to lecturers and researchers known to have a special interest in the area of poverty, and through an open call for participation in the weekly Digest of the Faculty for Social Wellbeing. Entities and committees related to the social sector were also contacted for written feedback. The committees were identified through reference to the government website listing officially appointed bodies, whereas entities were identified from the population of entities registered by the NSO. The contribution of these stakeholders is highly appreciated and adds a richness in terms of value and depth to our review.

- 5.1.3** The chapter is mainly based on the feedback provided by NGO representatives and academics, supplemented by the written submissions of entities and commissions. Where necessary, relevant information provided during meetings by ministries forming part of the Inter-Ministerial Committee on poverty, as well as the NSO, were also included. The resulting analysis that emerged from this stakeholder engagement was referred to key ministries whose work related to the alleviation of poverty for further feedback. Unless otherwise specified, the term contributors refers to the NGO representatives and academics.
- 5.1.4** The NAO's analysis of the feedback from stakeholders presented in this chapter captures and organises the information provided into salient themes. The views sourced in this regard are extensively presented in this chapter. The decision to capture all perspectives cited, irrespective of their factual accuracy, stems from an understanding that the perspectives of stakeholders may be relevant for Government to consider and address. Nevertheless, it is imperative to emphasise that the stakeholders' views should not be construed as the opinion of the NAO, which opinion is presented in Chapter 6.
- 5.1.5** It is not the purpose of this review to consider in detail the effects of COVID-19 on poverty, yet since focus groups were held in the first few weeks of the local outbreak of COVID-19 some salient points on the matter are being presented. Many contributors recognised that the COVID-19 pandemic would have a major impact on the prevalence and characteristics of poverty and emphasised the need for Government to mobilise swiftly, in close collaboration with NGOs, to assist the vulnerable. The importance of coordination between service providers, from the public and the voluntary sector, was stressed. The FSWS noted that, in the wake of this pandemic, it had been proactive and had undertaken an array of measures to ensure the continuity of service and the safety of its clients and staff. Emphasis was placed on adaptive measures implemented in the distribution of food packages to vulnerable cohorts.

5.2 Progress registered

- 5.2.1** Contributors had mixed opinions regarding whether Government had been successful in its efforts to reduce poverty in the last few years. Several contributors noted that poverty had persisted. A few others argued that poverty had increased, mainly because of factors beyond the control of Government, and this was especially true when considering a definition of poverty which went beyond that of material and financial need. Some contributors provided a mixed response by

noting aspects of poverty which had effectively been reduced or eradicated and other aspects of it which had persisted or increased, or new forms of poverty that had emerged. Similarly, some contributors noted that while the characteristics of poverty and the demographics of those affected had changed over time, poverty persisted within our society. Very few categorically indicated that poverty had been reduced substantially or had been eradicated. A few contributors did not comment on this issue directly or suggested looking at official statistics on the matter. On balance, the collective assessment of the NGO contributors and academics leaned towards an appraisal on progress registered with respect to the reduction of poverty that was not positive.

Poverty has decreased

- 5.2.2 One NGO representative asserted that Government has reduced poverty. Another NGO representative affirmed that Government had, in some cases, managed to eradicate absolute poverty, especially in the case of single person households.

Poverty persists or has increased

- 5.2.3 One of the main arguments presented by contributors to justify their perception of sustained or increased poverty is the fact that certain groups of people can barely make ends meet on their low income, because increases in disposable income do not match the increase in living expenses and the standard of living. Reference was made to the minimum wage and pensions, which were considered by some to be inadequate. This results in families being unable to cope with their household expenses. An academic commented that some individuals simply do not have sufficient income to make ends meet, and that it was not an issue of financial mismanagement or lack of budgeting skills because they simply have no money to budget after paying for their basic needs. Often these individuals cannot attend to their and their family's needs. Utility bills, rent, food and medical expenses were cited as the most common expenses households struggle to cover. Moreover, not all individuals were seen to be benefitting from the recent economic boom within the country. The Commission for the Rights of Persons with Disability asserted that positive changes in the legislation, increases in benefits payable and other support measures helped persons with disability to better cope with the cost of living. However, the increase in the prices to rent or purchase property, had put a greater strain on persons with disability and their families, especially those who could not work and relied on the disability assistance. In general, the Commission for the Rights of Persons with Disability was of the opinion that though the situation has improved, more needs to be done to reach more persons with disability.
- 5.2.4 An NGO representative argued that this situation was catalysed by the increase in population resulting from the influx of foreign workers, which has led to a decrease in salaries, a greater prevalence of precarious employment and an escalation of rent prices. Another NGO representative noted the increase in the cost of living and asserted that any financial measures, such as an increase in the minimum wage or any COLA increases, will inevitably bring about further price increases even for essential items such as milk, bread and gas. Also cited as issues closely related

to poverty, possibly being causes, or consequences, or both, were mental health problems, other health conditions or disabilities, domestic violence, marital breakdowns, lack of education, including basic life skills such as budgeting skills, and an inter-generational culture and psychology of poverty.

5.2.5 One NGO representative asserted that while Government has managed to effectively address absolute poverty, relative poverty has not been adequately addressed, and that this situation was also true at the European level. Similarly, three academics noted that while most individuals' basic needs were provided for, the increasing standard of living by implication results in persistent relative poverty or a personal perception of poverty. In this respect, two NGO representatives commented that the gap between the poor and those who live above the poverty line is increasing.

5.2.6 Some NGO contributors and an academic asserted that poverty, and even material deprivation, has increased. Citing personal experience, certain NGO representatives noted that the complexity of social problems was increasing, and that material deprivation was increasing among vulnerable groups, including older persons, those with mental health issues as well as within sub-groups of the local migrant community. Other anecdotal evidence of sustained poverty provided by NGO representatives and academics included families unable to pay for their daily needs (including food, medicine, rent and utility bills), an increase in mental health problems, and an increase in the number of families seeking financial support from NGOs. Also mentioned were the increase in homeless persons and persons living in non-residential properties such as garages or sub-standard housing, persons with mental health illnesses that were undiagnosed and untreated, and children wearing dirty and torn clothes and going to school hungry without lunch. An NGO representative made reference to an increase in behavioural problems among children and young adults, partly attributable to the lack of parental presence, insufficient recreational facilities and increased pressures at school. One NGO representative noted that in his organisation's extensive experience in the social sector and in pastoral care, it had never experienced this extent of poverty.

5.2.7 Official statistics were also mentioned in the discussions, including trends in poverty and deprivation rates, as well as coverage issues with respect to the EU SILC. An NGO representative observed that ARPT60i counts within the EU have not decreased as intended over the last decade. Another NGO representative acknowledged that the AROPE rates have decreased in recent years but stated that statistics needed to be understood in further detail. Specifically, it was suggested that one could analyse the distribution of individuals below different thresholds, such as 40 per cent and 60 per cent of the median equivalised household disposable income, and to consider counts and not just percentage changes, since small percentage increases could correspond to substantial numbers. Another NGO representative highlighted the need to analyse disaggregated data by age and gender. An academic advised that official poverty statistics should be supplemented with other indicators, such as client user numbers for emergency shelters for the homeless, victims of domestic violence and recently released prisoners, which show increasing figures.

5.2.8 Reference was also made to the EU SILC statistics and concerns raised as to whether those who are most deprived, including the homeless and migrants, are being captured at all in the official statistics. Academics noted that official statistics were restricted to persons living in private households. Several NGO representatives and academics asserted that irrespective of what trend the statistics were showing, one cannot refute the experience of the frontliners, who are experiencing a reality of persistent or increasing poverty, material deprivation and complex social issues.

Mixed assessments

5.2.9 In most cases, contributors noted instances or aspects of poverty which have been adequately addressed, but also acknowledged new forms of poverty or persistent vulnerabilities. One academic acknowledged the various initiatives and measures introduced by Government, and the budgets allocated to address poverty, and asserted that to a certain extent Government had been successful in its efforts to reduce poverty. However, this academic also noted that poverty persisted and that professionals on the ground still came across many individuals in vulnerable situations; in that respect further efforts were required to reach the most vulnerable. Another academic noted various government initiatives, including those aiming to increase female participation in the workplace, as well as benefits, such as the in-work benefits and tapering of benefits, that have had a direct positive impact on beneficiaries. On the other hand, the academic also acknowledged the development of new forms of poverty, including homelessness, a decrease in the size of accommodation furnished with less commodities, lack of personal time due to the need to engage in multiple jobs to keep up a certain standard of living, and lack of access to certain goods or services, such as technological equipment and the Internet. Another academic noted that, generally, people's perception of their own quality of life and standard of living has improved; however, there were still several individuals who were struggling financially, and any additional benefits introduced were not enough to effectively change their situation.

Positive efforts noted

5.2.10 While most respondents were not of the opinion that poverty had been substantially reduced, many noted that considerable positive work and investment [more details in *Financing and Resources*] had been carried out by Government to address this issue. More specifically, contributors mentioned various efforts, including legislative changes, policy development, and effectively implemented measures and initiatives. Some of the highlighted positive efforts included Government results in terms of strong economic growth and job creation, the introduction of tax rebates and changes in the benefits systems, which include changes in eligibility criteria and benefit levels, new benefits, such as the in-work benefits, the tapering of benefits, as well as initiatives aimed at making work pay (incentivising work and reducing dependency on social benefits). Within the education sector, various educational and training opportunities, free transport for children of compulsory school age, afterschool programmes in public schools, free meals, the provision of free electronic apparatus and the removal of examination fees were

mentioned. Certain legislative measures and aspects of policy development were also cited. For example, reference was made to legislative changes to better protect older persons from abuse through the facilitation of criminal and civil proceedings, the enforcement of the two per cent quota through the 1969 Employment (Persons with Disability) Act aimed at increasing the number of persons with disability in employment, and the introduction of the mental health strategy. Other specific initiatives that were broadly acknowledged included various Housing Authority schemes, the provision and coordination of various services targeting persons with disability, and remote support services during the COVID-19 pandemic. This overview by no means represents an exhaustive list of all positive measures taken by Government mentioned by contributors, and many others are in fact mentioned in other sections of this Report.

5.2.11 In explaining the shortfall between the positive efforts undertaken by Government, and the perceived limited impact on poverty levels, a few contributors commented that poverty is a complex issue and consequently it was not sufficient to “throw money at the problem”. Addressing poverty required strategic planning and the coordinated, intensive input of many stakeholders, as well as the periodic evaluation of the outcome and impact of the implemented actions. It also required a more comprehensive definition of poverty [more details in *The Definition and Measurement of Poverty*], and more holistic, resource-intensive long-term interventions built on a trusting lasting relationship between the client and the service provider. Emphasis was also made on the need for interventions that tackle the cultural and psychological elements of poverty, as well as inter-generational poverty, and which focus on education [more details in *Focus on Education*]. The need for interventions targeting those who are barely making it, and who would fall into poverty once an unexpected life event occurs was also mentioned. The Housing Authority referred to the fact that investment does not necessarily translate into a reduction in poverty, since often schemes and benefits provide beneficial short-term relief, but do not address the root cause, which may be mental health issues, poor management of finances, unemployment, or substance abuse, among other factors. Similarly, an NGO representative commented on government food programmes, questioning whether money would be better invested on sustainable measures that reduce dependency and provide individuals with skills and tools. Another NGO representative argued that while short-term relief is vital for many persons, this may at times create dependency on the system, and care must be taken to mitigate and complement these measures with supplementary long-term measures focused on education. In its feedback to the NAO, the FSWS strongly refuted that it is fostering a culture of dependency. Regarding the food distribution programme FEAD, the FSWS asserted that there are accompanying measures that are intended to help engage with beneficiaries to identify the support required to break the cycle of poverty.

5.2.12 The MFCS acknowledged that, although substantial progress had been registered, the evolving poverty landscape and the complexity of the issue imply that poverty can never be fully addressed and overcome. The Ministry noted that it intended to sustain and optimise its considerable efforts and address any shortcomings.

5.3 Unmet needs and vulnerable groups

5.3.1 Contributors recognised that certain demographic groups or groups facing specific social or health problems were more susceptible to experience poverty, and in some cases the system was not addressing their needs. Some vulnerable groups were only fleetingly mentioned, but in other cases, the source of the vulnerability and the type of unmet need was prominently highlighted. The ensuing perspectives reflect points raised by the NGO representatives and academics during the focus groups as well as NAO commentary in relation thereto. The viewpoints of government entities and committees are also captured in this respect.

Disadvantaged children

5.3.2 Children living in residential care and those coming from low socio-economic backgrounds were considered particularly at risk of experiencing poverty. Children in care homes would need to leave institutional care when they reach adulthood. At this stage they would have very few material possessions, and possibly no one to turn to for support, and may therefore experience poverty and social isolation. An academic questioned what support these individuals are being provided with by Government to ensure that they have a similar standard of living to other members of society, adapt to their new life and not fall into a cycle of poverty when they move out of care. Another academic noted that benefits and services for care leavers are very poor and asserted that this group of individuals are being neglected and require personalised support services. An NGO representative mentioned the need for integration programmes to help these individuals transition into life outside of residential care. The half-way house run by the Salesians was reported by an academic as a good support service for this group, and it was argued that similar facilities are required. An academic proposed the provision of trained mentors, to provide advice and skills, and fulfil the supportive role of immediate or extended family.

5.3.3 The FSWS noted that the Directorate for Alternative Care does not provide institutional care but homes in the community for children in care. Moreover, the FSWS noted that the Foundation and other entities working in the sector have aftercare programmes. More specifically, all minors residing in state community homes are offered the opportunity to stay on in aftercare after the age of 18. The FSWS follows all minors who live in other homes run by other entities, and practically all homes offer aftercare programmes, with young adults living on a semi-independent basis within their community homes. The FSWS has also reached out to the Housing Authority to help these youths rent or buy their own home. The Directorate for Alternative Care has set up its own aftercare service, where dedicated professionals follow all children from 16 years of age upwards in their preparation towards semi-independence. In some cases, youths over 18 years of age are unable to move to semi-independence due to their limited capabilities and are supported further.

5.3.4 The Social Care Standards Authority suggested the continuation of additional policy initiatives to address the needs of vulnerable children who are at risk of poverty or social exclusion, including children coming from low-income families or from residential services in alternative

care experience. The Authority asserted that these children tend to have lower outcomes across diverse aspects of wellbeing including health, education, income, employment, socialisation and behavioural development. The Authority suggested the continuation of initiatives aimed at combating the intergenerational transmission of poverty and social exclusion through a preventive and interventionist approach, more specifically through the provision and sustenance of community-based services and approaches taking into perspective the diverse needs of such target groups. The FSWS noted that in addition, the Agency for Community and Therapeutic Services offers various interventions through its different services. Community social work and mentoring relates to work undertaken with vulnerable families to help improve their life situation within their community, to build support networks and make the best use of available services. This work is supported by a care plan, developed in agreement with the client. Other services offered include community-based services, home-based therapeutic services and community development practices. The FSWS explained that Community Development Workers work directly with communities to direct them towards maximising community involvement and taking control of matters that affect their own well-being and living standards.

- 5.3.5 In its feedback on the National Strategic Policy for Poverty Reduction and Social Inclusion, the FSWS indicated various efforts undertaken to consolidate outreach and preventive services to enable early identification and intervention of high-risk children and youth and initiatives related to the setting up of crisis residential centres for abused and neglected children.

Older persons

- 5.3.6 While this does not apply to all persons within this demographic group, some older persons can be experiencing various social problems and financial poverty, as well as social exclusion and loneliness, with the latter phenomenon being described by various NGO representatives as another form of poverty. Reference was made to the higher rates of ARPT60i and AROPE among those in the highest age group (65+) compared to other age groups. Pensions were deemed inadequate to ensure a decent standard of living. Older persons may also experience problems in relation to physical accessibility, limiting them from accessing social and community services. Contributors mentioned that older persons are more likely to experience disability, therefore being exposed to multiple risk factors. Older persons may also be subjected to systematic abuse and even financial exploitation from persons who are meant to be looking after them, or even harassment from landlords.

Informal caregivers

- 5.3.7 Informal caregivers shoulder a heavy burden and are rendered susceptible to poverty through their likely limited availability to formal employment and the reality of living in a household with higher than average expenses. Despite these vulnerabilities, various contributors noted that the needs of informal caregivers are often inadequately catered for. This is reflected in the fact that they are often not consulted at policy formulation stage, do not feature in the policies themselves, and do not have many support services available to them. Contributors believed

more efforts should be undertaken to address the needs of caregivers. One suggested measure that was mentioned in discussions is the possibility of Government covering National Insurance contributions for those who are unable to work because of their caregiving duties, in order to safeguard these individuals' pensions. An academic drew attention to the fact that parents of a child with a disability aged 60 and under are not eligible for the benefit covering costs for the engagement of a carer which is applicable in cases of an older person with a disability within the household. It was argued that this ineligibility reflects society's expectation that parents take care of their children, irrespective of the complexity of the needs of the child. This non-eligibility for assistance, coupled with the fact that most specialist appointments are scheduled during the day, negatively impact the parents' employment prospects and work intensity, and ultimately, their income. It was noted that, at a time of social distancing, the COVID-19 pandemic is impacting informal caregivers particularly negatively, since they are experiencing added pressure and exhaustion from being homebound while caring for someone who has major difficulties.

5.3.8 The MFCS contested claims that the needs of caregivers are inadequately catered for, drawing attention to the reform initiated in 2017 in support of caregivers, which reform emanated from Government's electoral pledge and that is still a work in progress. More specifically, the Carers' Pension was replaced with the Carers' Allowance and the Increased Carers' Allowance. Weekly payments have been increased, means testing was eliminated, and the eligibility criteria replaced with the Barthel Index and the Mini-Mental State examination, allowing for a broader section of society to benefit from this assistance. The MFCS noted that the number of beneficiaries increased from 91 in 2016 to 1,051 in June 2020. Additionally, the MFCS noted that informal caregivers can also avail themselves of the Respite at Home service, intended to provide temporary relief to informal caregivers taking care of older persons at home.

5.3.9 Caregivers of persons with mental health problems were mentioned as a particularly vulnerable group. It was noted that the national strategy on mental health hardly mentions families and caregivers, despite advocacy from NGOs to this effect. Moreover, caregivers are not consulted when the care plan for a person with mental health problems is being drawn up and are also not factored into the care plan. Focus group contributors maintained that caregivers do not have adequate access to the mental health clinics within primary health care or to respite options. Furthermore, it was suggested that mental health nurses should be trained to include caregivers in their care plans and practice. It was noted that, just as persons with certain mental health conditions are not eligible for relevant benefits prescribed in the Social Security Act intended for persons with disability, their caregivers are not eligible for the caregiver benefit. This was deemed a discriminatory practice. The MFCS contended otherwise [more details in *Required Legislative Changes – Social Security*], also noting that the Carers Allowance is solely based on the result of the Barthel Index and/or the Mini-Mental State examination of the person being cared for, and that the Social Security Act does not differentiate between beneficiaries of different disability assistance.

Single parents

- 5.3.10 This demographic group was mentioned as being more susceptible to poverty, mainly due to the additional obstacles faced when seeking to balance childcare and employment. Single mothers who have experienced various difficulties and who lack basic skills require intensive interventions to help them develop such skills, provide support and facilitate social networking.
- 5.3.11 Also mentioned as a special case of vulnerable single mothers were single women in crisis pregnancies. It was explained that some pregnant women may not have experienced any financial hardship prior to their pregnancy and prior to straining or severing ties with the father of the baby or/and their family. When these ties are severed, they may lose their support network and even their accommodation. The NGO representative working in this sector indicated that the NGO is currently not coping with the demand for shelter from pregnant women who have no support and are struggling financially. The NGO is seeking to extend its counselling and shelter service, with plans underway to open a second facility.

Migrants

- 5.3.12 An NGO representative asserted that migrants who are under the protection of the state are being denied fundamental rights and are not being assured the same rights as other citizens. For example, these individuals, including unaccompanied minors¹⁵, are still being detained even though the detention policy was retracted in 2015. Attention was drawn to the fact that there are also several children in open centres who do not have access to schooling and migrant children attending the formal education system who are struggling with language barriers. The conditions in open centres were described as poor and sub-standard, with sanitation and hygiene problems and a lack of privacy, a situation considered unacceptable in the context of Malta's booming economy. These conditions and the lack of adequate mechanisms within Government structures to accommodate migrants' basic needs lead some migrants to serious mental health problems, and, on some occasions, also to attempt suicide.
- 5.3.13 The Agency for the Welfare of Asylum Seekers (AWAS) provided their views to the NAO in reaction to the concerns raised by the NGO representative. Regarding school attendance by migrant children, AWAS indicated that all migrant children in open centres are enrolled in public state schools. Additionally, AWAS noted the investment undertaken in recent years in open centres to ensure a safe and pleasant environment. This investment provided for the regular and systematic increase in pest control procedures, an increase in the number of cleaners, the introduction of waste recycling systems in centres, the landscaping of areas, the provision of internet service in all AWAS centres and an increase in hygiene facilities in the main centres. Furthermore, AWAS highlighted the services being provided by a psychosocial team, the Unaccompanied Minors Asylum Seekers Protection Service and the Migrants Advice Information Team. Moreover, AWAS

¹⁵ According to the United Nations High Commissioner for Refugees, an unaccompanied child is a person who is under the age of eighteen (unless under the law applicable to the child, majority is attained earlier) and who is separated from both parents and is not being cared for by an adult who by law or custom has responsibility to do so.

referred to the increase in its human resource capacities, citing the social workers and AWAS-based interpreters and cultural mediators, as well as welfare officers. On the matter of mental health, AWAS noted that a specialised team focused on the mental health of migrants started operating in 2019, which team works in collaboration with the social work team. AWAS also indicated that vulnerability assessments in all centres are carried out by a specialised team from the European Asylum Support Office (EASO) and AWAS, and that all personnel have been trained following EASO Standards. In reaction to the claim that certain migrants were in such a dire state in terms of mental health that they posed a suicide risk, AWAS maintained that there had been no cases of attempted suicide in open centres.

5.3.14 An additional problem being faced by asylum seekers according to an NGO representative is that these individuals are often referred from ministerial services to AWAS, when in effect these individuals should be accessing mainstream services. On this matter, AWAS indicated that it would like to see the collaboration between entities within the Ministry for Home Affairs, National Security and Law Enforcement (MHSE) and the health authorities extended to other national entities. An NGO representative commented that while access to mainstream services would help with integration, it was questionable whether these services were sufficiently well equipped to support migrants, whose situation can be very complex. Mainstream services had not received any substantial boost in resources to deal with these new issues, such as language barriers.

5.3.15 An NGO representative stated that the entitlements of asylum seekers and beneficiaries of humanitarian protection to government benefits and services are low, impeding an adequate standard of living, and that there is a lack of information sessions, cultural orientation classes and language classes that migrants can tap into. The screening for the detection of human trafficking was described by an NGO representative as not thorough and often ineffective in detecting victims of such trafficking. It was noted that individuals received on condition of relocation are also subjected to various hardships. These include delays in the processing of relocation to other EU member states, prolonged stays in the initial reception centres from the intended two weeks to up to six months, and failure to provide sufficient information about the process. Proposed action by NGO representatives includes early intervention aimed at integration and inclusion, and the provision of more resources, including well-trained professionals at AWAS, which organisation was reported to be acutely under-resourced. Other suggested interventions are the provision of well remunerated, professionally trained interpreters and cultural mediators to NGOs who work in the sector, greater presence of these professionals in government health, educational and social services, and more effective and efficient cooperation with NGOs and civil society. The MHSE noted that in October 2020, a team of professionals was set up at AWAS to identify and address any issues related to integration and dissemination of information. The FSWS noted that the Foundation has a long tradition of working with migrants and victims of human trafficking, especially at intake stage. However, it has not had a unit dedicated specifically to this need. In 2019 the service was consolidated with a dedicated team, and now the Foundation has two full-time social workers. The FSWS has also invested in several safe houses to be able to shelter victims, particularly those of human trafficking. Additionally, the FSWS reinforced its service

development with training in the area of human trafficking. The FSWS referred to the training organised in collaboration with the International Organization for Migration and to developments underway with respect to a memorandum of understanding that is to be entered into with the United Nations High Commissioner for Refugees.

- 5.3.16 Reference was made by an NGO representative to unregistered migrant workers, particularly those employed in the manufacturing industry, who are vulnerable to exploitation within the occupational environment (such as unfair wages). When these migrants are not nationals or EU nationals, they cannot apply for in-work benefits and other social benefits and access free health care. These unregistered workers would most likely be asylum seekers registered in other countries, such as Italy, who come to Malta to find employment opportunities but are unable to register locally since they are only allowed into the country as tourists. Another NGO representative highlighted the dilemma that NGOs often faced when these individuals seek their help. While the NGO cannot dismiss the suffering and hardship that often motivates such requests for assistance, the NGO is also cognisant of the fact that these persons are here illegally.
- 5.3.17 Third country nationals with legitimate working permits were also mentioned as a vulnerable group by contributors, especially during the COVID-19 pandemic. This group of residents was also recognised as being susceptible to exploitation.
- 5.3.18 AWAS referred to the importance of work and education for the integration of asylum seekers, contending that the best place for integration is within the community. In this respect, AWAS provides information and support so that the asylum seekers for them to be able to make an informed choice regarding their future. AWAS has prioritised the strengthening its community programme by offering social work and psychosocial services within the community and financial assistance for those individuals who opt to reside in the community rather than in open centres.

Persons with disability

- 5.3.19 Vulnerabilities for this group are related to higher expenses, possibly lower household income due to lower work intensity, as well as additional challenges and barriers. The Commission for the Rights of Persons with Disability commented that many persons with disability and their families still have to source essential equipment, therapy, transport, services or other required assistance through the private sector at very high prices, since these are not offered free at point of use by Government. This remains an underlying issue for people with disability and their families. Though Aġenzija Support offers schemes that provide assistance and subsidies to persons with disability for the purchase of assistive equipment and transport, as well as for the engagement of personal assistants, the Commission noted that these schemes mostly cover only part of the costs.
- 5.3.20 The MFCS noted that it is attuned to the needs of persons with disability and their families, and that over the past years it has established an array of benefits, initiatives and projects to assist these individuals cope with the cost of living and facilitate their independent living within

the community. The MFCS is in partnership with 10 NGOs to offer various services and respite programmes, costing €6 million. Aġenzija Sapport has a substantial annual subvention, equal to €18.3 million in 2020, and runs several initiatives and programmes which, as a cost centre, fall under the remit of the Permanent Secretary MFCS. The MFCS noted that the Community Living, the Personal Assistance and the Empowerment Schemes, with an overall allocation of €2.15 million, have allowed many persons with disability, irrespective of their means, to benefit from personal assistance, equipment and transport, improving opportunities and enabling community involvement. The MFCS also referred to the reform carried out in the disability assistance regime between 2017 and 2019, with the introduction of three new benefits to cater for different levels of disability, which the MFCS asserted have contributed to the reduction of poverty. The MFCS noted that the eligibility criteria have enabled a higher number of persons to qualify and benefit from improved benefit rates, such that the expenditure on disability assistance has nearly doubled.

- 5.3.21 Aġenzija Sapport noted that, while it offers free services, these are over-saturated and more investment is required to increase capacity building or public-private partnerships to cope with increasing demand of its services, particularly within the community. This would reduce the need for persons with disability to seek out services that are unaffordable, while increasing availability. Additionally, the Commission for the Rights of Persons with Disability also noted the issue of lack of basic therapies offered by the health authorities and the Child Development Assessment Unit. These basic therapies consist of speech and language, physiotherapy and occupational therapy. This again leaves parents with no other option than that of seeking services from private practitioners, which are costly. An academic also referred to the fact that government services are only offered during the morning, creating issues for working parents.
- 5.3.22 The Commission for the Rights of Persons with Disability indicated that more work and coordination is required from various entities and ministries in relation to the high prices charged by the private sector for various equipment and services required by persons with disability. While noting that it is difficult to control prices when operating in a free market. The Commission argued that other measures need to be in place so that people with disabilities and their families do not face hardship and risk falling below the poverty line. The MFCS argued that the subsidised allocation, particularly for the Independent Community Living Scheme and the Personal Assistance Scheme, was considered to protect the market from significant increases, knowing that the Government would be paying for the service in full. This approach was considered to stabilise market rates.
- 5.3.23 An NGO representative also commented about lacunas in services, including psychological help for pregnant women who are diagnosed with pre-natal foetal anomalies and dwindling services for persons with Down's syndrome. Aġenzija Sapport asserted that it is working towards developing an assessment and intervention system to tackle the issue of lacunas and ensure that all service planning, provision and monitoring is adequate for all individuals irrespective of their age and ability, throughout all life-stages. Support is lacking for individuals in service users' networks (relations and other) and more investment can be made to extend support services for them, which support would ultimately benefit all persons with disability.

5.3.24 Aġenzija Support noted that further specific action is necessary to address the needs of persons with disability who are in situations of poverty, or who might face such situations. While persons with disability are mentioned in Malta's 2014-2024 National Strategic Policy for Poverty Reduction and Social Inclusion, the upcoming 2020-2030 National Disability Strategy will, while complementing the strategic policy on poverty, provide specific actions and timelines to better address issues specific to persons with disability, while identifying the relevant stakeholders who would work towards this.

Persons with medical issues

5.3.25 Although healthcare in Malta remains free, not all medical expenses are covered by the public healthcare system. Furthermore, illness brings with it additional expenses, such as expenses related to travelling abroad for treatment, while also possibly bearing impact on one's work intensity. In this respect, it was explained that the sudden onset of an illness for an individual can severely impact the wealth and financial standing of the whole household. However, an academic indicated that the Malta Community Chest Fund provides considerable help to families facing such situations. With respect to treatment abroad, the MFH noted that this treatment is funded by the ministry; however, it recognised that one's work intensity could potentially be negatively impacted, especially when the treatment abroad is for an extended period which necessitates the utilisation of lengthy unpaid leave.

5.3.26 The MFH noted that persons with certain medical issues or medical history, such as cancer or rare conditions, including congenital heart disease, may find it impossible to obtain a bank loan, irrespective of one's health condition at the time of application. Insurers may either refuse to cover these individuals or quote exorbitantly high and prohibitive premiums which are unaffordable. These persons may not be eligible for social housing, since their income exceeds the thresholds, constraining them to rent accommodation, with significant implications on their financial standing. In the case of unmarried couples, an alternative to renting is the securing of a loan to purchase a residence in the partner's name, despite both contributing to loan payments. However, this exposes the person with the medical issues to significant vulnerabilities in the case of a breakup of the relationship. The Ministry for Social Accommodation (MSA) noted that, in its previous configuration as the Parliamentary Secretary for Social Accommodation under the auspices of the MFCS, it had initiated internal studies and dialogue with stakeholders to tackle the matters detailed above and has made significant progress in this respect.

Individuals with mental health problems

5.3.27 This group was mentioned in all sessions with NGO practitioners and academics as a group that is particularly at risk of being in poverty. Mental health problems may affect the type of job and the number of hours per week an individual may work, with obvious implications on one's income and risk of poverty. The Commission for Mental Health noted that mental health conditions contribute to poverty in multiple ways, namely unemployment and under-employment, low quality housing, addictions, low educational achievement and early school leaving and a worse

prognosis for persons with other chronic diseases, such as for example diabetes, hypertension and heart disease.

5.3.28 The lack of walk-in clinics, the lack of support for caregivers, which in turn adversely affect their own wellbeing, and the ineligibility for disability benefits were mentioned by NGO practitioners as aspects relating to unmet need. The mental health clinics within primary health care were criticised for not allowing walk-ins and restricting access to those with a referral from their psychiatrist or general practitioner. At present, persons with mental health problems are not considered eligible for disability benefits under the Social Security Act, a situation that NGO practitioners and the Commission for Mental Health insisted must be rectified. The MFCS contested this understanding [more details in *Required Legislative Changes – Social Security*].

5.3.29 The Commission for Mental Health argued that a reform in the mental health sector is required to tackle gaps in mental health services and that at the core of this reform is the need for mental health services to be given the same priority and acknowledged at par with physical health. To address the stigma around mental health, the mainstay of care must be offered primarily from specialist services that are decentralised and embedded in the community. This requires business processes to be reviewed, and human resource deployment and development to address the challenge of care in the home supporting families. Furthermore, more rehabilitation and social care need to move to hostels and alternative living arrangements in the community, long-term care patients at Mount Carmel Hospital need to be cared for in dignified environments, while acute service must move to Mater Dei Hospital. The Commission for Mental Health affirmed that these measures will re-orient care to recovery and promote the return to community living, away from institutional approaches that have been discarded in most highly developed countries decades ago.

Victims and survivors of domestic violence

5.3.30 Contributors explained that in the process of leaving an abusive relationship and rebuilding their lives, victims of domestic violence may experience many struggles. These struggles may include stalking and abuse from their ex-partner; poverty, which partly may arise from the fact that the abuser may have deprived them of any finances; and hopelessness and helplessness, which could possibly lead to mental health problems, and even suicide. Struggles are amplified for those who live in perpetual poverty. In the case of single mothers, the risk of moving into another abusive relationship because of limited options due to low income, no accommodation and limited possibility to work because of caring duties was explained as a real possibility. In this context, the fact that benefits are halted for those who move in with someone, irrespective of the duration of the arrangement and whether the new household members are supporting them financially, was criticised as an issue within the benefits system. An academic mentioned that, due to their financial struggles, victims of domestic violence who leave their abuser may find it impossible to afford the down payment and rent in one month. However, the Commission for Domestic Violence and Gender-Based Violence explained that the Housing Authority has schemes that provide victims of domestic violence with the deposit and first rent money to aid

the transition. Furthermore, the MSA indicated that the Private Rent Housing Benefit Scheme has been extended and strengthened to meet the needs of domestic violence survivors in the wake of the COVID-19 pandemic.

5.3.31 The FSWS noted that Aġenzija Appoġġ are responding more promptly to victims of domestic violence. This is possible following an amendment in the law, with victims whose risk assessment had already been carried out by their social worker only needing to lodge a report within a stipulated time frame, without the need of a second risk assessment. Aġenzija Appoġġ also offers immediate shelter to victims, liaises with other NGOs for second stage shelter accommodation, and monitors all victims at all stages to ensure that they are empowered to find employment and work towards independence. A memorandum of understanding has also been entered into by Aġenzija Appoġġ, Legal Aid and the Police, so that every victim is offered legal aid advice when lodging a report. Additionally, the FSWS noted that the Government is now helping victims of domestic abuse to rent their own accommodation.

Persons with criminal convictions

5.3.32 Persons with criminal convictions may encounter problems with finding employment, leading them to seek employment in the grey economy, where they are more prone to exploitation. An NGO representative criticised the lack of arrangements put in place for prisoners for after their release, including the time of the day when they are released. Making reference to research on the matter, the Social Care Standards Authority asserted that solutions must be identified to enable the prison population to engage in gainful employment and contribute to the system.

5.3.33 In its feedback on the National Strategic Policy for Poverty Reduction and Social Inclusion, the FSWS indicated the investment effected to rehabilitate and re-integrate persons with criminal convictions. The Intake and Family Support Services and Community Services offer social work services to these individuals, including help to actively seek employment, assistance to integrate into the community and any other support required. In 2019, five persons were referred to the Intake and Family Support Services. Moreover, Aġenzija Sedqa helps persons with criminal convictions who have a substance abuse problem by offering them therapeutic rehabilitation. This rehabilitation also includes vocational training and employment interventions. In 2019, the residential rehabilitation programme was revamped, with a focus on tackling addictions through a biopsychosocial perspective, resulting in a greater number of referrals. Finally, in 2019, the Prison's Project for Gozo residents' inmates and their families was introduced with the aim of supporting inmates to integrate back into society and make the best use of available services.

5.3.34 In further feedback submitted to the NAO, the FSWS noted that the Agency for Community and Therapeutic Services offers skills-building sessions delivered on a weekly basis to inmates during their last year of the sentence. Additionally, a multidisciplinary team provides individual sessions to inmates referred to the Agency for Community and Therapeutic Services to discuss and plan employment, accommodation, support systems and service access post-release, and to draft a care plan in preparation for the release. The re-integration services on release aim to sustain

and achieve the goals set in the pre-release care plan. Post-release care plans address support and practical help for the clients, while continuing to empower support and motivation towards integration within the community. Access to the specialised services available is supported and encouraged. Employment support starts during incarceration and continues post-release. Furthermore, the MSA noted that one of the projects being developed through the Specialised Housing Programme operated by the Housing Authority, which is set to be completed in the next two years, aims to support prisoners in their last years of incarceration to reintegrate into society.

Persons who have experienced marital dissolution

5.3.35 Persons who are in the process of separation or divorce may experience problems especially with financing alternative accommodation and the establishment of a new household. This was considered especially relevant when one considers the context of exorbitantly high rent prices and rising property prices. An academic described the Housing Authority Equity Sharing Scheme for the over 40s as a measure that is helping persons in these circumstances. Other problems encountered include difficulties in finding new accommodation and employment, or generally, in securing sufficient income because of lack of cooperation from the other spouse, which problems assume more prominence in cases of domestic violence. This includes the other spouse refusing to provide signed authorisation for children to attend childcare or to get a school transfer. Regarding childcare and school transfers, the FSWS noted that these are issues that Aġenzija Appoġġ addresses in close collaboration with the Education Department. Work is also done with the perpetrator to reach an agreement.

5.3.36 In the focus group discussion, reference was made to situations wherein the father fails to transfer the maintenance money due for the children's care and wellbeing, leaving the woman to struggle financially. In relation to maintenance, the FSWS noted that this is very often a legal matter, and that the courts need to be made aware of any postponements, citing social work assessments that are undertaken on a periodic and ad hoc basis. Though the law provides for penalties in cases of non-compliance related to the payment of maintenance, it was noted during the focus group discussions that these penalties are rarely imposed. An academic proposed that the state could introduce a system whereby maintenance is paid out by public funds, which are then collected from the husband by the state, thereby the state acts as a mediator and safeguards the interest of the children. Intentional delays and postponement of the selling of the matrimonial home can also create unnecessary financial hardship.

Other vulnerable groups

5.3.37 Women who work in the sex trade, those who have substance abuse problems, early school leavers, those with language or cultural barriers and persons leaving alternative care residences or Mount Carmel Hospital were also identified as particularly vulnerable to experiencing poverty.

- 5.3.38 Regarding women working in the sex trade, the FSWS acknowledged that this area has been left unaddressed, and that it recognised the need for a dedicated service, which Aġenzija Appoġġ is currently working to realise.
- 5.3.39 With respect to addictions, in its feedback on the National Strategic Policy for Poverty Reduction and Social Inclusion, the FSWS indicated various efforts undertaken to address addictive behaviour through the consolidation of preventive, outreach and rehabilitative services. Prevention efforts in the education sector included the addition of human resources and the revamp and updating of primary school programmes, and their relaunch in Gozo (after an absence of 14 years); the introduction of the Achievers Programme in secondary state schools; and the delivery of educational sessions within post-secondary schools. Workplace initiatives included the organisation of an award ceremony to acknowledge companies that adopted the available programme, which includes training to managers, awareness sessions for employees and policy formulation. Within the community, efforts include local outreach events.
- 5.3.40 In its submission to the NAO, the FSWS also indicated that Aġenzija Sedqa offers services intended to address the prevention and treatment of gambling addiction, with services offered through community-based interventions and the residential rehabilitation sector. Aġenzija Sedqa also offers prevention knowledge relating to gambling throughout its programmes within the education sector, as well as through the provision of the SAFE programme which is offered at workplaces. Aġenzija Sedqa, has, over the past two years, re-engineered its services to tackle the notion of addictions in its wider sense, moving away from separating its services according to substance of misuse. The FSWS also noted that Aġenzija Sedqa is planning to address addictions relating to igaming and gambling through its services and by training its staff. The Foundation noted that these behavioural addictions were new territory not only for the FSWS but for Malta as a whole.

5.4 Community focus

- 5.4.1 Various contributors advocated for a greater community focus in planning, governance and service delivery. Poverty was described as a regional phenomenon, and its characteristics and causes varying across regions. In this respect, it was argued that the action plans and service offerings should vary by geographic area to reflect the specific needs, language, culture and social history of the area. To inform this community focus, continuous periodic planned stakeholder consultation meetings with different social partners within the geographical territory were suggested. Honest and open consultative processes with stakeholders, including NGOs and service users within the community, to inform strategy development and planning of initiatives, measures and projects were also considered as another approach to de-centralisation. The FSWS noted that one of the roles of the Agency for Community and Therapeutic Services is that of organising network meetings at the regional and community level, intended to discuss emerging needs and ways to address them with various stakeholders. The Agency and the various stakeholders together draw up suggestions and recommendations about how best to address emerging needs.

- 5.4.2 Contributors advocated the development of policies at the regional level [more details in *Further Policy Development*] and the de-centralisation of governance structures [more details in *Governance*] and budgets. In terms of the current centralisation, the wide remit, large capacity and important role of the FSWS was acknowledged. However, the Foundation's all-encompassing role in the social sector, was described by an academic as problematic and as not serving the best interests of clients and workers. In response to this criticism, the FSWS maintained that it is the responsibility of the Government to ensure that there are enough funds and finances to provide adequate social care services of the highest quality, and that the Foundation is fulfilling this role and will continue to do so as the national social care service provider. An NGO representative advocated for greater decision-making powers and greater funding to local councils, and to move away from centralised decision making to allow for solutions that are specific and responsive to the needs of the area. This approach was considered to be more cost-effective as less would be spent on administrative overheads, allowing for more funds to be directly allocated to addressing poverty. An academic commented that local councils are more aware, sensitive and responsive to the needs of citizens, and can be the solution to counter-balance excessive centralisation, bureaucracy and nepotism. However, it was noted that local councils are not being given enough power and funding to operate and are not necessarily attracting competent councillors to act as managers and administrators. Another academic suggested involving local councils to conduct social needs assessment studies to identify pressing needs within their locality.
- 5.4.3 Services that are based and provided within the community were also considered important in addressing poverty, and training in community-based services pivotal in strengthening such services. It was argued that community development provided a greater sense of ownership and belonging, which undoubtedly contributed to one's wellbeing, and elicited greater citizen participation. The Commission for Mental Health outlined how community-based services can help alleviate the stigma related to mental health services [more details in *Unmet Needs and Vulnerable Groups*]. Existing FSWS community services, including Community Social Work Services and LEAP mentoring services, available in various localities, and psychosocial teams in colleges were considered good examples of community-based services. Also mentioned were NGO community-based services, Paolo Freire Institute, St Jeanne Antide Foundation and the Community Prevention Team at Fondazzjoni Sebħ, which were acknowledged for being very effective within their respective communities.
- 5.4.4 In its feedback for the annual report relating to sustainable development, the FSWS noted that in 2019 it had continued to strengthen its presence in communities and continued to support service users through various community projects. This work included joint collaborations with entities such as local councils and regional councils. Examples of this include the childcare course for service users organised jointly with Regjun Tramuntana, the loneliness support group for adults set up in Qormi in collaboration with occupational therapists, a budgeting course in Cottonera and the strengthening of the workshop for youths in Cospicua. Additionally, in its feedback to the NAO, the FSWS noted that the Agency for Community and Therapeutic Services offers community-based initiatives and programmes tailored to the needs of different communities, with knowledge of these needs acquired through the services' presence and involvement in community life. The

FSWS added that specifying outcome measures for services helps to ensure that the delivery of services meets the expectations of the community. Wherever possible, community projects and initiatives are undertaken in collaboration with community stakeholders, to ensure sustainability. Reference was also made to the role of advocacy in community development, with the Agency for Community and Therapeutic Services taking on an advocacy role with strategic stakeholders to eliminate structural barriers that hinder social mobility, and social work and social mentoring services taking on an advocacy role with third parties during case work. The MFCS identified the LEAP Project as an outreach programme aimed at aiding disadvantaged groups and households through food distribution, material assistance programmes, needs assessments and referrals for support.

5.4.5 It was advised that Government make better use of NGOs and faith-based organisations, and where well-established NGOs or faith-based organisations are offering effective services, then Government could fund their operations rather than offer the service directly, to capitalise on the direct relationship to the community that the NGOs and faith-based organisations already have. It was also argued that the provision of services at the local level partly addresses the issue of loneliness, isolation and lack of a support network experienced by some individuals. To specifically address the issue of loneliness a joint local parish and local council initiative, with volunteer befrienders offering support and company to those who are socially excluded, was proposed by an NGO representative. This proposal was suggested as a feasible initiative that does not require a large investment and that was shown to be beneficial and effective in a pilot project. Another suggestion, put forward by an NGO representative, was the development of a community-based multi-services centre to reach vulnerable persons.

5.5 Legislation

Required legislative changes

5.5.1 Contributors provided recommendations for changes in the law required to facilitate efforts aimed at reducing poverty and to adequately provide for the specific needs of vulnerable groups. These recommendations are outlined below, categorised by theme.

Children

5.5.2 An NGO representative and AWAS suggested that the Child Protection Act should include better considerations for unaccompanied minors.¹⁶ The NGO representative further elaborated on this point, noting that there are conflicts of interest with respect to legal guardianship. At present, the legal guardianship is given to social workers who are employees of the state. In circumstances when the interests of the state and the unaccompanied minor are not aligned, then a conflict of interest may arise. In response to this criticism, the FSWS noted that Directorates such as the

¹⁶The Child Protection (Alternative Care) Act was substituted by the Minor Protection (Alternative Care) Act on 1 July 2020.

Child Protection Directorate were given new powers to administer very particular tasks through the law. The issue of unaccompanied minors is a multi-variate one that is regulated by other provisions in the law and by EU provisions. In this respect, the FSWS argued that it is unjust to direct responsibility on the Child Protection Act. The Act only addresses one aspect, which is the care and custody and the provision of guardianship and tutorship, and has separated tutorship from guardianship. Therefore, the issue has been resolved legally, but not practically, particularly because AWAS has only recently established a separate unit for tutorship. The FSWS asserted that conflict was present when the human resources at AWAS were insufficient, and therefore, the same person assumed responsibility for tutorship and guardianship, which issue has now been resolved. The FSWS also noted that Article 21 of this Act addresses this context and that this should be integrated with other provisions of other legislation, and that in effect, the Article states that the Chief Executive Officer AWAS and the Director of Protection of Minors must cooperate and collaborate. The MHSE noted that the system of legal guardianship was changed in 2019, and since then an Unaccompanied Minors Asylum Seekers Protective Service has been established. However, the MHSE acknowledged that the Children Protection Act should include better considerations for unaccompanied minors.

- 5.5.3 Additionally, the fact that unaccompanied minors are not part of the foster care system was mentioned as an issue that requires address, which change would provide a significant positive impact in terms of the social integration of unaccompanied minors. However, an academic argued that even with local children, it is very challenging to find a fostering placement for older children, and that even if these minors were included in the foster care system, it is unlikely that they would be fostered. On this matter, the FSWS noted that the Directorate for Alternative Care makes no distinction in the provision of foster care, and tries to offer a placement to all those referred to foster care according to availability and matching.
- 5.5.4 An NGO representative made reference to another required legislative change related to children's custody. At present, in cases of separated or divorced spouses with a history of marital abuse, the signed authorisation of the other parent is required for school transfers, attendance to childcare and access to counselling. The abusive spouse may withhold authorisation without consideration for the best interest of the child. The FSWS considered this comment as uninformed and noted that if one party feels that another party is unjustly refusing to provide consent for transfers or counselling, an application could be filed in court and the court can give a ruling on the subject.

Mental health

- 5.5.5 An NGO representative noted that, according to the Mental Health Act, individuals may only be involuntarily admitted to a psychiatric hospital for assessment and treatment if they are a danger to self and others. However, at the community level, NGOs are encountering older persons with mental health problems who are living a life of misery, in substandard accommodation, and are also at risk of being financially abused by those closest to them. These persons would not have sought help for their mental health issues in the past and therefore are not part of the system and have not been assigned a mental health key worker. It was noted that at this stage of their life,

these older persons may not have the awareness and willingness to seek help, which situation exposes them to many vulnerabilities, including poverty, material deprivation and exploitation. Since they are not a danger to self and others, they cannot be admitted involuntarily for treatment. The NGO representative was of the opinion that this situation necessitated a change in the law to permit professionals to intervene in the lives of these vulnerable persons.

Housing

5.5.6 The Housing Authority noted that the introduction of the Private Residential Leases Act served to regulate the previously unregulated private rental sector, primarily through the registration of these contracts and the institution of a mechanism for resolving disputes through the Rent Regulation Board.

Social Security

5.5.7 An academic suggested that the method for determining eligibility and transacting the income supplement for benefits and pensions should not be based on the breadwinner model. Instead of allocating benefits to the head of household, it was suggested that benefits be allocated separately for each (adult) household member [more details in *Benefit Eligibility and Levels*].

5.5.8 Another suggested change is the inclusion of safeguards to ensure that vulnerable individuals do not forfeit their benefit eligibility on moving in with a new partner or friend [more details in *Benefit Eligibility and Levels*].

5.5.9 The Commission for the Rights of Persons with Disability indicated that it was proposing, in collaboration with the Office for Disability Issues within the MFCS, a new assessment method for determining eligibility for disability assistance to ensure that no one who requires help is left out. Similarly, the MFCS noted that all stakeholders were to consider the financial ramifications imposed on persons with disability during application stage. Discussions are ongoing with the Income Support and Compliance Division at the MFCS, but it has been pointed out that the proposed assessment goes far beyond the present standard measures, namely the application of the Barthel Index and Table 10 of the Impairment Tables, and would require the involvement of a number of professionals. The cost implications of such an assessment, which are significant, also must be taken into consideration.

5.5.10 The Commission for Mental Health asserted that amendments are required in the Social Security Act, which currently discriminates against persons with mental health conditions. Certain mental health conditions are not recognised as a disability and this impacts eligibility for the benefits package, in-work benefits and disability allowances. In response, the MFCS stated that the Social Security Act caters for such instances, outlining that the definition of mental severe sub-normality included in the Act is consistent with the guiding principles of the United Nations' Convention on the Human Rights of Persons with a Disability. However, the MFCS acknowledged the scope for further discussions with interested stakeholders to inform further action. The MFCS also noted

that in the case of persons receiving disability allowances, their income from employment or self-occupation is not considered in the calculation of the benefit entitlement assessment.

5.5.11 Regarding the proposed changes to the social security system outlined in this section of the report, the MFCS believed these do not truly reflect the provisions and practices emanating from the Social Security Act. It noted that non-contributory benefits and pensions are mostly paid following the calculation of a means test. The Social Assistance and Age Pension regimes dictate the calculation of a capital and weekly means testing. Hence, the calculation should be performed on all members of the family. During these last couple of years, income from employment of family members is not being considered. The Carers Allowances regime does not dictate the performance of a means test, and the Disability Allowance framework practices solely the weekly income means test (in this case the income from employment is also discarded). Applications for Medical Assistance submitted in the case of various conditions, such as bi-polar, depression by psychosis, schizophrenia and terminal illnesses, are assessed through means testing of the applicant and not on the full household.

Employment

5.5.12 A recommendation was put forward by an academic for provisions in the law to allow individuals on unpaid parental leave to continue to undertake certain tasks associated with their occupation, with certain limitations imposed on working hours, to ensure that they do not interfere with parental responsibilities. A practical example put forward in this regard was that of social workers on parental leave, who could be allowed to work a limited number of hours of supervision duties to make ends meet. The FSWS asserted that in cases where the employee has time to carry out some hours of work, such employee is to make arrangements to work on reduced hours with the employer. Each case is seen to on a case-by-case basis. Moreover, the FSWS explained that there are instances where an employee within the Foundation is allowed to take unpaid leave to find alternative employment. However, in the case of its employees on parental leave, they are not allowed to take alternative employment as this defeats the scope.

5.5.13 The introduction of equal pay for work of equal value in employment law was also put forward as a suggestion by an academic.

Domestic Violence

5.5.14 Legal provisions to safeguard the rights of victims of domestic violence in the event of separations, to avoid intentional delays and postponement of the selling of the matrimonial home by the abuser with the intent of inflicting unnecessary financial hardship, were proposed by an NGO representative.

Equality

5.5.15 The National Commission for the Promotion of Equality stated that current and future laws should be equality assessed to ensure equal opportunities for all citizens, therefore addressing the risk of poverty of persons in vulnerable groups.

Social enterprises

5.5.16 The introduction of the Social Enterprise Law was advocated, to allow NGOs that are interested in helping people on the ground to establish non-profit entities was recommended. At present, NGOs who are interested in creating enterprises can only establish a for-profit one, which must then adhere to the applicable prohibitive administrative and financial requisites.

Disability

5.5.17 Aġenzija Sapport suggested various legal amendments required to alleviate poverty among households that include a person with disability.

5.5.18 The Social Security Act, which regulates entitlement allowances for persons with disabilities and their support networks, only caters for children with very specific conditions, primarily cerebral palsy, severe mental sub-normality, severe disability, visually- or hearing-impaired. This law needs to be amended to widen eligibility to include disabilities that may not be classified as severe but still require extensive support from family members, rendering these households less financially stable.

5.5.19 Furthermore, the Employment and Training Services Act should give greater weight to the National Employment Authority when investigating and adjudicating cases of unjust refusal to employ or termination of employment in the case of vulnerable persons. The Authority should be given more strength to act on injustices and ensure employment regulations are being followed. Additionally, a clear method of referral must be established for support networks to enable them to make reports on behalf of vulnerable persons.

5.5.20 Aġenzija Sapport also indicated that the following laws would complement the Equal Opportunities Act in providing more protection and safeguarding the interest of persons with disabilities:

- a | Adult Protection Act – required to provide protection for adults who may find themselves in vulnerable situations and may even be financially abused. This legislation will empower persons working within the social services sector by providing the necessary legal framework to ensure that adult persons with disability are protected from violence, neglect and financial abuse.
- b | Personal Assistants Act – required to regulate and standardise the methods, cost, and the terms and conditions required to employ persons to support persons with disability,

particularly in relation to 'live-in support' and community accessibility. Legislative and policy changes would give more importance and strength to the concept of a Personal Assistance Act as enshrined in Article 19 of the United Nations Committee on the Rights of Persons with Disabilities (UNCRPD) Act. The situation is currently precarious and there is insufficient protection of the person with disability engaging a personal assistant and a person entering employment as a personal assistant. Having this Act in place would consequently be a step further towards reducing the risk of institutionalisation of persons with disability who are fully capable to reside in the community with personal assistance.

- c | UNCRPD Act - Despite its ratification by Malta in 2012, and the established Equal Opportunities (Persons with Disability) Act and the Commission for the Rights of Persons with Disability, the UNCRPD remains unknown to a large portion of the population and without legal backing/enforcement can result in persons not understanding the rights of persons with disability. An Act would ensure the transposition of Malta's obligations under the UNCRPD and the SDGs towards persons with disability and ensure they do not fall into or remain in situations of poverty. Amendments to the Equal Opportunities (Persons with Disability) Act to ensure appropriate enforcement and redress mechanisms vis-à-vis said obligations are necessary.
- d | Personal Autonomy Act – to widen the concept of guardianship into that of supported decision-making, including co-decision-making, while abolishing interdiction and incapacitation for persons with disability. This Act would also offer further safeguards to many persons with disability against possible risks resulting from substituted decision-making systems.

5.5.21 Additionally, Aġenzija Sapport noted that employment legislation needs further revision to protect and support persons who are caring for persons with disability. Further protection is required to ensure that, while the level of care provided to persons with disability is not jeopardised, their families do not fall into poverty. Another shortcoming of current legal and policy frameworks noted by Aġenzija Sapport was that there were provisions that allowed companies to pay a contribution instead of engaging persons with disabilities in employment. In the Budget Speech for 2015, Government committed to enforce the two per cent quota, which requires employers hiring more than 20 employees to have at least two per cent of the workforce persons with disability. Employers who fail to adhere to this legislation are requested to make an annual contribution for every person with disability they should be employing, capped at €10,000 per year. The full contributory amount, equal to €2,400 per person, came into force in 2017. To mitigate these situations and promote the engagement of persons with disability in employment, Aġenzija Sapport works in collaboration with Jobsplus and launches programs which advocate for the rights of persons with disability.

5.5.22 Aġenzija Sapport noted that these recommendations are part of the ongoing work by the Agency, together with other stakeholders, in fulfilment of the National Disability Strategy (2020-2030). These laws are currently under development and subject to consultation.

Other legislative considerations

Consultation process

- 5.5.23 The need for greater consultation with stakeholders during the drafting phase of legislation, whether it is the revision of existing legislation or the introduction of a new law, was emphasised by many contributors. Stakeholders may include NGOs in the sector and affected target groups. Affected groups were described as experts by experience, and can include, for example, victims of domestic violence for domestic violence legislation and caregivers of mentally ill persons for the Mental Health Act. NGO representatives commented that NGOs have also been advocating for consultation with these experts by experience, which is in fact lacking. Specific reference was made by an NGO representative to Government's failure to consult children in matters that affect them, despite the Convention on the Rights of the Child highlighting the necessity of such input. An NGO recommended that consultation be organised at the grassroots level, through civil society organisations, who would in turn liaise with government departments and entities.
- 5.5.24 NGOs have also been advocating for close participation and collaboration in the legal formulation process, and specifically to be consulted at formulation stage. However, generally, the experience has been that the contribution of NGOs is sought once the white paper is issued and not during the formulation process of the white paper or any piece of legislation. In this respect, an NGO representative asserted that, frequently, consultation takes the form of token consultation at a late stage of the law-making process. The FSWS asserted that in view of its role as the national agency for various services, it has valid contributions to provide given its expertise in the sector, and would therefore also wish to be involved in a process of consultation when formulating legislation.
- 5.5.25 Another recommendation put forward by an NGO representative relating to the legislative process is the consistent appointment of task forces and investment in them, to manage the legislation development process, including consultations.

Monitoring implementation

- 5.5.26 Emphasis was placed on the importance of implementing the law and monitoring these efforts, and for there to be a governance structure mandated with monitoring and enforcement. An academic argued that having a sound legislative framework is important, yet this does not guarantee that the intended outcome will be achieved. For example, Malta has very strong anti-discrimination legislation, yet without a change in the mentality and attitude of the public, discrimination, with its implications on social exclusion and poverty, will continue to happen. In this respect, the implementation of the legislation should also include awareness raising and educational campaigns. Less lengthy judicial processes were also considered essential in ensuring effective application of the legislation.

- 5.5.27 The need for implementation and monitoring was mentioned generically for all legislation, but also in reference to specific examples, such as the legislation relating to precarious employment, discrimination, maintenance payments for children in the case of separated couples and the provision of legal aid.
- 5.5.28 The Commission for Domestic Violence and Gender-Based Violence mentioned that in this sector there is a strong legislative framework based on the Istanbul Convention. The Commission added that what determines the effectiveness of legislation are the resources made available to implement, monitor and effect the law in practice and, in this respect, the need for more trained and specialised human resources in the police force, judiciary and social services was mentioned. The FSWS noted that the professionals within Aġenzija Appoġġ are given extensive and continuous training in this respect, and that in recent years this training has also been given in collaboration with the Police Force.
- 5.5.29 AWAS also commented on the issue of the implementation of legislation, indicating that current laws in the sector were adequate, but that their implementation was of concern. Similarly, the Institute for Education maintained that enforcement needs to be enhanced. Even though everyone is entitled to free education, a one size fits all modality is not adequate. In this respect, the regulator is required to check practices in the sector, issue recommendations where improvements are required, and follow up to ensure the implementation of these recommendations.
- 5.5.30 Aġenzija Sapport noted that the Persons with Disability (Employment) Act provides the legal structure to provide persons with disability with the opportunities for vocational training and employment. Yet, this Act needs to be supported with other legal and educational frameworks to ensure persons with disability are not excluded from opportunities, in line with the current strategy. On the submission of further feedback, the Agency recognised its responsibility in coordinating Inter-Ministerial Committees, spearheading collaboration between service providers and in facilitating communication and coordination of policies and strategies to address poverty in a more integrated way. Joint efforts of Aġenzija Sapport and the Inter-Ministerial Interdisciplinary Professional Board on Disability aim to improve the coordination of services, to provide early education, early intervention and holistic interventions that address the social needs of children and persons with disability of all ages. Collaboration allows for amendments in the employment legislation to reflect the work being done on the ground. Additionally, Aġenzija Sapport noted that the Equal Opportunities (Persons with Disability) Act requires further enforcement efforts to overcome social barriers.

5.6 Policies addressing poverty

Further policy development

- 5.6.1 Contributors highlighted areas that constituted gaps in the policy framework or require further policy development. The areas highlighted include policies for the:

- a | integration and inclusion of asylum seekers, refugees and individuals seeking humanitarian protection;
- b | provision of funding to NGOs for core services offered [more details in *Funding for NGOs*];
- c | regulation of prices for basic goods such as staple food items, gas and electricity;
- d | regulation of access to services, such as health care services, to ensure that service use and waiting times are equitable for all those in need [more details in *Accessing Services*];
- e | cancellation or pardon of large accumulated water and electricity bills in special circumstances for households that are struggling financially;
- f | management of the repercussions of the COVID-19 pandemic on poverty and social exclusion;
- g | strengthening of the minimum wage and the pension system, to ensure a decent standard of living;
- h | introduction of a living wage or basic universal income;
- i | provision of affordable housing, for those persons who are not eligible for social housing yet cannot obtain a loan that is sufficient to purchase a property on the market;
- j | strengthening of the further and higher education sector, through financial support and the provision of information and guidance about pathway development for students, to allow for mobility, sustainable options and equity in access;
- k | further addressal of vulnerable children who are at risk of poverty or social exclusion;
- l | reduction of harm, focusing on substance abuse;
- m | introduction of a supported decision-making framework to support persons with disability to tackle everyday issues, including financial matters, when such support is required; and
- n | promotion of equal educational opportunities for persons with disabilities and other vulnerable groups.

5.6.2 The need to specifically address individuals experiencing poverty in peripheral policy areas was also mentioned by contributors. For example, the National Commission for Further and Higher Education asserted that measures which mention students who come from poverty-related backgrounds or areas need to be tackled explicitly in education policies and strategies. Similarly, the National Commission for the Promotion of Equality stated that all existing and future policy

frameworks should be equality mainstreamed and should include the introduction of specific measures to address poverty.

- 5.6.3 Feedback regarding the strategic focus of policies was also provided. An academic argued that, for better tailored and effective policies, policies should be developed at the regional level rather than at a national level, since culture and needs vary across localities [more details in *Community Focus*]. Another academic provided similar feedback, suggesting that policies should have a greater community focus. In view of the structural and long-term nature of poverty, the need for greater continuity in the policy direction following a change in Government or a ministerial reshuffle was mentioned by an academic.
- 5.6.4 The need for a greater focus on making work pay and decreasing dependency on the state in social policy was advocated by an academic. The Housing Authority noted that current housing policy focuses on the provision of accommodation, yet does not actively promote social mobility, as opposed to dependency, in view of the fact that social housing is provided on a permanent basis. The possibility of allocating social housing for a limited time period, of say ten years, to address this was mentioned. The MFCS asserted that making work pay has been a focal point for the ministry's policy-makers in their drive to ward beneficiaries from the benefit trap. Aided by economic growth, the policy has been instrumental in reducing the number of jobless persons and social beneficiaries, in facilitating greater female employment and in reducing severe material deprivation. The MFCS argued that the success of this policy was made evident through the drastic reduction in benefit dependency, with the number of social beneficiaries decreasing from approximately 14,000 in 2013 to 6,000 in June 2020. The Ministry further noted that studies undertaken in recent years have indicated that the activation of this policy contributed towards the reduction in severe material deprivation.

Policy development and implementation process

- 5.6.5 Aside from suggestions relating to the further development of specific areas of policy or specific issues which policies aimed at addressing poverty need to tackle, contributors also mentioned more general recommendations regarding the policy development and implementation process.
- 5.6.6 The various ministries forming part of the Inter-Ministerial Committee on poverty and social exclusion indicated, to varying extents, that the consultative process starts early in the policy development process. The MFCS asserted that the National Strategic Policy for Poverty Reduction and Social Inclusion was based on extensive public consultation, initiated prior to the drafting of the policy document. At pre-drafting stage, the MFCS had carried out consultations with the public in various localities, and once drafted, the policy was issued for further public consultation. MEDE indicated that within their ministry the input of the most pertinent stakeholders is sought at drafting stage, and that consultation with the wider general public is undertaken once a policy is drafted. The MJEG stated that consultations with various stakeholders, including NGOs, can either take place at the beginning of the process, prior to the drafting of the policy, or possibly even at a later stage, once the policy has been drafted. The MFH asserted that feedback from

various health departments is obtained at drafting stage and, once finalised, the draft policy is issued for public consultation.

- 5.6.7 Regarding existing consultation processes, most contributors believed that consultations held at present are not comprehensive and thorough enough and feedback obtained not sufficiently shaping the policy. Reference was also made to the fact that feedback on the implementation or otherwise of suggestions and comments is rarely received. The harshest criticism came from some academics. One academic was very critical of the consultation process in policy development, asserting that there is in effect no real consultation. The academic noted that feedback is often requested on a voluminous draft policy document written in difficult technical jargon that often is difficult to source online. Consultation was described by this academic as a channelled and restricted procedure, conditioned in various ways, including accessibility, intended to ensure compliance with mandatory requirements, but failing to truly gauge the opinions and suggestions of those who have at heart the interest of the issue being considered. Many of the academics agreed that consultation is often sought once the policy direction has already been determined, and any changes effected following feedback are then cosmetic.
- 5.6.8 Limitations or required improvements in the consultation process in policy development were mentioned generally, as outlined above, but also mentioned in more specific contexts. The National Commission for Further and Higher Education asserted that education providers, students, students from specific backgrounds, employers, NGOs and other stakeholders need to be more involved in drafting policies related to education. The MFH stated that although it is consulted by other ministries when drafting policies, there is scope for a greater involvement. Aġenzija Sapport asserted that it aimed to broaden its remit when speaking about stakeholders and develop a consultative process to make the policy drafting process more holistic.
- 5.6.9 Some contributors mentioned the importance of having more of a grassroots approach in policy formulation, integrating in the process those who have experienced or are experiencing poverty, and more generally, those who are being targeted and addressed by the policy. The need for more extensive consultations with NGOs in the sector, especially at pre-drafting and initial drafting stages, was also mentioned. Most academics agreed that academics have a broader role to play in policy development, with some claiming that consultation with academics had in fact decreased in recent years. Similarly, the FSWS cited its considerable expertise in the sector as an asset in contributions it could provide and indicated its interest in being consulted at policy formulation stage. The Social Care Standards Authority asserted that, based on its experience in the development of the Social Regulatory Standards and Regulations, it has come to the understanding that the extensive involvement of stakeholders throughout the different stages of the policy process results in greater benefit to those in need.
- 5.6.10 An academic suggested that Government should hold continuous periodic planned stakeholder meetings with different social partners including NGOs, local councils, parish priests, pharmacies and school administrators, and that strategies and budgets be developed based on the feedback obtained from such meetings. The importance of public sector officials building personal relationships with NGOs was highlighted.

- 5.6.11 A few NGO representatives suggested that Government could delegate policy formulation to major NGOs in the sector, claiming that this approach ensures ownership and buy-in from stakeholders, therefore contributing to effective, sustainable and achievable policies. It was argued that this engagement is necessary to gain a better understanding of the problem, and to devise policy tools that are more sensitive to the needs of the community. In this respect, an academic observed that in the local policy scene there is often this tendency to adopt solutions developed abroad and described this tendency as a consequence of post-colonial low self-esteem. This academic emphasised the need for local policy makers to devise solutions that are tailor-made to the local context, based on the advice of local experts. Regarding the proposal relating to the delegation of policy formulation, the FSWS maintained that this task remained the remit of Government, in view of the commitment to implement its electoral programmes.
- 5.6.12 Various contributors discussed issues related to the implementation of policies, arising from lacunas or incongruence in the legal framework, the need for greater collaboration between government entities and departments, and the lack of adequate structures, workforce and financial resources to implement the policy [more details in *Financing and Resources*]. With respect to implementation, another recommendation put forward by an academic was the need for different policies, such as those relating to mental health, domestic violence and poverty, to be coordinated to ensure that no one falls through the gaps. This was considered necessary in view of the fact that often poverty is multi-dimensional and complex and that the needs of specific individuals can only be addressed through a more coordinated and integrated approach. The Social Care Standards Authority made reference to the initiatives in place to ensure that the National Strategic Policy for Poverty Reduction and Social Inclusion is monitored, evaluated and translated into measurable and concrete actions. The Authority noted that these efforts must be sustained to ensure effective implementation by all stakeholders involved. When questioned on whether there are any shortcomings in the existing policy framework, the Institute for Education asserted that it is the implementation by each department that needs to be emphasised. In response to the recommendation for greater coordination within Government, the FSWS indicated that the domestic violence service is represented in numerous stakeholder meetings where updates on policies, planning and implementation are provided. Additionally, the FSWS noted that the domestic violence service has also increased capacity to reach more victims immediately.

Other policy considerations

- 5.6.13 More specific policy issues were also mentioned. An academic referred to the policy of in-work benefits and tapering of benefits and raised concerns regarding the impact of this policy on current recipients once all entitlement and financial support is halted.

5.7 Wider policy context

- 5.7.1 A few contributors raised concerns as to whether Government's focus on competitiveness and economic growth is at odds with a focus on social solidarity and wellbeing. In local political

discourse, economic growth was being equated with the strengthening of society and the safeguarding of the common good, symptomatic of a belief in the trickle-down theory.¹⁷

- 5.7.2 An academic mentioned the trickle-down theory, noting that in the last five years some evidence of this was observed locally; yet, on balance, this approach could also be considered to have failed as economic progress was also accompanied by new forms of poverty such as homelessness. This academic questioned whether the new wealth created was reaching those in the lowest socio-economic strata of our society, whether the purchasing power of the average citizen was decreasing and whether economic growth was being achieved at the expense of wellbeing. For example, the impact on the wellbeing of Valletta residents from hospitality investments in the city was questioned. Similarly, the benefit of various foreign direct investments, especially when considering the tax incentives provided to these companies, on the wellbeing of the Maltese community was also questioned by this academic and some NGO representatives. Specific reference was made to the flourishing gaming sector, the influx of foreign workers, the consequent strain on Malta's infrastructure and public services, as well as the resultant increase in property prices and the sustenance of gambling addiction problems.
- 5.7.3 Another academic claimed that while optimal progress reflected well balanced economic, social and environmental concerns, in Malta, the emphasis on economic growth resulted in negative repercussions on the environment and to some extent also on the social fibre of society. This analysis of an unbalanced approach to progress was also discussed by another two academics. One asserted that, locally, a mentality of financial standing as a measure of personal worth was adopted. However, this mentality was resulting in decadence, with economic growth being cultivated at the expense of social wellbeing and the environment, as evidenced by the persistent poverty, high rate of attempted suicides and growing number of marital breakdowns. Another academic commented on the degrading of the environment and the reduction in open and communal spaces for the sake of economic progress, and its effect on people's mental health and wellbeing.
- 5.7.4 Some NGO representatives also raised similar concerns regarding the focus on economic growth at the expense of the social dimension. An NGO representative asserted that a pro-business policy, prominent in most Western countries, including Malta, focused government efforts on securing investment, retaining an economic surplus and reducing national debt. Such a stance did not prioritise addressing the needs of the disadvantaged or safeguarding the common good. Similarly, another NGO representative stated that financial aid to NGOs doing essential work in the community was not considered a government priority and was instead being put on the back burner. Another NGO representative questioned whether the fair distribution of wealth was a government priority and whether national budgets were people-focused. Another NGO representative claimed that although Malta had experienced economic growth in recent years, this was not accompanied by similar increases in prosperity, operationalised in terms of the overall wellbeing of citizens, the state of the environment and the quality of public services.

¹⁷Trickle-down theory is based on the premise that giving tax breaks to top earners and businesses will reinvigorate economic growth, which will in turn aid economically those in lower income brackets.

5.8 Governance and capacity

Structure

- 5.8.1 Contributors provided some recommendations with respect to the governance structure aimed at addressing poverty.
- 5.8.2 While Aġenzija Żgħażaġh acknowledged that the Strategic Policy for Reducing Poverty and for Social Inclusion can strengthen and promote an integrated policy approach, it recognised the need for a dedicated policy unit or instrument. This unit, structured within the relevant ministry, would oversee, monitor and report on an annual basis on progress in meeting national poverty targets. The unit would be tasked with the responsibility of ensuring that all draft legislation, policies, programmes and budgets are "poverty proofed" in line with national targets and indicators, and that overlaps and gaps in plans and budgets for reducing poverty and promoting social inclusion are identified, amalgamated and streamlined.
- 5.8.3 Considering how integral the provision of affordable housing and social housing is to the addressal of poverty, an academic was of the opinion that the Housing Authority should be part of the Inter-Ministerial Committee on poverty. The Housing Authority confirmed that a representative of the Authority did not regularly attend this committee and, to its knowledge, neither did the MSA. The MSA noted that, at the time of publication, it had addressed this anomaly by nominating a representative on the Inter-Ministerial Committee on poverty on behalf of the Ministry and the Housing Authority. The Ministry added that this representative had duly attended all committee meetings since this appointment. An NGO representative was of the opinion that NGOs should be invited to attend and contribute to some meetings of the Inter-Ministerial Committee on poverty.
- 5.8.4 The need for the decentralisation of governance structures, particularly with respect to the powers for the allocation of budgets and the design and implementation of programmes, projects and measures, was also mentioned [more details in *Community Focus*]. This recommendation reflected the understanding that poverty varies geographically and therefore must be addressed at a regional level.

Financing and resources

- 5.8.5 Regarding financing, most contributors acknowledged the major investment made by Government in the social sector. It was recognised that within Government there is an awareness of the needs of the most vulnerable and the hardships imposed by poverty, and the social conscience to want to take decisive action to address poverty. By way of example, specific areas of substantial contribution mentioned include the budget for AWAS and the Housing Authority. AWAS indicated that Government was making sure it had the necessary funding and outlined that its budget had been tripled and its human resources doubled in the previous year. The Housing Authority praised the investment in the sector, asserting that it clearly was being given priority by Government.

Reference was made to the financing of the private sector rent benefit, the investment in older social housing blocks, equity sharing, the development of new social housing blocks and the provision of social housing through rental from the private sector. The Housing Authority stated that while it does not have an open cheque, once a scheme gets approved the budget allocated is generous. The NDSF indicated that, since its inception, it had committed approximately €90 million towards programmes ranging from primary health care, the provision of social accommodation housing and investments in community centres that cater for the specific needs of vulnerable groups. On the other hand, an NGO representative asserted that the social capital expenditure over recent years had at best remained constant, despite needs increasing and becoming more complex.

- 5.8.6** Some of the contributors who acknowledged the major investment made by Government also noted that despite this investment, the budget allocated to address poverty can never be considered sufficient, as the needs are great and ever-expanding. For example, the National Commission for the Promotion of Equality stated that although various measures have been implemented with positive results, statistics show that much more work, allocation of resources and capacities are needed to reduce poverty. The main shortfall identified by contributors in terms of financing and resourcing was that in human resources. The need for more specialised and trained human resources was mentioned specifically in the context of legal aid, mental health, the compulsory schooling education system, the police processing and judicial proceedings of domestic violence cases, and the initial reception, support and integration of asylum seekers. The MHSE noted that in the case of human resources relating to support and integration of asylum seekers, AWAS had more than doubled its complement in the last year and that it had established four specialised teams. Aġenzija Sapport mentioned the need for more personnel, such as personal assistants, to provide support to individuals at work and in the community setting, and for personnel to operate new community homes for persons who are unable to live at home with their families.
- 5.8.7** An NGO representative made reference to the incongruity or lack of continuity between the issuance of ambitious and comprehensive policies and strategies and their subsequent implementation in the general context of the social sector. Specifically highlighted were the lack of infrastructure and dedicated teams to take on the additional work emanating from the strategies and policies, especially relevant when one considers the context of a health and social sector that is already stretched in terms of human resources. In the context of mental health, an NGO representative asserted that the introduction of the mental health strategy was not accompanied with the adequate structures and workforce to implement this strategy, particularly in view of the long waiting lists for therapy and counselling. The NGO representative questioned whether the strategy was adequately planned for, by carrying out an assessment of the financing and capabilities required to implement it and making adequate plans and provisions to this effect. The Commission for Mental Health also highlighted issues of governance, leadership and detailed action plans required to implement the mental health strategy within the ten-year timeframe, asserting that mental health policies needed to progress from written documents to the decision table. The Commission stated that, until the COVID-19 emergency, little measurable progress

was effected, with little evidence of budgeting and resource planning. However, this situation was a catalyst for policy changes long-awaited in the mental health sector, and the Commission expressed hope that this emergency would be transformed into an opportunity for further development.

- 5.8.8 The MFH representatives mentioned that within the ministry funds tend to be mainly directed towards health care service provision, and that other work, including strategy development, is not prioritised. Funds for strategy development work were deemed extremely limited. In turn, this lack of resources and human capacity for the development and implementation of strategies and policies within the MFH was considered to often result in lack of collaboration with other ministries.
- 5.8.9 Social workers are key professionals within the social sector and their input is important in efforts aimed at addressing poverty with vulnerable groups. A few NGO representatives and academics made reference to the shortage of social workers in the sector, highlighting the reality of qualified and experienced social workers moving on to non-social work professions and jobs, partly due to burnout. Moreover, academics noted that not enough persons are being attracted to the profession. This reluctance was explained partly because of the working conditions and benefits which, despite having improved in recent years, are still not at par with other professions; the difficulties arising from the nature of the work; and the lack of recognition for and status of the profession. NGOs are not able to offer social workers the same conditions as those present in the public sector due to funding issues, and consequently they often struggle to find experienced professionals to employ. It was argued that this reinforced the need for Government to support the NGOs' work through the provision of funding for core work [more details in *Funding for NGOs*]. The shortage of social workers in the public sector and in the voluntary sector has negative implications in terms of the workload assigned, the attention and time allocated to each case and, ultimately, the effectiveness of the interventions, with social workers often being overburdened with huge caseloads.
- 5.8.10 In its feedback on the National Strategic Policy for Poverty Reduction and Social Inclusion, the FSWS indicated various efforts undertaken to address caseloads and actions taken to encourage the retention and progression of social welfare employees. In its feedback to the NAO, the FSWS noted that a system of progression had been introduced with respect to the professional class of employees within the Foundation. This system comprised one automatic progression and the possibility of another progression into a senior position on condition of a pass of a colloquium. The FSWS indicated that the latest collective agreement has improved conditions, including the allocation of a continuous professional development grant to warranted employees. Moreover, the FSWS referred to the provision of training opportunities and support to employees who pursued further academic studies. The FSWS indicated disagreement with the assertion that the NGOs are not able to offer professionals the same conditions as those available in the public sector, noting that the public social partnership (PSPs) provide for equivalent pay and conditions as those of the public sector and that the FSWS had not subjected its employees to the revolving door rule. Furthermore, the FSWS contested that there is lack of recognition and status of the

social work profession, and noted that on Government's behalf the work of these professionals is often lauded.

5.8.11 The need for additional case management capabilities within the public social care sector [more details in *Inadequate/Sub-optimal Services*] must be complemented with an increase in the number of social work graduates and professionals. To partly mitigate the shortage in social workers, an NGO representative suggested introducing non-formal educational courses to train experts by experience, similar to an initiative undertaken in Belgium. This would allow persons who have experienced particular disadvantages to be trained and become frontliners in the sector, supporting and assisting social workers in their work. The need to attract and retain individuals graduating from MCAST in health and social care courses in the sector was also mentioned by an NGO representative. In order to retain professionals in the field, support services to sustain professionals and avoid burnout was suggested. It was recognised that progression opportunities to become service managers, and therefore advance in their career but remain involved in social work practice, are available to social workers in large organisations, and that the FSWS has registered improvements in this respect. However, the need for better organisational planning to provide professionals with different career trajectories within the field was noted.

5.8.12 Reference was also made to mental health nurses, who often shift to managerial or teaching positions on completing their studies and no longer participate in clinical practice. In the case of mental health nurses, this loss of resources was explained as a systematic problem arising from lack of progression opportunities in clinical roles. Similarly, in the education sector, many teachers were said to leave the profession and take up jobs in the private sector due to lack of progression opportunities.

5.8.13 Aġenzija Support referred in more general terms to occupations in the social sector, including social workers, psychology graduates, allied health professionals and support workers, noting that more incentives to work in this sector are required. Offering financial remuneration comparable to other professions was mentioned as a possible strategy in this respect. Referring to its own staff complement, the Agency noted that while physical resources required to enhance its current service provision are available, it lacks human resources. Despite this, the Agency acknowledges that the collective agreement has improved the working conditions of all staff. Additionally, some general suggestions in relation to financing and budgeting were also put forward. The National Commission for the Promotion of Equality suggested that Government should implement equality budgeting to ensure that the circumstances and needs of different groups of women and men are adequately addressed. Similarly, Aġenzija Żgħażaġħ put forward the suggestion that budgets should be "poverty proofed", in line with national targets and indicators.

5.9 Funding for NGOs

5.9.1 Another important theme that was widely discussed in the focus groups organised with the NGO representatives and academics is the provision of funding for NGOs by Government. During these focus group discussions, the NGOs were recognised as addressing gaps or needs not adequately

catered for by Government and doing invaluable work in society, providing quality professional services that directly and indirectly address poverty and social exclusion. The NGOs often struggle to raise funding for their core work, to cover administration costs and operational costs, including salaries and rent, and invest a lot of time and energy into fundraising and grant applications. Despite these efforts, there have also been cases of NGOs carrying out sterling work but which had to close down because their operation was not financially viable. It was also noted that the recently introduced licensing process of the Social Care Standards Authority has contributed to the improvement of standards and quality of services but has also introduced new and previously unforeseen costs, such as expenditure incurred to ensure compliance with health and safety regulations.

- 5.9.2 In this respect, it was considered beneficial for Government to financially support well-established and reputable NGOs through grants or possibly through the provision or sponsorship of human resources such as social workers and community workers, or the allocation of volunteers, as well as administrative or clerical staff. Additionally, an NGO representative suggested having a shared pool of professionals, such as lawyers, medical officers, engineers and architects accessible to NGOs. This need for financial assistance and resources was considered as particularly relevant during the COVID-19 pandemic, with an NGO representative commenting that just as businesses were receiving financial aid to survive, NGOs should also be receiving such assistance to remain afloat to continue offering vital services to those experiencing poverty. This is fundamental at a time when many are experiencing vulnerabilities and hardships and when NGOs are unable to carry out fundraising activities to finance their operations.
- 5.9.3 The funding opportunities available to NGOs were deemed by the NGO representatives as inadequately catering for their needs and the demand from the public they ought to respond to. The NGO representatives explained that, currently, public funds are either allocated to NGOs for project-based initiatives, despite that the majority of NGOs are running day-to-day services which form part of their core work and that incur high costs, or alternatively through PSPs, though some reservations regarding these arrangements were also expressed [more details in *Collaboration and Cooperation*]. The FSWS noted that PSPs cover practically all the costs related to providing a day-to-day service. An NGO representative referred to Operational Programme 2 of the ESF, which specifically funds projects relating to the development of a community-based multi-services centre to reach vulnerable persons. However, despite local interest from NGOs to tap into these funds, this was not feasible. According to information provided by the Malta-EU Steering Action Committee (MEUSAC) to the respective NGO, NGOs could not apply for these EU funds unless the MFCS issued a call for applications requesting partners to come forward to participate in a joint project. An NGO representative noted that in previous years the Malta Community Chest Fund used to issue a call for applications for NGOs in the social care sector to allocate funds collected through L-Istrina. However, this was no longer the case in the last two years, and this change had occurred without any prewarning, leaving many NGOs struggling to source alternative financing.

- 5.9.4 In response to the criticism of the NGO representatives with respect to the current funding opportunities available to the NGOs, the MFCS noted the substantial increase in the annual budgetary allocation for PSPs in recent years. While in 2013, the Ministry was channelling less than €1 million to three organisations, in 2020 the number of PSPs had increased to 50, negotiated with 33 well-established NGOs, with an annual budget of €16 million. With respect to 2021, the MFCS was seeking approval of funds from the Ministry for Finance to upgrade existing agreements and support new initiatives. The MFCS asserted that it firmly believes in the role of voluntary organisations in civil society and seeks to connect with them to share responsibility in the provision of services. Moreover, the MFCS noted that it has an open-door policy, and that it readily and transparently extends its collaboration with established NGOs who put forward feasible proposals to fill gaps in Government's service delivery.
- 5.9.5 The FSWS similarly made reference to the significant role played by NGOs in the field of social care, with PSPs entered into in 2020 (excluding those relating to the disability sector) accounting for a budget of €10 million, a figure that corresponds to half of the FSWS' annual budget for this year. Regarding the adequacy of current funding provisions, the FSWS noted that the total budget for the social sector now stands at €16 million, with NGOs being compensated at realistic prices for their services, based on the audited accounts provided by the NGOs themselves.
- 5.9.6 At present, NGOs may access public funds separately from different sources and different ministries, creating significant administrative burdens at application and reporting stage. An academic expressed concern regarding the lack of a centralised office for the allocation of funding in the social care sector, which office would assume responsibility for funding that cut across multiple ministries. The FSWS maintained that coordination of funding within the MFCS was overseen by the Office of the Permanent Secretary. An NGO representative criticised the eligibility criteria for funding managed and administered by the Malta Council for the Voluntary Sector, with NGOs only being eligible for the Voluntary Organisations Project Scheme, while small voluntary organisations were eligible for this Scheme and the Small Initiative Support Scheme. Grants available to NGOs may vary from year to year, giving rise to more uncertainty with respect to financing. The way funding is allocated and the managerialist culture in the social care sector also creates competition between NGOs working in the same sector or targeting the same vulnerable groups. The FSWS disagreed with the comment about the managerialist culture, indicating that accountability is essential to provide assurance about the proper use of public funds and the achievement of intended outcomes. It was suggested by focus group participants that Government should encourage collaboration and joint funding applications, possibly by rewarding collaboration. Another suggestion, put forward by an NGO representative, was for there to be the possibility of recourse to an appeals board regarding funding decisions.
- 5.9.7 It was suggested that other funding opportunities to finance core work by NGOs should be made available by Government, and that an official, fair and transparent method for the allocation of funds be established for the new funding opportunities. An NGO representative indicated

that a policy or guidelines needed to be developed for government funding of NGOs, with clear budget allocations set for different sectors. Another NGO representative expressed hesitation at this idea of having set allocations by sectors, insisting that such guidelines would have to be considered very carefully.

- 5.9.8 Other financing options were also discussed. At present, private companies may donate part of their income to only a very select number of NGOs, which include the Malta Community Chest Fund, and get a form of tax rebate. This restriction was described by an NGO representative as a 'discriminatory policy by the Ministry for Finance'. The NGO representatives suggested that Government should widen eligibility to a greater number of reputable NGOs. Another suggestion was for there to be a social fund, relating to legal fines, to fund NGOs.

5.10 Consultation

- 5.10.1 Consultation with civil society, NGOs, academics and professionals in the field was deemed essential in addressing poverty, particularly in light of the complexity of the issue. In this regard, consultation was considered at present insufficient by many NGO representatives and academics. Consultations with the various stakeholders were considered necessary during the process of drafting legislation [more details in *Other Legislative Considerations – Consultation Process*], policy development [more details in *Policy Development and Implementation Process*] and service delivery, monitoring and evaluation. Academics suggested service user involvement prior to and during the launch of a new service, as well as following the launch, during the implementation and service delivery stages.
- 5.10.2 The MFCS noted that its policies and plans were informed not only by periodical statistical updates but also by interactions with all strata of society, intended to gauge shifting challenges, needs and aspirations. In this respect, the Ministry noted that several measures and initiatives over the past years were the result of interactions with social beneficiaries, civil society and the general public. According to the MFCS, this approach has resulted in the creation of new benefits, the improvement of existing benefits and the enhancement of social service delivery through the Ministry's satellite agencies.
- 5.10.3 Contributors advocated for continuous stakeholder engagement, which goes beyond tokenistic conferences. Some NGO representatives and an academic noted that consultation with NGOs has been decreasing in recent years, and at times considered these interactions as a tokenistic gesture by Government, rather than true, meaningful and open consultation which informed government decisions. The academic asserted that prior to recent years NGOs had more say and were more highly regarded. NGO representatives and academics asserted that there needs to be a more honest approach in Government approaching NGOs as real partners in addressing social issues, especially when considering that NGOs often fill gaps for service delivery unattended to by Government and therefore must be integral to the solution. An NGO representative suggested that Government ought to organise focus groups or discussion sessions with competent professionals from NGOs with the intent of exploring possible ways for Government and NGOs to collaborate together.

- 5.10.4 NGO representatives emphasised the importance of consulting with affected groups, as their first-hand experience was considered paramount in devising effective and sensitive solutions to the hardships faced by those experiencing poverty. An academic specifically noted that the direct feedback of potential service users is required to avoid only obtaining the perspective of NGOs, which often has a middle-class orientation. NGO representatives indicated that they encouraged the idea of persons experiencing poverty partaking in advocacy efforts and lobbying collectively for their needs.
- 5.10.5 Academics spoke of the need for Government to refrain from politicising or interpreting as personal criticism or antipathy critical feedback obtained from, or evaluation reports published by lecturers and researchers, or even selectively considering the contributions provided to suit their political needs. One academic mentioned how, on criticising a government policy, he received backlash and was accused of being partisan and of hurting and offending individuals on a personal level. Academics asserted that they are able to provide valid, non-partisan, and substantiated criticism and feedback and should be encouraged to do so without fear of retaliation, and that government officials and politicians should show sufficient maturity to accept and consider this feedback objectively.
- 5.10.6 The NDSF asserted that Government actively consults with MEUSAC and the Malta Council for Economic and Social Development (MCESD), two fora which bring together the main social partners in Malta. The NDSF noted that such stakeholders are usually consulted by the respective ministries on various measures and initiatives presented in the reform programmes. There are also relevant ministries responsible for coordinating input from other ministries and key stakeholders, participating in seminars and discussions on issues concerning the EU 2020 Strategy, and providing updates on reform programmes initiated by the Government. On the other hand, NGO representatives and an academic mentioned the need for a greater representation of various parties of the social sector in fora and structures for consultations with stakeholders, such as the MCESD and MEUSAC, and for representation to be periodically rotated and revised.

5.11 Collaboration and coordination

- 5.11.1 One of the main themes that emerged from the focus groups with NGO representatives and academics is the need for building strong networks between professionals within and between government departments, entities and NGOs in the social sector. Such networks were considered beneficial to aid service provision, avoid duplication of services, allow for better utilisation of resources, expedite help, limit repeat service access from different sources, and allow for services that meet the complex needs of individuals who are at risk of poverty or living in poverty. Additionally, by strengthening working relationships, any loopholes in service provision, in terms of unmet needs, would more likely be addressed. The COVID-19 pandemic was considered to be an opportunity for strengthening relationships between different service providers and for putting to practice the partnership principle, ever more so at a time when the input of all stakeholders was necessary and important.

Within the NGO sector

5.11.2 With respect to cooperation within the NGO sector, some NGO representatives noted that various services are offered by NGOs to those experiencing poverty, but these services are often not interlinked, with poor coordination and collaboration between different services and providers potentially leading to fragmentation in the sector. Some contributors acknowledged that this lack of collaboration within the NGO sector was partly symptomatic of competition between NGO service providers, which may be partly explained by the need to source funding and the limited funding opportunities available. On the other hand, some NGO representatives argued that, at present, in specific areas, there is already close collaboration between certain service providers in the NGO sector, and that this coordination is partly intended to avoid having the same individuals accessing the same help from different sources (in a scenario of limited resources). By way of example, NGO representatives mentioned the collaboration present between different shelters to manage requests and waiting times.

Between Government and the NGO sector

5.11.3 In terms of the relationship between Government and the NGO sector, the need for closer personal relationships and more open communication between government officials and NGOs was cited. Some specific cases of positive working relationships and others where there is a lack of effective collaboration were mentioned. NGO representatives mentioned good collaboration with Aġenzija Appoġġ, with the Agency working hand in hand with NGOs to avoid duplication of services and to best assist vulnerable persons. An NGO representative explained that the NGO works very closely with Aġenzija Appoġġ, with a care support plan being drawn up jointly and the roles of both parties being clearly delineated. The Agency was said to be effectively referring clients to the NGOs for material help and other support. Various NGO representatives and an academic also mentioned good working relationships with the Housing Authority at the grassroots level. The FSWS also noted that it has excellent communication and collaboration with the Housing Authority. The representative of the NGO offering emergency and residential shelter indicated already having contacts in place with Jobsplus, Social Services and Aġenzija Appoġġ to allow for effective referrals for further support of clients and that many clients were referred to them by Aġenzija Appoġġ or other NGO shelters. The FSWS stated that the services offered by the Agency for Community and Therapeutic Services are an example of continuous networking between Government, NGOs, parishes and various professionals, for the best interest of clients and the community at large. On the other hand, in the case of the migration field, specifically that relating to asylum seekers and people requiring humanitarian protection, an NGO representative noted that there is a lack of effective and efficient cooperation with civil society. In efforts to improve cooperation, the MHSE noted that AWAS has entered into a number of memoranda of understanding with various local and international NGOs, launched several services and provided NGOs with access to the open centres. Additionally, AWAS referred to the effective collaboration between the Agency and various migrant communities.

5.11.4 An example of required cooperation mentioned was that for food distribution programmes. Government provides a supply for three months to eligible families, and because of this provision, and the lack of coordination between Government and the NGO sector, NGOs that distribute food have to invest time and energy carrying out an exercise to identify those benefitting from government allocations to prioritise others not in receipt of government help. In response to this comment, the FSWS noted that it was selected as a Partner Organisation after the MFCS issued an open call for the Fund for European Aid to the Most Deprived. All entities, including NGOs, had the opportunity to submit their interest in participating as a partner in this scheme. The FSWS explained that it had had been leading two food distribution initiatives, the Fund for European Aid to the Most Deprived and the State Funding Food Distribution, for the past four years, and that throughout this period it had always collaborated with government entities and NGOs who were willing to assist in this endeavour, while observing data protection. The FSWS, on endorsement of the Ministry, distributed non-collected State Funded Food Distribution packages to NGOs, after every distribution, with NGOs working with vulnerable cohorts being duly assisted and informed to collect advanced food packages. Over 35 NGOs assisted and collaborated. Therefore, the FSWS noted that this was testament to the Foundation's mission to collaborate and network to reach vulnerable cohorts.

5.11.5 The input of NGOs was considered by contributors as essential in a consultative capacity during the process of drafting legislation [more details in *Other Legislative Considerations – Consultation Process*], during policy development [more details in *Policy Development and Implementation Process*] and in service delivery and evaluation [more details in *Consultations*]. Collaboration beyond consultation was also mentioned in the discussions, with NGOs mentioned as partners in service design and service delivery. The NGO representatives argued that such collaboration requires an honest approach from Government in considering NGOs as real partners in addressing social issues and in tackling gaps in service provision and requires Government to develop strategies and action plans with a multi-stakeholder approach. An NGO representative argued that, in collaborating with NGOs, Government was to be mindful of the relationship-intensive approach adopted by NGOs and be open to assist NGOs in a way that is coherent with their ethos and operations. The example of collaboration with the Directorate of Lifelong Learning was mentioned in this respect [more details in *A Focus on Education*]. Moreover, an academic pointed out that subject to adequate monitoring, NGOs should have the facility to refer clients to services such as shelters directly, and not require the assessment and referral of the FSWS because of restrictive PSP agreements. The provision of new funding opportunities for NGOs and the encouragement and reward of collaboration in joint funding applications [more details in *Funding for NGOs*] were noted by many contributors as two ways for Government to collaborate with and support NGOs. To aid collaboration between sectors, an NGO representative advocated for the introduction of liaison persons, within all critical government departments and entities providing social and humanitarian services, for NGOs to contact directly for help. Also suggested was the inclusion of the input of NGOs who have a working relationship with specific clients as a standard feature in the process of determining eligibility to benefits related to medical conditions.

- 5.11.6 The MFCS noted that over the past years it has secured a track record of robust collaboration with established voluntary organisations, by actively engaging with these organisations to tackle gaps in the provision of various social services. Additionally, the Ministry has funded programmes and initiatives run by NGOs to complement the services provided by its agencies. In view of this collaboration, the MFCS considered certain comments made by NGOs as jarring with reality. Notwithstanding this, the MFCS indicated that it remained firmly committed to forge ahead in extending its support to well-meaning NGOs who transparently seek its support in launching or expanding their operations to fill gaps in service provision.
- 5.11.7 The extent of collaboration and communication within Government and also between Government and the NGO sector was considered as largely dependent on the specific individuals holding public office and their personal approach. Additionally, one could also notice that certain officials only built relationships with specific departments, entities and NGOs, based on one's affinity with the particular professionals and volunteers. Within this context, an NGO representative spoke of territorialism, and of individual or institutional ego. An academic noted that the level of communication between NGOs and government departments and entities was often based on whether one has access to the Minister or is part of the inner circles, and suggested the introduction of a more formal process for NGOs to inform Government of emerging needs and gaps in the service.
- 5.11.8 PSPs were noted as effective methods of collaboration. The MFCS explained that there are various instances where NGOs implement policy measures through a PSP. By way of example, if the Ministry requires residential services for persons with disability and there are NGOs that offer these services, rather than reinvent the wheel, the MFCS enters into a PSP with these NGOs based on clear terms and conditions against payment. Some NGO representatives provided details of how such PSPs operated within their NGO, to the benefit of the organisation and their clients. However, a few NGO representatives and academics expressed concern that such arrangements have certain caveats that could stifle the independence, autonomy, creativity and responsiveness of NGOs. For example, an NGO representative and an academic explained that some PSPs have imposed certain restrictions on referrals, limiting clients for a service offered by the NGO to those referred to by Aġenzija Appoġġ or a social worker within the FSWS. Referrals from other NGOs are no longer allowed, with the NGOs having to first refer to Aġenzija Appoġġ, adding bureaucracy and additional work to the process to the detriment of other NGOs and the service users. However, this concern was not shared by all NGO representatives. Contrary to these expressed reservations, one NGO representative firmly contended that having one service (out of many) funded by Government does not make an NGO dependent on Government, but simply demonstrates the trust being shown in the NGO by Government to run a service that it is not offering. Moreover, the NGO representative argued that dependency would arise if the NGO would cease from offering the service if Government stopped its funding, whereas most NGOs would continue offering their services and find alternative funding mechanisms. PSPs simply offer peace of mind regarding finances and allow the NGO to focus its efforts on service provision rather than wasting energy and resources on fundraising. Moreover, an academic noted

that PSPs have improved over recent years, and are now regulated and monitored according to objective targets, with NGOs afforded greater autonomy.

5.11.9 In response to the concerns raised by some NGO representatives with respect to the PSPs, the MFCS asserted that funds cannot be funnelled indiscriminately, and that terms and conditions must be established. This is necessary to ensure an adequate monitoring of service delivery and verification of the proper usage of disbursements and to prevent abuses. In this respect, the MFCS noted that while the terms of service may sound restrictive and the reporting requirements taxing for some NGOs, these are necessary for good governance and to ensure value for money. Similarly, the FSWS noted that the Foundation is able to carry out an independent fair assessment of requests for shelter and ensures that all vulnerable people are treated as equal. Moreover, since it is purchasing services from the NGOs and because of its role as the national agency for various services, the FSWS bears the responsibility to ensure that public funds are used effectively in the best interest of society and that persons move on to independent living. The FSWS maintained that this is why it undertakes a proper assessment of clients, draws up a care plan and maintains periodic contact to receive feedback on progress.

5.11.10 An academic made reference to the establishment of foundations, such as Foundation Dar il-Kaptan, where the model was built on the premise that Government was the main funding partner but the Foundation made all the strategic and operational decisions together with service users. The academic praised this model; however, similarly to the PSP model, mentioned issues related to the power held by Government as the financier.

Within Government

5.11.11 With respect to intra-organisational cooperation within Government, various academics noted that there exists a silo mentality between ministries and entities, and many NGO representatives and academics were of the opinion that more cooperation is required at all levels for policy implementation [more details in *Policy Development and Implementation Process*] and service provision. The need for greater synergy among various social services and greater use of case management in the public sector was advocated by NGO representatives and academics to better address the complex needs of vulnerable persons [more details in *Inadequate/Sub-Optimal Services*]. Fragmentation in service provision was considered to lead, in some instances, to unclear lines of responsibility, with service users referred to another service, only to be referred back. The lack of coordination between different social services was partly explained in terms of the large caseloads assigned to social workers in the public sector, limiting the time available for them to network. In response to the reference to the high caseloads experienced by social workers, the FSWS commented that it is tackling and compensating for these caseloads through a central management system that increases efficiency in record keeping, by employing more social welfare professionals and by providing support to social workers. This additional staff complement attends to tasks that are not strictly social work, freeing up time for social workers and other professionals to focus on core work.

5.11.12 Examples of experiences of lack of coordination and communication within Government were presented during the focus groups. An NGO representative narrated how the NGO had carried out an exercise a few years back into the processing of cases related to missing children and found that, at the time, the various institutions, including the Police, the Immigration Office, Aġenzija Appoġġ and AWAS, were not adequately coordinating. The relevant professionals were not having regular briefings, sharing information or collaborating on these cases. The MHSE noted that with renewed efforts, the system has significantly improved. Another NGO representative mentioned an episode wherein the NGO had put forward some recommendations regarding the role of monitors during supervised access visits to the Minister MFCS, and they were directed to put forward this suggestion to the Minister responsible for justice. The NGO representative commented that NGOs do not have the time and resources to make presentations to multiple stakeholders. When they identify an issue that impacts the lives of many families, and they highlight this and make a recommendation to the authorities, there should be adequate inter-ministerial communication, and a culture of listening, understanding and taking recommendations forward, such that one contact by the NGO with the authorities is sufficient. The FSWS disagreed with this statement, maintaining that its subsidiary entities collaborate effectively with other ministries and NGOs, as regulated by law, in addressing individual cases. The MFH indicated that since the positions of Director for International Relations in the MFH and the MFCS have become vacant, the communication between the two ministries, which was strong in the past, has decreased.

5.11.13 A few NGO representatives and academics also spoke of the existing competition between various ministries and entities, with various stakeholders competing over projects to justify their existence or competing for limelight or credit for specific initiatives. An academic noted that individual managers are being assessed and rewarded on the basis of key performance indicators that do not reward collaboration and communication. Another academic attributed this competitive element within the public sector to the managerialist culture within the sector and the key performance indicators used, and suggested that collaboration should be rewarded in appraisals. In view of this, some academics advocated for the introduction of communication and collaboration as key performance indicators of public officials in managerial positions, as well as the inclusion of quality, for which intra-organisational communication is a determinant, as a work culture within the public sector.

5.11.14 Elements of positive collaboration within Government were also highlighted. The role of community services, as the first point of contact and assessment and subsequent referrals to other public services, was considered an important element of collaboration within social services. The disability sector and the domestic violence sector were mentioned by a few academics as examples of good practice of collaboration within Government, with efforts undertaken to improve service quality and facilitate service access across various sectors for users. Also mentioned was the research committee of the Social Standards Authority, which aims to bridge the gap between different entities. The ministries which form part of the Inter-Ministerial Committee on poverty indicated they collaborate with the other ministries at policy development and implementation stages. The Sustainable Development Directorate indicated that ministries do collaborate with

each other to address particular SDG issues, and that communication and collaboration will increase under the new system of SDG proofing of budget measures.

Other proposals to aid collaboration

- 5.11.15** An NGO representative argued that it is the duty of the public service to synergise and create the necessary framework for professionals and volunteers from NGOs to work together and also with the public sector. The FSWS acknowledged the importance of collaboration and networking, emphasising this as a two-way process. In this respect, the FSWS referred to instances when it had directed service users to NGOs, which in turn refused to provide feedback on the progress of clients. The FSWS noted that it fosters and seeks to collaborate with all other stakeholders willing to commit towards aiding vulnerable cohorts. Moreover, the FSWS made reference to the inclusion of an addendum in all PSPs related to data protection, thereby providing a framework for the sharing of information. The NGO representatives suggested that Government could provide a directory listing all entities and NGOs and the services they provide, and also organise meetings for stakeholders within different sectors to facilitate networking and avoid duplication of services. Some NGO representatives acknowledged that such a directory had been compiled; however, this needs to be comprehensive and updated frequently. The FSWS noted that this directory, which is available online, had been compiled during the tenure of the LEAP project, with the aim of encouraging networking and collaboration among social stakeholders. The FSWS explained that stakeholders who were willing to participate after being invited to form part of a regional network continued their commitment and are still collaborating, while others that did not join initially are not turned down if they indicate an interest to collaborate.
- 5.11.16** An NGO representative proposed the creation of a register of social care service users that includes the case file's history, which can be shared across intervening entities and NGOs, subject to the client's consent. This would allow professionals to be more efficient with their time, and effective in their response. An academic expressed reservations with respect to this proposal, questioning whether it is ethical, in view of the fact that many persons facing poverty could be vulnerable and desperate, leading them to give their consent without realising the implication of this. Moreover, individuals may have sought services involuntarily, such as in the case of perpetrators of child abuse, or might be struggling with issues that have legal implications, such as substance abuse.
- 5.11.17** It was also suggested that Government organises information sessions for new NGOs to provide the necessary information for them to better understand their obligations, such as their reporting obligations, and to provide insights and suggestions for possible collaboration. In this respect, the Collaborative Platform to be established by the Social Care Standards Authority is intended to provide service providers with a network to discuss common areas of concern and good practices being implemented.
- 5.11.18** Aġenzija Support noted that there has been a suggestion for the centralisation of means testing. Funding would be scrutinised and monitored more thoroughly, to reduce the risk of high-income

earners taking advantage of schemes and to ensure that persons who need a service receive adequate support. Means testing would be conducted from a centralised, holistic assessment system and uploaded to one database, which can be accessed by Aġenzija Sapport to confirm the adequate amount of support to be provided. This would decrease the bureaucracy for vulnerable persons while increasing consistency between services and entities and ensuring that services reach those on and below the poverty line. On providing further feedback, Aġenzija Sapport noted that services offered through the Agency are not means tested. With increased demands on services and limited financial resources, vulnerable service users, especially those who are below the poverty line, do not have increased access to support services. Persons with disability can also find themselves on waiting lists until they are allocated services. With the possible introduction of centralised means testing, combined with a functional assessment of needs, an individual can be given the level of financial and functional support necessary. An academic questioned the ethical implications of the proposal for the centralisation of means testing and whether data protection restrictions would apply.

The experience of entities and commissions

5.11.19 Feedback regarding the existing and required cooperation and collaboration within Government and between Government and NGOs was also provided by entities and commissions.

- a | The Commission for the Rights of Persons with Disability stated that it has a good working relationship with entities falling under the MFCS, and that it also provides various proposals to this Ministry and to other entities. The recent appointment of a new Director General in charge of Research, Policy and Operations has further strengthened coordination in the disability sector. Eventually this should be beneficial to the Commission as it would be relieved of its implementation duties allowing it to focus on its regulatory role. The Commission also mentioned that it had signed a memorandum of understanding with the Housing Authority to review the policies and schemes of the Housing Authority and with the Social Care Standards Authority.
- b | The Commission for the Rights of Persons with Disability was of the opinion that there is coordination and cooperation between the different entities falling under the MFCS. The Commission also noted that persons with disabilities who come from deprived backgrounds require a high level of cooperation between various entities for their needs to be adequately addressed. Varying operational procedures of the entities involved may hamper the intervention process and could result in impasses that require ministerial intervention to be overcome. The Commission indicated that reaching this level can be arduous for the people involved. Very often, entities prioritise cost-cutting and cost hardship over what may appear as minor matters, such as for example supervised transport for children with autism who attend Church or independent schools, which was repeatedly brought to the attention of the MEDE. The absence of early intervention services for over a year, due to union directives, is another example. The Commission explained that while the Equal Opportunities Act provides excellent cover for children

with disability, the same legislation provides that, in the educational sector, educational institutions may withhold help to children in need if this help would ‘impose unjustifiable hardship on the educational institution or authority concerned’ [Clause 11 (3)]. The Commission for the Rights of Persons with a Disability noted that a case currently being heard by the Commission for Education concerns precisely this matter and that much time and energy is being expended overcoming institutional reluctance.

- c | The National Commission for Further and Higher Education stated that further cooperation between various ministries and entities is desired regarding the validation of non-formal and informal learning. The case of the Building Industry Consultative Council’s introduction of the skills card and the promotion of the validation of non-formal and informal learning in that process was presented as a case of beneficial cooperation, resulting in 500 awards to candidates in the building and construction industry, making these individuals more employable in the sector. The National Commission for Further and Higher Education argued that many individuals could get recognition for their work experience, which could help them continue their studies, or advance in their career or re-enter the labour market after a period of inactivity or unemployment, if similar cooperation was achieved in other sectors, either through subsidiary legislation or through a measure such as the introduction of a skills card.
- d | The Commission for Mental Health argued that mental health transcends an envelope budget approach, and requires ministries, departments, agencies and NGOs to take decisions and work together.
- e | The Social Care Standards Authority commented that in a sensitive area such as poverty, coordination measures and cooperation should continue to ensure that ministries and entities are working in tandem to address common areas of concern. The Authority believed such coordination and cooperation should always be maintained to ensure that communication is enhanced, and the best interests of vulnerable persons are served. Similarly, the Authority noted that a continuation of the coordination of social welfare services, including services provided to older persons, shelters, temporary accommodation and supportive accommodation for adults and victims of domestic violence, is also necessary, to overcome miscommunication and resolve issues following the necessary discussions and understanding of services and areas for cooperation. The need for collaboration with NGOs to avoid duplication of work while ensuring quality of services was also mentioned. As an Authority, such collaboration shall be given further importance through the establishment of the Collaborative Platform, wherein service providers have a network to discuss common areas of concern and good practices being implemented. The Social Care Standards Authority also acknowledged that various social welfare services are catering for different needs, with many provided by NGOs that have limited resources. However, the Authority recognised that PSPs represent a positive effort to further coordinate to ensure quality services though acknowledging that further coordination is required.

- f | The Housing Authority mentioned a very close and collaborative working relationship between the Housing Authority and the MSA, with the Housing Authority involved in the development of policies, budget measures and legislative changes. The Housing Authority noted that an official posted within the Secretariat of the MSA was tasked with carrying out stakeholder management with NGOs operating in the housing sector. The Housing Authority also made reference to an instance of effective timely collaboration during the COVID-19 pandemic, when the Minister for Social Accommodation made direct contact with the Commission for Domestic Violence and subsequently involved the Housing Authority to better address domestic violence cases through a more generous benefit. The Housing Authority noted that, at grassroots level, the Authority had excellent communication and coordination with other social care professionals from public sector entities and NGOs, such as shelters, to best address individual cases. On the other hand, the Housing Authority acknowledged that a platform for consultation with NGOs for more strategic issues did not exist yet within the Authority.
- g | Aġenzija Żgħażaġħ asserted that one of the emerging issues in implementing the national youth policy, including programmes addressing different sectors, is the relative weakness of cross-sectoral or inter-ministerial support for young people. The Agency identified several reasons for this weakness, including policy ownership, prioritisation, relative importance, responsibility and accountability.
- h | AWAS stated that the Malta Police Force, the Detention Services, the International Protection Agency, EASO and the Health entities coordinate well together. However, the Agency expressed its interest in extending this level of collaboration with other national entities to widen the range of support provided to asylum seekers.
- i | The Institute for Education asserted that it supports all initiatives of continuing professional development required by different departments. Regarding the courses it organises, coordination with the various departments and other entities is undertaken during the programme design to ensure that all required knowledge, skills and competences are included. The Institute suggested that heads of entities and heads of department within the educational sector meet at least once a month to discuss strategy and processes, and coordinate actions.
- j | The NDSF noted that relevant ministries are responsible for coordinating input from other ministries and key stakeholders, participating in seminars and discussions on issues concerning EU 2020 Strategy and providing updates on reform programmes initiated by Government.
- k | In its feedback for the annual report relating to sustainable development, the FSWS provided details of further collaboration instituted within the Foundation, noting that in 2019, the community social work services and the mentoring services of LEAP joined forces under one agency to bring more consistency and uniformity across all the community services of

the FSWS. This led to the amalgamation of mentoring and social work services in the same locality under one leader. This set the tone for multi-disciplinary work with clear roles for the benefit of the service user, who began to receive a more holistic service. Additionally, last year the FSWS ran various community projects and initiatives in collaboration with entities such as local councils and regional councils.

- I | Aġenzija Sapport noted that, over the last few years, there was a strong push within the disability services sector to strengthen inter-ministerial collaboration, especially between the MFH, the MEDE and the MFCS. More specifically, the set-up is the Inter-Ministerial Administrative Committee on Disability and its Inter-Ministerial Interdisciplinary Professional Board on Disability, within the MFCS. All decisions regarding policy, disability strategy and strategy implementation have been strengthened through ongoing collaboration. The Agency found being involved in this inter-ministerial mechanism very fruitful, as this has contributed to communication as well as a greater understanding of how all ministries are addressing the issues related to disability, individually and collectively. Further fine-tuning and strengthening of these inter-ministerial structures, within the framework of a more holistic national coordination mechanism, was considered necessary to ensure long-term sustainability. Moreover, Aġenzija Sapport noted that the Agency is working to collaborate with other stakeholders. Aġenzija Sapport elaborated that a task force has been set up to address how the Agency can work more closely with the MEDE to improve the placement outcomes of persons leaving Wardija Resource School in employment or Aġenzija Sapport day services.

With respect to service coordination, this was considered to have drastically improved, and was well coordinated through the services operating from Aġenzija Sapport. This includes the NGO team responsible for the implementation of the ministerial PSP agreements with private homes and other NGO homes. The Aġenzija Sapport Social Work teams work closely and coordinate with the respite services and other services for the benefit of service users.

Aġenzija Sapport aims to achieve better communication and coordination, specifically with respect to the area related to ways to tackle early identification, and intervention and life-long support, as well as strengthen the network between the MFH, the MEDE and other social sectors to better address the social needs, as well as the early education and intervention of persons with disability. Additionally, the Agency intends to strengthen collaboration with the Housing Authority so that persons with disabilities are granted the necessary housing support with reduced bureaucracy.

5.12 Housing issues

- 5.12.1 The rise in rent prices and property sale prices due to a rise in demand, partly explained by the influx of foreign workers and changes in family composition, and the effect of this increase on poverty and homelessness, were the most widely discussed issues during the focus groups with the NGO representatives and academics. Families on low wages who are renting accommodation from

the private sector are struggling to cover their living expenses, especially in cases of separation or households including a member with a disability. Some individuals and families who are ineligible for social housing may wish to purchase a property but are unable to secure a loan that is sufficient to purchase a property on the market, and are consequently stuck perpetually in a situation where they have to rent accommodation at prices which are significantly high. Similarly, persons with certain medical conditions or medical history are often unable to secure a bank loan due to insurers refusing to cover them or quoting them prohibitive premiums. The struggle to cope with living expenses and cover housing costs was noted to have become increasingly difficult during the COVID-19 pandemic, with a considerable number of families being unable to afford their rent, thereby risking eviction.

- 5.12.2 Somewhat counteracting this argument, that many households are struggling financially with high housing costs, the Housing Authority referred to the EU SILC indicator housing cost overburden rate, which he noted reflects positively on the housing sector in Malta. The housing cost overburden rate is the percentage of the population living in households where the total housing costs (net of housing allowances) represent more than 40 per cent of disposable income (net of housing allowances). In 2018, Malta showed the lowest percentage within the EU, of 1.7 per cent, compared to an EU-average of 10.3 per cent. The Housing Authority commented that this positive statistic partly reflects the fact that the majority of the Maltese population are outright homeowners and not subject to any mortgage.
- 5.12.3 Affordable housing, cited as a human right by an NGO representative, was considered by some contributors to not be adequately provided for in Malta, and the introduction of further legislative measures, policies and schemes to ensure access to affordable housing was advocated to address this gap in the housing market. In view of research conducted in collaboration with the Faculty for Social Wellbeing, the Social Care Standards Authority noted that, a continuation in the efforts being made in policies and measures targeting poverty, particularly affordable housing, will contribute towards addressing the situation. The Housing Authority recognised affordable housing as the greatest existing policy gap in the local housing sector, acknowledging that the needs of those who are ineligible for social housing but are unable to obtain a loan that can secure them a property from the market were the least addressed by existing policies and schemes.
- 5.12.4 While acknowledging the Private Rent Housing Benefit Scheme as a positive initiative by the Housing Authority, offering a rent subsidy to those renting in the private sector, problems of accessibility and abuse by landlords were highlighted. An NGO representative noted that landlords often threaten tenants with eviction if they try to apply for this subsidy, since for tax evasion purposes they did not want any official record of their tenancy agreement. In some cases, the landlords increase the rent. The Housing Authority confirmed that various persons contacted the Authority indicating that their landlord was raising their rent by 15 per cent when they had indicated that they intended to apply for this benefit. It was hoped that the new rent regulations introduced this year would somewhat diminish and regulate this abusive behaviour by landlords.

- 5.12.5 Homelessness, which includes persons without any shelter, those who are illegally squatting in vacant buildings, those residing in shelters and those who are provided temporary accommodation by family and friends, was described by a few contributors as a hidden but growing reality and a new form of poverty. An NGO representative mentioned that, lately, the NGO had to start appealing for blankets and sleeping bag donations and distributing them in public gardens. This NGO representative outlined that the homeless people the NGO was aiding were not migrants, but Maltese nationals. On the other hand, an NGO representative noted that their NGO was experiencing a decline in clients for emergency shelter (who are mainly foreigners) since January of this year (pre-COVID-19). Another NGO representative noted that the launch of the Private Rent Housing Benefit Scheme by the Housing Authority helped reduce the problem of homelessness. An NGO representative noted that there exists a gap in services with respect to older persons who are rendered homeless. Shelters for the homeless do not accept older persons, while the Active Ageing and Community Care Department does not offer services to homeless persons.
- 5.12.6 An NGO representative mentioned that persons seeking residency in Malta as asylum seekers or beneficiaries of humanitarian protection are often homeless, often leading to mental health problems and possibly even criminal behaviour. This was considered as symptomatic of the lack of adequate integration policies, and the limited entitlement of these individuals to benefits and services. The Social Care Standards Authority noted that, in the case of third country nationals, affordable housing and status recognition were among the main causes leading to homelessness. The Authority highlighted efforts being made in this area with the intention of addressing this situation. However, the Housing Authority noted that the Private Rent Housing Benefit Scheme was available to Maltese, EU nationals and third country nationals, on condition that they lived in Malta for 12 consecutive months in the last 18 months. The rate of subsidy did not vary by nationality or residency status.
- 5.12.7 A few NGO representatives described individuals living in non-residential properties, such as garages, as a growing reality. However, the Housing Authority noted that the number of applications for the Private Rent Housing Benefit Scheme, which covers up to 80 per cent of the rent in subsidy (depending on the household's level of income), somewhat downplayed this claim. In some cases, the receipt of this subsidy would in effect mean that individuals are paying less in rent if they rent a small apartment than renting the garage without the subsidy.
- 5.12.8 Reference was also made to persons who are living in accommodation of poor quality or in a poor condition of maintenance, with some extreme cases of persons living in derelict properties also indicated. An academic mentioned having come across cases of households that lack basic hygiene facilities. The NGOs also mentioned the growing reality of migrant families and individuals, and lately even Maltese families, sharing accommodation in overcrowded conditions. More generally, reference was made to the fact that, despite the increase in prices, most newly constructed properties that are affordable by the majority are smaller in size, less well-lit and well-constructed, thereby offering living spaces that are of lesser quality and that are crowded, negatively impacting one's wellbeing. In this context, poor housing conditions and inadequate housing, as well as a lack of communal spaces, were referred to as another form of poverty.

5.12.9 The contributions included an assessment of the work being carried out by the Housing Authority. An NGO representative praised the work undertaken by the Authority, asserting that the schemes available were effective in alleviating the hardship experienced by those who are struggling to cover housing expenses. However, the NGO representative noted that despite the many schemes the Authority issued, many are still facing housing problems. Some contributors argued that this was a consequence of the reactive approach taken by the Authority to the housing situation in Malta. An academic claimed that the interventions by the Housing Authority so far were not sufficient to adequately compensate for the changes in the free market, and that the social housing provision was negligible compared to the demand. There is still a reality of long waiting times for social housing. Anecdotal evidence of the hardships endured from those eligible for social housing while waiting for available properties were narrated by some NGO representatives. The Commission for the Rights of Persons with Disability also outlined the long waiting lists for social housing being experienced by persons with disability. The Housing Authority acknowledged that there is a shortfall in social housing, with the number of properties being developed (1,700 units) being substantially lower than the number of households on the waiting list (3,000 households). The MSA noted that, at the time of publication, the waiting list had been further reduced to approximately 2,600 households.

5.12.10 An additional criticism of the Housing Authority put forward by an NGO representative was that the Authority is not sufficiently publicising its schemes. The Housing Authority noted that the Minister for Social Accommodation was continuously advertising the schemes during press conferences, on television and on Facebook, especially since the COVID-19 pandemic broke out. However, he did acknowledge that perhaps the message was not getting across as effectively to non-Maltese speaking residents.

5.12.11 Also discussed during the focus groups were potential solutions to address current housing issues. The Housing Authority stated that to address the shortfall in social housing, Government is currently seeking to rent properties from the private market (Skema Nikru biex Nassistu), to then pass them on to individuals in need of social housing. This scheme was creating an immediate supply of social housing, circumventing the delays involved in construction and development. The Housing Authority confirmed the commitment and effort on the part of the Authority and the MSA to continue addressing social housing needs. The reallocation of families that have decreased in size to smaller social housing residences and the allocation of social housing only for a temporary period or subject to sustained limited means, were proposed by an NGO representative and an academic as strategies for making better use of the limited pool of social housing units.

5.12.12 To address the problem of persons with health conditions or past health problems being unable to secure a loan, the Housing Authority indicated that discussions are currently underway with the Malta Insurance Association. Discussions are being held to find a solution for such cases, possibly with the Authority acting as guarantor for these individuals. The Housing Authority is currently considering including such a measure in the next budget. The Commission for the Rights of Persons with Disability also noted that it had been studying and analysing this issue for the past four years, and it was now at a stage where it would be issuing proposals to Government.

- 5.12.13 Individuals who are homeless and who do not have an identification document due to not having a fixed address cannot access benefits and services [more details in *Accessing Services*]. To address this issue, it was suggested that Government provide a postal address for these persons, for them to be able to list it on their identification documents and receive post. It was also suggested that showering facilities and dispensation of meals could be offered. Besides allowing these individuals access to services, this intervention would provide the possibility of monitoring and increase the coverage of studies on poverty. Another proposal to address the issue of homelessness, put forward by an NGO representative, was that Government addresses emergency shelter needs by offering bedsits, that is, small studio flats at low, subsidised prices.
- 5.12.14 The Social Care Standards Authority asserted that the current policy initiatives targeting vulnerable persons at risk of poverty should continue to focus on prevention measures. The Housing Authority noted that Government could intervene to provide affordable housing and address the needs of individuals who are not eligible for social housing, who may be bankable, and yet are not able to secure a sufficient loan amount to buy a property at market. This could be achieved by Government developing properties and selling them at cost price. Alternatively, more social loans and equity sharing schemes, as currently being offered by the Authority, could be launched. In this respect, Government contributes as a co-owner for part of the property, with the possibility of also allowing individuals to buy its share later. The Private Rent Housing Benefit Scheme was also mentioned as a measure that addresses affordable housing. Another solution proposed was for more projects like the one currently under development in Fgura, which will provide beneficiaries with a property for a monthly rent of minimum €300 and maximum €500, after which they will be required to partake in a home ownership scheme.
- 5.12.15 The Social Care Standards Authority also proposed improvement measures for the upgrading of shelters and temporary accommodation and the provision of specialised support for homeless persons who are unemployed or have children in care. The Authority also indicated that it was diligently working on establishing Social Regulatory Standards for persons seeking shelter and temporary accommodation in generic residential services. The establishment of such standards, as well as ongoing inspections, should ensure that social welfare service providers abide with quality and performance indicators to ensure that service users are provided with the necessary care and support required for their wellbeing, particularly adhering to residents' rights and safeguarding principles.
- 5.12.16 The FSWS provided an overview of the efforts it undertakes to address housing issues. It noted that though it is not directly responsible for social housing, it nonetheless closely collaborates with the Housing Authority to ensure that the targeted cohort is reached and needs are met. The FSWS noted that it invests heavily to assist this cohort, by accompaniment, referrals, venture out in schemes, policy development and research work. The Foundation encourages people to rent and apply for the rent subsidy offered by the Housing Authority. The FSWS and the Housing Authority collaborated to facilitate the securing of bank loans for families leasing a property or requiring shelter, allowing these families to obtain a loan without having to pay the 10 per cent down payment ordinarily required in such circumstances. An agreement between two local

banks facilitates referrals and follow-ups. Additionally, one of the functions of the Agency for the Community and Therapeutic Services is that of carrying out an assessment with the client to support them with any housing issues. Mentors were involved in a project organised by the Housing Authority whereby housing profiling was undertaken with those families who were on the waiting list for assistance from the Housing Authority. This provided an opportunity for the FSWS staff to reach out to vulnerable families. The MSA noted that the FSWS also assists the Housing Authority through the provision of support from social workers posted within the Authority to help staff cope with increased demands and pressures.

5.13 Other issues requiring address

5.13.1 Contributors referred to various issues, including ones directly related to the provision of services and benefits, wider operational and strategic considerations, unmet needs and society-wide perceptions and attitudes, that required Government's attention and intervention to allow for the successful alleviation of poverty.

Accessing services

5.13.2 Long waiting lists, which translate into prolonged waiting times to access a service, were described by the NGO practitioners as a problem in the public social care service sector. Long waiting lists were specifically indicated for counselling and psychological support services, health services as well as social housing. The Commission for the Rights of Persons with Disability mentioned that persons with disability and their families faced this problem of delays when accessing assistance from the Housing Authority, the Child Development Assessment Unit (in relation to therapy) and Aġenzija Sapport. In its feedback on the National Strategic Policy for Poverty Reduction and Social Inclusion, the FSWS indicated various efforts undertaken to address waiting lists. In its feedback to the NAO, the FSWS noted that Aġenzija Appoġġ and the Directorate for Alternative Care do not have long waiting lists for any of the services offered.

5.13.3 Since poverty and ill health are highly interlinked, the provision of timely and high-quality health services is essential in addressing poverty. The NGO representatives explained that, often, the waiting time for access to health services can be bypassed by accessing the first medical consultation with the specialist privately. The specialist then fast tracks the patient within the public health care system. This creates inequalities in the health care system, with those who are able to access and pay for a private consultation managing to speed up their process, besides also securing access to one's chosen specialist, rather than being allocated one at random. In this respect, some academics highlighted the fact that, in Malta, we have a high rate of out-of-pocket payments for health care services, which raises questions as to whether the population is being sufficiently served by the public health care sector.

5.13.4 The NGO representatives also mentioned the existing reality of politicians or high-level public officials who intervene to secure access to services or receipt of benefits for applicants and

bypass official channels. Elaborating in this respect, it was noted that irrespective of whether any eligibility regulations are being infringed, this ‘leave it in my hands, I will take care of things mentality’ among politicians and top officials works against the principles of empowerment and fair access. The FSWS elaborated on this point when stating that politically exposed persons from all across the spectrum request assistance, while the general public resort to direct contact for guidance and assistance when facing bureaucratic obstacles. The NGO representatives argued that this is not the type of flexibility that is required within governance structures to process complex or urgent cases and that, if the system needs changing, it ought to be done at a systems level. An NGO representative mentioned that the NGO worked well with government support services and government social workers, such as Aġenzija Appoġġ; however, certain services, such as social benefits, were lacking in the required flexibility.

5.13.5 Individuals may refrain from accessing services because of various fears. One related fear is the fear of stigma, with individuals experiencing poverty often keeping this fact hidden from their family and social network. For example, an NGO representative mentioned older persons who, despite feeling lonely and wanting to participate in social activities, refrain from accessing day care centres for older persons for fear of being labelled as old. Similarly, individuals may refrain from accessing services designed to alleviate poverty for fear of being stigmatised as in need. Another fear that hampers access to social care service is the worry of being reported or children being removed from one’s care. To address these accessibility issues awareness raising campaigns aimed at breaking stigma were suggested [more details in *Attitudes*]. In its feedback on the National Strategic Policy for Poverty Reduction and Social Inclusion, the FSWS indicated various efforts undertaken to sensitise the public and eradicate the stigma against those experiencing poverty and social exclusion. In its feedback to the NAO, the FSWS also noted that in view of its shared burden with respect to child protection and the associated mandatory reporting clause on professionals, families who refrain from seeking help for their poverty-related problems are likely to be identified by the Child Protection Directorate. However, the FSWS indicated that the Child Protection Directorate aims to help families before deciding to take children into care and actively participates on the media to educate the public on this matter.

5.13.6 Lack of awareness on the availability of services and benefits, or how and where to access them, may also act as a barrier to accessing help. The NGO representatives noted that some individuals in need may not have the agency or energy to seek help or the knowledge to know where to seek help and may be unaware of the services and benefits they are eligible for. Vulnerable persons may not have access to information, especially if this information is mostly available online. Solutions provided by contributors to overcome accessibility issues related to lack of knowledge and awareness . The need for important schemes, benefits and services to be adequately advertised and explained to the public, in formats that are accessible and understandable by those who are most in need, was discussed. Further outreach activities, as well as direct guidance and referral systems, were also suggested. With respect to the importance of having accessible information in different formats, the Commission for the Rights of Persons with Disability asserted that this is important to allow persons with disability to access information. Easy-to-read leaflets, sign language interpretation and online accessible information for persons with hearing impairments were mentioned as some of the required formats.

- 5.13.7 Another feature of government services that was criticised by an academic for better serving the needs of the organisation rather than those of the clients was the service offering on the online government portal, since many vulnerable people are not computer literate. This creates an issue of accessibility. The Commission for Domestic Violence and Gender-Based Violence referred to the fact that those who have a higher level of education and are more conversant with technology are more likely to access services and help online, while lack of technology knowledge and literacy skills may act as a barrier to accessing online services. Another accessibility issue mentioned is that of older persons who live in Valletta and the Cottonera area who, due to mobility issues, are unable to leave their accommodation and access services. While services like CommCare were mentioned as a good initiative to overcome these physical barriers, it was acknowledged that not enough older persons are being reached through such services, or making full use of this service if it is available to them, leading to acute poverty and social exclusion for certain older persons. The Commission for the Rights of Persons with Disability also indicated that more awareness of the existing services and schemes in accessible formats for different potential client groups is required.
- 5.13.8 Also somewhat related to the accessibility issue for the receipt of benefits and services is the problem faced by individuals who do not have an identification document, and may not be able to obtain one due to lack of finances to cover the administrative charge or the lack of a residential address. A few NGO representatives and academics explained that these persons cannot access any benefits and services because of this administrative barrier, with all applicants required to present an ID card. Specific reference was made to prisoners who, on release from the correctional facility, may be lacking such documentation. The recommendation put forward in this respect was for Government to make the necessary arrangements to allow these individuals to integrate in society after their release. The lack of identification documents also has implications for coverage in official statistics.
- 5.13.9 Regarding the issue of persons lacking an identification document, the MHSE noted that according to Identity Malta, all persons residing in Malta should be in possession of an "identity document" as per the Identity Card Act. Furthermore, such document must also bear details of the person's address. As regards payment, Maltese nationals, EU nationals, asylum seekers and failed asylum seekers are not required to pay any fees except in the case of a stolen or lost identity card. Third country nationals, excluding those granted international protection, are only authorised to remain in Malta and issued with a residence document if there is a purpose for them to continue to reside in Malta and it is expected that they have the means to support themselves and also have a place of residence, otherwise they would be required to leave Malta.
- 5.13.10 Another accessibility issue, mentioned by an NGO representative, is the possibility of fees, of up to €300, for childcare registration. While childcare is free at point of use, these registration fees, imposed by some facilities may be prohibitive for some families.

Bureaucracy

- 5.13.11** One of the issues mentioned in the focus groups was that of bureaucracy, which was considered to make the application process for services and benefits cumbersome and lengthy. The bureaucracy and processing times necessary for receipt of benefits, as well as the paperwork required to complete an application, were explained as barriers for individuals experiencing poverty in accessing much needed help. An example provided by an NGO representative related to a woman who had been inactive due to being a single mother with four children. When she re-entered the labour market, her employer took four months to complete her application for benefit tapering, and the application itself took around another four months to be processed. Another example provided by another NGO representative relates to persons who after being unemployed find employment and leave or lose that employment after some time, for some reason or another. These persons then must wait a few weeks for the payment of the benefits in full to be re-established. These delays cause hardship for persons who are in poverty or are at risk of experiencing poverty and also act as a barrier for individuals to move out of inactivity or unemployment. Aġenzija Sapport noted that reducing bureaucracy was one way of reducing the risk of persons falling into poverty, by ensuring people receive the required help and support in a timely manner.
- 5.13.12** Bureaucracy was also considered by academics to play a significant role in the administration and allocation of funds to NGOs, especially in the case of EU funds, and that this results in funds being ‘wasted’ in administrative overheads. With respect to the migration sector, an NGO representative commented that funds for immigration integration are mostly accessed by government entities, because civil society cannot cope with the administrative burden of the Funding and Programmes Division.
- 5.13.13** An NGO representative commented about how applicants and users of social benefits and services experience bureaucracy, often facing hurdles when having to liaise with various government departments, each with their own separate application process and governance structure. To mitigate this issue of fragmented services and make procedures more efficient, the NGO representative suggested the inclusion of a one-stop-shop that can help identify and access relevant support across various sectors and ministries, an arrangement that extends beyond the current measures of integration undertaken by Government. However, other NGO representatives questioned the feasibility of such an operation, and instead advocated for the further use of case management and good referral systems. The MFCS noted the web of hubs that have made a range of government services more easily accessible for the general public. Specific reference was made to the hub located in Floriana by the MFCS, which offers an array of services, including social services, social welfare and care, and social accommodation. Another NGO representative noted that NGOs often also experience similar issues relating to bureaucracy, having to go through lengthy administrative processes to access information or help clients in dire need access benefits and services. In this respect, the NGO representative explained that, for years, they have been advocating for critical government departments and entities providing social and humanitarian services to identify a liaison person whom NGOs can contact directly for help.

5.13.14 In response to the criticism related to bureaucracy put forward by the NGO representatives and academics, the MFCS noted that the Ministry has played a key role in Government's drive to reduce bureaucracy, having been the first ministry to introduce a standalone directorate to fast track simplification measures. In tandem with stakeholders in other ministries and, particularly with MITA, the MFCS had launched approximately 70 initiatives aimed at the general public or targeted specifically for social beneficiaries. Back office processes have been simplified and automated, 96 application forms have been made available online, together with seven calculators to enable claimants to check entitlements, and seven Myservices have been devised to enable users to access online a variety of personalised social security services. The MFCS asserted that several of the initiatives launched had a wide-ranging impact. For example, as from 2015, 44,000 families entitled to Children's Allowance and Supplementary Assistance no longer need to re-apply annually to have their benefit rates reviewed, and as from 2018, persons with diabetes are entitled to the Pink Card for life. Several simplification measures drastically cut down bureaucracy through the elimination of internal conventional workloads and in the process reduced the throughput for beneficiaries to receive their payment from five weeks to one week. Moreover, the MFCS noted its continued commitment to reduce bureaucracy, especially to simplify and automate back office operations to enable the Department of Social Security to be more efficient and effective in servicing its client base. The finalisation of the project to cluster all social benefit applications through an online platform and the speedy delivery of benefits during the COVID-19 pandemic was noted by the MFCS as evidence of this commitment. The project was fast tracked to enable eligible individuals to apply online for benefits intended to offset the impact of the pandemic, with incoming applications swiftly assessed, allowing the first group of affected persons to receive their initial weekly benefit payments within 12 working days from application. The Income Support and Compliance Division fine-tuned the process to speed up the assessment of non-contributory benefits and reduce paperwork, allowing complete new applications to be processed within a maximum of 10 days.

Benefit eligibility and rates

5.13.15 Issues related to benefit eligibility were also raised. An NGO representative suggested a revision of the means test criteria and thresholds. Reference was made to women who did not hold formal employment as they had dedicated their working age years to raising a family or taking on other caring duties. The lack of pensions in such cases, with benefits restricted to a small income supplement, renders older women particularly vulnerable to experiencing poverty, especially in the case of separations or divorces. To address this issue, an academic proposed accrediting this unpaid work by having Government cover National Insurance contributions to ensure that these individuals get their own contributory pensions.

5.13.16 An academic criticised the breadwinner model as the method for determining eligibility and transacting the income supplement for benefits and pensions. This academic suggested that instead of allocating benefits to the head of household, benefits are to be allocated separately for each (adult) household member. This would facilitate matters and allow for a more equitable allocation of benefits within households and in cases of separation and divorce. It would also

ensure that in the case of non-contributory pensions or other non-contributory benefits, eligibility is not withdrawn or forfeited when another household member is in employment or in receipt of similar benefits. In support of this argument another academic explained how at present, benefit eligibility is not sensitive to the needs and situation of certain vulnerable individuals and that safeguards in this respect are required. Vulnerable individuals who do not have a stable household may lose their benefit eligibility on moving in with a new partner or friend, irrespective of whether this person is supporting them financially or not, other than providing them with accommodation. The implications of the breadwinner model was also mentioned by the Social Care Standards Authority. Citing research, the Authority noted that policies based on this model were shown to have adverse effects in terms of equality, placing women at a disadvantage. In reaction to these contributions on the breadwinner model, the MFCS noted that these comments do not truly reflect the provisions and practices emanating from the Social Security Act [more details in *Required Legislative Changes – Social Security*].

5.13.17 The Commission for Mental Health indicated that persons with mental health conditions are not eligible for certain benefits, including in-work benefits and disability allowances, since mental health conditions are not recognised as a disability in the Social Security Act. It must be noted that the MFCS contested this understanding [more details in *Required Legislative Changes – Social Security*]. The Commission described this ineligibility as a form of discrimination against persons with mental health conditions. Similarly, the Commission for the Rights of Persons with Disability explained that, while during the past years there had been improvements in the Social Security Act in relation to the disability assistance/allowance provided to persons with disability, there were still people with disability who did not qualify for disability assistance due to the current eligibility assessment methods. To address this issue, the Commission for the Rights of Persons with Disability and the Office for Disability Issues within the MFCS are proposing the use of the International Classification of Functioning, Disability and Health as a new assessment method. In this respect, two NGO representatives made reference to the board which assesses an applicant's health condition to determine whether they are eligible for certain benefits. The importance of having qualified and competent persons with diverse backgrounds on these boards, who are sensitive and knowledgeable about mental health conditions, disability and chronic health conditions, was emphasised. Alternatively, the possibility of NGOs who have some history about a particular client providing input in the assessment was mentioned. At present, key workers are only allowed to accompany the person while being examined by the board in exceptional circumstances, such as in the case of severe mental health issues, and after considerable insistence from the relevant NGO. The MFCS acknowledged the points raised with respect to the practices by medical boards. Another instance of issues related to eligibility issues, mentioned by an NGO representative, is the ineligibility for free childcare during the probation period of employment.

5.13.18 With respect to benefits, a general criticism was that the income supplement amounts are insufficient in some cases, leading individuals to resort to other sources for additional financial aid, such as the Malta Community Chest Fund or other NGOs. It was argued that an effective social security system should provide benefit levels that are sufficient to cover any basic needs

and not leave gaps that have to be fulfilled through charity. Besides possible delays in receiving benefit payments [more details in *Bureaucracy*], the level of payment received, in comparison to the minimum wage, and the additional complications and arrangements that have to be put in place for the children when single parents take up employment, were described as other barriers to work, possibly putting into question whether it does actually pay to work.

Service quality considerations

5.13.19 Academics and NGO representatives referred to the issue of some social services that may not be of the required standard, lacking the right sensitivity in terms of delivery approach or not being sufficiently effective in terms of their impact, which may, at times, disempower individuals and compound their vulnerabilities.

5.13.20 Academics discussed the fact that governance structures and service provision is organised separately for different sectors and for individual services, failing to address the complex needs of persons experiencing poverty in a holistic and unified manner. Those who experience poverty are often also experiencing other problems such as, for example, ill health, addiction, unemployment, loneliness and the lack of a social support network, which may be in themselves causes or exacerbators of poverty. It was argued that services are currently organised in a way that fits political exigencies and logistical considerations, rather than in the optimal way for addressing the complexity and intersectionality of poverty and other social problems. Recognising pragmatic restrictions in the organisation of services, academics advocated the need for a more flowing and integrated person-centred experience and additional case management capabilities within the public social care sector was indicated as the most practical approach to address this incongruence. Case management would allow for better assessment of needs, adequate referral to the various services and overall management of individual complex cases. In its feedback to the NAO, the FSWS acknowledged the validity of this remark, noting that it was in an advanced stage of implementing an integrated case management system, to allow its system to interface with similar platforms in other ministries and avoid repetition. The FSWS explained that case management is practiced widely within the Directorate for Alternative Care and Aġenzija Appoġġ and other services within the Foundation, ensuring flow between services and an integrated approach to addressing complex cases. Moreover, the FSWS indicated that, following an initial assessment, clients are referred to relevant services, within and outside the Foundation. Despite not necessarily being the formal case manager, the professional assesses and intervenes holistically, linking individuals to the necessary services.

5.13.21 Besides overall gains in efficiency within the social sector (public and NGO sector) and a more user friendly and efficient service for clients, more effective referrals were also deemed necessary to avoid persons who have gone through traumatic experiences from having to repeat recounting their experience every time they need to access a new service or apply for a benefit. For this to be in place, frontliners need to have knowledge of the services that are available and be trained to better assess the needs of clients and to identify and refer clients to other services that need to be accessed.

5.13.22 In terms of service delivery, academics also mentioned experiences of service users or benefit claimants who were treated dismissively or insensitively when applying or accessing services, leading to further lack of empowerment. Specifically, academics mentioned a problem with clerical staff or service providers within human service and social care departments or entities who lack the required sensitivity to deal adequately with clients who are experiencing multiple vulnerabilities. An NGO representative referred to the specific case of victims of domestic violence who face service providers, legal professionals and law enforcement officers who may not be sufficiently informed or sensitive to the issues involved. While the various efforts undertaken by Government to increase awareness and improve services in this respect were noted, the need for further action was advocated. Specifically, there is a need for further training of staff in human service and social care departments or entities at all levels to ensure a more humane and respectful service provision within the public sector. In this respect, the Commission for the Rights of Persons with Disability emphasised the importance of providing disability equality.

5.13.23 Specific reference was also made to the legal aid service. Those who cannot afford their own legal representation are provided such representation through legal aid, and yet a few contributors noted that this service is not always adequate, and will often not match the adversarial legal team in terms of quality legal service, partly due to the large caseload allocated to legal aid lawyers. The MJEG indicated that the Legal Aid Agency had requested further resources through the inclusion of a budgetary measure to further expand and improve its service. Additionally, the MJEG noted that since being set up, the Agency had a four-fold increase in its budget, which increase was effected to assist it in its efforts to expand its human resource complement and to train its professionals to better address sensitive cases, such as those of domestic violence. The Agency is proposing to hire specialised legal aid lawyers for civil cases and others specialised for criminal cases. Furthermore, it is proposing to increase its number of lawyers with a view to reduce the present caseload held by each legal aid lawyer.

5.13.24 Judicial processes were criticised for often being lengthy and for not dealing sensitively enough with cases of domestic violence or the vulnerable older persons. The National Commission on Active Ageing noted a positive development in this respect in that civil and criminal concepts have been combined to achieve higher levels of protection in more expeditious and effective terms, without the need to resort to either criminal or civil proceedings, which are generally time-consuming, expensive and disheartening. Moreover, other legislation allows for persons convicted of crimes where older persons are victims to be automatically liable for damages on sentencing, hence eliminating the need for the older person to pursue the perpetrator for damages through a civil case. On the other hand, an NGO representative argued that the legal system needs to be more child-sensitive, as presently, children that are victims of abuse are sometimes unable to receive therapy due to pending court proceedings, and may face secondary victimisation due to the way investigations and court proceedings are carried out. The FSWS noted that for all cases monitored and supervised by the Directorate for Alternative Care, through its service for supervised access visits, the court is informed of the recommendations put forward by the Directorate regarding whether access should cease, decrease or increase, and emphasised that no discrimination is made in this respect.

5.13.25 The Commission for Gender-Based and Domestic Violence noted that one of the criticisms raised in this field relates to instances where cases that are deemed high risk by the police and social worker take a long time to be processed. This arises mainly due to the fact that the magistrate on duty holds back from providing a temporary protection order, which would result in the abuser being asked to leave the common accommodation, before hearing the alleged abuser's side of the story. This results in questionably unnecessary delays for victims who are suffering and are in high-risk situations. This lengthy processing time, therefore, was not explained in terms of bureaucratic procedures, but rather due to a judicial procedure that is not properly adapted and sensitive to respond adequately to such cases. The Commission explained that, to overcome this problem, the sector is advocating for a section of the judiciary to be specialised in domestic violence, with magistrates being specialised and trained in this sector. These magistrates would be sensitised to the dynamic complexities of domestic violence and would be able to take quick and decisive action to protect victims from further harm. This proposed change within the judiciary would complement the introduction of a new unit within the police focusing only on gender-based and domestic violence cases, which should be effected by the end of this year. An NGO representative also made reference to other court delays, relating to decisions on child support, which negatively affect victims of domestic violence.

5.13.26 The MJEG explained the judicial process involved in cases of domestic violence, which depending on the charges brought against the accused, may require review by the Office of the Attorney General and the input of various experts, which inevitably incur time. Taking into consideration the sensitivity of such cases, the victim has the possibility to testify through video conference. Moreover, the examination and cross-examination of the victim tendering evidence must be made on the same day so that the victim is only called to testify once. Remote witness facilities are in place for the safety of the victim, ensuring that the accused and the victim do not encounter each other. The MJEG also indicated that it is actively pursuing an improvement in the efficiency of justice in order to ensure a service of better quality to all users of the system. Over the past years, efforts have been addressed at improving the legislative structure through the enactment of new laws and the amendment of existing ones to improve the independence and efficiency of the justice system. Furthermore, the MJEG is also the beneficiary of the expert assistance of international institutions such as the Council of Europe and the European Commission, which aid the Ministry to address specific areas of efficiency or draft national strategies that will ultimately benefit the overall service provision within justice. While the MJEG acknowledges the pain and uncertainty experienced by victims going through the judicial process, it remains committed to improving the structures and services required to make the justice process as inclusive and expeditious as possible.

5.13.27 The introduction of the Social Care Standards Authority, and its licensing and monitoring processes, was considered by contributors to be a positive initiative for the improvement of the quality delivery of services. However, further efforts to monitor and evaluate services, and to make publicly available such evaluation reports, was considered by academics as pivotal in ensuring quality services. The importance of including feedback not just from the staff providing the service, but most importantly from service users, was highlighted by some academics.

Management and political considerations

5.13.28 Some academics criticised the fact that certain policy and important administrative decisions are oftentimes taken by politicians, rather than technical professional people with experience and qualifications in the relevant field. It was argued that while politicians should provide the general policy direction, they should not be involved in day-to-day operational decisions. Such decisions should be left in the hands of technocrats and experts. Also mentioned was the local political reality of important public sector senior positions being granted to persons of trust who do not have the necessary expertise and experience in the social and humanitarian sector and are not knowledgeable and well acquainted with what is happening on the ground. This negatively influences the impact and outcome of the work within the public sector. The MFCS maintained that all politicians are elected to carry out electoral programmes and that to do so they rely on the advice of civil servants and trusted advisors.

5.13.29 The need for competent persons with the right experience to fill important positions was emphasised on a general note, but also with specific reference to the board that assesses an applicant's health condition to determine whether they are eligible for certain benefits, as well as the Children and Young Persons Advisory Board. In addition, an academic mentioned that the Faculty for Social Wellbeing was launching a master's programme specifically aimed at individuals in managerial positions in the social sector. This programme was developed to help managerial staff in the social sector develop the necessary competences, where these were not part of their training. The FSWS noted that it had promoted and supported the development of this programme.

5.13.30 Another point raised with respect to the negative influence of politics on efforts against poverty related to the change in policy and lack of continuity following a ministerial reshuffle or a change in Government, with each person wanting to leave their mark and, therefore, abandoning positive initiatives that are already in place. The MFCS contested this understanding and argued that, rather than stunting continuity, changes in administrations tend to refresh policies and invigorate efforts against poverty.

Private sector price hikes

5.13.31 Reference was made to abuse in terms of price hikes in the market as a reaction to Government launching services or schemes. This abuse was mentioned in the context of landlords raising their rent prices following the issuance of the Private Rent Housing Benefit Scheme by the Housing Authority and the promulgation of the Private Residential Leases Act with the subsequent mandatory registration procedure [more details in *Housing issues*] as well as school transport providers raising fees after the introduction of free school transport for all children of compulsory school age.

Attitudes

5.13.32 Contributors referred to certain mentalities and attitudes from claimants of social benefits and users of services and among the general public that must be addressed if poverty is to be adequately attended to.

5.13.33 Some contributors mentioned the problem they experience from certain service users who show a sense of entitlement and lack of appreciation for the aid provided and also a sense of dependence on government aid. The sense of entitlement was explained as a consequence of the lack of strict rules attached to service use and limited monitoring and compliance checks and penalties for any existing rule infringements. This problem was mentioned specifically in the case of asylum seekers, though participants explained this problem extends beyond this demographic group. The need for more communication and clear definition of rules attached with the granting of asylum and the receipt of benefits was noted as an important change required in this sector. According to the MHSE, on lodging an application, the International Protection Agency informs asylum seekers of their rights and obligations, as well as the consequences of not cooperating during the asylum procedure. Furthermore, whenever asylum seekers have any queries pertaining to what they are entitled to, these are promptly addressed and the person concerned is directed to the competent entity. As for beneficiaries of international protection, the new decision letter is to list the rights and benefits beneficiaries are entitled to.

5.13.34 The NGO representatives commented on the need to monitor the outcome of social care programmes and benefit packages and to provide more aftercare. Government's efforts to introduce conditions of attendance to training courses for those in receipt of unemployment benefits was mentioned as a good initiative in this respect. The Housing Authority explained that aftercare monitoring, such as the reallocation of families that have decreased in size to smaller residences and the allocation of social housing only for a limited period, of for example 10 years, is not currently being effected or being considered by the Authority. However, the Housing Authority acceded that such measures could be considered in the future in a bid to ensure that social benefits and services promote social mobility rather than dependence. An NGO representative also suggested that the costs for individual social care and health service should be quantified, and users informed at point of use about these costs, in a bid to raise awareness and appreciation for the assistance provided. An academic expressed serious reservations about this proposal, noting that this type of measure fits into the paternalistic model of charity, and may make individuals seeking help from social services experience shame or discourage them from using such services.

5.13.35 The NGO representatives and academics spoke about the need for Government to further advocate for and foster a culture of solidarity among the public, as poverty must be addressed holistically through efforts at all levels of society, formally and informally. Reference was made to the SDGs and the importance of social solidarity as a pillar towards achieving sustainable development and more specifically in addressing poverty effectively, and the Government's role in soliciting such social solidarity. This is especially relevant when one considers that some FSWS initiatives were

discontinued due to lack of volunteer commitment. An NGO representative suggested including further fiscal incentives for companies, with special emphasis on the gaming, pharmaceutical and financial sector, to contribute finances or volunteers to NGOs working in the social and humanitarian sector.

5.13.36 An NGO representative argued that there is a need for the public to be sensitised and made aware of the hardships and suffering experienced by those living in poverty and struggling with difficult personal circumstances. Any awareness raising campaigns are to move away from an oversimplification of the concept of poverty and instead explain the complexities and interlinkages between poverty and other factors, including ill-health, low educational achievement and addictions, among others. These campaigns should also aim to eliminate any perception of blame, shame and stigma around poverty. An academic also spoke of the need to raise more sensitivity and awareness about the contribution different members of vulnerable groups can offer society to bring about an attitude change of greater respect and integration of marginalised groups. The present situation of COVID-19 was acknowledged as an opportunity for the flourishing of social solidarity, a time of reflection and better understanding of the vulnerabilities many can face.

5.13.37 Some academics also recognised that political discourse in recent years regarding the current time of prosperity and economic surplus may also devalue the experience of those in poverty and evoke feelings of shame in these individuals. This discourse contrasts with the narrative of poverty, and may seem to imply that experiencing poverty at a time of prosperity is indicative of the individual's moral fault. In view of this, an academic suggested that political discourse should be sensitive not to state positive assessments in absolute terms, to avoid subjecting persons experiencing poverty to a secondary form of social exclusion, compounding the objective and financial social exclusion resulting from poverty and material deprivation.

5.13.38 It was suggested that some of this effort towards instilling more social solidarity should be directed towards companies, encouraging them to practice corporate social responsibility through the allocation of funds and the provision of volunteers for social causes, by providing more fiscal incentives to that effect. The action plan being proposed by the CORE (Corporate Citizenship for Responsible Enterprises) Platform was mentioned as a positive initiative in this respect.

5.13.39 Aġenzija Sapport asserted that a culture change is required to refrain from considering persons with disability as vulnerable. The term 'vulnerable' generates a sense of protection without encouraging strength, empowerment and self-fulfilment. It also requires a change in assessment and mainstream processes to support persons to find gainful employment. Aġenzija Sapport was of the opinion that overprotection is still a social concept that often restricts persons with disability from being fully included, and that there is a lack of education, interest and collaboration from external entities and the general public to consider the abilities of persons with disability. Vulnerable remains a disabling concept, and the Agency is working to emphasise the abilities of service users, empowering the person to self-determination and fulfilment, and introducing opportunities for further education, information sharing and greater inclusion into society. Two academics similarly commented on the term 'vulnerability' and asserted that we must move

away from referring to persons as 'vulnerable', since vulnerability is not innate within a person, but is the consequence of systematic external barriers or unfair distribution of resources and opportunities.

5.13.40 Aġenzija Sapport noted the Agency's intention to address social stigma and fear through the integration of persons with disability into the community through its services, as well as through information sharing, training and programmes within early educational structures to encourage acceptance and inclusion at an early age.

5.14 Additional required action

A focus on education

5.14.1 Educational initiatives, including ones that address basic skills and budgeting, but which may also include psychology and address cultural views and community values, were recognised by most contributors to be an effective approach to combat poverty. It was asserted that higher educational outcomes are closely linked to socio-economic wellbeing and social inclusion. Contributors recognised that education not only provides the empowerment, skills and tools to increase one's income through better employment opportunities, but also provides the skills to better manage one's resources. This theme featured strongly in the focus groups with the NGO representatives and academics and in feedback submitted by entities and committees. The Institute for Education asserted that education is key for breaking the cycle of poverty and that it is imperative that children do not miss the compulsory school period. The Institute asserted that giving students the opportunity to acquire all the competences necessary to ensure they never experience poverty is the responsibility of the school, the community and the family, and to this end resources should be available in all areas to increase the investment in education. Moreover, the Institute for Education commented that cross-ministerial meetings could be held, since as Maslow's hierarchy of needs suggests, one must heed to the pre-required needs of each child before any learning can start to happen. Consequently, various ministries need to come together to ensure the child is catered for holistically.

5.14.2 Various contributors agreed that, wherever possible, an educational element was to be incorporated in social care, family support and community services. The inclusion of accompanying measures in the LEAP programme, aimed at equipping beneficiaries with skills that may be useful in their daily lives, can be considered an example of this practice. One NGO representative emphasised that educational interventions, which were meant to provide individuals with the tools to stay out of poverty, and are therefore more focused on the long-term, are not meant to replace the immediate support required for survival, which focus more on the short-term, but are meant as supplementary and complementary measures. It was suggested that each community-based family support service should include non-formal education as part of the service. The FSWS noted that apart from re-training, all services offered by the Agency for the Community and Therapeutic Services adopt a community development approach, and therefore aim to support families and community members with the necessary skills to achieve wellbeing.

This is achieved through skills building, structured dialogue, the drafting of a care plan and continuous assessments of progress against outcome measures set. Government's approach to include compulsory training for all those who are registered unemployed was mentioned by focus group participants as an effective way to decrease unemployment, and consequently tackle poverty.

- 5.14.3 It was suggested that budgeting training can be incorporated in other assistance programmes, such as the Fund of European Aid for the Most Deprived, which currently distributes food packages to those who are financially in need. It was suggested that such a programme can be adapted such that clients are provided with vouchers to spend on food from designated supermarkets and are also provided with healthy and affordable recipes. The programme could allow for the possibility that individuals are rewarded for selecting food items required for the weekly recipes, through discounts from the supermarkets, thereby incentivising sensible buying. With such a programme, recipients are encouraged to select nutritious food and to manage their food allowance. Such an educational approach would move away from simply handing out help, to providing recipients with the necessary skills and tools to manage their resources better, which was considered by NGO representatives as a more effective approach for addressing poverty.
- 5.14.4 The Social Care Standards Authority suggested the inclusion of further initiatives necessary to complement the provision of grants in order to empower vulnerable persons. The Authority mentioned the Home-Based Therapeutic Service, offered by the FSWS, as another best practice initiative focusing on positive parenting. In this respect, the Authority advocated for a continuation in the investment of funds towards more mentoring initiatives to provide service users with tools to improve life skills such as professional development in relation to employment skills and positive parenting sessions.
- 5.14.5 While emphasising that this should not translate into blame being placed with those experiencing poverty, many contributors recognised that poor money management could be a factor that leads to or aggravates poverty. One academic also mentioned that today's spending patterns and lower marginal propensity to save also contributed to poverty. In this respect, contributors asserted that in-depth education programmes that focus on financial literacy and budgeting, similar to Gemma, Financial Literacy and Għaqal id-Dar, are required to provide persons living in poverty or at risk of being in poverty with the necessary skills to better their financial and social situation.
- 5.14.6 Current non-formal education options were criticised by a few NGO representatives for not being well suited for disadvantaged adults who lack basic skills and may have had a negative experience within the formal education system and are therefore hesitant and apprehensive about educational opportunities. Many courses offered by the Directorate of Lifelong Learning, while serving the needs of the mainstream well, were described by an NGO representative as not suitable for vulnerable persons who have low educational achievement, lack empowerment and confidence, and may also suffer from mental health issues. The training offered by the Directorate is set in large groups and the method of teaching was described as curriculum-based

and not as participative as those used by for example Paolo Freire Institute, where participants are engaged through discussions, direct interaction and reflection.

5.14.7 The NGO representatives argued that a one size fits all approach cannot work with vulnerable persons and that, therefore, teachers who assume responsibility for such classes should be trained how to educate vulnerable persons and should be encouraged to adapt their material and plans to the needs of the target group. Though this adapted approach was acknowledged to be more resource-intensive, it was deemed to be more effective in terms of outcome. The role of NGOs in providing non-formal education that reaches out to even the most vulnerable was deemed important. Aġenzija Sapport emphasised the need for accessible and inclusive learning spaces for all. The Agency noted that work remains to be done to ensure that persons with disability have access to a barrier-free environment, with accessibility relating to not just the physical built environment, but also in terms of access to information, online accessibility, hearing support, sign language or personal assistance. However, the Agency acknowledged that significant progress has been made following the establishment of the Accessible for All guidelines and legislation.

5.14.8 With respect to the courses organised by the Directorate of Lifelong Learning, an NGO representative explained that many times the courses are not held within the client's locality but they have to travel to access them, which acts as an additional barrier. A similar criticism was also put forward with respect to certain courses organised in the past for single mothers by Aġenzija Appoġġ, which were held from one centralised location. In this context, the need for such courses to be held within various localities was highlighted, and local councils were indicated as an opportunity to aid accessibility. The FSWS noted that community projects are often held at the clients' locality, and that where transport is deemed to be a barrier, transport facility is offered to the participants. The Foundation indicated that this was consistent with its efforts to support clients without creating dependency. Additionally, an NGO representative suggested that, to aid attendance, child-minding facilities should be offered while classes are ongoing. The FSWS noted that in designing interventions, the accessibility of the demographic group is always taken into consideration. The Foundation referred to the example of the Incredible Years parenting programme, noting that it provides childcare services to secure attendance of parents. Furthermore, repeat sessions are held for parents who miss the occasional session for valid reasons. Home-based parenting sessions are also offered to ensure continuity.

5.14.9 An NGO representative indicated that their organisation had in the past requested the Directorate of Lifelong Learning to provide tutors to deliver courses from within their premises, utilising methods that the NGO considered as effective with vulnerable groups. However, these attempts have not been successful since the Directorate will only provide tutors without payment for a class of 15 individuals, and the NGO is of the opinion that classes should be restricted to seven, or possibly a maximum of eight individuals per class, for such training to be effective. This leaves NGOs with no other option than to raise funds to pay for these tutors themselves, within the context of a multitude of complex needs and limited finances.

- 5.14.10 Contributors mentioned that there exists a culture of poverty in some communities, possibly with elements of inter-generational poverty, often accompanied by long-term unemployment and dependence on state aid. The MEDE representative provided details of a research study carried out in collaboration with the European Commission, comparing individuals who had completed studies at MQF levels 5-8 whose parents did not complete tertiary education and whose family pertained to a low-income bracket with individuals with the same educational achievement whose parents did complete tertiary education and pertained to a higher-income bracket. The former group were less likely to have a studying experience abroad, less likely to continue further studies, and more likely to stay in employment that vertically and horizontally did not fit their qualifications when compared with the latter group. These results would suggest that even when exposed to the same level of education, one's social background may somewhat impact one's educational and employment achievements. Education at a young age is seen as the best strategy to tackle this phenomenon, as children are more receptive to learning and to changes in mentality and cultural values and attitude than adults.
- 5.14.11 Regarding the issue of inter-generational poverty and its address through education, the FSWS noted that children coming from vulnerable families need to be given added educational support to ensure that they are provided with the appropriate support to address their educational needs. In these instances, social care providers work closely with educational services to ensure that the appropriate care plans are set in place. Sometimes, projects are also developed in the communities to support those children who would not be receiving the required attention from their families. The Agency for the Community and Therapeutic Services also offers a workshop for young adolescents who are struggling in school but seem to have an aptitude for learning trade skills.
- 5.14.12 An academic criticised formal compulsory education for being too middle-class oriented, and therefore not engaging, reaching and developing students from all backgrounds. This academic argued that schools need more resources, including a resident psychotherapist, and more human resources to include a greater element of care. A greater focus on soft skills needs to be introduced. Students may be facing various problems in their family environment and they cannot be expected to reach certain academic levels unless their wider needs, including psychological ones, are addressed. Similarly, it was suggested by an NGO representative that compulsory school curricula should give more prominence to life skills education.
- 5.14.13 The Institute for Education asserted that the COVID-19 pandemic has widened the gap between those who have the resources and those who lack them, and between those who know how to access knowledge and are self-directed learners and those who need assistance, and has amplified vulnerabilities for the most disadvantaged. In this respect, the Institute for Education mentioned the need to make technology available not solely in schools but also within students' home environments, to provide education services outside of school premises and to increase capacity building for educators and parents to address the needs of the most vulnerable.

5.14.14 Some contributors noted the positive developments registered in the educational sector, including the wide array of educational and training opportunities, free transport, meals and electronic apparatus, and afterschool programmes. The NDSF acknowledged that recent initiatives to update the learning curriculum and broaden it to include apprenticeship and vocational training have the potential to improve educational outcomes and further reduce early school leaving over time. The Commission for Education was of the opinion that the educational sector, with its emphasis on inclusivity in all aspects, has been rendered, by the actions of different administrations, perhaps the most egalitarian one. The Commission stated that the educational system caters for the well-being of all, but especially that of vulnerable persons, from pre-school age to life-long in certain areas. Reference was made to the fact that any academic achievement is free, financial assistance is provided in the form of stipends, supplements and scholarships, and that electronic equipment, transport and meals were being provided for free. The Commission noted that the removal of examination fees eliminated the last remaining hurdle.

Further efforts required

5.14.15 Previous sections of the report capture recommendations made by the NGO representatives, academics and entities and commissions for further actions to be taken to address poverty. For example, the section on housing issues includes suggested initiatives to provide affordable housing and address homelessness. This section seeks to assimilate other suggestions not previously addressed in this report.

- a | An academic emphasised the need for Government to ensure that work is adequately remunerated. This was considered especially important since some people do not have the learning acumen or time to further their education to better their income.
- b | A few NGO representatives recommended the provision of training and support services, possibly through organising supervised groups or one-to-one psychological help, for frontliners to deal with burnout. Frontliners were considered to include not only staff carrying out caring duties and social care professionals, but also informal caregivers.
- c | An NGO representative suggested offering persons experiencing poverty, especially in cases where there is an inter-generational element to the poverty, therapeutic services that aim to address any cultural and psychological constraints.
- d | The MFH noted that besides intervening with those individuals who are currently experiencing poverty, Government also needed to put in place safeguards to ensure that persons who are not in poverty, but who may become exposed to difficult situations, such as ill health, do not fall into poverty. Families, even those with a lucrative income, may experience poverty when facing illness, especially of the main breadwinner. This is particularly the case in the event of cancer, where the patient may lose his/her employment and his/her partner may work less to care for them, and the household finances therefore decrease substantially. This is especially so when the patient requires

treatment abroad. The MFH believed that existing social services are not adequate for cancer patients and more so for cancer survivors, as they do not adequately take into consideration the indirect costs of illness. Even after recovering from cancer, one may be unable to return to one's quality of life prior to the illness. This situation was also noted to apply for other medical illnesses or conditions, such as stroke. The MFH asserted that the work to be undertaken by the Ministry to address this issue relates to the strengthening of the entitlement to social security and protection services. With respect to this proposal, the FSWS noted that the Social Work Department within the Sir Anthony Mamo Oncology Centre offers support to families in need through a holistic assessment that identifies those who might be struggling financially and seeks help on their behalf.

- e | The MFH also proposed greater investment in health promotion, which was noted to have limited funding, since in the local health sector the focus is on the treatment of ill health. The MFH argued that health promotion should not be the sole responsibility of this ministry, and that any investment in this respect would contribute positively to the wellbeing of society. It was recommended that public health specialists work within different ministries, so that health promotion and disease prevention input is provided within the different ministries.
- f | Some recommendations related to the need for further research, beyond the discussions regarding supplementary data for the measurement of poverty [more details in *Supplementary Data Requirements*]. Such research was considered essential to better understand the phenomenon of poverty, including gaining a better understanding of the characteristics of those experiencing poverty, and to assess the impact of Government's efforts. An NGO representative also discussed the importance of supplementing quantitative studies in the topic area with qualitative research, which was deemed to be lacking. NGOs were considered to be knowledgeable and well placed to conduct this research, more so for the data collection phase, since they have a relationship of trust and familiarity with service users. Moreover, NGOs could also be participants in research, to provide information and feedback, in view of their vast knowledge and experience on the reality of poverty in the Maltese community.
- g | One of the most ambitious proposals, made by an NGO representative, was for the development of a national research institute on poverty. This institute's remit would include assessing what constitutes the poverty line, that minimum income required for an adequate standard of living, evaluating Government's efforts towards alleviating poverty in terms of their effectiveness, as well as periodically carrying out a needs assessment. Additionally, this institute could also conduct qualitative studies into the experience of poverty and social exclusion, to identify geographical differences in the characteristics of poverty across our population. Additionally, it was suggested that this institute could carry out, on a more frequent basis, a survey like the Household Budgetary Survey carried out by the NSO. An academic commented that though ambitious, this project is necessary, and with the required resources, feasible. The FSWS indicated its agreement with this proposal.

- h | Other ideas for further research were also proposed, including for example, the suggestion by an academic that the social needs assessment be carried out by local councils. However, the FSWS was of the opinion that local councils cannot carry out the social needs assessment because they lack the necessary human resources with the appropriate skills. The National Commission for Further and Higher Education indicated the need for more research and statistics to measure counts of those who have obtained certification through the Validation of Non-Formal and Informal Learning, and also to identify sectors that may benefit from its implementation.
- i | The MFCS indicated that, since poverty must also be considered in terms of social exclusion, Government should ensure that cultural activities become more accessible to all and that there are safe open spaces for children to play in and leisure areas for families.
- j | The MFCS asserted that in addressing poverty Government was to consider the quality of housing, as well as neighbourhood characteristics, including infrastructure, safety, cleanliness and crime.
- k | Aġenzija Support suggested that further efforts must be undertaken to support persons with disability and their caregivers and families. Employers should be encouraged to allow flexible working conditions to compensate for the different living situations of their employees. Parents of children with disability who have challenging behaviours regularly get called to pick up their child from school, since the school may not be equipped to deal with this behaviour, posing difficulties for the working parent. In this respect, the proposal of streamlined policy opportunities to support these parents should be considered. More support and opportunities should be available for persons with disability to be engaged in meaningful employment, or become self-employed, either through opening their own business or taking up freelance work. Personal assistance schemes must be reviewed, to assess the type of personal assistance offered to persons with disability to address poverty. A wider review is also required, to allow persons with disability to be supported and enabled to live independently within the community, ensuring they have access to required services and adjustments. All sectors should be encouraged and incentivised to improve accessibility, to allow for further education, training opportunities and employment in accessible environments. Disability assessment must be reformed into a holistic, streamlined system, with the final aim of speeding up the process to access the support needed, while doing away with unnecessary costs linked to multiple assessment systems. Aġenzija Support noted that the Inter-ministerial Interdisciplinary Professional Board on Disability, in conjunction with the Agency, is formalising a Disability Assessment Process. This reform will create a holistic, streamlined system, with the final aim of speeding up the process for persons with disability and their family, allowing them to access the support they need at the earliest stage possible to mitigate the risk of poverty, while doing away with unnecessary costs linked to multiple assessment systems.

5.15 Monitoring of Progress relating to poverty targets

Specification of poverty targets

- 5.15.1 Some criticism related to the actual identification or the specification of poverty targets, those related to the SDGs and those related to Europe 2020. An NGO representative noted issues related to lack of information in connection with the identification of targets relating to the SDGs, including specifically those concerning poverty. In this respect it was argued that it is unclear how progress can be measured if the target is not clearly specified. Specifically, the representative asserted that the NGO was unable to access at least one document outlining the country's commitments in relation to poverty targets. This raised issues in terms of transparency, accountability and monitoring of progress. The Sustainable Development Directorate confirmed that Malta did not set its own national targets in relation to the SDGs; however, it asserted that this did not imply that ministries do not have strategies and targets related to the SDG areas. On the other hand, the MEDE indicated that the 2030 targets were supplemented locally by the 2050 vision. The 2050 vision was criticised by an NGO representative, who remarked that a 30-year strategy was not realistic.
- 5.15.2 Measurement of progress against targets is not possible for some of the targets relating to SDG 1 since in effect no information is currently available for certain indicators. This was outlined in Chapter 2 of this report when discussing the assessment carried out by the NSO to determine data availability for SDG 1 indicators. With respect to Target 1.1, stated as 'By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.90/\$3.20 a day', the NSO noted that this target is not applicable to the local context, as we do not have extreme poverty at this threshold.
- 5.15.3 With respect to the Europe 2020 target relating to poverty, which is stated as "to lift around 6,560 people out of risk of poverty or social exclusion", the MFCS noted that this target does not mean a net reduction of 6,560 in the AROPE numbers. The NSO commented that if the reduction in 6,560 persons AROPE specified in the Europe 2020 target is not intended as a net reduction, then current data collection mechanisms cannot provide a measure of progress against this target. For reporting purposes, at EU level, progress against the poverty target is being measured by calculating the net yearly reductions of each year. For example, if the headcount decreased by 100 in 2016 compared to 2015 and decreased by another 50 in 2017 compared to 2016, then the decrease for the phase 2015-2017 is measured as 150. Moreover, the NSO noted that since the target is specified in terms of headcount, and not the proportion of persons in poverty, then measurement of progress is problematic in the context of a growing population.

The definition and measurement of poverty

- 5.15.4 Some contributors suggested that studies are required to revise the definition of poverty, to have a more valid, comprehensive, context-sensitive and widely accepted definition. A better definition is required not only to better measure the extent of poverty and measure progress, but also to

design strategies and interventions to address poverty. It was suggested that the definition of poverty should not only consider material or financial poverty, but also non-economic markers of poverty. This view was also shared by the MFCS. Some academics argued that rather than just focus on a measure of financial or economic poverty, Government should take into consideration the social dimension of poverty, or also consider the wider concept of quality of life, or wellbeing.

- 5.15.5 A comprehensive definition of poverty and wellbeing could include measures of educational achievement, access and uptake, employability, housing availability and quality, physical and mental health, availability of free time, cultural capital, social capital, including social connections and social support, and access to basic goods and communal outdoor spaces. An academic mentioned the possibility of having a measure of poverty that is focused on access to income to cover the expenditure required to live a decent life, rather than just relative income. Another academic suggested having qualitative indicators that reflect people's self-perception of whether they are in poverty. An NGO representative and an academic also suggested that the definition of material deprivation also needs to be revised to better capture current needs and to make sure that the items listed are considered desirable and potentially accessible by the poorest in our society. Some academics suggested having alternate definitions of poverty to reflect the various dimensions of poverty.
- 5.15.6 The MFCS also commented specifically on the EU SILC definition of at-risk-of-poverty, noting that it did not take into consideration social transfers in kind, which were ultimately saved expenditure for households, with obvious implications on poverty. The MFCS advocated for the consideration of social transfers in kind in the local calculation of poverty rates. The MFCS also referred to the fact that this definition of poverty is a binary indicator, which neither provides a measure of how far off from the poverty threshold individuals and households are nor consider the shape of the distribution of the equivalised household income. An NGO representative noted that the current definition of poverty as per the EU SILC methodology provides a snapshot of poverty at one point in time, and does not indicate whether those who were considered at risk of poverty (or materially deprived) in the previous quarter or year are again considered at risk (or materially deprived). A measure of persistent poverty (or deprivation) was considered more informative and important for policy making than a cross-sectional measurement of poverty.
- 5.15.7 Regarding current definitions, an NGO representative commented that the European methodology for the EU SILC reflects the vision and agenda of policymakers, who may not have direct knowledge or interaction with the experience and reality of poverty on the ground. An academic also made reference to the agenda of European methodology and noted that, while standard methodologies were important as they allowed for comparative analysis, home-grown measures that were specific to the local context were required in view of the fact that the characteristics of poverty vary geographically. The Sustainable Development Directorate indicated disagreement with the first statement put forward by the NGO representative, whereas it considered the second statement put forward by the academic as more correct and factual. The MFCS also noted cultural differences across countries, and the potential impact of these differences on the relevance and validity of the items included in the MD definition. Specifically mentioned was the item "go on

holiday” and whether in the local context, contrary to other countries, going on holiday was restricted in people’s minds to going abroad, rather than having a short break within Malta or Gozo.

5.15.8 Various contributors argued that while objective quantitative measures of poverty were important, particularly to gauge changes over time, it was also important to supplement these measures with feedback from, or more formally through qualitative studies with, NGOs working in the sector and persons experiencing various vulnerabilities [more details in *Further Efforts Required*].

Supplementary data requirements

5.15.9 A wider poverty definition necessitates supplementary data other than the existing EU SILC data, to monitor Government’s progress in tackling poverty. Contributors discussed these supplementary data requirements, and whether existing administrative data, collected by either central or local Government, faith-based organisations or NGO service providers, can be utilised for the purpose of monitoring progress. The MFCS also noted that the Inter-Ministerial Committee on poverty had acknowledged that governmental administrative data was to be utilised in monitoring progress.

5.15.10 Various NGO representatives noted that many NGOs have rich data about their clients and service use, and some even compile detailed internal reports, which are sometimes made public, or compile reports intended for Government, such as yearly evaluation, outcome and output reports. It was noted that NGOs had to abide by the yearly reporting requirements imposed by the Commission for Voluntary Organisations, which reports contained a wealth of information. Moreover, it was noted that those NGOs that run services subject to PSPs had more taxing reporting requirements. The NGO representatives asserted that NGOs require assistance from Government to better harness the data already available or to collect new data that is easily accessible to them. The Sustainable Development Directorate commented that such datasets would have to be validated according to international requirements. The NGO representatives also indicated that assistance is also required in terms of investment from Government for the purchasing of software and related IT support costs intended to facilitate the collection, retention and analysis of data, as well as funding and technical support for research projects. A data collection exercise for poverty, similar to the one undertaken by the National Focal Point for the assimilation of data relating to drug addiction, which collects data from the various entities, including Sedqa, Caritas and Oasi, and processes the data to produce statistics about drug users and service users, was advocated. Regarding the proposed data collection exercise, the FSWS agreed that a data collection model such as that of the National Focal Point would provide a good snapshot of the situation. However, the FSWS indicated that the modus operandi of the data collection process would require more attention and groundwork from the entities collecting data. The FSWS noted that this claim was based on its experience in relation to the document named Drug Situation in Malta 2019, completed by the National Focal Point, which had shortcomings in knowledge about the national agency’s remit and under-reported ongoing projects. A few academics suggested that Government enter partnerships with local nodes where there is a concentration of interactions with vulnerable groups, including faith-based organisations, local

councils, health centres, community services and NGOs, to support continuous data collection. Support could be provided in terms of funds and trained personnel posted in these nodes.

5.15.11 An NGO representative emphasised that poverty indicators need to be disaggregated for various important demographic characteristics, such as gender and age for the person-level statistics and household type for the household-level statistics, since incidence of poverty may vary for different groups. An analysis of trends over time should be carried out separately for different demographic groups. While disaggregated data by the specific variables outlined above is provided for ARPT60i and AROPE, MD and SMD are only provided for the general population of individuals residing in private households. The NSO explained that, in the case of MD and SMD, reliable estimates can only be provided for the general population, since the unweighted counts are very low. Additionally, the NSO also indicated that disaggregation for ARPT60i and AROPE by variables such as local council with respect to EU SILC statistics is not feasible for sampling reasons. Currently, sampling is selected to ensure gender, age group and district representativeness. To allow for representativeness at local council level a larger sample would have to be selected. The FSWS acknowledged that the argument that poverty indicators need to be disaggregated by various important socio-demographic variables is valid. The Sustainable Development Directorate contended that further disaggregation would require a significant investment in official statistics.

Other considerations in the monitoring of progress

5.15.12 An NGO representative criticised the VNR conducted locally to report on the implementation and progress of the SDGs, claiming it lacked depth, provided misguided information and failed to utilise available research and shadow reports conducted by civil society on the matter. An NGO representative criticised the extent of information made publicly available regarding efforts relating to the alleviation of poverty and the achievements of SDGs more generally, which renders the scrutiny of government performance by civil society impossible. Reference was also made to information passed on from NGOs to Government, relating to the uptake of their services, such as the number of bed nights utilised in shelter accommodation or the number of persons with addiction seeking treatment, which are not made available to the public. Regarding the data for bed nights utilised in shelter accommodation, the FSWS noted that, in collaboration with the MFCS, it already undertakes a verification exercise to ensure fair and accurate reporting. The FSWS does not object to the bed nights figures being made available to the public.

5.15.13 Another criticism related to monitoring was presented by an NGO representative who claimed that parliament is overstretched and not in a position to fulfil its obligations in terms of government scrutiny. The NGO representative asserted that it was unclear whether certain committees, such as the sub-committee dealing with overseas development aid, were meeting regularly, or at all.

5.15.14 The Social Care Standards Authority stated that a continuation in the monitoring of the National Strategic Policy for Poverty Reduction and Social Inclusion shall ensure that such evaluation measures are being translated into measurable and concrete actions to address this situation. Ministerial representatives periodically report on the work and initiatives being undertaken to

reach the targets of this policy to the Directorate General for Social Policy within the MFCS, with details being reported in the implementation report published by the same ministry every three years. The MFCS indicated that the report highlights the key measures undertaken that have more significantly contributed to poverty reduction, but also presents an exhaustive list of all measures undertaken in the appendix. The report also includes information about the uptake of various measures, whenever possible. The MEDE confirmed that reporting on the poverty policy to the MFCS and reporting relating to the NRP (system in place for the monitoring of the achievement of the Europe 2020 targets) is restricted to initiatives, measures and programmes introduced, and their uptake. An analysis of the impact of various programmes and services on poverty is not undertaken. Instead, the EU SILC indicator statistics are considered the outcome data for all collective efforts. Academics argued that studies looking at the impact of individual measures or interventions would provide a better picture of the outcomes for various target groups, and indicate additional efforts required. For example, in the case of children leaving care, tracer studies could help identify whether these individuals are gainfully occupied, in good mental health, and have adequate financial means. In its feedback on the National Strategic Policy for Poverty Reduction and Social Inclusion, the FSWS indicated that it had planned to introduce outcome measures in 2020 to assess the change in service users' lives, and identify service effectiveness and required improvements.

EU SILC statistics – Coverage issues

5.15.15 The EU SILC remains the main metric for measuring the yearly level of poverty in the EU context. Some NGO representatives and academics raised concerns regarding the coverage of the survey. Reference was also made to the fact that, as per the EU methodology, the population of interest is restricted to all individuals living in private households in Malta and Gozo. Therefore, persons living in collective households or institutions, such as hospitals, old people's homes, residential homes, faith-based institutions and boarding houses, those who are homeless, and migrants living in open centres are excluded from the target population and are not eligible to participate in the survey since they are out of scope. The MFCS' National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024 acknowledges that the EU SILC is private household-based and therefore does not capture all persons at risk of poverty or social exclusion. However, in feedback submitted to this Office, the MFCS emphasised that the NSO conducted this yearly survey consistently in line with the EU guidelines and that persons living in collective households and institutions are not captured in the EU SILC as intended since they are out of scope. Moreover, the MFCS noted that the population living in private households represent the majority of the population and highlighted issues of feasibility in contacting and completing surveys with persons living in institutions.

5.15.16 Concerns were also raised regarding whether the sampling frames account well for the intended population of interest and whether certain categories of sampled respondents, such as persons who do not hold an identification document or persons living in non-residential properties, such as garages, are as likely to be contacted and interviewed as other categories of sampled respondents. An NGO representative and an academic questioned whether asylum seekers

living in the community are being captured in the statistics. In this respect, while this group of individuals is eligible for participation, language barriers may impede contact or a successful interview. The NSO indicated that people who live in garages who have an official address will still be captured in the EU SILC sampling frame. Similarly, persons who use the garage address for official postage or registration for receipt of benefits should still be captured in the EU SILC sampling frame. If a person has an ID card and is included in the Common Database then that person should technically be included in the sampling frame. The Commission for the Rights of Persons with Disability also highlighted the issue of the participation, or lack thereof, of persons with disability in surveys, and consequently their under-representation in the statistics, specifically mentioning persons with intellectual disabilities or persons with hearing impairment.

5.15.17 The reality and possibility of non-eligible, hard-to-sample individuals, and hard-to-contact or hard-to-interview individuals implies that groups of individuals that are particularly prone to being at risk of poverty are not represented in official statistics, and consequently, measures of poverty under-represent, socially and politically, the extent of poverty that exists locally. To quantify poverty rates among those living in institutions or communal households, the possibility of supplementing the EU SILC with parallel surveys within these populations was suggested by an academic.

Chapter 6

Analysis and conclusions

In this final chapter, the salient points raised in this review are highlighted. Following an overview of the scope and methodology of this report (Section 6.1), attention is directed to available frameworks for measuring poverty and Malta's performance in this respect (Section 6.2). This chapter also presents key government measures intended to address poverty undertaken in 2018 by various ministries (Section 6.3), an in-depth analysis of poverty data (Section 6.4) and the perspectives of multiple stakeholders on current efforts and required improvements (Section 6.5). The analysis and conclusions drawn by the NAO with respect to its terms of reference conclude this chapter (Section 6.6).

6.1 A review of the implementation of SDG 1 – Poverty in focus

6.1.1 The SDGs, adopted by all UN Member States in 2015, reflect the global drive to eradicate poverty, safeguard the environment and promote peace and prosperity among all by 2030. This review, which focuses on SDG 1, is in line with the role of SAIs in conducting reviews that measure progress on particular goals, thereby contributing to the successful realisation of the SDGs. SDG 1, as defined by the 2030 Agenda for Sustainable Development, aims to 'end poverty in all its forms everywhere'. According to the UN, poverty is more than the absence of income and resources needed to guarantee a sustainable livelihood. Its signs include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, and lack of participation in decision-making.

6.1.2 The review focuses on Government's efforts at addressing poverty and considers whether these efforts were comprehensive, effective and inclusive, and assesses the extent of progress achieved in addressing poverty. The NAO enquired whether:

- a | progress has been achieved in the alleviation of poverty;
- b | Government's efforts are sufficient, effective and address all vulnerable groups in the alleviation of poverty;
- c | there is sufficient communication, coordination and cooperation within Government to alleviate poverty; and
- d | Government is providing an enabling and positive environment for other actors to contribute in the alleviation of poverty.

6.1.3 As regards scope, the review considers the efforts of Government to address poverty in its widest sense and therefore, included are the initiatives undertaken in 2018 by the OPM, the MFCS, the MFH, the MEDE, the MJEG, the MFEA, the MHAL and the MHSE. The consideration of initiatives undertaken in 2018 only provides a snapshot of Government's measures, initiatives and programmes intended to alleviate poverty, with such efforts and their impact often realised over a longer term. This choice was based on practical considerations, effectively determined by the broad scope of the review. Also considered were the governance structures and policy frameworks in place to support these efforts, with particular attention directed towards the consideration of the whole of government approach and policy coherence, stakeholder engagement in the drafting of policy, and how the needs of vulnerable groups were addressed.

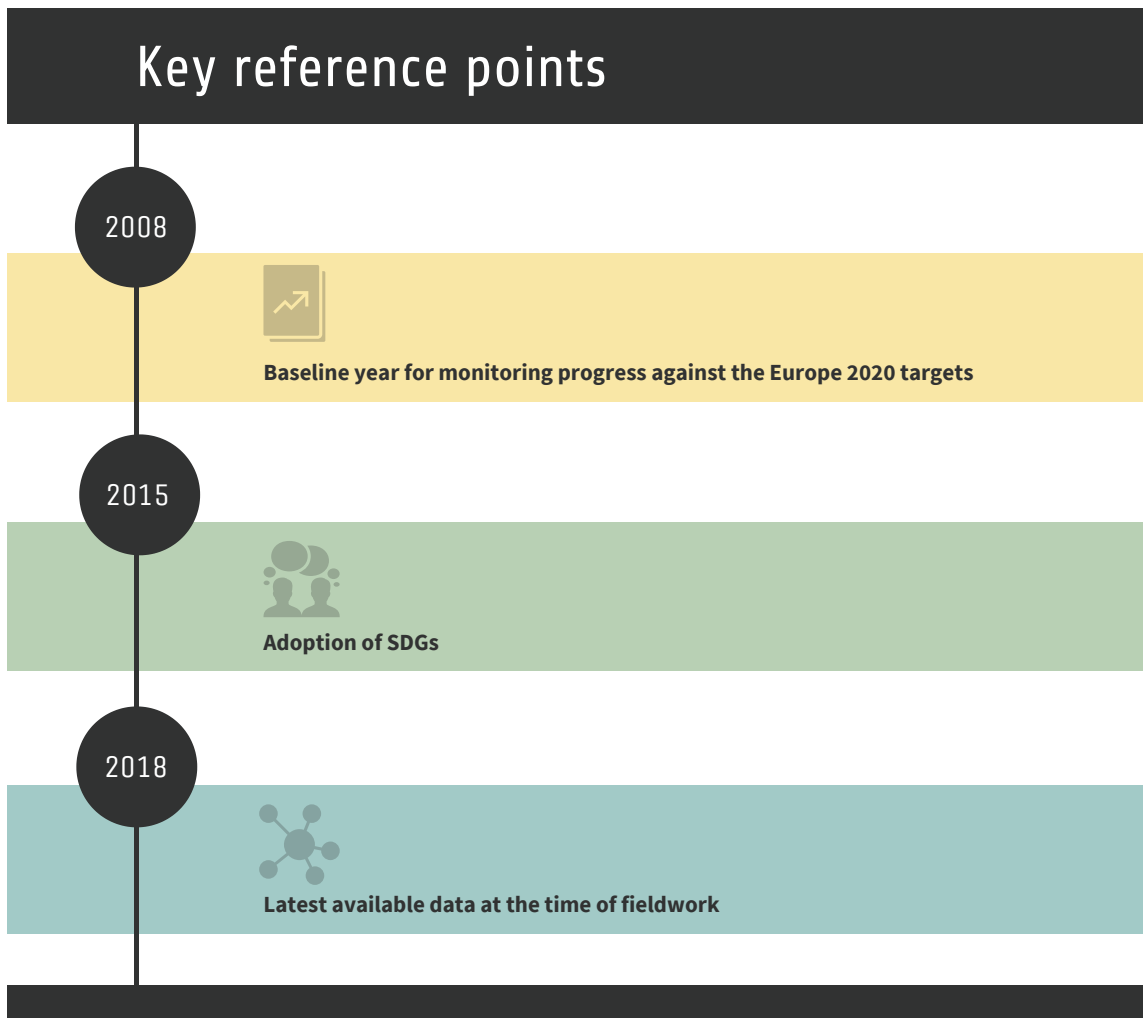
6.1.4 However, achieving progress in the alleviation of poverty is not a responsibility that rests solely on Government's shoulders, for it necessitates partnership with the private sector, civil society and citizens alike to ensure that no social group or individual is left behind and to secure improvement for future generations. To this end, the views of various government entities and commissions related to the humanitarian and social sector, as well as NGOs and academics were sourced. The focus of these interactions related to Government's efforts at alleviating poverty, with emphasis on identifying areas that warrant improvement and eliciting recommendations to address them. The key issues explored in these interactions were whether Government:

- a | provided for an enabling legal and policy framework;
- b | established an enabling institutional set-up;
- c | adequately planned and budgeted to achieve its objectives;
- d | implemented sufficient actions to address poverty and whether such actions were effective and inclusive;
- e | undertook sufficient efforts to facilitate the engagement of multiple stakeholders, including civil society and NGOs; and
- f | achieved planned progress.

6.1.5 It is imperative to note this analysis of progress registered with respect to the alleviation of poverty was intended as a high level review capturing all elements relevant to the landscape of poverty in the broadest possible sense, and therefore, it was not the purpose of this report to delve into the veracity of each assertion made by the stakeholders. The various ministries involved in measures relating to poverty were provided with the opportunity to provide feedback in response to the views expressed by the other stakeholders, which feedback was integrated into the report. This contributed to a balanced perspective that allows for a comprehensive understanding of the complex systems and dynamics that characterise the phenomenon of poverty in Malta. In drawing conclusions, the NAO sought commonly recurring issues and patterns that emerged

from the feedback elicited from the numerous stakeholders engaged. By way of clarification, reference to the term 'stakeholders' is intended in its broadest sense, capturing ministries as well as government entities and commissions, NGOs and academics.

6.1.6 Information sourced from the NSO about data collection and reporting mechanisms in place was instrumental in understanding the measurement of poverty in Malta. To measure progress and better understand the patterns of poverty and living conditions over time and across demographic groups, the NAO sourced EU SILC data for analysis. At the time of analysis, the latest available data was that for 2018 and therefore, the period of interest was set as 2008 to 2018. Progress was measured by comparing the 2018 data with two baselines, that is, 2008 and 2015. The selection of 2008 was based on it being the baseline year for monitoring progress against the Europe 2020 targets, while the 2015 baseline was identified on the basis that the SDGs were adopted by world leaders in September 2015.



6.1.7 The governance structure that oversees progress registered with respect to the SDGs, including SDG 1, and the legislative framework that regulates them, comprises the Sustainable Development Directorate as the Competent Authority. This Directorate is entrusted with the development and implementation of Malta's sustainable development strategy. Other governance structures prescribed in the Sustainable Development Act include the Guardian of Future Generations, the Sustainable Development Network, as well as the sustainable development coordinator and focal points.

6.2 Measuring poverty: Frameworks and Malta's performance

6.2.1 The UN's Inter-Agency and Expert Group developed a global indicator framework for all 17 SDGs. In this respect, all SDGs are disaggregated into the level of targets, which, according to UN Resolution 70/1, are "global in nature and universally applicable, taking into account different national realities, capacities and levels of development and respecting national policies and priorities". Furthermore, the Group has also devised indicators used to measure the achievement of the targets.

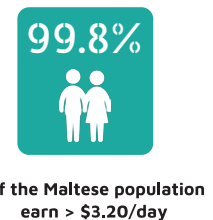
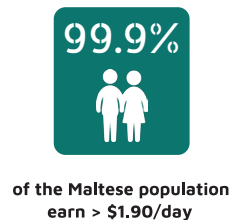
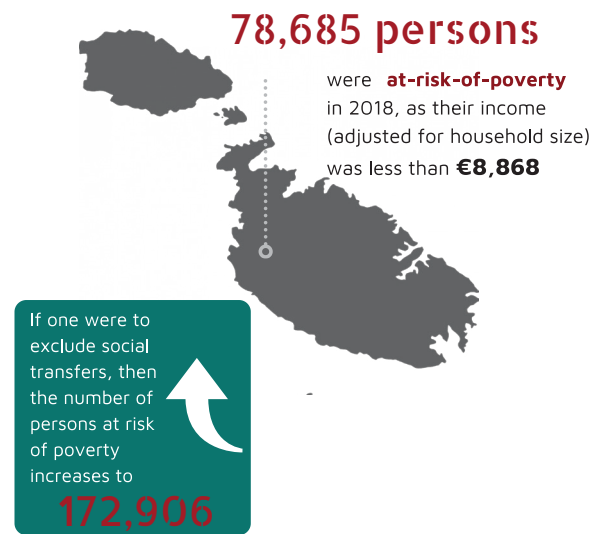
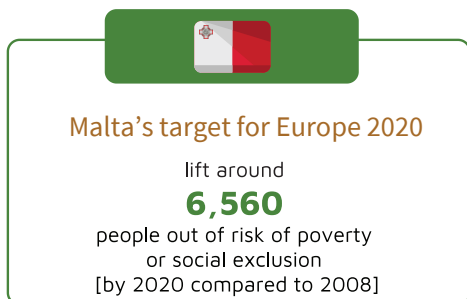
6.2.2 The 2018 SDG Index and Dashboards Report, which measures countries' progress towards the achievement of all SDGs, ranked Malta 30th out of 156 countries. In 2019, Malta ranked 28th out of 162 countries, while in 2020, Malta's ranking was revised to 32nd out of 166 countries. It must be noted that a change in a country's ranking does not necessarily signify a change in its SDG performance as, aside from actual fluctuations in performance, the shift may also be partly attributed to changes in the indicators and refinements in the methodology that is occurring in parallel.

6.2.3 The global indicator framework for SDG 1, which focuses on eradicating extreme poverty by 2030, consists of 7 targets and 14 indicators, covering measures of poverty based on income, access to social protection and basic services, rights to economic resources and resilience to economic, social and environmental shocks. While some targets are absolute in nature, for example, the earning of a given amount per day (\$1.90 and \$3.20 in the case of target 1.1), others are sensitised to national contexts, such as through the introduction of a nationally defined understanding of poverty.

6.2.4 Key in tracking progress registered with respect to the targets is the data that is collected from different national entities, and which is then compiled by the UN to form a global understanding of where countries stand. The Competent Authority and the NSO highlighted the limited local relevance of SDG 1, as there is very little prevalence of absolute poverty in Malta, with the Competent Authority acknowledging that there are other levels of poverty that require address. Notwithstanding this, the NSO emphasised that all the targets and indicators are applicable to Malta.

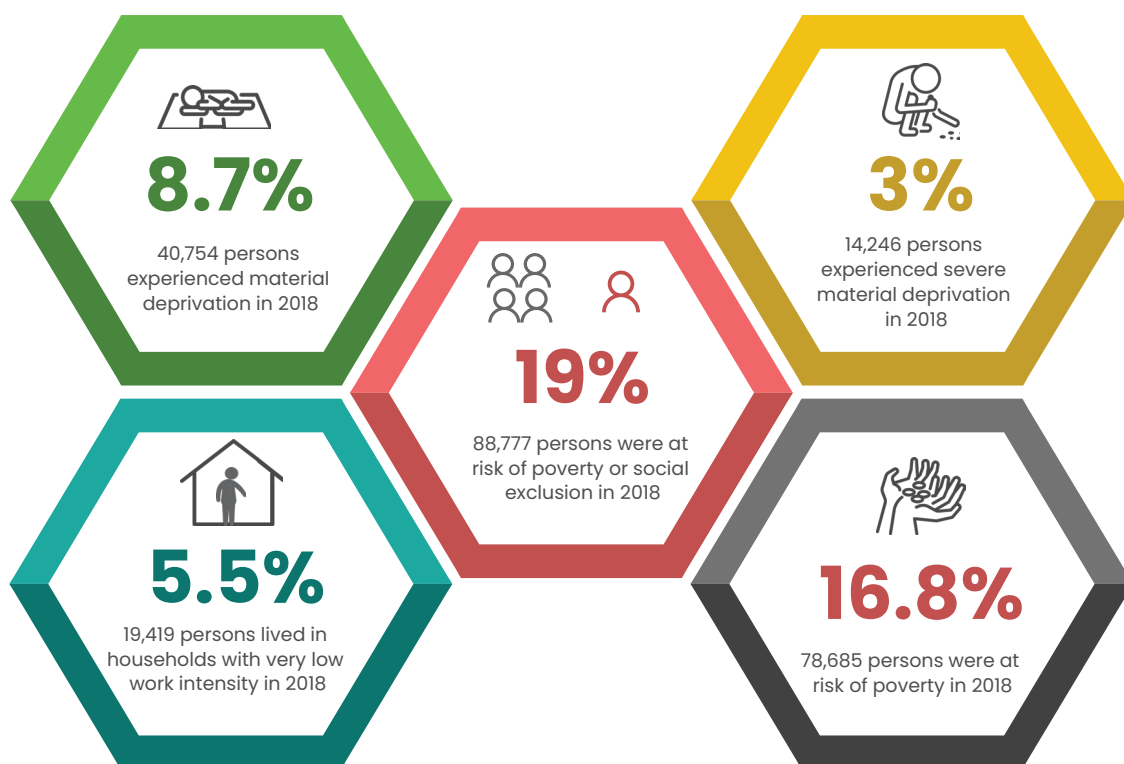
- 6.2.5 For some of the indicators, the type of data to be collected and the methodology to be applied, was yet to be determined. Work has been undertaken by the Competent Authority and the NSO, with the participation of ministries, to identify the best suitable data and the methodology to be used to address these gaps. While the NSO noted that data gaps are substantial, it is carrying out an exercise to identify data requirements relevant to the indicators linked to budgetary measures targeting the SDGs. The MFCS is also in the process of interlinking data from the Department of Social Security with data from other social service providers, including the FSWS, Aġenzija Sapport and the Housing Authority.
- 6.2.6 According to the UN, for 2018 and 2019, 99.9 per cent of the Maltese population live above the \$1.90/day threshold. On the other hand, 0.2 per cent of the population was found to live below the \$3.20/day threshold. A constant trend in this respect was recorded, whereby Malta was found to maintain this level of achievement of SDG 1 over several years.
- 6.2.7 Apart from the UN's fundamental role in driving forward its 2030 Agenda, progress registered with respect to poverty is also monitored by the EU. In this context, the EU has set its own targets. Poverty in the EU is primarily measured in terms of relative poverty, rather than absolute poverty. This is calculated through reference to relative-income poverty lines and involves establishing average or median equivalised household incomes in a country and setting a poverty line, commonly ranging from 40 to 70 percent of that household income. Additionally, contrary to the UN, EUROSTAT collects data through an organised set of questionnaires administered periodically through the national statistical offices. Indicator values are determined on the basis of the collected data. Central in terms of these efforts at collecting information is the EU SILC. EU SILC data corresponding to Malta is produced annually by the NSO, with salient indicators comprising the ARPT60i, MD, SMD, LWI and AROPE. Of note is that persons with no fixed residence or foreigners living in Malta for less than six months are not captured by the NSO in this process.
- 6.2.8 The EU's target as per the Europe 2020 Strategy for smart, sustainable and inclusive growth was to bring at least 20 million people out of poverty and social exclusion by 2020. The corresponding Maltese national target was to reduce the number of people AROPE by 6,560. The MFCS explained that this does not mean that the number of persons AROPE overall would be reduced by 6,560, but that 6,560 persons AROPE at baseline are lifted out of the risk of poverty irrespective of the additional number of persons newly classified as AROPE by 2020. According to data published by the NSO for the year 2018, the number of persons living in households with an equivalised income below the at-risk-of-poverty line of €8,868 was 78,685. This represented an ARPT60i rate of 16.8 per cent. If one had to exclude the social transfers given by Government, this number would increase to 172,906 persons ARPT60i.

Poverty at a glance



6.2.9 The MFCS expressed certain reservations regarding the ARPT60i indicator. As a scoreboard, the indicator charts the poverty threshold in a countercyclical way. The MFCS argued that, in a growing economy, the threshold rises rapidly, but conversely it precipitates in a recession, even though the amount of income to maintain a minimum socially acceptable standard of living does not fluctuate in a similar fashion.

6.2.10 Of interest is data presented by the NSO regarding MD, SMD, AROPE and LWI. Between 2017 and 2018, a marginal increase of 0.7 percentage points was recorded in terms of households that were materially deprived, that is, from 8 per cent to 8.7 per cent, thereby bringing the total number of persons living in materially deprived households to 40,754 persons. In contrast, SMD marginally decreased within this period, from 3.3 per cent in 2017 to 3 per cent in 2018. In 2018, there were 14,246 persons living in households that were severely materially deprived. The AROPE rate for 2018 for Malta stood at 19 per cent (n=88,777) and had decreased by 0.3 percentage points from the previous year. The LWI rate for 2018 stood at 5.5 per cent (n=19,419), a substantial improvement of 1.6 percentage points over the previous year.



- 6.2.11 It can be noted that in 2018 Malta consistently ranked below the EU28 average for all the indicators, though the advantage is minimal for ARPT60i. More specifically, in 2018, in Malta the prevalence rates were 4.4, 3.1, 2.9, 2.8 and 0.3 percentage points lower than the EU28 average for MD, LWI, SMD, AROPE and ARPT60i, respectively.
- 6.2.12 According to the European Commission's Country Report Malta 2020, Malta's headline indicators of poverty and social exclusion showed a good performance; however, these results were simultaneously masking differences between social groups, with single-earner households, the low-skilled, older people, and non-EU nationals, among others, having a higher risk of falling into poverty. Wage polarisation was cited as an example in this respect, contributing to an increase in people at risk of in-work poverty, which is defined as being in employment or self-employment for more than half of the year and living in a household that is ARPT60i. Also noted was that social benefits had reduced the incidence of poverty in Malta by slightly less than the EU average. According to the Report, in 2018, social transfers (excluding pensions) reduced the risk of poverty by 30.6 per cent (compared to 33.2 per cent in the EU).
- 6.2.13 The Maltese Competent Authority noted that although the EU's definition of poverty and its tools for measurement could be more comprehensive than those of the UN, the EU's understanding only provided a partial snapshot of the real situation. According to the Competent Authority, the selected criteria do not consider important variables such as the benefits of a free health care system, the accessibility to medicines, and a free educational system that extends from the

primary to the tertiary levels, among others. This was reiterated by the MFCS, who also noted other issues that indicated elements of inadequacy of certain deprivation measures as presented in the EU SILC questionnaire, citing its reference to the actual disposable income of households rather than their income as one example.

6.3 Government measures related to the address of poverty

- 6.3.1** The National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024 is Malta's main policy on poverty, and addresses the subject through focus on six dimensions, namely, income and benefits, employment, education, health and environment, social services, and culture. The policy defines people as living in poverty if their financial, material, social and personal resources preclude them from having a standard of living that is commonly regarded as the average norm by Maltese society, with the most vulnerable considered to be children, older persons, persons with disability, unemployed persons and the working poor. The policy uses 2013 statistics as a baseline and measures progress against this.
- 6.3.2** The main objective of the policy is to increase the disposable income of vulnerable groups, thereby raising their standard of living. The consolidation of social services, better quality employment opportunities and initiatives that create employability, measures providing inclusive further and higher education, equal access to quality health care, an environment that promotes health and well-being, and the improvement of accessibility and participation in cultural activities, were outlined as measures that would create the necessary environment in which higher income could be attained. In this respect, a total of 94 policy actions are outlined in the policy. While 44 of the 94 policy actions fall under the responsibility of the MFCS, the remainder fall within the remit of other ministries.
- 6.3.3** The MFCS heads an Inter-Ministerial Committee on poverty tasked with driving forward the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024. Other stakeholders who are main members in this committee comprise the Ministries responsible for education, employment, culture and health. Each ministry assumes ownership of the policy's strategic actions falling within its remit and regularly monitors and reports on new or enhanced measures and initiatives feeding into its respective policy actions. The measures and initiatives mainly emanate from budgetary measures, EU-funded projects and enhancements relating to the core business of the ministry concerned. Every quarter, the MFCS requests an update on the implementation of measures being undertaken that feed into the policy actions of the poverty strategy. While the Competent Authority is not part of this committee, it obtains information sought from the sustainable development focal point within each ministry, which focal points are obligated to inform it of any efforts being undertaken to target the SDGs. Other reporting tools used by the Government in this respect include the PIMS and the NRP.
- 6.3.4** An implementation report is drawn up every three years, with the first report published in November 2017 covering the period from 2014 to 2016. The report lists all the measures that were implemented and highlights those which significantly contributed to poverty reduction.

When information is at hand, the report also includes data on the uptake of various measures. The next implementation report is due to be published in November 2020 and will cover the period from 2017 to 2019.

- 6.3.5 Apart from the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024, Government has published several other policy documents meant to contribute towards the alleviation of poverty. The VNR mentions, among others, the National Strategic Policy for Active Ageing 2014-2020, the National Policy on the Rights of Persons with Disability, the National Strategic Policy for Positive Parenting 2016-2024, the National Children's Policy 2017, the National Strategic Policy on Dementia 2015-2023, the National Social Report 2015 and the pensions reform. Other policy documents being implemented that refer to people at risk of poverty include the National Health Systems Strategy for Malta 2014-2020, the Mental Health Strategy for Malta 2020-2030, the 2014-2024 Framework for the Education Strategy for Malta and the National Youth Policy Towards 2020.
- 6.3.6 In seeking to understand the measures being undertaken to alleviate poverty reduction, the NAO requested the relevant ministries to provide details of projects and initiatives being carried out. Information obtained by this Office from the MFCS shows that, as at June 2019, 442 measures were feeding into the policy actions emanating from the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024, addressing 91 out of 94 policy actions. In submissions to this Office, the MFCS emphasised that it was not possible to attribute a reduction in poverty to a particular measure, as it is the conglomerate effect of various measures and initiatives that ultimately resulted in a reduction in poverty rates.
- 6.3.7 Measures to alleviate poverty undertaken by Government in 2018 are classified into eight categories, closely reflecting the policy actions identified in the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024. These comprise measures relating to income supplements and social benefits, employment, education, health and environment, social services, housing, culture and overseas aid.

Income supplements and social benefits

- 6.3.8 Various measures were specifically targeted at increasing the disposable income of vulnerable people, and added to the benefits, allowances and pensions provided under the Social Security Act. One of the measures in this respect was the entitlement of employees on a minimum wage to receive an obligatory raise in their pay after the first year of employment with the same employer. Other implemented measures focused on pensioners, older persons and single parents. Furthermore, Government continued supporting youths who furthered their studies through the provision of a student maintenance grant. In addition, in the academic year 2018-2019, all students in receipt of a student maintenance grant benefitted from a pro rata COLA increase. Other measures targeted persons with disability, with improvements and changes in the Social Security Act in relation to the disability assistance/allowance resulting in an increase in the number of persons eligible for disability assistance, including those who were employed.

The widening of the eligibility criteria for the allowance granted to orphaned children and the increase in benefit payments given to foster parents were also effected in 2018.

Employment

6.3.9 The MFCS has launched several initiatives to support employability and move people away from dependence on social security. Among other measures undertaken in 2018, Government maintained the tapering of benefits scheme, which encourages people to seek employment while retaining some financial assistance that gradually decreases, continued providing several measures to assist parents to work, assisted pensioners to remain in employment and implemented a mature workers scheme to assist persons aged over 45 to find employment. Furthermore, Jobsplus launched various schemes and initiatives that supported the unemployed, while Government also implemented measures to address the underemployment of persons with disabilities. Several other measures were implemented by the FSWS, such as the E4L and the LEAP project, that provide vocational training and support to find suitable employment. As part of the address of abusive employment, the MEAE enacted the Itemised Payslip (Amendment) Regulation of 2018, which was intended to render it difficult for employers to tamper with the calculation of hours worked, remuneration owed and remaining hours of vacation leave.

Education

6.3.10 As regards education, the MEDE undertook various initiatives and schemes in 2018 that served to alleviate poverty. Of note were specific measures to assist vulnerable groups in the financing of school-related costs. Other measures implemented in relation to education included the elimination of examination fees and free access to past papers, the full subsidy of school transport, investment in literacy programmes and the provision of scholarships. The easing of such financial burdens was intended to indirectly alleviate poverty by improving children's educational achievement and their future job prospects and income.

6.3.11 The utilisation of EU funds sourced through the ESF and the ERDF were pivotal in the address of poverty. Some projects cited by the MEDE focused on education as a means of facilitating and supporting the employability of various vulnerable or target groups, while others addressed the development of vocational education. Other projects entailed investment in the infrastructure necessary to reach vulnerable groups, for example through the setting up of assistive technology centres intended for use by persons with disability.

6.3.12 Other initiatives related to education that also served to alleviate poverty targeted migrants and their integration into society, the training of persons working with vulnerable groups, and the raising of awareness of several issues that relate to poverty. Aside from initiatives carried out at a national level, several educational programmes were undertaken by Local Councils in conjunction with the MFCS, which mainly focused on life-long learning training programmes aimed at providing the necessary social and life skills.

Health and environment

- 6.3.13 Several projects relating to the health and environment sector, which directly or indirectly alleviate poverty, were carried out or continued in 2018. In view of the close link between health and poverty, much of the core work undertaken by the Public Health Regulation Department and the Health Care Standards Directorate, such as health promotion and disease prevention, outreach programmes and the promotion of a quality of care and patient safety culture, is related to the alleviation of poverty. Furthermore, the MFH referred to an EU-funded project through which a national platform aiming to reduce health inequalities by tackling the social determinants of health was set up. The MFH noted that projects such as this served to raise awareness among stakeholders within Government, civil society and society at large about social determinants and their role in promoting healthier lifestyles. Another EU-funded project being implemented by MFH is the setting up of a regional primary health care hub in Paola. Also highlighted was the use of technology in rendering government health-related services more effective. Specific reference was made to the development of an application to establish the level of vulnerability experienced by individuals and direct them to the most appropriate health services in their situation. Other more practical measures undertaken by Government focused on access to and the affordability of medication. Measures undertaken in this regard included the provision of free medication under the Schedule II (Pink Card) and Schedule V (Yellow Card) schemes, and the negotiated decreases in prices of certain medicinal products.
- 6.3.14 Certain health-related measures intended to alleviate poverty targeted specific vulnerable groups. Several measures targeted older people, vulnerable children and persons with disability requiring residential care, with Government endeavouring to ensure access to such care by building capacity through entry into agreements with the private sector for the provision of more residential homes. Furthermore, the Government granted a sickness allowance to persons with mental health issues or who were terminally ill and lived with a parent who was a pensioner, thereby alleviating the pensioner's financial burden. Older persons and persons with disability were provided with financial support to engage a live-in carer or employ a personal assistant that could assist them in their needs. Persons with disability were also the focus of other measures in relation to the alleviation of poverty, with Government providing subsidies to purchase equipment to improve quality of life, and providing exemptions on vehicle road licences and registration taxes. Other measures addressed the specific needs of children in vulnerable families, which measures included medical check-ups and regular meetings with professionals for families in difficult situations. The FSWS referred to the support it provides in relation to life events that could impinge on individuals' well-being such as mental health, marital separation, single parenting and bereavement.
- 6.3.15 In terms of environmental initiatives undertaken with a view to alleviate poverty, reference was made to the development of public spaces that allow for physical activities to be undertaken, as well as the availability of sports complexes for everyone to use free of charge.

Social services

- 6.3.16** Several measures that the Government worked on in 2018, which directly or indirectly alleviated poverty in Malta, related to social services. An important development registered in this respect was the establishment of the Social Care Standards Authority, which promotes and establishes the regulation of social welfare services. In this way, persons making use of these services, many of whom are at risk of poverty or social exclusion, are ensured dignity, contributing to their empowerment. Also of note was the enactment of the Social Regulatory Standards on Adoption of Children Regulations in 2018. The Meeting Place, a centre supporting the integration of vulnerable persons through community-based services and providing NGOs operating in the sector with meeting facilities, was set up through EU funds.
- 6.3.17** Work was also undertaken to enhance government entities working with disadvantaged groups. The Commission for the Rights of Persons with Disability set up a new unit to enforce the rights of persons with disability and their families. Sedqa, Aġenzija Appoġġ and the Child Protection Directorate undertook measures to reduce waiting times for people in need of access to social services. Several social outreach services were also being provided to assist families in difficulties, which included home-based therapeutic services, assistance provided to families facing multiples stressors, and parenting support. Of interest were programmes managed by the FSWS that adopted a community-based approach targeting localities deemed vulnerable and other initiatives that focused on the re-integration into society of persons with criminal convictions. Additionally, the FSWS, through Sedqa, devised an initiative to tackle addictive behaviour and provided therapeutic rehabilitation together with residential services to those who had a substance abuse problem. Work was also undertaken to ensure that families who are poor or at risk of poverty or social exclusion were provided with food items through the FEAD and SFFD programmes. The Government also continued to provide legal aid services to people who do not afford a lawyer.

Housing

- 6.3.18** Measures relating to housing were at the heart of several initiatives undertaken by Government as a means of alleviating poverty. The Housing Authority has embarked on several initiatives to reach out not only to those who are poor but also to other individuals needing affordable housing. One such initiative undertaken by the Housing Authority entails the significant subsidisation of rents. Furthermore, the home ownership scheme assists individuals through different measures, including the provision of social loans entered into by the Housing Authority and the banks, equity sharing, and the elimination of the down payment requirement for loans taken by families referred to by the FSWS. In 2018, a white paper titled 'Renting as a Housing Alternative' was published, which envisaged the registration of all rental agreements to better regulate the sector and eliminate potential abuse by the parties to the contract. The aims of the white paper were fulfilled with the promulgation of the Private Residential Leases Act in 2019, which came into effect on 1 January 2020.
- 6.3.19** Various other initiatives spearheaded by the Housing Authority include efforts at increasing the number of housing units available, the renovation and maintenance of housing estates, as

well as the provision of social housing and investments in community centres catering to the specific needs of vulnerable groups. Other initiatives targeted persons with disability, through measures intended to provide semi-independent living arrangements complemented with relevant support services, while certain measures focused on financial aid and technical advice to carry out adaptation works at the residence of a person with disability. Projects that comprised the construction of homes intended for persons with a disability, including individuals with autism and persons with sensory processing difficulties, to continue living independently within their communities were also highlighted. Similar initiatives were cited with respect to persons with mental health conditions. Three new residential homes for children and youth in care were also opened in 2018. Noteworthy developments were registered with respect to women who are victims of domestic violence. Financial support was provided to these women to be used as a deposit on accommodation, allowing them to seek an alternative residence not necessarily through the use of shelters.

Culture

6.3.20 Various cultural initiatives were carried out in 2018 and addressed different cohorts of individuals. These included the provision of unlimited admission to several heritage sites to all students and the adaptation of cultural programmes to encourage access by persons with a disability.

Overseas aid

6.3.21 For 2018, Government also allocated funds as Official Development Assistance and made other contributions to address the alleviation of poverty internationally. Funded projects related to the provision of health services, including capital investment in health facilities, and the provision of various services targeting children and youth, including social and residential care, counselling, recreational activities and training.

6.4 An in-depth analysis of poverty data

Insights from the review of EU SILC 2018 microdata

6.4.1 Anonymised EU SILC 2018 microdata was obtained from the NSO to allow for further analysis of EU SILC data beyond that provided in periodical press releases. Further analysis included the computation of salient indicators by demographic characteristics such as housing tenure and health status. Statistics for supplementary indicators of deprivation, including housing and environmental deprivation, were produced. Another analysis focused on housing costs, particularly relevant in view of rising housing costs and the much-debated impact of these costs on a household's risk of being in poverty. Descriptive statistics showing the distribution of housing costs, as well as housing costs as a proportion of the household disposable income, were produced. An analysis of the equivalised disposable income after deducting housing costs, and the resultant at-risk-of-poverty rates was also undertaken.

Salient indicators by demographic characteristics

6.4.2 The salient indicators were found to vary substantially for different housing tenure, health status and overcrowding status categories. While the ARPT60i, AROPE and MD rates for those living in owned accommodation is lower than the overall population rate, other tenure groups have higher ARPT60i, AROPE and MD rates compared to the overall population, with those living in accommodation rented at reduced prices consistently showing the highest rates. Those living in accommodation provided for free experience lower risk than those living in accommodation that is rented at a reduced rate. On the other hand, those who live in accommodation rented at market rates experience lower risk than those living in accommodation that is rented at a reduced rate. This pattern is consistent with the understanding that persons who live in accommodation rented at market rates are generally in a better financial position than persons who live in accommodation rented at reduced rate. Consistently, those who indicated that they had a chronic illness or condition were more likely to be ARPT60i, AROPE, and experiencing MD and SMD, than those not affected by such illnesses or conditions. Similarly, activity limitation due to health problems is associated with a higher incidence of ARPT60i, AROPE, MD and SMD. According to EU SILC 2018 data, the ARPT60i, AROPE and SMD rates are much higher for those individuals who resided in overcrowded households when compared to those who did not.



Deprivation indicators

6.4.3 MD in the EU SILC is defined as the inability to afford at least three of the following nine items: to pay rent, mortgage or utility bills; to keep one's home adequately warm; to face unexpected expenses; to eat meat or protein alternatives regularly; to go on holiday; a television set; a washing machine; a car; or a telephone. SMD is defined as the inability to afford at least four of the aforementioned nine items. According to EU SILC 2018, 8.7 per cent of the population living in private households (n=40,754) was found to be experiencing MD, and 3.0 per cent (n=14,246) were found to be experiencing SMD. A total of 176,796 (37.8 per cent) persons could not afford at least one of these items, while 83,355 (17.8 per cent) could not afford at least two of these

items. A week's annual holiday was the most common item, perceived by 30.6 per cent of the population (n=142,871) as not affordable.

6.4.4 The EU SILC survey also collects supplementary statistics on material deprivation and social exclusion for household members aged 16 and over, which information serves to supplement the MD indicators. The most common items that were indicated as unaffordable were participation in leisurely activities (13.6 per cent, n=54,027) and spending a small amount of money on oneself every week (12 per cent, n=47,385). A questionnaire item relating to the whole population of persons living in private households in Malta and Gozo (no age filtering) relates to the affordability of furniture replacement. Results showed that 17.0 per cent of the population, equivalent to 79,578 persons, live in households that do not afford to replace worn-out or damaged furniture.



54,027

persons do not afford
leisurely activities



47,385

persons do not afford to
spend a small amount of
money on themselves
every week



79,578

persons do not afford to
replace worn out or
damaged furniture

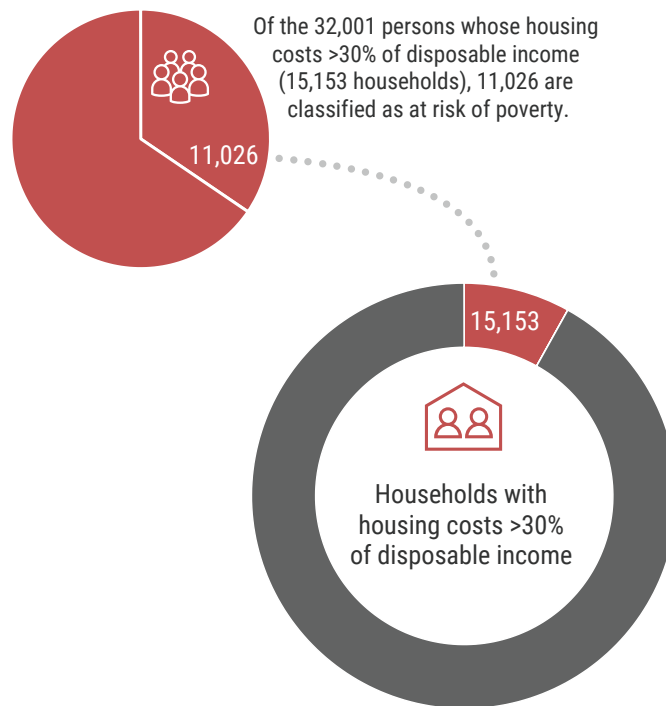
6.4.5 Pollution, grime or other environmental problems are the most common self-reported concerns relating to the physical and social environment in EU SILC 2018. In Malta these problems were experienced by 29.7 per cent of persons living in private households (n=138,880) in 2018. On the other hand, not having a bath or shower in one's dwelling or not having an indoor flushing toilet for the sole use of the household was experienced by a very small minority of respondents, equivalent to 0.9 per cent (n=4,057) of the population in 2018.

Housing costs and affordability

6.4.6 A self-reported measure of the household monthly housing cost is included in the EU SILC survey. This includes costs of utilities (water, electricity, gas and heating), structural insurance, mandatory services and charges, regular maintenance and repairs and applicable taxes. In the case of households living in residences that are owned, mortgage interest payments are also included, while rental payments are included for those households living in rented accommodation. The median for housing costs is equal to €84 in 2018, indicating that for the 50 per cent of Maltese households with the lowest housing costs, this expense is equal to €84 monthly for that year. The average household had housing costs amounting to €156 per month in 2018. The distribution of monthly household costs indicates that most households have low monthly costs

and that there are some outliers with very high costs. Costs are lowest for those households having accommodation provided for free, followed by households of outright owners and then households with accommodation rented at a subsidised rate. Substantially higher costs are recorded for those households that are renting accommodation at market rates and even higher costs for households whose residence is owned subject to a mortgage.

6.4.7 Housing affordability was considered by analysing the number of households whose housing costs (inclusive of mortgage principal repayments) exceeds 30 per cent of the household disposable income.¹⁸ As per EU SILC 2018 data, 15,153 households, equivalent to 8.1 per cent of all households, had housing costs (including mortgage principal repayment) that exceeded 30 per cent of the household's disposable income. For the EU SILC 2018 data, only 34.5 per cent (n=11,026) of those individuals classified as having housing costs above the threshold were also ARPT60i, while the remaining 20,975 (65.5 per cent) were not, despite having substantial housing costs compared with their household disposable income.



6.4.8 An analysis was carried out to determine the at-risk-of-poverty rate once housing costs are deducted from the equivalised disposable income (ARPT60i_Housing). The 60 per cent of the median equivalised disposable income was retained as the threshold for the poverty line. However, this poverty line was computed on the distribution of equivalised disposable income less equivalised housing costs. According to EU SILC 2018, the at-risk-of-poverty rate for this housing cost adjusted indicator (ARPT60i_Housing) is 17.7 per cent, which is slightly higher than the ARPT60i rate of 16.8 per cent. Interestingly, of the 82,678 individuals classified as at-risk-of-poverty for ARPT60i_Housing, only 84.1 per cent (n=69,530) are classified as at-risk-of-poverty with the conventional indicator ARPT60i.

¹⁸ Disposable income measured in EU SILC 2018 refers to calendar year 2017, while housing costs refer to the data collection year 2018.

Poverty indicators – Changes over time

6.4.9 Data for various EU SILC salient indicators for the years 2008 to 2018 were sourced from the NSO¹⁹. In effect, 2008 represents the baseline year for monitoring progress against the Europe 2020 targets. The SDGs were adopted by world leaders in September 2015, and therefore 2015 represents another reasonable baseline against which progress can be measured. For this reason, the last available statistics at the time of analysis (2018) were compared to the data for 2008 and to the data for 2015 to identify progress registered, if any, over these periods. The NSO also provided salient indicator figures disaggregated by age, sex, district, activity status and household type. The analysis focused on the figures for 2008, 2015 and 2018, allowing for changes in the demographic profile of those ARPT60i, AROPE, MD for these years to be noted, as well as changes in the prevalence rates for specific categories of the population.

At risk of poverty

6.4.10 For the period 2008 to 2018, the number of persons ARPT60i increased by 17,429, from 61,256 in 2008 to 78,685 in 2018. When considering the period 2015 to 2018, the increase is equal to 6,973 persons, from 71,712 in 2015 to 78,685 in 2018. Between 2008 and 2018, the increase in headcount is also mirrored in an increase in the percentage of the ARPT60i population, with an increase of 1.6 percentage points observed from 2008 to 2018; from 15.3 per cent to 16.8 per cent. For the period 2015 to 2018, a minimal increase of 0.2 percentage points was registered, from 16.6 per cent to 16.8 per cent.

Dispersion around the at-risk-of-poverty threshold

6.4.11 With respect to the dispersion around the at-risk-of-poverty threshold, of note is the fact that for lower income thresholds, the headcount and prevalence rates are drastically lower. The number of persons whose income falls below the 70, 60, 50 and 40 per cent of the median NEI thresholds is equal to 117,899, 78,685, 40,884 and 16,241 for 2018, respectively. Similarly, the prevalence rates for the 70, 60, 50 and 40 per cent NEI thresholds are equal to 25.2 per cent, 16.8 per cent, 8.7 per cent and 3.5 per cent for 2018, respectively. These same patterns in headcounts and prevalence rates for different thresholds is observed for 2008 and 2015. When considering the proportion of those ARPT60i whose income falls below the 40 per cent of the median NEI threshold, an improvement is noted in 2018 compared to 2008, with this proportion decreasing from 28.8 per cent in 2008 to 20.6 per cent in 2018.

Income profile

6.4.12 An analysis was undertaken to understand the changes in the income profile across the period under review. Income is categorised into four groups, defined in terms of different cut-off points with respect to the median NEI. Here we focus on changes experienced by the two income groups that fall below the at-risk-of-poverty threshold during the period under review.

¹⁹At the time this analysis was carried out salient indicators for 2019 were not published, except for MD and SMD. For this reason, the analysis was carried out consistently for 2008-2018 for all indicators.

- 6.4.13 When considering the 2008 to the 2018 period, the number of persons in the lowest income group, that is, below the 40 per cent median NEI threshold, decreased by 1,385, equivalent to a 0.9 percentage point decrease, from 4.4 per cent in 2008 to 3.5 per cent in 2018. This is a positive result, indicating that those in the lowest income bracket have decreased in the period 2008-2018. Those falling below the at-risk-of poverty threshold, but who are not part of the lowest income group, that is those between the 40 per cent median NEI and the 60 per cent median NEI threshold, increased by 18,815, equivalent to an increase of 2.5 percentage points.
- 6.4.14 When considering the 2015 to the 2018 period, the number of persons in the lowest income group, that is, below the 40 per cent median NEI threshold, increased by 2,320, equivalent to a 0.3 percentage point increase. This is opposite to the change noticed for the period 2008 to 2018, and represents a negative result, with those in the lowest income bracket having increased in the period 2015-2018. With respect to those within the population who fall below the poverty threshold, but who are not part of the lowest income group, that is those between the 40 per cent median NEI and the 60 per cent median NEI threshold, it can be noted that these constitute 13.4 per cent of the population in 2015 and 2018. While there is no change in the percentages, the headcount increased by 4,653 between 2015 and 2018. This increase may be explained in terms of the population increase, of 8.2 per cent, observed during this period.

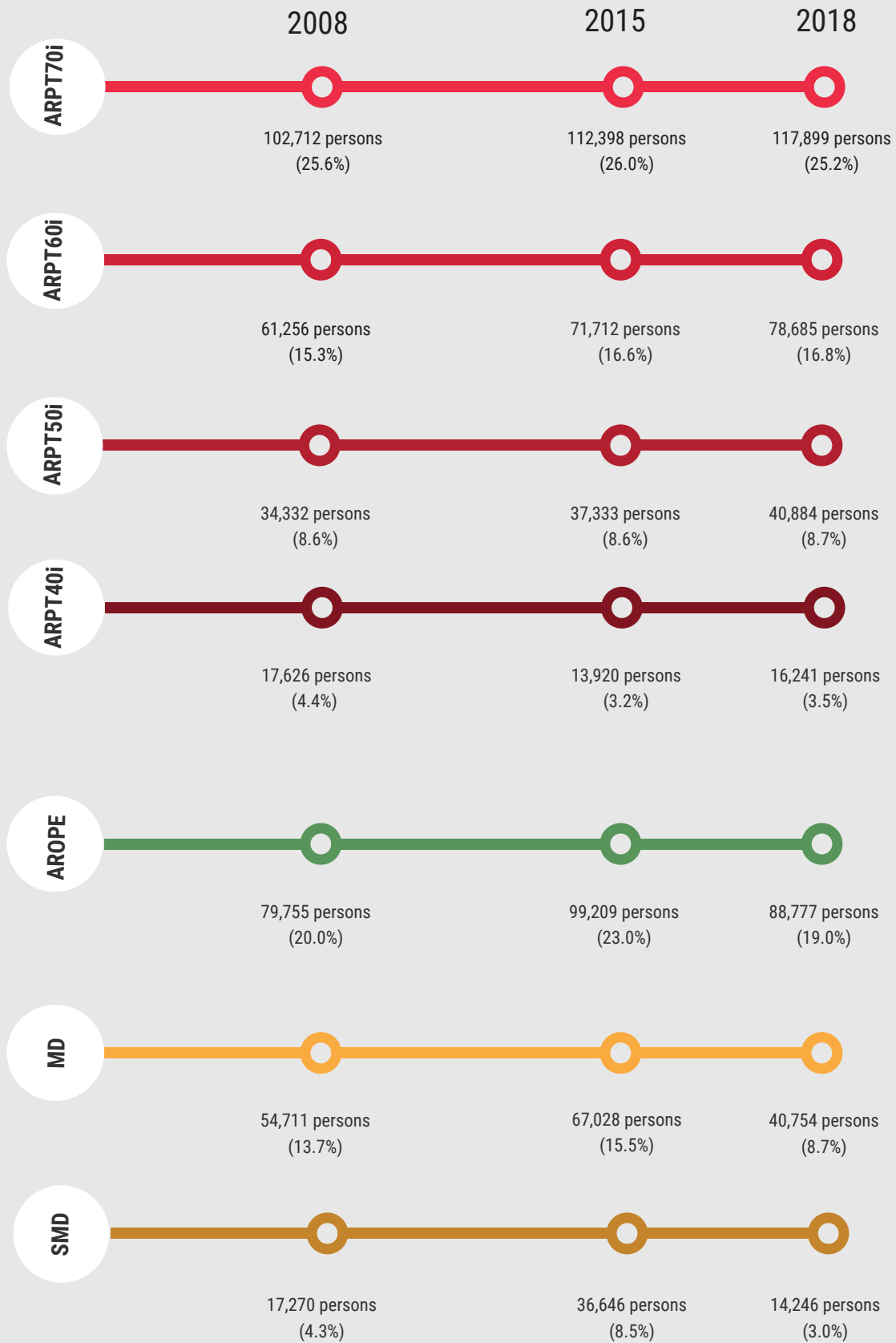
At risk of poverty or social exclusion

- 6.4.15 When considering AROPE, the headcount increased by 9,022 persons in 2018 compared to 2008, from 79,755 in 2008 to 88,777 in 2018. However, this was equivalent to a one percentage point decrease in the percentage of the population that is AROPE, from 20.0 per cent in 2008 to 19.0 per cent in 2018. This implies that the increase in headcount AROPE is attributable to an increase in the population. On the other hand, the headcount of persons AROPE decreased by 10,432 from 2015 to 2018, from 99,209 persons in 2015 to 88,777 in 2018, equivalent to a decrease of four percentage points.

Materially deprived and severely materially deprived

- 6.4.16 The number of persons who are MD decreased by 13,957 persons between 2008 and 2018, from 54,711 in 2008 to 40,754 in 2018. A similar decrease was registered between 2015 and 2018, with the number of persons who are MD decreasing by 26,274 in this period, from 67,028 in 2015 to 40,754 in 2018. The MD rate corresponding to each of these periods decreased by 5.0 percentage points and 6.8 percentage points, respectively (13.7 per cent in 2008, 15.5 per cent in 2015 and 8.7 per cent in 2018). An improvement was also registered in relation to SMD, though to a lesser extent for the period 2008 to 2018. The number of persons in this group decreased by 3,024, from 17,270 in 2008 to 14,246 in 2018. With respect to the period 2015 and 2018, a decrease of 22,400 in the number of persons experiencing SMD was observed, from 36,646 in 2015 to 14,246 in 2018. The rate of SMD similarly decreased by 1.3 and 5.5 percentage points for these periods (4.3 per cent in 2008, 8.5 per cent in 2015 and 3.0 per cent in 2018).

Poverty indicators | Prevalence rates and headcounts



A focus on age

ARPT60i: Age profile and prevalence rates by age groups

- 6.4.17** The prevalence rates of ARPT60i are the lowest for the working age group (12.2 per cent in 2008, 13.9 per cent in 2015 and 13.5 per cent in 2018), and highest for the group aged 65 years and older in 2008 and 2018 (24.3 per cent and 25.4 per cent, respectively) and the under 16s in 2015 (22.8 per cent). The comparison of the disaggregated ARPT60i prevalence rates by age group with the average prevalence rates for the whole population indicates that the 16 to 64 age group have a prevalence rate that is consistently below the national average, while the other two age groups have prevalence rates that are consistently above the national average. The prevalence rates in 2018 increased compared to 2008 for all age groups. When comparing the 2018 rates to the 2015 rates, prevalence increased with respect to the 65 years and older age group and decreased for the other two age groups.
- 6.4.18** The age structure of those ARPT60i has changed over the two periods, becoming older (this change in age structure is also observed for the general population). The proportion of the population ARPT60i of working age is substantially lower than the proportion of the general population pertaining to this age group in 2008, 2015 and 2018. On the other hand, the under-16s and those aged 65 years and older are over-represented in the population ARPT60i in all three years being analysed.

AROPE: Age profile and prevalence rates by age groups

- 6.4.19** A similar pattern emerges with respect to AROPE prevalence rates disaggregated by age group as noted in the analysis of ARPT60i. AROPE prevalence rates are the lowest for the working age group (17.5 per cent in 2008, 21.5 per cent in 2015 and 16.1 per cent in 2018). On the other hand, the age group with the highest risk is the oldest age group in 2008 and 2018 (26.2 per cent and 26.7 per cent, respectively), and the youngest age group in 2015 (27.8 per cent). When comparing the AROPE prevalence rates for each age group with the average prevalence rate for the whole population it can be noted that, similarly as for the ARPT60i rates, the prevalence rates for the 16 to 64 age group is lower than the average rate, while the rates pertaining to the other two age groups are higher than the average rate, for 2008, 2015 and 2018. The prevalence rates in 2018 varied from the 2008 and the 2015 rates as follows: increased for the 65 years and older group, and decreased for the under 16 years age group and the 16 to 64-year group.
- 6.4.20** The age structure of those AROPE has changed over both periods, becoming older, similar to what was observed for the ARPT60i age profile. A comparison of the age profile for the general population and the population AROPE indicates that the proportion of the population AROPE of working age is substantially lower than the proportion of the general population pertaining to this age group. In contrast, the other age groups are over-represented in 2008, 2015 and 2018. This same pattern was observed for the ARPT60i profile.

MD: Age profile and prevalence rates by age groups

- 6.4.21** In contrast to that observed for the ARPT60i and AROPE rates, the lowest MD rate is observed for the working age only for 2008 (12.6 per cent), and for the oldest age group in 2015 (13 per cent) and 2018 (8.3 per cent). The age group with the highest prevalence rate in terms of MD is consistently the youngest age group for all three years (17.2 per cent in 2008, 17.8 per cent in 2015 and 10.8 per cent in 2018). When comparing the MD prevalence rates for each age group with the average prevalence rate for the whole population, the differences noted are not consistent over time. This contrasts with what was observed for the ARPT60i and AROPE rates. The one consistent difference that can be noted over time is the higher MD prevalence rates for the under 16 category when compared to the average rate. With respect to MD, substantial improvements in the absolute numbers as well as the prevalence rates can be observed for all age groups in the periods under review.
- 6.4.22** The age profiles for the MD population indicate that for both periods (2008 to 2015 and 2008 to 2018) there is an increase in the proportion of the population experiencing MD that pertains to the over 65 age group, same as noticed for the ARPT60i and AROPE profiles. No consistent pattern was noted for the other two age groups. The comparison of the MD profile for 2008, 2015 and 2018 with the general population profile for the corresponding years shows variations over time in the over and under-representation of particular age groups. The one consistent pattern noted was the over-representation of the under 16 category in the population experiencing MD.

A focus on gender

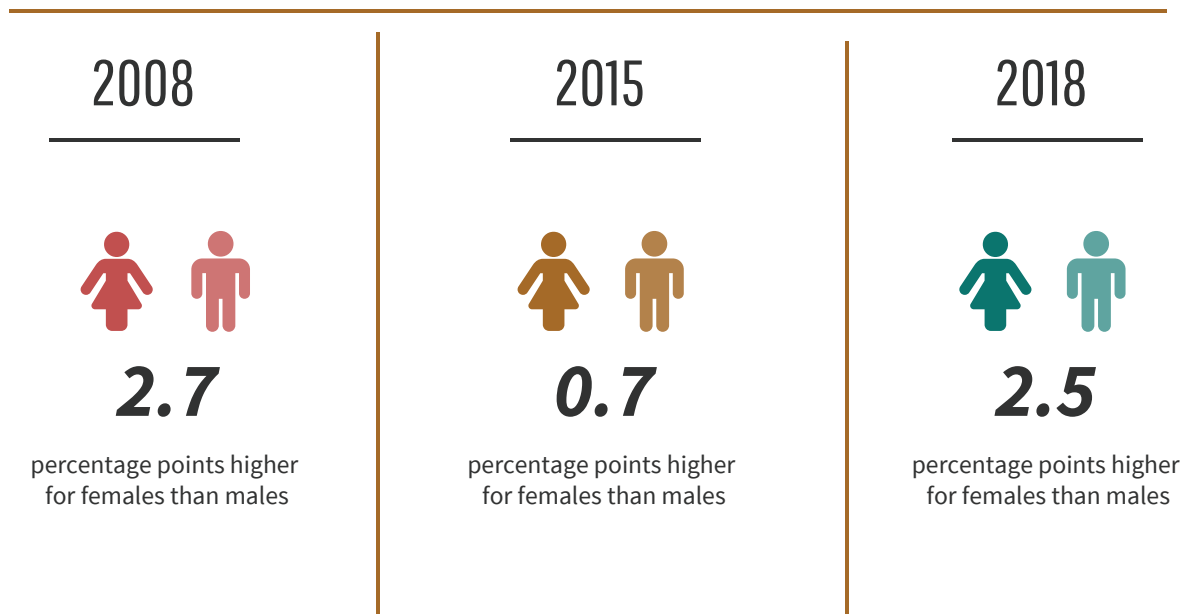
ARPT60i: Sex profile and prevalence rates by sex

- 6.4.23** The ARPT60i prevalence rates for females is consistently higher than that for males, though the difference in rates varies from 2.7 percentage points in 2008, to 0.7 percentage points in 2015, to 2.5 percentage points in 2018. The prevalence rates for males and females increased from 2008 to 2018, by 1.7 and 1.5 percentage points respectively. On the other hand, for the period 2015 to 2018, the prevalence rates increased by 1.2 percentage points for females and decreased by 0.7 percentage points for males. These figures indicate a consistent disadvantage for females.
- 6.4.24** The proportion of the population ARPT60i that is female is higher than the proportion of the general population that is female, with the extent of over-representation being greatest in 2008 and least in 2015. This implies that gender disparities were least pronounced in 2015, and most pronounced in 2008. Despite improvements registered in 2015, disparities widened in 2018.

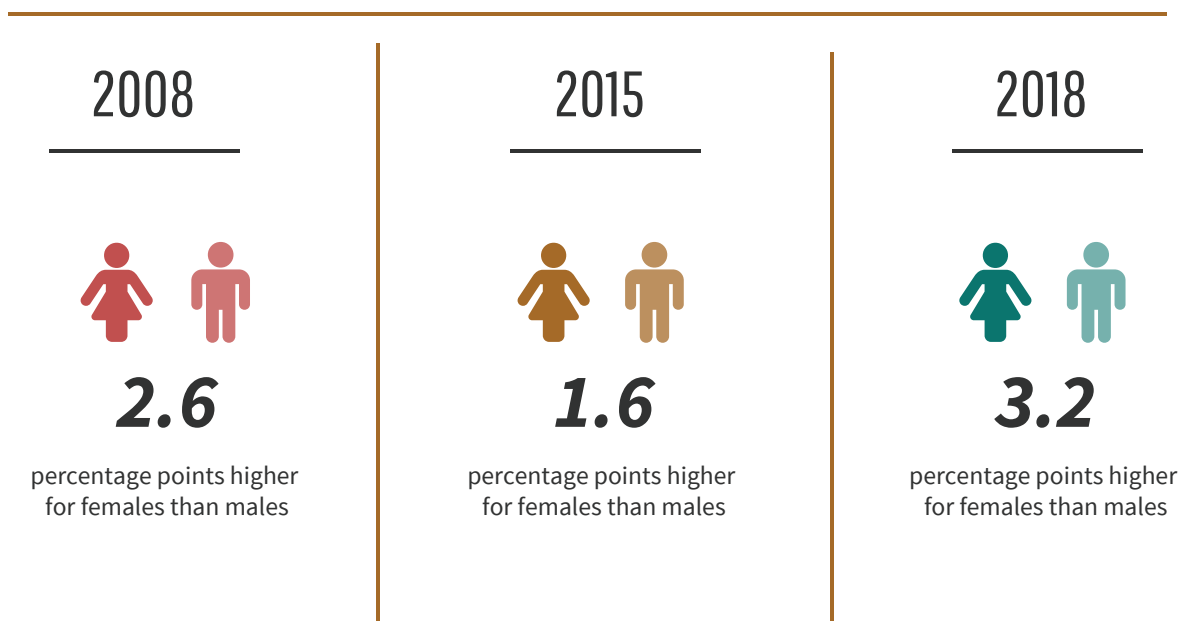
AROPE: Sex profile and prevalence rates by sex

- 6.4.25** The AROPE prevalence rates for females is consistently higher than that for males, same as for ARPT60i rates. The difference in AROPE rates between the sexes varies across time, from 2.6 percentage points in 2008, to 1.6 percentage points in 2015 to 3.2 percentage points in 2018.

The at-risk-of-poverty rates are consistently higher for females



The at-risk-of-poverty or social exclusion rates are consistently higher for females



The prevalence rates for males and females decreased for both periods, to a greater extent for males than females, and to a greater extent in the 2015 to 2018 period (1.2 percentage points and 0.7 percentage points for 2008 to 2018, and 4.7 percentage points and 3.2 percentage points for 2015 to 2018).

6.4.26 Females are over-represented and males are under-represented in the AROPE population, with the discrepancy in the sex profiles for the AROPE population and the general population being greatest in 2018 (4.2 percentage points), followed by 2008 (3.3 percentage points). This contrasts with the profiles observed for ARPT60i, where the greatest discrepancy was observed for 2008, followed by 2018. The smallest discrepancy in the AROPE profile observed for 2015 is consistent with what was observed for the ARPT60i profiles.

MD: Sex profile and prevalence rates by sex

6.4.27 The MD prevalence rates for females is higher than that for males, by 0.7 and 1.1 percentage points in 2008 and 2018, and slightly lower by 0.3 percentage points in 2015. This somewhat contrasts with the prevalence rates observed for ARPT60i and AROPE, which were found to be consistently higher for females. MD prevalence rates for females are higher than the average rate for the whole population in 2008 (14 per cent versus 13.7 per cent) and 2018 (9.3 per cent vs 8.7 per cent) and marginally lower for 2015 (15.4 per cent vs 15.5 per cent). This contrasts with the consistently higher prevalence rates for females (when compared to the average rates) observed with respect to ARPT60i and AROPE rates. Similarly, as observed for the AROPE prevalence rates, the MD prevalence rates decreased for both sexes for both periods.

6.4.28 The gender profile of the general population shows a lower proportion of females than that observed for the population experiencing MD in 2008 and 2018. This discrepancy is observed to a greater extent in 2018, with 49.2 per cent of the total population that is female, yet 52.5 per cent of the population experiencing MD are female. The opposite is observed in 2015, where males are over-represented, with 50.7 per cent of the population experiencing MD being males, while 50.3 per cent of the total population are males. This deviates from that observed for ARPT60i and AROPE profiles, whereby females are consistently over-represented for all three years.

A focus on districts

ARPT60i: District profile and prevalence rates by district

6.4.29 The rankings in terms of ARPT60i prevalence rates were not consistent for the three years under review. The one commonality in prevalence rates rankings across the three years being examined is that the Western district consistently obtains the lowest rates. The comparison of the district prevalence rates with the average rate indicates varying geographical patterns across the three years. The South Eastern and Western districts prevalence rates are consistently below the national average, while the Southern Harbour is consistently above the national average. In comparison to 2008, the 2018 rates were higher for the Northern Harbour, the South Eastern and the Northern

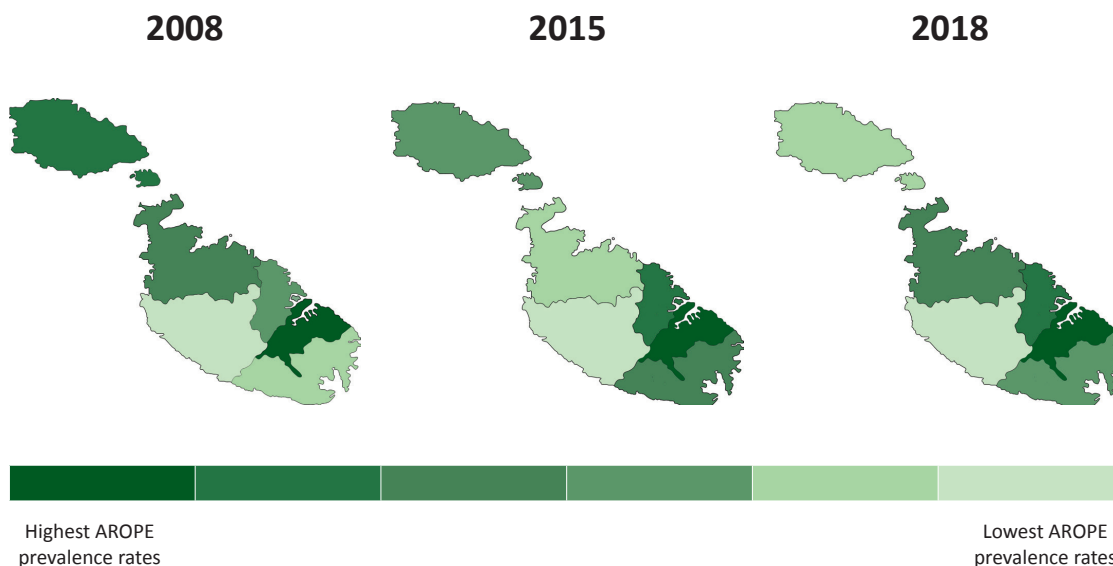
districts, remained constant for the Southern Harbour district, while the rate decreased for the Western district and for Gozo and Comino. Changes in rates between 2015 and 2018 showed different patterns than that observed for 2008 and 2018. In 2018, compared to 2015, the rates were lower for Gozo and Comino, the Southern Harbour district and the Northern district, and increased for the Northern Harbour, South Eastern and Western districts.

6.4.30 The geographic profile of those ARPT60i changed over time. Most prominently, the 2018 ARPT60i profile includes a higher percentage of persons living in the Northern Harbour district (7.2 percentage points), and a lower percentage of those living in the Southern Harbour (4.5 percentage points) and Western district (3 percentage points) compared to the 2008 profile. When comparing the 2018 ARPT60i profile with the equivalent 2015 ARPT60i profile, the largest absolute discrepancies noted are a higher percentage of individuals living in the Northern Harbour (3.7 percentage points) and a lower percentage of persons living in Gozo and Comino (2.5 percentage points). When comparing the district profile for the whole population and for the population ARPT60i, some differences can be noted. For 2008, 2015 and 2018, the Southern Harbour district is consistently over-represented, while the South Eastern and the Western districts are consistently under-represented in the population ARPT60i.

AROPE: District profile and prevalence rates by district

6.4.31 The rankings of districts by AROPE prevalence rates vary across the years analysed. However, what is consistent is that the Southern Harbour district always registers the highest prevalence rate, while the Western district always registers the lowest prevalence rate. When comparing the average AROPE prevalence rates with the rates for each district, different patterns emerge for 2008, 2015 and 2018. The common trend across all three years is the higher rates for the Southern Harbour district and lower rates for the Western and Northern districts. In comparison to 2008, the 2018 rates were higher for the Northern Harbour district, having increased by 3.1 percentage points. The prevalence rate for the South Eastern district remained unchanged during this period. The rates for all other districts decreased, with the South Harbour registering the largest absolute decrease, of 5.5 percentage points. On the other hand, in the period 2015 to 2018, all districts registered a decrease in the prevalence rates. The largest absolute decrease, of 7.5 percentage points, was registered for the Southern Harbour district.

Ranking of districts by AROPE prevalence rates



6.4.32 The district profile for the general population and for the population AROPE vary. For 2008, 2015 and 2018, the Southern Harbour district is consistently over-represented, while the Northern and the Western districts are consistently under-represented in the AROPE population. The residence profile of the persons AROPE showed some changes in the periods under review. The largest absolute percentage increase is noted for the Northern Harbour, while the largest absolute percentage decrease is noted for the Southern Harbour, for 2015 to 2018 and 2008 to 2018.

MD: District profile and prevalence rates by district

6.4.33 The 2018 MD values for Gozo and Comino are based on small sample sizes and should therefore be interpreted with caution. In view of this, the district profile distribution for the 2018 MD population should also be interpreted with caution, since profile values for all districts are reliant on headcount values for each individual district.

6.4.34 In 2018, the MD prevalence rates were highest in the Southern Harbour (12.3 per cent), followed by the Northern Harbour (11.2 per cent), Northern (8.4 per cent), Western (6.2 per cent), Southern Eastern (4.8 per cent) and Gozo and Comino (2.3 per cent). The only consistent ranking across the three years under review is the highest prevalence rates recorded for the Southern Harbour, the same as observed for AROPE rates. The district prevalence rates for MD differ substantially from the overall prevalence rate, and the deviations vary over time. In 2018, the greatest absolute deviations are registered for Gozo and Comino and the South Eastern districts, registering 6.4 percentage points and 3.9 percentage points below the average rate of 8.7 per cent, respectively. In comparison to 2008, the 2018 rates were higher only for the Northern district, having increased

by 2.6 percentage points, while they decreased for all other districts, most significantly by 12 percentage points for the Southern Harbour, 9.6 percentage points for the South Eastern and 6.5 percentage points for Gozo and Comino. When compared to 2015, the 2018 rates decreased for all districts, with the greatest absolute decrease registered for the Southern Harbour district (14.4 percentage points).

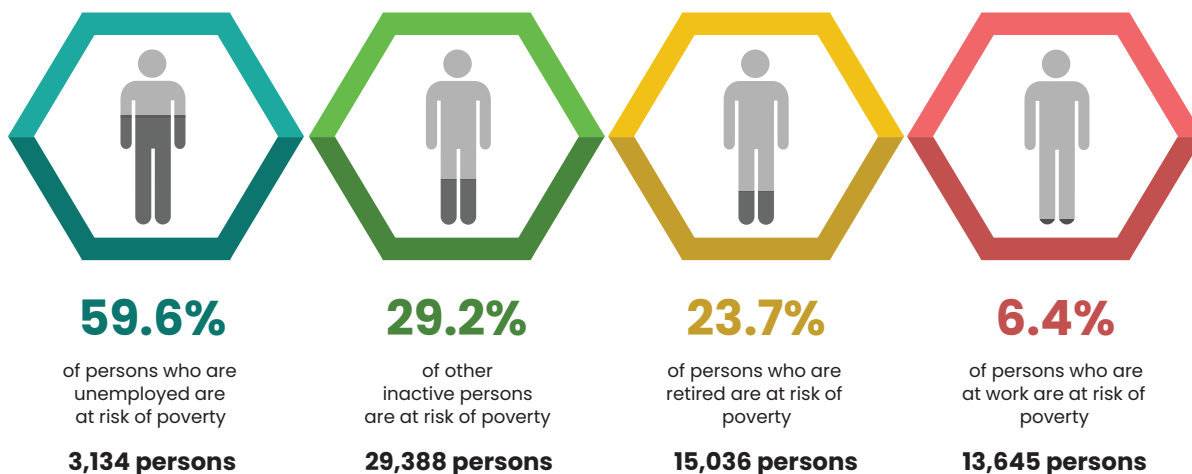
6.4.35 Variations can be noted in the district profile for the general population and for the population experiencing MD for each year under review. For 2008, 2015 and 2018, the Southern Harbour district is consistently over-represented, while the Northern and the Western districts, as well as Gozo and Comino, are consistently under-represented in the MD population. The residence profile of the persons experiencing MD showed some changes in the period under review. The largest absolute percentage increase for 2008 to 2018 is noted in the Northern Harbour (11.3 percentage points), while the largest absolute percentage decrease is noted in the Southern Harbour (10.1 percentage points). The largest absolute percentage increase for 2015 to 2018 is noted in the Northern Harbour (9.9 percentage points), while the largest absolute percentage decrease is noted in the South Eastern district (9.2 percentage points).

A focus on activity status

ARPT60i: Activity status profile and prevalence rates by activity status

6.4.36 Due to small sample sizes, the ARPT60i figures for retired persons for 2008 and the activity status profile distribution for the 2008 ARPT60i population should be interpreted with caution.

6.4.37 In 2018, the ARPT60i prevalence rates are highest for the Unemployed group (59.6 per cent), followed by the Other Inactive (29.2 per cent), the Retired (23.7 per cent) and finally those At Work (6.4 per cent). The same pattern is observed for the 2008 and the 2015 prevalence rates. When comparing the ARPT60i prevalence rates of the activity status categories with the average rate for the population over 16, it can be noted that consistently for 2008, 2015 and 2018, the At Work category rate is lower than the average rate, by 9.0, 9.9 and 9.7 percentage points, respectively. The Unemployed and Other Inactive categories show positive deviations for all three years under review, with the Unemployed category showing the largest absolute deviation. The prevalence rates for the Retired category were below the average ARPT60i rate in 2008, and above this average rate in 2015 and 2018. When comparing the prevalence rates for 2018 with the 2008 rates it can be noted that prevalence rates increased for all categories. The largest absolute increase was observed for the Unemployed, with an increase of 29.4 percentage points, from 30.1 per cent in 2008 to 59.6 per cent in 2018. The prevalence rates increased for all activity status categories from 2015 to 2018, though to a lesser extent than the increases observed for the 2008 to 2018 period.



6.4.38 The proportion of the population ARPT60i At Work is substantially lower than the proportion of the general population over 16 At Work (17.8 per cent versus 49.4 per cent in 2008; 18.6 per cent versus 51.1 per cent in 2015; 22.3 per cent versus 55.7 per cent in 2018). On the other hand, the other three categories are over-represented in the population ARPT60i (except for Retired in 2008). Also of note is the fact that the population ARPT60i in 2018, when compared to 2008, has a much higher proportion of Retired (24.6 per cent versus 3.3 per cent) and a lower percentage of Other Inactive (48 per cent versus 73.4 per cent).

AROPE: Activity status profile and prevalence rates by activity status

6.4.39 In 2018, the AROPE prevalence rates were highest for the Unemployed (69.4 per cent), followed by the Other Inactive (34.2 per cent), the Retired (25.4 per cent) and finally those At Work (7.4 per cent). This same pattern was also observed in 2008 and 2015. This consistent ranking in prevalence rates was also noted for ARPT60i rates. The Activity Status prevalence rates for AROPE differ substantially from the overall prevalence rate for those aged over 16. The At Work prevalence rates are consistently below the average rate for the over 16 population, and the rates for the other categories are consistently above the average rate (except for the Retired in 2015, which has a rate equal to the 2015 average rate). The highest deviation can be noted for the Unemployed category. In comparison to 2008, the 2018 prevalence rates increased for all categories, by 17.9 percentage points for the Unemployed, 6.4 percentage points for the Retired, 4.6 percentage points for the Other Inactive, and 0.3 percentage points for those At Work. The fact that the overall AROPE rate for the population over 16 decreased despite disaggregate rates by Activity Status showing increases can be explained by the changes in the Activity Status profile of the total population over 16. On the other hand, in the period 2015 to 2018, an increase of 3.4 percentage points was noted for the Retired, while decreases of 4.3, 3.4 and 2.4 percentage points were noted for the Unemployed, Other Inactive and At Work categories, respectively.

6.4.40 The proportion of the population AROPE At Work is substantially lower than the proportion of the general population over 16 At Work in 2008, 2015 and in 2018 (18.8 per cent versus 49.4 per cent in 2008; 22.9 per cent versus 51.1 per cent in 2015; 22.6 per cent versus 55.7 per cent

in 2018). On the other hand, the other three categories are over-represented in the population AROPE, most noticeably the Other Inactive group. These patterns are also noticeable for the ARPT60i profiles. Also of note is the fact that the population AROPE in 2018, when compared to 2008, has a much higher proportion of Retired (23.1 per cent versus 3.5 per cent) and lower percentage of Other Inactive (49.1 per cent versus 70.6 per cent), same as observed in the ARPT60i profiles.

MD: Activity status profile and prevalence rates by activity status

- 6.4.41 Due to small sample sizes, the MD figures for retired persons for 2008 and for the unemployed for 2018, as well as the activity status profile distributions for the 2008 and 2018 MD populations should be interpreted with caution.
- 6.4.42 The MD prevalence rates are highest for the Unemployed, followed by the Other Inactive, Retired and At Work for all three years. This ranking in prevalence rates was also noted for ARPT60i and AROPE rates. The Activity Status prevalence rates for MD differ substantially from the overall prevalence rate for the over 16 population. The Unemployed and Other Inactive prevalence rates are consistently above the average rate, and the rates for the At Work and Retired groups are consistently below the average rate. Similarly, as noted for ARPT60i and AROPE rates, the largest absolute positive deviation for MD rates can be noted for the Unemployed category. This implies that the Unemployed are at substantially higher risk of experiencing MD than the other Activity Status categories. The prevalence rates decreased for all categories for the periods 2008 to 2018 and 2015 to 2018, with the largest absolute decrease noted for the Unemployed category.
- 6.4.43 The proportion of the population MD At Work is substantially lower than the proportion of the general population over 16 At Work in 2008, 2015 and in 2018 (34.1 per cent versus 49.4 per cent in 2008; 34.1 per cent versus 51.1 per cent in 2015; 35.3 per cent versus 55.7 per cent in 2018). The Retired Category is just slightly under-represented. On the other hand, the other two categories are over-represented in the population over 16 AROPE, most noticeably the Other Inactive group. Also of note is the fact that the MD population in 2018, when compared to 2008, has a much higher proportion of Retired (14.9 per cent versus 2.9 per cent) and lower percentage of Other Inactive (44.5 per cent versus 55.4 per cent), the same as observed in the ARPT60i and AROPE profiles.

A focus on household type

ARPT60i: Household type profile and prevalence rates by household type

- 6.4.44 The prevalence rate of being ARPT60i is higher for those living in households with dependent children for all three years under review. For 2018, when considering the different types of households with dependent children, individuals living in single parent households and households with two adults with three or more dependent children experience the highest prevalence rates 48.6 per cent and 27.3 per cent, respectively. For 2008 and 2015, the ranking for the top two

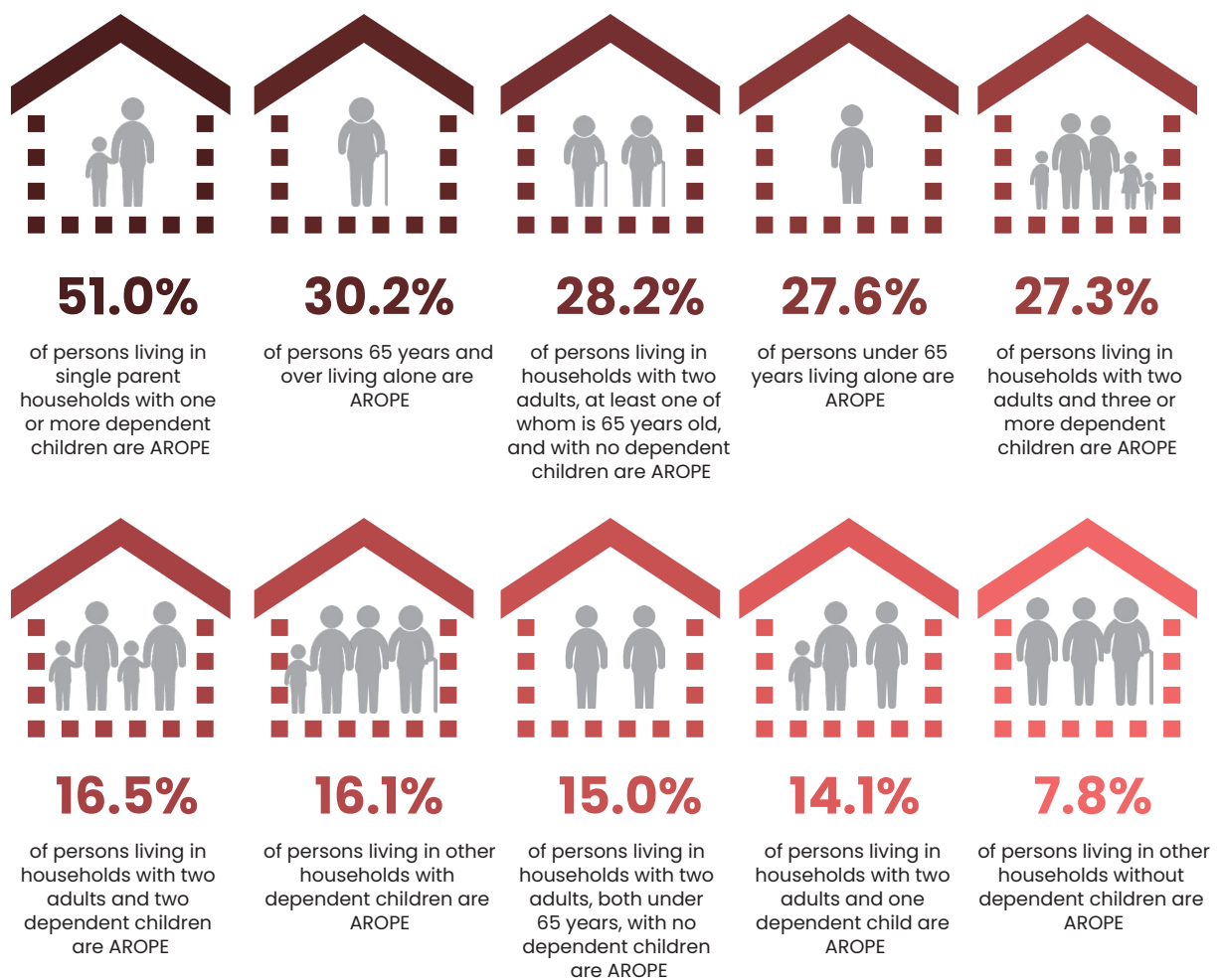
categories of households with dependent children with respect to ARPT60i prevalence rates is the same as for 2018. When considering different types of households without dependent children, it can be noted that in 2018, those living in households with two adults with at least one adult being 65 years or older, adults of 65 years and older living alone and adults under 65 years of age living alone experience the highest ARPT60i prevalence rates, 25.5 per cent, 28.4 per cent and 24.1 per cent, respectively. For 2008 and 2015, the three categories of households without dependent children with the highest ARPT60i prevalence rates are the same as for 2018, though the rankings vary. When comparing the prevalence rates of the household type categories with the average rate for the population, it can be noted that living alone; being part of a household with a single parent and having dependent children within the household; being part of a household composed of two adults with no dependent children and at least one adult being 65 years and over; and living in a household with at least three dependent children, are risk factors for being ARPT60i.

- 6.4.45 When comparing the 2008 and 2018 rates, six out of the ten categories of household types registered an improvement. The largest absolute improvements were registered for those residing in single parent households with dependent children (-10 percentage points) and those residing in households composed of two adults under 65 years of age with no dependent children (-6.1 percentage points). On the other hand, rates worsened most prominently for adults of 65 years and older living alone (+4.2 percentage points) and those living in other households with dependent children (+5.6 percentage points). When comparing the 2018 prevalence rates with the 2015 rates, five categories registered an improvement. The largest absolute improvement was noted for those individuals pertaining to households of two adults with three or more dependent children (-9.8 percentage points). On the other hand, rates worsened mostly for those adults of 65 years and older living alone (+6.8 percentage points) and those residing in single parent households with dependent children (+4.1 percentage points).
- 6.4.46 The proportion of the population ARPT60i that pertains to households without dependent children is lower than the proportion of the general population living in households without dependent children (43.5 per cent versus 47.8 per cent in 2008; 42.3 per cent versus 48.8 per cent in 2015; and 46.5 per cent versus 48.7 per cent in 2018). The opposite is true for those pertaining to households with dependent children. Those living in other households without dependent children are most under-represented in the ARPT60i population, while those living in single parent households with dependent children are most over-represented in the ARPT60i population.

AROPE: Household type profile and prevalence rates by household type

- 6.4.47 The AROPE prevalence rates in 2018 for those living in households with dependent children and those living in households without dependent children are both 19 per cent. When considering different types of households without dependent children, it can be noted that, in 2018, adults of 65 years and older living alone, those living in households with two adults with at least one adult being 65 years or older and adults under 65 years of age living alone experience the highest

prevalence rates, equivalent to 30.2 per cent, 28.2 per cent and 27.6 per cent, respectively. For 2008 and 2015, the three categories of households without dependent children with the highest AROPE prevalence rates are the same as for 2018, though the rankings vary. This is similar to that observed for the ARPT60i rates. When considering different types of households with dependent children, those living in single parent households and those living in households composed of two adults with three or more dependent children experience the highest prevalence rates, 51 per cent and 27.3 per cent, respectively. For 2008 and 2015 the ranking for the top two categories of households with dependent children with respect to AROPE prevalence rates is the same as for 2018. This pattern was also observed for ARPT60i prevalence rates. When comparing the AROPE prevalence rates of the household type categories with the average rate for the population, it can be noted that, similar to what was observed for the ARPT60i rates, living alone; being part of a household composed of two adults with no dependent children and at least one adult being 65 years and over; being part of a household with a single parent and having dependent children within the household; and living in a household with two adults and at least three dependent children, are risk factors for being AROPE.



6.4.48 When comparing the 2008 and 2018 AROPE rates, similar to ARPT60i rates, six out of the ten categories of household types registered an improvement. It can be noted that the largest absolute improvements were registered for individuals residing in single parent households with dependent children (-20.6 percentage points) and individuals less than 65 years of age living alone (-13.7 percentage points). On the other hand, the greatest increase in AROPE prevalence rates was registered for individuals 65 years and older living alone (+2.1 percentage points) and those living in households composed of two adults and one dependent child (+2.1 percentage points). In comparison to 2015, 2018 AROPE prevalence rates were lower for eight out of the ten categories of household types. The greatest reductions were registered for individuals living in households composed of two adults and three or more dependent children (-12.2 percentage points) and adults under 65 years of age living alone (-10.1 percentage points). The only increase was registered for adults 65 years and over living alone (+4.9 percentage points).

6.4.49 The proportion of the population AROPE that pertains to households without dependent children is lower than the proportion of the general population living in households without dependent children, though this difference is negligible for 2018 (46 per cent versus 47.8 per cent in 2008; 45.4 per cent versus 48.8 per cent in 2015; and 48.6 per cent vs 48.7 per cent in 2018). The opposite is true for those pertaining to households with dependent children. Those living in other households without dependent children are most under-represented in the AROPE population, while those living in single parent households with dependent children are most over-represented in the AROPE population. This is similar to that observed for the ARPT60i profiles.

MD: Household type profile and prevalence rates by household type

6.4.50 The MD 2018 values for the 'One-person household, 65 years old and over' and 'Two adults, three or more dependent children' categories are based on small sample sizes and should therefore be interpreted with caution. In view of this, the household type profile distribution for the 2018 MD population should also be interpreted with caution.

6.4.51 In 2018, the MD prevalence rate for individuals living in households with dependent children is 9.5 per cent, compared to 7.9 per cent for individuals living in households without dependent children. The higher rates for individuals living in households with dependent children is similar to that observed for ARPT60i rates. When considering different types of households without dependent children, it can be noted that prevalence rates do not vary excessively between the different household types. When considering different types of households with dependent children, the rates vary more, with the highest rate, of 36.1 per cent, pertaining to those belonging to single parent households with dependent children, and the lowest rate, of 4.6 per cent, pertaining to households composed of two adults and two dependent children. When comparing the prevalence rates of the household type categories with the average rate for the population, it can be noted that, similarly to that observed for the AROPE rates, for all three years under review the MD rates for individuals pertaining to single parent households are particularly high. On the other hand, lower rates were observed for individuals pertaining to the following households:

'Two adults, no dependent children, both under 65 years', 'Two adults, one dependent child' and 'Two adults, two dependent children' consistently for the three years under review.

- 6.4.52 When comparing the 2008 and 2018 MD rates, prevalence rates decreased for all household types, with the largest absolute improvements registered for those living in single parent households (-15.4 percentage points) and those living in single person households (-11.7 percentage points in the case of persons under 65 and -12 percentage points in the case of persons over 65). Similarly, all household types show a decrease in the prevalence rate for MD for the period 2015 to 2018. The greatest absolute improvements were registered for those living in single parent households with dependent children (-11.6 percentage points), adults under 65 years of age living alone (-11.5 percentage points), and those living in other households with dependent children (-11.2 percentage points).
- 6.4.53 The proportion of the MD population that pertains to households without dependent children is lower than the proportion of the general population living in households without dependent children (41.9 per cent versus 47.8 per cent in 2008; 46.0 per cent versus 48.8 per cent in 2015; and 44.2 per cent versus 48.7 per cent in 2018). The opposite is true for those pertaining to households with dependent children. The deviation of the profile percentage for each household type for the general population and the MD population fluctuates greatly, and no clear pattern can be identified in terms of over-representation or under-representation of particular groups.

6.5 A multi-stakeholder perspective on poverty

- 6.5.1 The NAO engaged with multiple stakeholders whose work relates, directly or indirectly, to the alleviation of poverty. Stakeholders engaged in this respect comprised various NGO representatives and academics with an interest in the field (collectively referred to as the contributors), as well as several entities and committees related to the social sector. This stakeholder feedback was analysed to identify efficacious efforts undertaken by Government, shortcomings in various facets of Government's effort to address poverty and recommendations to address them. The main themes that emerged related to the legal and policy framework, the institutional set-up, planning and budgeting, as well as the implemented measures, projects and initiatives. Additionally, the stakeholder assessment of the adequacy, effectiveness and inclusiveness of Government's efforts, and their collective impact on the address of poverty, as well as the achieved progress and further efforts required, were also elicited. The resulting analysis that emerged from this stakeholder engagement was referred to key ministries whose work relates to the alleviation of poverty for further feedback.
- 6.5.2 Of note is that the consideration of the effects of COVID-19 on poverty falls outside the scope of this review. It is envisaged that the impact of this pandemic on poverty will be significant; yet, since fieldwork for this review was conducted at the start of the pandemic and given that this is as yet an ongoing situation, and as indicated by MFH it is a situation that will spill into 2021, it would have been premature for the Office to attempt to consider its effect in detail.

Progress registered

6.5.3 The NGOs and academics had mixed opinions regarding whether Government had been successful in its efforts to reduce poverty in the last few years. Several of these contributors noted that poverty had persisted and a few even noted that, in their opinion, it had increased, mainly because of factors beyond the direct control of Government. This was deemed especially true when considering a definition of poverty that went beyond that of material and financial need. Some contributors provided a mixed response and noted aspects in which poverty had been effectively reduced or eradicated and other aspects in which it had persisted or increased, or new forms of poverty had emerged. Similarly, some contributors noted that the characteristics of poverty and the demographics of those affected had changed over time, yet poverty persisted within our society. Very few categorically indicated that poverty had been substantially reduced or had been eradicated outright. A few contributors did not comment on this issue directly or recommended referral to official statistics on the matter. On balance, the collective assessment of NGO contributors and academics leans more towards an appraisal of the progress registered with respect to the reduction of poverty that is not positive.

6.5.4 However, while the majority of respondents were not of the opinion that poverty had been substantially reduced, many noted that Government had carried out much positive work and made substantial investment to address this issue. The complexity of poverty and the multi-faceted, integrated, resource-intensive and long-term approach required to address its root causes were suggested as factors that explain the shortfall between the positive efforts undertaken by Government and the perceived limited impact on poverty levels. The MFCS acknowledged that, although substantial progress had been registered, the evolving poverty landscape and the complexity of the issue imply that poverty can never be fully addressed and overcome. The Ministry noted that it intended to sustain and optimise its considerable efforts and address any shortcomings.

Unmet needs and vulnerable groups

6.5.5 Contributors recognised that certain demographic groups, or groups facing specific social or health problems, were more susceptible to experience poverty, and in some cases were facing a lack of services. Disadvantaged children, including children leaving residential care and children coming from low socio-economic backgrounds, older persons, informal caregivers, single mothers, migrants, persons with disability, individuals with physical or mental health issues, victims or survivors of domestic violence, persons with criminal convictions and persons who have experienced marital dissolution were among the groups mentioned. The extent of vulnerability experienced by each of these groups varied significantly, contingent on the nature of the vulnerability and the type of unmet need identified.

Community focus

- 6.5.6 Various contributors advocated for a greater community focus and decentralisation in planning, governance and service delivery. Poverty was described as a regional phenomenon, with the characteristics and causes of poverty varying across regions, and that therefore the action plans and service offerings should vary by geographic area to reflect the specific needs, language, culture and social history of the area. It was also argued that the provision of services at the local level could partly address the issue of loneliness, isolation and lack of support networks experienced by some individuals. To inform this community focus, continuous periodic planned stakeholder consultation meetings with different social partners within the geographic area was suggested. It was advised that Government makes better use of NGOs and faith-based organisations, and where these well-established entities are offering effective services, fund their operations rather than offer the service directly, to capitalise on the direct relationship to the community that these organisations have.
- 6.5.7 The FSWS acknowledged the importance of community-based interventions and noted that the Agency for Community and Therapeutic Services regularly organised network meetings at this level and offered initiatives and programmes tailored to the needs of different communities. With respect to the involvement of non-governmental entities in service provision, the FSWS highlighted the significant role played by NGOs in the provision of social care services, with PSPs entered into in 2020 (excluding those relating to the disability sector) accounting for a budget of €10 million, a figure that corresponds to half of the FSWS' annual budget.

Legislation

- 6.5.8 Contributors provided recommendations for changes in the law required to facilitate efforts aimed at reducing poverty and to adequately provide for the specific needs of vulnerable groups. Legislative changes were put forward for the following areas – children, mental health, housing, social security, employment, domestic violence, equality, social enterprises and disability. The need for greater consultation with stakeholders, including NGOs in the sector and affected target groups, during the drafting phase of legislation was emphasised by many contributors. Various NGO representatives noted that, at present, the contribution of NGOs is sought once the white paper is issued, and not during the process of formulating the white paper or any legislation. Emphasis was also made on the importance of implementing the law and monitoring these efforts, and for there to be a governance structure mandated with monitoring and enforcement. The need for implementation and monitoring was mentioned generically for all legislation, but also in reference to specific examples, such as the legislation relating to precarious employment, discrimination, maintenance payments for children in the case of estranged couples and the provision of legal aid.

Policies

- 6.5.9 Contributors highlighted areas that represent gaps in the policy framework or require further policy development. Suggestions made in this regard included policies for the integration and inclusion of asylum seekers, refugees and individuals seeking humanitarian protection, the provision of funding to NGOs for core services offered, the strengthening of the minimum wage, the pension system and the educational sector, the provision of affordable housing, and the introduction of a supported decision-making framework to assist persons with disability, among others. The need to specifically address individuals experiencing poverty in policy areas peripheral to this subject matter, such as education and equality, was also mentioned by contributors. Feedback regarding the strategic focus of policies was also provided. It was suggested that policies be developed at the regional level and have a greater community focus, and that there should be greater continuity in the policy direction across different administrations.
- 6.5.10 Contributors also referred to more general recommendations regarding the policy development and implementation process. Some contributors mentioned the importance of having more of a grassroots approach in policy formulation, integrating in the process those who have experienced or are experiencing poverty and, more generally, those who are being targeted and addressed by the policy. The need for more extensive consultation with NGOs and academics in the sector, especially at formulation and initial drafting stages, was also mentioned. Various contributors discussed issues related to the implementation of policies, arising from lacunas or incongruence in the legal framework, the need for greater collaboration between government entities and departments, and the lack of adequate structures, workforce and financial resources to implement the policy.
- 6.5.11 Some feedback related to the wider policy context. A few contributors raised concerns on whether Government's focus on competitiveness and economic growth is at odds with a focus on social solidarity and wellbeing. Similarly, the local political discourse equating economic growth with the strengthening of society and the safeguarding of the common good, was also questioned by a few contributors. Other contributors also referred to the negative repercussions on the environment arising from economic progress, such as the reduction in open and communal spaces for the sake of economic progress, and its effect on people's mental health and wellbeing.

Governance and capacity

- 6.5.12 Contributors provided some recommendations with respect to the governance structure aimed at addressing poverty. These included the addition of the Housing Authority on the Inter-Ministerial Committee on poverty and the creation of a dedicated policy unit or instrument within the relevant ministry to oversee the implementation of the Strategic Policy for Reducing Poverty and for Social Inclusion. The need for the decentralisation of governance structures, particularly with respect to the powers for the allocation of budgets and the design and implementation of programmes, projects and measures, was also mentioned.

- 6.5.13 Regarding financing, most contributors acknowledged the major investment made by Government in the social sector. It was recognised that within Government there is an awareness of the needs of the most vulnerable and the hardships imposed by poverty and the social conscience to want to take decisive action to address poverty. However, some contributors also noted that despite this investment, the budget allocated to address poverty can never be considered sufficient, as the needs are great and ever-expanding.
- 6.5.14 The main shortfall identified by contributors in terms of financing and resourcing related to human resources. The need for more specialised and trained human resources was mentioned specifically in the context of legal aid, mental health, the compulsory schooling education system, the police processing and judicial proceedings of cases of domestic violence, and in the initial reception, support and integration of asylum seekers. A few NGO representatives and academics referred to the shortage of social workers in the field, highlighting the reality of qualified and experienced social workers moving on to non-social work professions and jobs, partly due to burn-out, as well as the fact that not enough persons are being attracted to the profession. The shortage of social workers in the public sector and in the voluntary sector has negative implications in terms of the workload assigned, the attention and time allocated to each case, and ultimately the effectiveness of the interventions, with social workers often being overburdened with unmanageable caseloads. The FSWS indicated various efforts undertaken to address caseloads and actions taken to encourage the retention and progression of social welfare employees, specifically citing the most recent collective agreement entered into that improved the conditions of professional staff engaged by the entity.

Funding for NGOs

- 6.5.15 Another important theme that was widely discussed in the focus groups is the provision of funding for NGOs by Government. NGOs often struggle to raise funding for their core work, to cover administrative and operational costs, including salaries and rent, investing a lot of time and energy into fundraising as well as applying for grants. It was considered beneficial for Government to financially support well-established and reputable NGOs, through grants or possibly even the provision or sponsorship of human resources such as social workers and community workers, or the allocation of volunteers. The funding possibilities currently available to NGOs were deemed as inadequately catering for their needs and the demand from the public they need to respond to. It was suggested that other funding opportunities, other than project funding and PSPs, to finance core work carried out by NGOs should be made available by Government, and that a fair and transparent method for the allocation of these new funds be established.
- 6.5.16 In response to the criticism of the NGOs with respect to the current funding opportunities available, the MFCS noted the substantial increase in the annual budgetary allocation for PSPs in recent years. By 2020, the MFCS had entered into 50 PSPs, negotiated with 33 well-established NGOs, with an annual budget of €16 million. The MFCS asserted that it firmly believes in the role of voluntary organisations in civil society and seeks to connect with them to share responsibility in the provision of services. Moreover, the MFCS noted that it has an open-door policy, and that

it readily and transparently extends its collaboration with established NGOs that put forward feasible proposals to fill gaps in Government's service delivery. The FSWS similarly referred to the significant role played by NGOs in the field of social care and the substantial budget allocated to this effect.

Consultation

6.5.17 Consultation with civil society, NGOs, academics and professionals in the field was deemed essential in addressing poverty, particularly in view of its complex nature. Yet, the present arrangement for consultation was considered as insufficient by many NGO representatives and academics. Consultation with the various stakeholders was considered necessary during the process of drafting legislation, policy development and service delivery, monitoring and evaluation. Some NGO representatives and an academic noted that consultation with NGOs has been decreasing in recent years, and at times considered these interactions as a tokenistic gesture by Government, rather than true, meaningful and open consultation, which in turn ought to inform Government decisions. The NGO representatives emphasised the importance of consulting with affected groups, as their first-hand experience was considered paramount in devising effective solutions sensitive to the hardships faced by those experiencing poverty.

Collaboration and coordination

6.5.18 One of the main themes that emerged from the focus groups with NGO representatives and academics is the need for building strong networks between professionals within and between government departments, entities and NGOs in the social sector. Such networks were considered beneficial to aid service provision, avoid duplication of services, allow for better utilisation of resources, expedite assistance, limit repeat service access from different sources, and allow for services that meet the complex needs of individuals who are at risk of poverty or living in poverty. Additionally, by strengthening working relationships, any gaps in service provision, in terms of unmet needs, would more likely be addressed.

6.5.19 Consultation with NGOs was considered essential during the process of drafting legislation, during policy development as well as in service delivery and evaluation. Collaboration beyond consultation was also mentioned in the discussions, with NGOs mentioned as partners in service design and service delivery. An NGO representative argued that, in collaborating with NGOs, Government was to be mindful of the relationship-intensive approach adopted by NGOs with service users and be open to assist them in a way that is coherent with their ethos and operations. Specific cases of positive working relationships between Government and the NGO sector were mentioned, with reference made to Aġenzija Appoġġ and the Housing Authority. On the other hand, reference was also made to some specific cases where there is lack of effective collaboration, such as in the field of migration. While PSPs were noted as effective methods of collaboration, a few NGO representatives and academics expressed concern that such arrangements have certain caveats that could stifle the independence, autonomy, creativity and responsiveness of NGOs. However, this concern was not shared by all NGO representatives.

- 6.5.20 In response to the concerns raised by some NGO representatives with respect to the PSPs, the MFCS asserted that funds cannot be funnelled indiscriminately, and that terms and conditions must be established. This is necessary to ensure an adequate monitoring of service delivery, the verification of the proper usage of disbursements and to prevent abuses. In this respect, the MFCS noted that while the terms of service may sound restrictive and the reporting requirements taxing for some NGOs, these are necessary for good governance and to ensure value for money.
- 6.5.21 With respect to intra-organisational cooperation within Government, various contributors noted that there exists a silo mentality and competition between ministries and entities. Fragmentation in service provision was considered to lead, in some instances, to unclear lines of responsibility, with service users referred to another service, only to be referred back. The need for greater synergy among various social services and greater use of case management in the public sector was advocated by the NGO representatives and academics. Some elements of positive collaboration within Government were also highlighted. The role of community services, as the first point of contact and assessment and subsequent referrals to other public services, was considered an important element of collaboration within social services. The disability sector and the domestic violence sector were mentioned by a few academics as examples of good practice of collaboration within Government.
- 6.5.22 Regarding criticism made in relation to the fragmentation of services, the MFCS referred to the hubs that were set up through which a range of government services were rendered more easily accessible to the general public. In terms of case management, the FSWS acknowledged the validity of this remark and noted that it was at an advanced stage of implementing such a system. Although the FSWS already utilises a case management system across its services, enhancements were being made to create an interface with similar platforms in other ministries and avoid repetition.
- 6.5.23 Contributors also provided various suggestions to aid collaboration. The provision of new funding opportunities for NGOs and the encouragement and reward of collaboration in joint funding applications were noted by many contributors as two ways for Government to collaborate with and support NGOs. To aid collaboration between sectors, an NGO representative advocated the introduction of liaison persons within all critical government departments and entities providing social and humanitarian services, for NGOs to contact directly for help. Also suggested was the inclusion of the input of NGOs as a standard feature in the process of determining eligibility to benefits related to medical conditions. Other suggestions included the development and updating of a directory listing all entities and NGOs and the services they provide, the organisation of networking and information meetings for stakeholders, the creation of a register of social care service users that includes the casefile's history, and the centralisation of means testing.
- 6.5.24 The FSWS acknowledged the importance of collaboration and networking, and noted that it fosters and seeks to collaborate with all other stakeholders willing to commit towards aiding vulnerable cohorts. With respect to the recommendation of the creation of an NGO directory,

the FSWS noted that such a directory already exists and is available online. It had been compiled as part of the LEAP project, with the aim of encouraging networking and collaboration among social stakeholders. In turn, the MFCS maintained that it has an open-door policy and, readily and transparently extends its collaboration with reputable NGOs that put forward feasible proposals for new initiatives or with standing partners wishing to expand their operations to fill gaps in Government's service delivery.

Housing issues

- 6.5.25** The rise in rent prices and property sale prices and the effect of this increase in prices on poverty and homelessness, was one of the most widely discussed issues during the focus groups with NGO representatives and academics. Somewhat counteracting the argument that many households are struggling financially with high housing costs, the Housing Authority made reference to the EU SILC indicator measuring housing cost overburden rate, which it noted reflects positively on the housing sector in Malta.
- 6.5.26** Affordable housing was considered by some contributors as inadequately provided for in Malta, and the introduction of further legislative measures, policies and schemes to ensure access to affordable housing was advocated to address this gap in the housing market. The Housing Authority recognised affordable housing as the greatest existing policy gap in the local housing sector, acknowledging that the needs of those who are ineligible for social housing yet are unable to obtain a loan that can secure them a property from the market were the least addressed by existing policies and schemes.
- 6.5.27** People who are homeless, as well as individuals living in non-residential properties such as garages, were described by a few contributors as a hidden but growing reality and a new form of poverty. Reference was also made to persons who are living in accommodation of poor quality or in a poor condition of maintenance, with some extreme cases of persons living in derelict properties also cited. The NGOs also mentioned the growing reality of migrant families and individuals, and lately even Maltese families, sharing accommodation in overcrowded conditions. More generally, reference was made to the fact that, despite the increase in prices, most newly constructed properties that are affordable by the majority are smaller in size, less well-lit and well-constructed, thereby offering living spaces that are of lesser quality and that are crowded, negatively impacting one's wellbeing. In this context, poor housing conditions and inadequate housing, as well as a lack of communal spaces, were referred to as another form of poverty.
- 6.5.28** Various contributors praised the work undertaken by the Housing Authority, asserting that the schemes available were effective in alleviating the difficulties faced by persons struggling to cover housing expenses. The FSWS made reference to its collaboration with the Housing Authority to facilitate the securing of bank loans for families leasing property or requiring shelter, allowing these families to obtain a loan without having to pay the down payment ordinarily required in such circumstances.

- 6.5.29 However, the contributors noted that despite the several schemes issued by the Housing Authority, many are still facing housing problems. An academic claimed that the interventions by the Housing Authority so far were not sufficient to adequately compensate for the changes in the free market, and that the social housing provision did not meet the demand. Those who apply for social housing still have to wait a long time before they are allocated accommodation.
- 6.5.30 Also discussed during the focus groups were potential solutions to address current housing issues. These included the extension of the Nikru biex Nassistu scheme (to increase the supply of social housing) and the introduction of affordable housing schemes (to address the needs of individuals who are not eligible for social housing, yet are unable to secure a sufficient loan amount to buy a property on the market) by the Housing Authority. Also suggested were the reallocation of families that have decreased in size to smaller social housing residences and the allocation of social housing only for a temporary period or subject to sustained limited means, among others. To address the problem of persons with health conditions or past health problems who are unable to secure a loan, the Housing Authority indicated that discussions are currently underway with the Malta Insurance Association. To address the issue faced by individuals who are homeless and who do not have an identification document due to not having a fixed address, and who therefore cannot access benefits and services, it was suggested that Government provide a postal address for these persons.

Other issues requiring address

- 6.5.31 Contributors referred to various issues, whether directly related to the provision of services and benefits, or wider operational and strategic considerations, unmet needs or society-wide perceptions and attitudes, that required government attention and intervention, to allow for the successful alleviation of poverty.

Accessing services

- 6.5.32 Various issues relating to the access of services were mentioned. Long waiting lists, which translate into prolonged waiting times to access a service, were described by NGO representatives as a problem in the public social care service sector. The FSWS noted that this did not hold true for Aġenzija Appoġġ and the Directorate for Alternative Care.
- 6.5.33 Another issue relating to the access to services cited by the NGO representatives was the existing reality of clients approaching politicians or high-level public officials to intercede on their behalf to secure access to services or receipt of benefits, thereby bypassing official channels. This circumvention works against the principles of empowerment and fair access. Individuals may refrain from accessing services because of various fears or because of lack of awareness on the availability of services and benefits, or how and where to access them. The FSWS undertook various efforts to sensitise the public and eradicate the stigma against those experiencing poverty and social exclusion. Contributors proposed solutions to overcome accessibility issues related to lack of knowledge and awareness. These included the advertising of important schemes,

benefits and services in formats that are accessible and understandable by those who are most in need, further outreach activities, as well as direct guidance and referral systems. The MFCS identified the LEAP Project as an outreach programme aimed at aiding disadvantaged groups and households through food distribution, material assistance programmes, needs assessments and referrals for support.

- 6.5.34 One of the impediments to service access mentioned in the focus groups was that of bureaucracy. The bureaucracy and processing times necessary for receipt of benefits and services, as well as the paperwork required to complete an application, and at times the need to liaise with various government departments, each having their own application process and structures, were explained as barriers for individuals experiencing poverty in accessing much needed help. Bureaucracy was also considered by academics to play a significant role in the administration and allocation of funds to NGOs, and that this results in funds being 'wasted' in administrative overheads. NGOs may also encounter bureaucracy when seeking information or help for their clients from public sector service providers, having to go through lengthy administrative processes.
- 6.5.35 The MFCS noted that the Ministry has played a key role in Government's drive to reduce bureaucracy, having been the first ministry to introduce a standalone directorate to fast track simplification measures, which measures have had a wide-ranging impact. Key in this regard have been the simplification and automation of back office processes and the availability of online application forms, which have allowed the MFCS to effect benefit payments in an expedient manner. The time taken to process an application and effect benefit payment has been reduced from five weeks to one week.

Benefit eligibility and rates

- 6.5.36 Issues related to benefit eligibility were also raised. A few contributors suggested a revision of the means test criteria and thresholds, including the replacement of the breadwinner model with a system whereby benefits are to be allocated separately for each (adult) household member. With respect to benefits, a general criticism was that the income supplement amounts are in some cases insufficient. It was noted that persons with certain mental health conditions and psychosocial impairments are not eligible for relevant benefits, since these conditions are not recognised as a disability in the Social Security Act. Similarly, there were persons with disability who did not qualify for disability assistance due to the current eligibility assessment methods. The MFCS contended that these contributions did not truly reflect the provisions and practices emanating from the Social Security Act. Specifically, with regard to the claim that persons with certain mental health conditions are ineligible for relevant benefits, the MFCS maintained that the Social Security Act caters for such instances; however, the Ministry acknowledged the scope for further discussions with interested stakeholders to inform further action.
- 6.5.37 Recommendations for changes to the composition and procedure of the board that assesses an applicant's health condition, to determine whether they are eligible for certain benefits, were put forward by contributors. The MFCS acknowledged this point while Aġenzija Sapport

referred to efforts underway intended to improve the efficiency of this procedure through the formalisation of a Disability Assessment Process.

Service quality considerations

6.5.37 Academics and NGO representatives referred to the issue of some social services, which may not be of the required standard, lacking in terms of sensitivity in the delivery approach or not being sufficiently effective in terms of impact. Academics discussed the fact that governance structures and service provision is organised separately for different sectors and for individual services, fitting political exigencies and logistical considerations, failing to address the complex needs of persons experiencing poverty in a holistic and unified manner. Academics advocated the need for a more flowing and integrated customer experience and additional case management capabilities within the public social care sector. The FSWS noted that case management is practiced widely within the Directorate for Alternative Care and Aġenzija Appoġġ and other services within the Foundation, thereby ensuring flow between services and an integrated approach to addressing complex cases. Moreover, the FSWS indicated that, following an initial assessment, clients are referred to relevant services, within and outside the Foundation.

6.5.38 Academics also highlighted the need for further training of staff in public sector organisations, at all levels, to ensure a more humane and respectful service provision. Further efforts to monitor and evaluate services, beyond the consideration of whether there is uptake of the service, and to make publicly available such evaluation reports, was considered by academics as pivotal in ensuring quality services. The FSWS noted that with respect to services offered by the Agency for the Community and Therapeutic Services, continuous assessments of progress against outcome measures set ensures that the delivery of services meet expectations.

Management and political considerations

6.5.39 Some academics criticised the fact that certain policy and important administrative decisions are many times taken by politicians, rather than technical professionals with experience and qualifications in the relevant field. Also mentioned is the local political reality whereby important public sector senior positions are granted to persons of trust who do not have the necessary expertise and experience in the social and humanitarian sector, and that this negatively influences the impact and outcome of the work within the public sector. Another point raised with respect to the negative influence of politics on efforts against poverty related to the change in policy and lack of continuity following a government ministerial reshuffle or a change in administration.

Private sector price hikes

6.5.40 Reference was made to abuse in terms of price hikes in the market as a reaction to Government launching services or schemes. This abuse was mentioned in the context of landlords raising their rent prices following the issuance of the Private Rent Housing Benefit Scheme by the Housing Authority, and the promulgation of the Private Residential Leases Act with the subsequent

mandatory registration of private rental agreements, as well as school transport providers raising fees after the introduction of free school transport for all children of compulsory school age.

Attitudes

6.5.41 Contributors referred to certain mentalities and attitudes of claimants of social benefits, service users and the general public, that must be attended to if poverty is to be adequately addressed. Some contributors mentioned the problem they experience of certain service users who have a sense of entitlement, lack appreciation for the aid provided and show a sense of dependence on government aid. The sense of entitlement was explained as a consequence of the lack of strict rules attached to service use, as well as the limited monitoring, compliance checks and penalties for any rule infringements. The NGO representatives and academics spoke about the need for Government to further advocate for and foster a culture of solidarity among the public. Awareness raising campaigns that move away from an oversimplification of the concept of poverty and instead explain the complexities and interlinkages between poverty and other factors, including ill health, low educational achievement and addictions, among others, were advocated. These campaigns would also aim to eliminate any perception of blame, shame and stigma around poverty and raise awareness about the contribution members of vulnerable groups can offer to society.

Additional required action

6.5.42 Educational initiatives, including ones which address basic skills and budgeting, but which may include psychology, and address cultural views as well as community values, were recognised by most contributors to be an effective approach to combat poverty. Contributors recognised that education provides the empowerment, skills and tools required to increase one's income through better employment opportunities and to better manage one's resources. Some contributors noted the positive developments registered in the educational sector, including the wide array of educational and training opportunities, free transport, meals and electronic apparatus, as well as afterschool programmes. However, further efforts in this area were recommended. Various contributors agreed that, wherever possible, an educational element was to be incorporated in social care, family support and community services. Current non-formal education options were criticised by a few NGO representatives for not being well suited for disadvantaged adults who lack basic skills and argued that a one size fits all approach cannot work with vulnerable persons. Instead, the contributors advocated adapting teaching methods to this cohort. The need to introduce more soft skills in the compulsory school curriculum was also mentioned.

6.5.43 Other required efforts mentioned include support services for frontliners and persons with disabilities, their caregivers and families, safeguards for those who are not in poverty but may be exposed to difficult situations and fall into poverty, greater investment in health promotion, research, cultural activities accessible to all, and safe open spaces and leisure areas, among others.

Monitoring of progress relating to poverty targets

- 6.5.44 Some criticism related to the actual identification or the specification of poverty targets, those related to the SDGs and those related to Europe 2020. Measurement of progress against targets is not possible for some of the targets relating to SDG 1 since, in effect, no information is currently available for certain indicators (paragraph 2.2.5 refers). With respect to the Europe 2020 target, since this is not intended as a net reduction, then current data collection mechanisms cannot provide a measure of progress against this target. Moreover, since the target is specified in terms of headcount, and not the proportion of persons in poverty, then measurement of progress is problematic in the context of a growing population.
- 6.5.45 Some contributors suggested that studies are required to revise the definition of poverty, to have a more valid, comprehensive, context-sensitive and widely accepted definition, which considers not only material and financial poverty, but also the wider concept of quality of life. A better definition is required not only to better measure the extent of poverty and progress registered in this respect, but also to design strategies and interventions that address poverty. Various contributors argued that while objective quantitative measures of poverty were important, particularly to gauge changes over time, it was also necessary to supplement these measures with feedback from, or more formally through, qualitative studies with NGOs working in the sector and persons experiencing various vulnerabilities. A wider poverty definition necessitates supplementary data, other than the existing EU SILC data, to monitor Government's progress in tackling poverty. Contributors discussed these supplementary data requirements and whether existing administrative data, collected by either central or local government, faith-based organisations or NGO service providers, can be utilised for the purpose of monitoring progress.
- 6.5.46 The EU SILC remains the main metric for measuring the yearly level of poverty in the EU context. Some NGO representatives and academics raised concerns regarding the coverage of the survey. Concerns were also raised regarding whether the sampling frames account well for the intended population of interest and whether certain categories of sampled respondents, such as persons who do not hold an identification document or persons living in non-residential properties, such as garages, are as likely to be contacted and interviewed as other categories of sampled respondents. The reality and possibility of non-eligible, hard-to-sample individuals, and hard-to-contact or hard-to-interview individuals implies that groups of individuals that are particularly prone to being at risk of poverty are not represented in official statistics, and consequently measures of poverty under-represent the extent of poverty that exists locally.

6.6 Overall conclusions

Has progress been achieved in the alleviation of poverty?

- 6.6.1 The first question that the NAO sought to address related to whether progress has been registered in the alleviation of poverty. Answering this question is no straightforward task, as poverty remains a complex, dynamic and multi-faceted issue, which characteristics render its measurement challenging

and raise concerns relating to completeness. Central to the assessment of whether progress has been achieved is the determination of the yardstick against which such progress can be measured. ARPT60i, which captures persons whose income falls below the 60 per cent of the median equivalised disposable income, serves as the yardstick in assessing progress in the alleviation of poverty in the Maltese context. However, this yardstick does not capture the phenomenon of poverty in its totality and is therefore supplemented with additional indicators that measure social exclusion and material deprivation. Persons are considered AROPE when they are classified as either ARPT60i, SMD, or LWI. Persons are classified as experiencing MD and SMD when they are unable to afford at least three and four basic items out of a list of nine, respectively. On the other hand, persons are classified as LWI if they reside in households where the working age household members worked less than 20 per cent of their total potential during the previous 12 months.

- 6.6.2 National efforts do not only focus on the eradication of absolute poverty but also aim to alleviate relative poverty. This focus can be readily understood when one considers the performance of Malta on the SDG indicators relating to absolute poverty, measured in terms of persons earning less than \$1.90 or \$3.20 per day. According to the UN, Malta has achieved the target relating to the eradication of absolute poverty. While this achievement is acknowledged, one must note that the UN has not yet reported on progress registered in relation to its targets and indicators corresponding to relative poverty.
- 6.6.3 The national target with respect to poverty is the lifting of 6,560 persons from the risk of poverty and social exclusion. Since the definition of the MFCS does not relate to a net reduction, then progress against this target cannot be measured with current data collection mechanisms. Although the NAO was able to address progress in terms of the yardsticks available through the EU SILC data, at this stage, this Office cannot assess the achievement of this target due to measurement constraints. The NAO notes that since the target is specified in terms of headcount and not as a proportion of persons in poverty, measurement of progress is problematic in the context of a growing population. While this Office acknowledges that the focus on headcount emanates from an EU decision, in a growing population, the number of persons AROPE could increase despite rates remaining constant or even reducing. This Office is of the opinion that targets that are specified as net reductions would allow for measurement with current data collection mechanisms. Moreover, targets specified as net reductions in prevalence rates rather than net reductions in headcount are more appropriate in the context of population growth.
- 6.6.4 Although the complete eradication of relative poverty remains a likely insurmountable endeavour, its reduction through various measures is certainly possible. The NAO's analysis of EU SILC data depicts a mixed outcome in terms of progress registered with respect to the alleviation of poverty. Data for 2018, which was the latest data available at the time of analysis, was assessed against that of 2008, which year represents the baseline year for monitoring progress against the Europe 2020 targets, and 2015, which corresponds to the year of adoption of the SDGs.
- 6.6.5 When considering ARPT60i, the EU SILC data indicates an increase between 2008 and 2018 (15.3 per cent to 16.8 per cent), and again between 2015 and 2018 (16.6 per cent to 16.8 per cent), albeit marginal in the latter period. In real terms, the number of persons ARPT60i increased from

61,256 in 2008 to 78,685 in 2018, and from 71,712 persons in 2015 to 78,685 in 2018. In the NAO's understanding, these statistics indicate that in terms of the main indicator for measuring relative poverty, no progress has been registered. It must be noted that the number of persons ARPT60i and their prevalence within the population have also increased. The MFCS contended that this increase is consistent with a growing economy and that despite the increase in threshold that results in more persons being categorised as ARPT60i, the standard of living afforded by individuals does not fluctuate in a similar manner. The MFCS also emphasised that ARPT60i is a measure of relative income rather than wellbeing, and that lower thresholds, ARPT50i and ARPT40i are more valid indicators of poverty.

6.6.6 While the ARPT60i indicator classifies persons in a dichotomous manner, either above or below the poverty threshold, the NAO was interested in understanding the dispersion of persons below the poverty line. This was done by categorising persons under the poverty line into two categories, those with the lowest income (below 40 per cent of the median NEI) and those immediately below the poverty line (between 40 per cent and 60 per cent of the median NEI). For the period 2008 to 2018, the NAO noted a mixed outcome in terms of progress. The number of persons in the lowest income profile registered positive progress, having decreased by 1,385 persons, equivalent to a 0.9 percentage point decrease. On the other hand, a negative outcome emerged when considering the group of persons immediately below the poverty line, which increased by 18,815 persons, equivalent to a 2.5 percentage point increase. In this Office's opinion, this provides further insight into the income profile of those ARPT60i, with progress registered in relation to those persons most at risk, yet an overall increase in the population of persons falling below the poverty line for the 2008 to 2018 period.

Comparing 2018 to 2008



- 6.6.7 When considering the period 2015 to 2018, the NAO noted an element of regress in terms of those most deprived. While the percentage of persons immediately below the poverty line remained constant (although the number of persons increased by 4,653, which can be explained by an increase in the total population), that for the lowest income group, that is, those most deprived, increased by 0.3 percentage points, corresponding to 2,320 persons.
- 6.6.8 In contrast to the regress noted in relation to persons ARPT60i, the NAO noted that progress was registered in terms of the indicators for AROPE, MD and SMD. In the case of the AROPE indicator, the rate decreased from 20 per cent in 2008 to 19 per cent in 2018, and from 23 per cent in 2015 to 19 per cent in 2018. Corresponding to this downward trend is the decrease in the number of persons AROPE observed between 2015 and 2018, equivalent to 10,432 persons. On the other hand, and somewhat counter-intuitive to the noted pattern of reduction, was that the number of persons AROPE increased by 9,022 for the period 2008 to 2018. This increase in headcount (despite a decrease in the rate) can be explained in terms of an increase in the total population observed in the period 2008 to 2018, with EU SILC statistics indicating a 16.6 per cent increase.
- 6.6.9 This Office notes that the most significant improvement in terms of the alleviation of poverty was registered in relation to MD indicators. The number of persons who are materially deprived decreased by 13,957 persons between 2008 and 2018, from 54,711 in 2008 to 40,754 in 2018. A similar decrease was registered between 2015 and 2018, with the number of persons who are materially deprived decreasing by 26,274 in this period, from 67,028 in 2015 to 40,754 in 2018. The MD rate corresponding to each of these periods decreased by 5.0 and 6.8 percentage points, respectively (13.7 per cent in 2008, 15.5 per cent in 2015 and 8.7 per cent in 2018).
- 6.6.10 A similar pattern of improvement was registered with respect to SMD, albeit to a lesser extent, for the period 2008 to 2018 when compared to 2015 to 2018. The number of persons classified as severely materially deprived decreased by 3,024 between 2008 and 2018, and by 22,400 between 2015 and 2018. The rate of SMD similarly decreased by 1.3 and 5.5 percentage points for these periods (4.3 per cent in 2008, 8.5 per cent in 2015 and 3 per cent in 2018). In this Office's opinion, when considering the brevity of the period 2015 to 2018, the staggering improvements registered in terms of the reduction of MD and SMD are commendable.
- 6.6.11 The NAO obtained further insight into whether progress was achieved in terms of the alleviation of poverty by engaging with NGOs and academics involved in the sector. This insight was based on the practical experience of these practitioners with respect to the severity, prevalence, nature and characteristics of poverty and how these dimensions have changed over the years. On balance, the collective assessment of the NGO representatives and academics on progress registered with respect to the reduction of poverty was not positive. Key considerations raised by these contributors that substantiated their assessment of the stunted progress focused on the increase in living expenses and standard of living not matched with an equivalent increase in income, translating into households unable to cover basic expenses such as utility bills, rent, food and medical expenses, and resulting in a greater number of families seeking financial support from NGOs. Other points raised comprised the growing polarisation in the distribution of wealth,

and the improvement in the standard of living, which fuels the persistence of relative poverty and personal perceptions of poverty. Reference was also made to the increasing complexity of social problems and the increase in material deprivation among vulnerable groups such as older persons, those with mental health issues and sub-groups of the local migrant community. Housing issues, including the increase in homeless persons and persons living in non-residential properties or sub-standard housing were highlighted.

- 6.6.12 In its understanding of the official statistics, the NAO took into consideration the methodology and coverage of the EU SILC. In line with the EU methodology, the population of interest for this survey is restricted to all individuals living in private households in Malta and Gozo. Consequently, persons living in collective households or institutions, such as hospitals, old people's homes, residential homes, faith-based institutions and boarding houses, correctional facilities, those who are homeless, migrants living in closed or open centres, and asylum seekers who have not reached the six-month residency requirement are excluded from the target population and are not eligible to participate in the survey since they are out of scope. The parameters of the scope and coverage of the EU SILC were noted by stakeholders during the focus groups and by the MFCS in the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014–2024. Stakeholders also raised concerns relating to whether sampling frameworks comprehensively capture the population of interest and whether certain categories of sampled individuals, such as persons who live in non-residential properties, persons with disability and persons with language barriers, are as likely to be contacted and interviewed as other categories.
- 6.6.13 In this respect, the NAO is of the understanding that current statistics do not provide a complete picture of poverty within Malta. To the extent that the poverty rates for those who are not part of the target population, for those who are not captured in sampling frames, for sampled individuals who cannot be reached, or for those who fail to respond to the survey request are higher than the rates for those who participate in the survey, then the underrepresentation of poverty is more substantial. The NAO acknowledges the argument put forward by stakeholders that non-eligible, hard-to-sample, hard-to-contact and hard-to-interview individuals are particularly prone to being at risk of poverty. In view of these limitations, the NAO supports the proposal put forward by the stakeholders for a broader definition of poverty or for supplementary indicators, surveys and qualitative studies to more comprehensively measure the extent of poverty and assess progress registered.
- 6.6.14 In reconciling the evidence obtained from the analysis of EU SILC data and the feedback from the NGOs and academics, the NAO is of the understanding that through contact with their service users the NGOs may be experiencing peripheral poverty that is not captured in the EU SILC. The NAO notes that feedback gathered from focus groups followed robust qualitative methodology and that many key stakeholders were engaged in this process. In this respect, this feedback cannot be dismissed as anecdotal but is deemed valid evidence to take into consideration when assessing progress. It is in this context that the NAO acknowledges the issues brought to the fore by the NGOs and academics as valid insights that may guide further efforts required by Government to alleviate poverty.

6.6.15 In sum, with respect to whether progress has been achieved in the alleviation of poverty, the NAO is of the opinion that, in certain respects, substantial progress has been registered, duly evidenced in the statistics relating to the population AROPE and more significantly in respect of MD and SMD. However, this Office notes that the number of persons ARPT60i and the corresponding prevalence rate during the periods under review have increased, which indicates a regression in terms of progress. Issues raised by the ministries, government entities and commissions, NGOs and academics consulted by the NAO were deemed as valid insights into areas where additional efforts are required to achieve further headway in the alleviation of poverty.

Have Government's efforts been sufficient, effective and did they address all vulnerable groups in the alleviation of poverty?

6.6.16 The second aspect of analysis that the NAO sought to address related to whether Government's efforts were sufficient, effective and whether they addressed all vulnerable groups in the alleviation of poverty. In addressing this question, the NAO relied on information sourced from ministries with respect to the measures and initiatives undertaken, the views of stakeholders on the matter and the review of official statistics on poverty through the analysis of salient indicators disaggregated by demographic categories.

6.6.17 Significant efforts have been undertaken by Government in the alleviation of poverty, evidenced by the substantial investment made, as well as the diverse programmes, initiatives and schemes intended at different target groups. These efforts were also amply acknowledged by the stakeholders engaged by the NAO.

6.6.18 This Office's attention was drawn to important legislative changes, policy developments, as well as effectively implemented measures and initiatives. Specifically cited in this regard were broad efforts at strengthening economic growth, consequently spurring job creation, and the introduction of tax rebates. In this respect, this Office notes that the proportion of the general population aged 16 years and over that are in employment has increased in the period under review. Various positive changes were effected with respect to the social benefit system, including the widening of eligibility criteria and the increase in benefit amounts, the introduction of new benefits, as well as other initiatives such as the tapering of benefits intended to encourage uptake in employment and decrease dependence on social benefits. Several cross-cutting improvements were also noted. These related to new synergies emerging through the PSPs entered by Government and various NGOs, the further development of case management to address fragmentation in service delivery and improve coordination between service providers, as well as substantial efforts intended to build and retain professional capacity within the sector. Other cross-cutting improvements comprised simplification measures intended to reduce bureaucracy, improve accessibility and increase efficiency in terms of the timely processing of benefits, as well as efforts intended to ameliorate outreach capabilities to ensure access and augment the effectiveness of services delivered.

- 6.6.19 Specific sectors that registered substantial improvements in terms of service provision, reach and uptake of services, and impact on the social and financial well-being of households, included the education, employment, housing, social services, domestic violence and disability sectors. The most notable educational measures comprised investment in training and educational opportunities, the removal of examination fees and the provision of free transport to all students, after-school programmes in public schools, meals, school resources and electronic apparatus. With respect to employment, efforts were undertaken to incentivise employers to recruit vulnerable individuals, and reskilling training was provided to persons who are at risk of poverty to allow these individuals to better match the evolving requirements of the job market. The significant progress registered in the housing sector was evident in terms of the various schemes introduced. These included schemes that subsidise rents when renting from the private sector, provide social loans, allow for the purchase of property in partnership with Government, waive the down payment requirement through agreement with banks, increased capacity in terms of social housing units, and others that address the needs of specific vulnerable groups. Progress registered with respect to social services related to the establishment of the Social Care Standards Authority, the reduction of waiting times for services, the provision of social outreach services and food packages to families in need, and the enhancement of government structures working with disadvantaged groups. In relation to the domestic violence sector, improvements noted entailed efforts to render more prompt the response to victims, the offering of immediate shelter and legal aid when necessary, as well as a scheme to facilitate long-term residential arrangements. Key improvements in the disability sector related to changes in the social benefit system that provided for better rates and extended the eligibility to a higher number of beneficiaries. Other improvements relate to the provision of services, schemes and programmes that subsidise personal assistance, equipment and transport, ameliorate employment opportunities, provide respite care and allow for more inclusive community living.
- 6.6.20 In considering whether Government's efforts have been sufficient, some gaps and areas where further efforts are required were noted. Stakeholders referred to the need for more holistic, resource-intensive and long-term interventions; a greater community focus in planning, governance and service delivery; the consistent inclusion of educational elements in social care, family support and community services; as well as further housing schemes. The unmet needs of several vulnerable groups, and recommendations to address them, were highlighted by various stakeholders. In view of the close link between health and poverty, the MFH proposed further investment in health promotion, as well as the development of health promotion activities and the recruitment of public health specialists within different ministries. The need for further research was highlighted to better understand the phenomenon of poverty and the characteristics of those at risk, and to evaluate Government's efforts aimed at alleviating poverty. In this respect, the development of a national research institute on poverty was advocated by an NGO representative, and supported by the FSWS. The MFCS called for more cultural activities to be made accessible to all, the availability of more safe open spaces for children to play in and leisure areas for families, and the consideration of the quality of housing units and neighbourhood environments.

- 6.6.21 The NAO acknowledges the gaps identified and the recommendations for further efforts highlighted above as valid attestation that current efforts, though substantial, are not sufficient on all fronts. This Office recognises that in view of the complexity of poverty, its changing and endemic nature, the shifting profile of those most at risk, and factors beyond the control of Government that exacerbate risk, efforts by Government at any one point in time can never be considered sufficient. Ever-expanding diverging needs require consistent and a correspondingly augmenting investment, as well as proactive, targeted and diversified measures to address these needs.
- 6.6.22 In considering whether Government's efforts addressed the needs of all vulnerable groups, the NAO considered the views of stakeholders on the matter. This Office analysed salient EU SILC indicators disaggregated by demographic categories to assess variations in risk, which in turn highlight insufficiently addressed aspects of vulnerability.
- 6.6.23 Contributors recognised that certain demographic groups, or groups facing specific social or health problems, were more susceptible to experience poverty and that current services and benefits were not always sufficient or adequate to address their specific needs. Groups cited included disadvantaged children, such as children leaving residential care and children coming from low socio-economic backgrounds, older persons, informal caregivers, single parents, migrants, persons with disability, individuals with physical or mental health issues, victims and survivors of domestic violence, persons with criminal convictions and persons who have experienced marital dissolution. The extent of vulnerability experienced by each of these groups varied significantly, contingent on the nature of the vulnerability and the type of unmet need identified.
- 6.6.24 By way of example, reference is made to three main vulnerable groups, that is, persons with disability, migrants and persons with health issues. Aġenzija Sapport, the Commission for the Rights of Persons with Disability, and focus group participants indicated the need for further efforts to be undertaken to support persons with disability, their caregivers and families. Elaborating in this regard, they referred to certain expenses incurred by these persons and their families for which only partial support is provided, and highlighted the need for more support to allow persons with disability to be engaged in meaningful employment and to live independently within the community. With reference to migrants as a vulnerable group, AWAS and focus group participants mentioned the difficulties that migrants are facing in accessing mainstream services and the need for the better consideration of unaccompanied minors. The focus group participants also highlighted the very poor conditions in open centres, the significant language barriers faced by migrant children when attending formal education and the prevalence of mental health issues among this demographic group. In the case of persons with medical health issues, gaps identified included the fact that not all medical expenses were covered by the public health system, the lack of mental health walk-in clinics and limited support for their caregivers, as well as the lack of provisions to assist persons with certain medical history to secure a bank loan. Although this understanding was contested by the MFCS, the focus group participants and the Commission for Mental Health noted that certain persons with mental health conditions were ineligible for disability benefits.

- 6.6.25 Consistent with the perspectives expressed by the stakeholders engaged, the NAO's analysis of salient EU SILC indicators disaggregated by demographic categories clearly indicates that certain groups are more vulnerable than others. Disparities in ARPT60i, AROPE and MD were noted across gender, age, activity status, housing tenure status, health indicators, overcrowding status, household type and geographic categories. Generally, greater vulnerability was found for persons who are female, not of working age, unemployed or inactive, have a chronic illness or condition, are limited in activity due to health issues and live in overcrowded residences. Although vulnerability was noted in various household type categories, those deemed most at risk were individuals residing in single parent households with dependent children. In terms of geographic location, although variations were observed across salient indicators for different years, the consistent vulnerability of the Southern Harbour region was evident.
- 6.6.26 The NAO is of the opinion that while Government has undertaken several measures that positively address the vulnerabilities of particular groups, sustained efforts are required to more effectively reach all vulnerable groups. The review of official statistics on poverty and the feedback sourced from stakeholders provide insight into the systemic disadvantages of demographic groups and areas of welfare that require more attention, which insight can further direct Government in the design of efforts to alleviate poverty.
- 6.6.27 In considering the effectiveness of interventions by Government to alleviate poverty, the NAO's attention was drawn to various issues related to service provision flagged by stakeholders. The main concerns relating to the effectiveness of Government's efforts concern service quality, accessibility, capacity constraints, bureaucracy and matters relating to the implementation of legislation and policy. This Office acknowledges that feedback sought focused on areas warranting improvement and therefore these observations must be understood within this context.
- 6.6.28 In terms of service quality, the stakeholders referred to the need for more effective case management and referrals across ministries, as well as for further monitoring and evaluation of services. Also noted were instances when officials lacked the required sensitivity in the delivery of services and when lengthy judicial processes exacerbated the hardship experienced by vulnerable groups, such as victims of domestic violence. It was argued that government structures and service provision are not organised in the optimal way to address the complexity and intersectionality of poverty and other social problems, but instead are organised according to administrative and logistical considerations. Additional case management capabilities across relevant ministries, to allow for a more person-centred approach, was advocated as a pragmatic solution. In this respect, the NAO considers the integrated case management system being devised by the FSWS as a positive development.
- 6.6.29 Referring to issues of accessibility, the stakeholders expressed concerns about long waiting lists to access certain services, fear of stigma that in turn acts as a barrier to seeking access, the lack of awareness on the availability of services and benefits, or how and where to access them from, and the lack of easily accessible information. Other access-related concerns entailed the bypassing of official channels to access services, giving rise to further inequality. Some

stakeholders referred to instances when clients approach politicians or senior public officials to intercede on their behalf to secure access thereby bypassing systems. In the case of the health sector, weaknesses within the system of scheduling of appointments within public health allow for the bypassing of long waiting lists through paid for private consultations.

- 6.6.30 Capacity constraints were also cited as a factor that influences the effectiveness of Government's efforts at alleviating poverty. Reference was made to the need to recruit and retain more trained and specialised human resources, citing legal aid, mental health, the initial reception, support and integration of asylum seekers as well as the police processing and judicial proceedings of domestic violence cases as examples. Despite various efforts undertaken by the FSWS to address caseloads and encourage the retention and progression of social welfare employees, concerns persist among stakeholders regarding the shortage of social workers who are in turn overburdened with significant caseloads. Another area of improvement relates to the board that assesses an applicant's health condition to determine whether they are eligible for certain benefits. The stakeholders highlighted the importance of having qualified and competent persons with diverse backgrounds on these boards, who are sensitive and knowledgeable about mental health issues, disability and chronic health conditions.
- 6.6.31 Despite the evident efforts undertaken by Government to reduce bureaucracy through various simplification measures, stakeholders still commented about the hurdles experienced by applicants of benefits and services, with cumbersome and lengthy processes seen as barriers in accessing assistance.
- 6.6.32 The stakeholders noted that the effectiveness of relevant legislation and policy, also considered to be part of Government's efforts at alleviating poverty, depends on various factors. These include the collaboration between government departments and entities, and with the wider NGO sector, the existence of adequate structures to implement, monitor and enforce, and the availability of an adequate workforce and financial resources. It was argued that any shortfalls in this respect impact the effectiveness of policies and legislation.
- 6.6.33 While the NAO acknowledges that services provided are generally of good standard and that the staff are professional in their approach, certain existing issues and shortcomings may impinge on the effectiveness of these services in alleviating poverty. These highlighted issues may serve to guide Government in improving the impact of its efforts.
- 6.6.34 Therefore, the NAO's assessment of whether Government's efforts have been sufficient, effective and addressed all vulnerable groups in the alleviation of poverty, is generally positive, although scope for improvement exists. The NAO acknowledges the substantial investment and efforts undertaken by Government in its drive to alleviate poverty. However, these efforts are not sufficient on all fronts and certain gaps remain. Yet this Office recognises that this shortfall must be understood in the context of the complex and endemic nature of poverty and that its persistence is not entirely within the control of Government. With respect to the effectiveness of Government's efforts, the NAO notes that services provided are generally of good standard

and professionally delivered; however, certain shortcomings may affect the effectiveness of services rendered. The shortcomings identified in this report may guide Government to optimise the impact of its efforts. In terms of addressing the needs of vulnerable groups, the NAO is of the opinion that although Government's efforts have been noteworthy, these must be sustained and refined to address the systemic disadvantages of certain demographic groups.

Is there sufficient communication, coordination and cooperation within Government to alleviate poverty?

6.6.35 Through this review, the NAO also sought to assess whether there is sufficient communication, coordination and cooperation within Government in its efforts to alleviate poverty. In addressing this matter, this Office considered the feedback provided by ministries, government entities and commissions, NGOs and academics.

6.6.36 The NAO notes that a framework enabling communication, coordination and cooperation within Government for all SDGs is provided through the Sustainable Development Act, which stipulates the structures and roles required to oversee the implementation of sustainable development. A recent government measure relating to the implementation of sustainable development is the SDG proofing of budgetary measures. This should serve to track progress registered with respect to the SDGs, and consequently increase communication and collaboration among ministries.

6.6.37 When considering SDG 1, the main governance structure responsible for the implementation of the National Strategic Policy for Poverty Reduction and Social Inclusion 2014-2024 is the Inter-Ministerial Committee on poverty. In this regard, coordination is facilitated through the organisation, allocation and sub-division of responsibilities, with ministries assuming responsibility for specific strategic actions. The MFCS, as the ministry leading the Inter-Ministerial Committee, also assumes a monitoring role by requesting quarterly information relating to measures and initiatives undertaken by each ministry. The NAO is of the opinion that, at the strategic level, the governance structure for poverty is appropriately designed, and functions in an efficient and effective manner, with the Inter-Ministerial Committee having addressed most of the strategic actions set. Nevertheless, scope for improvement in terms of effectiveness exists, with this Office deeming the involvement of other stakeholders within the Inter-Ministerial Committee as an opportunity for consolidating progress made. This further involvement could take the form of the ad hoc attendance of experts or key stakeholders contingent on the policy area.

6.6.38 While the Inter-Ministerial Committee on poverty is the main structure responsible for the implementation of strategic actions regarding the alleviation of poverty, other such committees responsible for related sectors, such as disability and youth, also bear relevant impact on progress achieved. By way of example, Aġenzija Sapport noted that through the Inter-Ministerial Administrative Committee on Disability and its Inter-Ministerial Interdisciplinary Professional Board on Disability, within the MFCS, decisions related to policy, strategy and implementation have been strengthened. These structures have allowed for ongoing collaboration, better communication and a more coordinated understanding of the roles and efforts each ministry

was to assume responsibility for. The impact of these structures was highlighted by stakeholders, who noted that collaboration within the disability sector was an example of good practice within Government, through which service quality has improved and service access facilitated. Aġenzija Sapport recommended the further fine-tuning and strengthening of these inter-ministerial structures within the framework of a more holistic national coordination mechanism. Similarly, Aġenzija Żgħażaġħ noted the need for further cross-sectoral or inter-ministerial cooperation, as the Agency faced difficulties in implementing the national youth policy, particularly in respect of cross-sectoral programmes. The Agency identified several reasons for these difficulties, including policy ownership, prioritisation, relative importance, responsibility and accountability. The NAO supports the further development of cross-ministerial coordination mechanisms and considers such structures as key to a responsive and effective Government in its efforts at alleviating poverty.

- 6.6.39** At the level of service provision, the NAO established that as the extent of involvement of diverse entities and ministries increased, intra-organisational coordination became more challenging. This understanding was arrived at based on feedback provided by government entities and commissions, NGOs and academics. Stakeholders referred to the existence of a silo mentality and an element of competition between ministries and entities. Furthermore, in certain cases, fragmentation in service provision was noted to lead to unclear lines of responsibility, as well as inefficiencies and confusion experienced by users when accessing services. It is in this context that the NAO recognises the need for further cooperation across ministries and entities at the level of policy implementation and service provision. Solutions put forward by stakeholders to address these shortcomings and better attend to the complex needs of vulnerable persons comprise systems of case management that cut across ministries, more coherent lines of communication across Government designed around the needs of service users, and key performance indicators that capture dimensions such as communication, collaboration and quality of service.
- 6.6.40** Evident was that the extent of communication and collaboration within and between ministries and government entities varies, with different organisations and sectors exhibiting varying levels. These differences were brought to the fore in feedback provided by the government entities and commissions when requested to indicate whether coordination between service providers is adequate. Various examples of effective working dynamics were cited. The merging of the community social work services and the LEAP mentoring services within one agency was highlighted by the FSWS as aiding collaboration and providing greater consistency and uniformity across all the Foundation's community services. Through this change, the FSWS noted more streamlined leadership organised according to local needs, and a greater focus on multi-disciplinary work to the benefit of service users. Stakeholders also identified the role of community services as vital to collaboration within the sector, as they provide a first point of contact and assessment, allowing for effective referrals to other required public services. Coordination with the wider MFCS was also positively considered, with instances of cooperation between the different entities forming part of this ministry highlighted. A case of best practice in terms of coordination and service provision that was regularly cited was the Housing Authority, which was consistently commended for its efforts at collaborating with other social care professionals from across the public sector when tackling individual cases of vulnerability.

- 6.6.41 Opportunities for greater cooperation and coordination were also highlighted. While the Commission for the Rights of Persons with Disability recognised that cooperation within entities forming part of the MFCS was efficacious, persons with disability may still encounter difficulties when accessing services from other ministries due to varying operational procedures and impediments that require ministerial intervention to overcome. Aġenzija Support indicated that there is scope for improvement in communication and coordination in areas linked to early identification, intervention and lifelong support, as well as in the strengthening of its network with the MFH, the MEDE and the Housing Authority. Additional concerns were expressed by AWAS. Although AWAS acknowledged the effective coordination within the MHSE and the MFH, concerns were expressed in relation to collaboration with other national entities, with few entities from other ministries offering support and services to asylum seekers. Suggestions for further intra-ministerial cooperation were proposed by the Institute for Education, that suggested that heads of educational entities should meet more regularly to discuss and coordinate strategy, processes and actions, and by the Commission for Mental Health, that argued that issues such as mental health transcend the compartmentalisation of budgetary allocation.
- 6.6.42 In concluding whether there is sufficient communication, coordination and cooperation within Government to alleviate poverty, the NAO distinguishes between the strategic and service delivery level. This Office is of the opinion that the Inter-Ministerial Committee on poverty effectively performs its strategic functions. While this Committee's role in the alleviation of poverty is pivotal, the NAO recognises that other associated policy areas also impact on progress registered. It is within this context of coordination in other policy areas that scope for improvement exists, with this Office encouraging the further development of cross-ministerial coordination mechanisms. In terms of service provision, the NAO is of the understanding that coordination within ministries is generally better than across ministries and entities. Also noted was that the extent of collaboration is dependent on the public officials and entities involved as well as the wider sector. In this respect, the NAO recognises scope for improvement to ensure consistent coordination across Government at the level of service provision. The various examples of good practice identified by this Office during this review could guide efforts in this regard.

Did Government provide an enabling and positive environment for other actors to contribute in the alleviation of poverty?

- 6.6.43 The final aspect of review considered by the NAO related to whether Government provided an enabling and positive environment for other actors, such as NGOs, academics, professionals in the field and affected groups, to contribute in the alleviation of poverty.
- 6.6.44 Of interest to the NAO is that Malta's Sustainable Development Vision 2050 places a significant emphasis on the need to include different stakeholders in the decision-making process and hold more consultation meetings. This Office notes the numerous examples of positive collaboration and coordination between Government and the NGO sector at the level of service provision. The substantial budget allocated for PSPs, with the MFCS alone accounting for an allocation of

€16 million in 2020, is evidence of Government's efforts at facilitating and supporting NGOs and sharing responsibility in terms of service provision to those at risk of poverty. Another example of positive collaboration between the public sector and NGOs refers to the services offered by the Agency for Community and Therapeutic Services under the FSWS, which services entail continuous networking between Government, NGOs, parishes and various professionals, in the best interest of clients and the community at large. In addition, the Social Care Standards Authority cited the Collaborative Platform, a system intended to facilitate greater collaboration with NGOs by providing service providers with a network to discuss common areas of concern and good practices being implemented.

- 6.6.45** Commendable were Government's efforts in specific sectors, namely housing and disability. In relation to the housing sector, the NAO noted the stakeholder management with NGOs undertaken by the MSA, as well as the exceptional communication and coordination developed by the Housing Authority with other social care professionals from public sector entities and NGOs, which is intended to address specific cases in the most effective manner. This point was strengthened by the FSWS, which noted its excellent communication and collaboration with the Housing Authority. Service coordination within the disability sector saw significant improvement over recent years, with a central role in this respect assumed by Aġenzija Sapport. The Agency highlighted the positive collaboration with the NGOs responsible for the implementation of the PSP agreements, as well as the work by its social work teams when liaising with the providers of respite and other services for the benefit of end users.
- 6.6.46** The NGOs also referred to experiences of positive working relations with specific government departments or entities. Of note was the good collaboration with Aġenzija Appoġġ, with the Agency working hand in hand with NGOs to avoid duplication of services and to best assist vulnerable persons. The good working relationship of various NGOs with the Housing Authority, particularly at grassroots level, was also of note.
- 6.6.47** Despite acknowledging various positive examples of good working relations, with PSPs recognised as an effective method of cooperation, stakeholders were of the opinion that there is scope for further collaboration and coordination with the NGO sector. In this respect, it was noted that the extent of collaboration and communication between Government and the NGO sector was often dependent on the specific individuals holding public office, their personal approach and their affinity with specific organisations and individuals. Further involvement was envisaged in service design and delivery, monitoring and evaluation efforts. The NGO representatives argued that such collaboration requires Government to consider NGOs as real partners in addressing social issues and in tackling gaps in service provision. This necessitates that Government engages with NGOs in more consistent and in-depth consultation to develop strategies and action plans using a multi-stakeholder approach. The need for further coordination was also recognised by the Social Care Standards Authority as it acknowledged the important work undertaken by the NGOs despite the limited resources at their disposal and recognised PSPs as a suitable framework to further coordinate with these organisations to ensure quality services.

- 6.6.48 In the NAO's understanding, for the extent of involvement of the NGO sector in service provision to be strengthened, the support afforded to NGOs must be sustained. The NGO representatives indicated that they often struggle to raise funding for their core work and to cover administrative and operational costs. In view of the vital services offered by NGOs to those experiencing poverty and other vulnerabilities, the NGO representatives urged for further financial support by Government through alternative funding arrangements other than project-based funding and PSPs. In response to the views put forward by NGOs, the MFCS indicated that a substantial increase in the budget allocation for PSPs was effected over recent years and that the PSP arrangement with its terms of service and reporting requirements is necessary to ensure good governance and value for money when funding core work.
- 6.6.49 Although efforts are undertaken by Government to consult with stakeholders, the scope for greater consultation in legislative drafting, policy formulation as well as in service design, delivery and evaluation was highlighted. This desire for broader consultation is meant in the widest sense, applying to all relevant legislation and policy. The stakeholders indicated that NGOs, academics, professionals in the field and affected groups, as well as other government entities, were to be further included in the process of consultation. The engagement of affected groups was considered paramount in designing effective solutions sensitised to the hardships that are experienced by these persons. Effective consultation was envisaged as a continuous process of meaningful exchanges of views rather than a mere formality or a requirement that must be complied with. With respect to legislation, stakeholders expressed the need to be consulted at an early stage in the process, when the relevant legislation is still being drafted, rather than the current practice of consultation at a stage when the white paper is issued. Similarly, with respect to policy development, stakeholders advocated for more comprehensive consultation at earlier stages of the process, to ensure that feedback sufficiently shapes policy. Finally, consultation at service design, delivery and evaluation was seen as a means of optimising resources allocated to specific services, amplifying the impact of interventions and ensuring quality in the services provided.
- 6.6.50 The NAO recognises that NGOs are undertaking invaluable work that directly or indirectly addresses poverty and social exclusion, collaborating with Government to address gaps and needs in services provided to groups that are susceptible to poverty. The extent of collaboration has been strengthened over recent years, with the significant increase in funds allocated to NGOs through PSPs attesting to this. The NAO acknowledges Government's commitment to share the responsibility of addressing the needs of vulnerable groups with the NGO sector. However, the opportunity for further collaboration remains as there is always more that can be done to support and further capitalise on existing services offered by the NGOs that contribute to the alleviation of poverty. In this respect, the NAO deems positive the MFCS' openness to consider proposals put forward by NGOs to address gaps in Government's service delivery.
- 6.6.51 The Office notes that Government has integrated consultation as part of legislative development and policy formulation; however, the NAO acknowledges the concerns raised by stakeholders in terms of how meaningful this consultation is and to what extent it is shaping Government's

efforts. This Office is of the opinion that opportunities for amelioration in this respect exist, particularly in terms of engagements early in these processes.

6.6.52 With respect to the modality of funding, the NAO is of the understanding that PSPs present a suitable arrangement for the funding of core work. Despite some reservations expressed by certain NGOs regarding the rigidity imposed by such a structured approach and the added burden in terms of reporting requirements, the NAO deems the setting of clear contractual parameters as essential in regulating the partnership between Government and the relevant NGO, thereby ensuring good governance and value for money. In terms of the extent of funds allocated by Government to support NGOs, the NAO is of the opinion that, if further progress is to be registered in the alleviation of poverty, then appropriate funding allocations are to be sustained.

Annex 1 | Methodological considerations

- 1 | This review, which focuses on SDG 1, is in line with the role envisioned by SAIs in conducting reviews that measure progress on particular goals, thereby contributing to the successful realisation of the SDGs. The International Organization of Supreme Audit Institutions (INTOSAI) recognised the importance of the UN Agenda 2030 and included the audit of SDGs as a cross-cutting priority in its Strategic Plan 2017- 2022. INTOSAI called on member SAIs to “contribute to the follow-up and review of the SDGs within the context of each nation’s specific sustainable development efforts and SAIs’ individual mandates.” The centrality of this function was captured in the Moscow Declaration from the 2019 INTOSAI Congress, wherein it was proclaimed that the future direction for public auditing depended on the strong commitment by INTOSAI and SAIs to provide independent external oversight on the achievement of nationally agreed targets, including those linked to the SDGs.
- 2 | SDG 1, as defined by the 2030 Agenda for Sustainable Development, aims to ‘end poverty in all its forms everywhere’. According to the UN, poverty is more than the absence of income and resources to guarantee a sustainable livelihood. Its signs include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, and lack of participation in decision-making.
- 3 | The IDI’s SDGs Audit Model (ISAM) was used as guidance at the planning stage of the review. This manual shed light on the importance of considering various elements, including the legal and policy framework, the governance structure, the available financing and resourcing, the measures, projects and initiatives undertaken by the Government to address poverty, as well as the monitoring and data collection system for measuring poverty. In appraising these elements consideration was given to horizontal and vertical coherence, collaboration and coordination, multi-stakeholder engagement and the leave no one behind principle, in line with ISAM.
- 4 | It is against this backdrop that this review focuses on Government’s efforts at addressing poverty and considers whether these efforts were comprehensive, effective and inclusive and assesses the extent of progress achieved. The NAO enquired whether:
 - a | progress has been achieved in the alleviation of poverty;
 - b | Government’s efforts are sufficient, effective and address all vulnerable groups in the alleviation of poverty;
 - c | there is sufficient communication, coordination and cooperation within Government to alleviate poverty; and
 - d | Government is providing an enabling and positive environment for other actors to contribute in the alleviation of poverty.

- 5 | The fieldwork undertaken in this review was structured in four main components. The first component entailed the engagement of various stakeholders during the conducting stage of the review, primarily intended as a source of gathering relevant evidence. The stakeholders engaged in this respect comprised various ministries, the NSO, numerous governmental entities and commissions related to the humanitarian and social sector, as well as several NGOs and academics.
- 6 | Engagements with the various ministries were conducted through interviews with nominated representatives whereby diverse aspects relating to poverty were addressed. The ministries were primarily selected on the basis that they formed part of the Inter-Ministerial Committee tasked with tackling poverty. However, others were selected based on their relevance to this Office's review. The objectives of the interviews held were to gain insight into the governance structures and policy frameworks in place to support these efforts, with particular attention directed towards the consideration of the whole of government approach and policy coherence, stakeholder engagement in the drafting of policy, and how the needs of vulnerable groups were addressed by Government. The ministries engaged in this respect were the MEDE, the MFCS, the MFH, the MJEG, the MSDEC, the OPM and the MSA.
- 7 | An interview was also held with officials from the NSO to better understand the data collection and reporting mechanisms in place for the measurement of poverty.
- 8 | Written contributions regarding the effectiveness of Government's efforts at alleviating poverty and recommendations for future action were sought from governmental entities and commissions operating within the humanitarian and social sector-related setting. The committees were identified through reference to the government website listing officially appointed bodies, whereas entities were identified from the population of entities registered by the NSO.
- 9 | The final element of the first component entailed a series of focus groups separately held with NGOs and academics. The purpose of these focus groups was to gain a greater insight into the realities of poverty, to obtain these stakeholders' views regarding the positive efforts undertaken by Government, as well as any perceived shortcomings and recommendations necessary to address them. The NGOs were engaged through the distribution of an open call to all NGOs working in the social and humanitarian sector by the Malta Council for the Voluntary Sector, as well as through direct contact with the Anti-Poverty Forum Malta. Academics were engaged through direct email submissions to known lecturers and researchers who have a special interest in the area of poverty and through an open call for participation in the weekly Digest of the Faculty for Social Wellbeing.
- 10 | The participating NGOs were Alleanza Kontra l-Faqar, the Anti-Poverty Forum Malta, Caritas, the CSR Malta Association, the Daphne Caruana Galizia Foundation, Discern, Fondazzjoni Dar il-Hena, Fondazzjoni Oasi, Fondazzjoni Sebħ, Kopin, the LifeNetwork Foundation, the Meeting Place, the Millennium Chapel, the National Association of Pensioners, the Paolo Freire Institute, the Proutist Universal Malta, the Richmond Foundation, SOS Malta and the St Jeanne Antide Foundation.

- 11 | Prof. Andrew Azzopardi, Dr Rose Marie Azzopardi, Dr Patricia Bonello, Dr Andrew Camilleri, Prof. JosAnn Cutajar and Ms Samantha Pace Gasan were the participating lecturers and researchers, referred to collectively as the academics.
- 12 | To encourage open participation, focus group participants were assured confidentiality. This was to be achieved by collective reference to the NGOs or academics instead of the linking of individual submissions to specific participants.
- 13 | Delving deeper into the areas of interest explored in the focus groups with the NGOs and the academics, these interactions related to Government's efforts at alleviating poverty, with emphasis on identifying areas that warrant improvement and eliciting recommendations to address them. The key issues explored in these interactions were whether Government: provided for an enabling legal and policy framework; established an enabling institutional set-up; adequately planned and budgeted to achieve its objectives; implemented sufficient actions to address poverty and whether such actions were effective and inclusive; undertook sufficient efforts to facilitate the engagement of multiple stakeholders, including civil society and NGOs; and achieved planned progress.
- 14 | The feedback received from focus groups comprises the basis of Chapter 5. A thematic analysis was undertaken of the transcripts from the various focus groups. This was supplemented by the written submissions of entities and commissions. Where necessary, relevant information obtained from meetings with the ministries forming part of the Inter-Ministerial Committee on poverty, as well as the NSO, were also included. The resulting analysis that emerged from this stakeholder engagement was referred to the key ministries whose work related to the alleviation of poverty for further feedback.
- 15 | The second component of fieldwork entailed the sourcing and analysis of information obtained regarding measures, project and initiatives undertaken in 2018 with the objective of alleviating poverty, whether directly or indirectly. In this regard, several ministries were requested to complete a template detailing relevant initiatives undertaken. The NAO acknowledges that these initiatives only provide a snapshot of Government's measures, initiatives and programmes intended to alleviate poverty, with such efforts and their impact often realised over a longer term. Focus on 2018 stems from practical considerations, primarily determined by the broad scope of the review. Details requested for each measure, project and initiative included: title; description; objectives; target beneficiaries; commencement date; completion date (if applicable); related government policy; funds spent/budget allocated [for recurring measures/initiatives indicate the actual funds spent during 2016-2018; For finite measures/projects indicate the overall budgetary allocation and funds spent as at end 2018]; deliverables; status [status of measure/project/initiative, including stage of implementation of project activities and achievement of deliverables]; and outcome (if applicable) [description of observed outcome in terms of poverty alleviation]. The ministries engaged in this respect were the MEDE, MFCS, the MFH, the MHSE, the MJEG, the Ministry for National Heritage, Arts and Local Government and the then MEAE and the Ministry for Foreign Affairs and Trade Promotion.

- 16 | The third component of fieldwork comprised the analysis of data available on poverty. To measure progress and better understand the patterns of poverty and living conditions over time and across demographic groups, the NAO sourced EU SILC data for analysis. At the time of analysis, the latest available data was that for 2018 and therefore, the period of interest was set as 2008 to 2018. Progress was measured by comparing the 2018 data with two baselines, that is, 2008 and 2015. The selection of 2008 was based on it being the baseline year for monitoring progress against the Europe 2020 targets, while the 2015 baseline was identified on the basis that the SDGs were adopted by world leaders in September 2015. The EU SILC provides a measure of poverty and living conditions among persons residing in private households in Malta and Gozo, and in this respect the population referred to in Chapter 4 is limited to such persons.
- 17 | In undertaking this analysis, the NAO sourced two types of data, that is, 2018 anonymised microdata and 2008 to 2018 salient indicator data. In the first instance, anonymised EU SILC 2018 microdata was obtained from the NSO to allow for further analysis of EU SILC data beyond that provided in periodical press releases. Further analysis included the computation of salient indicators by demographic characteristics not usually reported in press releases, such as tenure status and health status. Statistics for supplementary indicators of deprivation, including housing and environmental deprivation, were produced. Another analysis focused on housing costs, deemed particularly relevant in view of the rising housing costs and the much-debated impact of these costs on a household's risk of being in poverty. Descriptive statistics, showing the distribution of housing costs, as well as housing costs as a proportion of the household disposable income, were produced. An analysis of the equivalised disposable income after deducting housing costs, and the resultant at-risk-of-poverty rates was also undertaken.
- 18 | In the second instance, the NAO sourced data for various EU SILC salient indicators for the years 2008 to 2018 from the NSO. The yearly changes in headcounts and prevalence rates over time were considered for the various poverty indicators. Besides considering the general trend over time for the period 2008 to 2018, the aggregate change for the periods 2008 to 2018 and 2015 to 2018 were also noted. The NSO also provided salient indicator figures disaggregated by age, sex, district, most frequent activity status and household type. For the years 2008, 2015, and 2018, the NAO sought to identify the demographic profile of those ARPT60i, AROPE, or experiencing MD, as well as to assess differences in the prevalence rates for specific categories of the population. These statistics allow for changes in the profile or prevalence rates during these periods to be highlighted.
- 19 | The fourth and final component of fieldwork related to review. In this regard, the views of all state (ministries, entities, commissions and the NSO) and non-state stakeholders were also obtained at the reporting review stage to ensure a comprehensive and accurate representation of the various views held. The feedback of the MSA was also sought at this stage. Important comments that were deemed as further enriching the review undertaken were captured. The final draft, including comments received from stakeholders at the reporting review stage, were also forwarded to the relevant ministries and the NSO.

