THE FACES OF THE POOR: A SOCIOLOGICAL REVIEW OF POVERTY IN CONTEMPORARY EUROPE AND MALTA
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A General Picture of Poverty in the EU and Malta

We have started the 21st century and millions of people in Europe are still struggling with poverty. It is estimated that about 16% or 75 million people in the European Union can be termed poor (60% of national median income). This figure however masks the considerable variation noted in different EU countries with the share of the population living on a low income ranging from less than 11% in the Czech Republic, Slovenia, Denmark, Finland, Sweden and Luxembourg to around 20 or 21% in Slovakia, Portugal, Ireland, Spain and Greece (European Commission, 2007; European Communities, 2007a).

In Malta, the percentage of people who in 2005 fell below the poverty line is quite close to the EU average at 14.9% which translates into almost 60,000 persons (S ILC, NSO, 2007a). However since at-risk-of-poverty thresholds vary from one country to another, the standard of living of people considered to be at risk of poverty in different countries may be significantly different in absolute terms (Commission of European Communities, 2007a). Malta’s threshold (over 6000 PPS) is higher than that of Eastern European countries but similar to that of Greece and slightly lower than that of Spain and Slovenia (Commission of the European Communities, 2007a). The poverty threshold established by the NSO Survey on Income and Living Conditions is that of Lm2032 (€4733.29) calculated at 60% of the median equivalised disposable income (NSO, 2007a).

The Many Dimensions of Poverty

It is not the scope of this presentation to dwell on the debate raised in relation to definitions or measures of poverty. Nowadays both researchers and policy makers have generally acknowledged the importance of taking a multi-dimensional approach to poverty which takes into consideration not only material needs but factors such as one’s social class position, dependency on social assistance, social exclusion as well as lack of entitlement or basic security understood in terms of human rights.

For people who experience poverty, their problem is not just about being economically disadvantaged but also about not having a voice, about disrespect, humiliation, lack of dignity and self-esteem, shame and stigma, powerlessness, denial of rights and diminished citizenship. Attached to this multi-faceted phenomenon is the issue of morality. Poverty is not just about definition and quantification. It is about finding effective ways of dealing with it seriously in order to alleviate the hardship and the suffering experienced by millions of people not only in the impoverished countries but also in the much richer regions of the world (Spicker, 2007).

But Who Are These People?

The Faces of the Poor

Although everyone can become a victim of poverty, there are certain social groups that are more likely to experience poverty and deprivation since poverty is not evenly distributed in society. Certain people are at greater risk of poverty than others. This may be due to their economic status e.g. unemployed; due to their family circumstances e.g. lone parents. Gender, ethnicity, age and disability also have a negative impact on one’s chances of being poor (Alcock, 2006).

Women are generally more likely to live in poverty than men and tend to experience poverty differently from men (Lister, 2004; Alcock, 2006). Millions of children in the rich countries have to struggle with poverty and deprivation (UNICEF, 2005, 2007). The poverty of children has been on the increase in many of the world’s developed economies. Old age poverty is also on the increase and older women face an even greater risk than men (Peer Review, 2006). Immigrants (Caritas Europa, 2006) and disabled persons (NCPD, 2004)
also have relatively high risks of falling into poverty. Poverty also varies by region or geographical area. Poverty is also linked to the life course. Events such as marriage, divorce, parenthood and retirement have an impact on a person’s earnings, spending and saving patterns (Alcock, 2006).

In Malta the situation does not appear to be much different from that of other European countries. Similar groups tend to be at higher risk of poverty as in other member states. Malta’s National Action Plan on Poverty and Social Exclusion (NAP, 2004-6: 8) identifies the unemployed and disabled people, together with disadvantaged children and single parents as being particularly at a high risk. However, low skill adults, persons with mental health problems, those suffering from addictions, certain categories of low income older people as well as immigrants are also likely targets of poverty and social exclusion.

The survey on income and living conditions (SILC) in Malta (NSO, 2007a) confirms most of the trends identified in earlier reports. Children (21.9%) and the elderly (16.3%) are the highest two categories at risk of poverty.

In terms of household type, single parent households have the highest poverty rate (47.9%) while households with three dependent children occupy second place. The poverty risk of this social category has risen significantly since 2000 from 28% according to the Joint Memorandum on Social Inclusion in Malta (Government of Malta and European Commission, 2003) to a worrying 34.7% according to SILC. Unemployed persons are also a high risk group (45.9%) especially males (over 50%).

I Will Now Take a More Detailed Look at Some of These Groups

Women

Research has consistently shown that women are more likely to be poor than men and have always been the more vulnerable group. They also tend to experience poverty differently from men. Recently female poverty has gained wider recognition (Lister, 2004; Alcock, 2006).

Women face sex-specific risks particularly as a result of the family responsibilities which they have traditionally been expected to shoulder. These responsibilities tend to influence their work patterns, the type of work they do, their income and social security benefits. The combination of disadvantage within the family, labour market and social security system accounts for the persistence of poverty among women (Ruspini, 2000)

Unlike that of men, women’s participation in the labour market is closely linked to the number and age of children. Both local and EU data reveal that the employment rate of women declines between the ages of 20 and 49 (Vassallo et al, 2002; European Commission, 2006). The number of children also increases women’s likelihood of being in part-time employment. The low female employment rate is a particularly worrying trend in Malta where female work participation is the lowest in Europe (35.5%). Part-time work is female dominated (NSO, 2007b) similar to European trends. Women’s limited or interrupted participation in the labour market combined with gender stereotyped occupational segregation and discrimination are predominant factors contributing to women’s lower earnings. In the EU, women on average earn 15% less than men on an hourly basis (European Commission, 2006).

There is also a hidden dimension to women’s poverty especially when poverty is measured in terms of household income since women may experience poverty even in households with sufficient income (Alcock, 2006; Ruspini, 2000). This is because household income may be shared unfairly to the detriment of women who often have less spending money and less access to resources and consumables such as food or a car. As the main breadwinners, it is men who often control how money is spent, although it is often the women who have to manage the family budget. Especially in low-income families where women also have to deal with debts, research has shown that it is not uncommon for women, especially mothers to make sacrifices and give up on necessities such as food, clothing and heating in order to protect other family members, especially children, from bearing the brunt of the family’s economic disadvantage. This often entails long hours of unpaid work at home in order to control costs to the detriment of their personal well-being as well as their educational and career advancement (Lister, 2004; Alcock, 2006).
Lone Parents

The past few decades have witnessed profound changes in the size and structure of families in many countries including Malta although in the Mediterranean they tended to occur at a later stage. One of the results of these transformations is the increase in the number of lone parent families.

In Malta the number of lone parent households with one or more dependent children in 2005 amounted to 3605 or 2.58% of households, according to the latest census of population and housing (NSO, 2007c) although the data are not classified by gender. However other data indicate that between 75 and 80% of lone parent families are headed by women (NSO, 2003).

The survey on income and living conditions (NSO, 2007a) indicates that lone parent households are the type of household most at risk of poverty with a poverty rate of 47.9%. Lone parent households are generally younger than other households and are more likely to have dependent children (NSO, 2003). Households with dependent children have a higher poverty risk although this is higher in lone parent households. Lone parents are more likely to live in rented accommodation (NSO, 2003; Government NAP 2004-2006) and to pay higher rent. They tend to lack household amenities compared to other households, find it difficult to save and to take holidays (Ruspini, 2000).

Lone parent families are more likely to experience poverty in countries where their employment rates are low (Millar, 2002). In Malta where the participation of women in the labour market is only around 35%, the participation rate of lone mothers is even lower (16.5%, 2.4% of whom only on a part-time basis). Lone mothers have a much lower full-time participation rate (8.1%) than lone fathers (35.6%) (Government of Malta and European Commission, 2003; NAP 2004-2006). They are also more likely to work part-time and in lower-paid “female” occupations” (Cutajar, 2000 in Cutajar, 2006).

Lone parent households have the second lowest disposable income among all household types in Malta with an average annual income of Lm4744 (just over €11,000) following only single person households (NSO, 2007a). According to HBS data (NSO, 2003) within lone mother households only 40.8% of total income comes from salaries (60.1% for other households) while 43.8% comes from social benefits (16.6% for other households).

The Elderly

In Malta as in other European countries, the number of old people in the population has been on the increase. According to the 2005 census, there are 77434 people over 60 years old or 19.12% out of a population of 404962 with women having a higher life expectancy (NSO, 2007c). Overall, the elderly report living standards which are relatively close to those of the population aged 0-64. Although in some countries (Ireland and Cyprus) the level is under 75%, in others the standard of living of the elderly even exceeds 90%. In Malta, the elderly report a standard of living of over 85% of that of the rest of the population (Commission of European Communities, 2007a).

However, the elderly have a higher risk of poverty than the rest of the population in most of Europe although the older group among the old (75+) and particularly older women are at a higher risk of poverty (SPC, 2006; European Centre for Social Welfare Policy and Research, 2006). About 13 million elderly people in the EU25 are at risk of poverty. This translates into one-sixth of the 74 million elderly population of the EU (European Centre for Social Welfare Policy and Research, 2006). The same report indicates that the highest poverty rates among the elderly are found in Cyprus, Ireland, Spain, Portugal, Greece and the UK. While in the EU 15 the average elderly poverty rate is 19%, lower rates (9% average) are observed among the new member states especially those previously forming part of the communist bloc. Cyprus has by far the highest elderly poverty rate in the EU (52%) while Malta, with a 20% poverty rate slightly exceeds the EU average (European Centre for Social Welfare Policy and Research, 2006). In Malta the elderly are the second highest age category at risk of poverty after children according to the SILC (NSO, 2007a). Across the EU (Malta included) poverty risk is higher for women in all member states and females aged 75+ have a higher poverty risk than those aged 65-74 (European Centre for Social Welfare Policy and Research, 2006. Various factors account for this higher risk and are mainly a reflection of their earlier disadvantages (SPC, 2006).
One of the distinguishing features of old age poverty is its persistence since it is more difficult for the elderly to improve their situation in societies which do not facilitate the continued participation of the elderly in the labour market. The situation is even worse for the oldest among the old (Lister, 2004). Malta’s employment rate of older workers is relatively low (around 30%) similar to that of Belgium, Italy, Luxembourg, Austria, Poland, Slovenia and Slovakia (Commission of European Communities, 2007a). The economic activity of women aged 55-65 is even lower at 11% (NSO, 2007d). In the Nordic countries rates tend to be higher as elderly women are much more likely to be engaged in paid employment than in Mediterranean countries where the proportion of female homemakers is high (Hallberg, 2006). Increasing these figures is one of the key priorities set out in the Lisbon Agenda as well as in Malta’s National Action Plan 2004-2006. However research shows that older workers may face discrimination due to stereotypes about their abilities or because due to the pension entitlement they may be considered as less in need of a job (Alcock, 2006).

In terms of households, in most countries, single elderly households have a high risk of poverty. Like lone-parent households, single elderly households are more likely to be headed by women who may feel socially, psychologically, physically and economically insecure. They often end up living in sub-standard housing and may lack such essential amenities as bathrooms and kitchens (European Centre for Social Welfare Policy and Research, 2006; Vassallo et al, 2002). Elderly people who live in rented accommodation are in many countries more likely to be poorer than elderly home owners (European Centre for Social Welfare Policy and Research, 2006. Elderly people are also more likely to be sick and disabled than the rest of the population (Middleton, 2002) and thus may have more expenses, less access to the labour market and a greater risk of dependence and social exclusion. Education also affects their financial well-being especially in the South of Europe where old people are likely to have spent less years in formal education (Hallberg, 2006).

Although the elderly tend to have higher rates of poverty than the rest of the population, their income tends to be closer to the poverty threshold than that of working age persons pointing to the importance of welfare benefits in alleviating poverty among the elderly (SPC, 2006).

The Poverty of Children

Some 40 to 50 million children live below the poverty lines of the world’s richest countries (UNICEF, 2005). In the EU children are more likely to be victims of poverty than the average citizen in almost all member states (Commission of European Communities, 2007a) and the situation has worsened since the mid 90s. However there appears to be significant differences between countries in the North and South of Europe with countries in the North being more successful in reducing child poverty rates (UNICEF, 2007). In Malta children (0-15) are the age group most at risk of poverty with a poverty rate of 21.9% according to the survey on income and living conditions (NSO, 2007a).

Children increase household costs especially at a time when mothers reduce or end their participation in the labour market (Lister, 2004: 68). Living in a lone-parent household or in a family with many children further increases the risks (Commission of European Communities, 2007a). Most Maltese families rely on the income of the male breadwinner for their earnings as most women quit the labour market upon becoming mothers. As already indicated in Malta the households experiencing the highest risk of poverty are those consisting of either lone-parents with dependent children or two adults with three or more dependent children (34.7%) (NSO, 2007a). Another group of vulnerable children involves those in residential care.

On average the proportion of children living in jobless households in the EU has remained the same between 2001 and 2006 although there are significant variations between member states (Commission of European Communities, 2007a). In Malta there are almost 9% of children living in jobless households, a figure which is close to the EU average of 9.5% (Eurochild, 2007). While this figure is only about one half that of the UK (over 16%) which reports the highest rate of children living in jobless households in the EU, it is still significantly higher than that of Luxembourg with a rate of around 2.5% (Bradshaw, 2007). Children also tend to be at risk of poverty if their parents are young, if they are part of immigrant, ethnic or racial minority families or if a member of their family is disabled or chronically sick (European Commission, 2005) or if their parents abuse of alcohol or drugs, or were previously institutionalised or if the children are in care (Eurochild, 2007).
The experience of living in poverty tends to have long-lasting effects on children such as low educational performance, unemployment and lower earnings (Hills et al., 2002; Alcock, 2006, UNICEF, 2007). Poor children may also become pregnant at an early age, have lower skills and aspirations and be welfare dependent (UNICEF, 2007). They are also less likely to enjoy good health and to stay out of trouble with the law (Commission of European Communities, 2007a). There may also be problems associated with stigma, being different and difficulties with fitting in or joining in which can lead to bullying as reported by Lister (2004).

Child poverty is not inevitable. It is the result of political choices (Gordon and Townsend, 2000). The last few years have seen child poverty being given a much greater priority by many member states. However many governments still perceive child poverty from the perspective of adults. They tend to focus on the needs of parents and families while children’s views tend to be ignored (European Commission, 2005). Malta has also been criticised by Eurochild (2007) in this regard.

What is needed according to the European Commission is an integrated strategy of child, family and women-friendly policies aimed at reducing and preventing child poverty which would acknowledge the problem of child poverty and make it a policy priority as well as recognise the rights of children.

The Unemployed and the Working Poor

As might be expected, unemployment is closely linked to poverty and social exclusion although the link is not automatic. A person may be unemployed but not living in poverty as a result of support from other family members or due to state generosity. Similarly, being employed does not necessarily imply that a person is protected from poverty. In fact a significant proportion of the poor consists of low-paid working individuals - the working poor (McKnight, 2002). Since unemployment is linked to other social factors, certain social groups such as those with few skills and qualifications, the disabled, older workers and ethnic minorities are at a higher risk (Alcock, 2006).

In 2005, EU unemployment stood at 8.8% up from 8.6% in 2001. Long-term unemployment rose from 3.6% to 3.9%. In most EU countries, unemployment rates are higher for women than for men (2.1% on average) while youth unemployment stands at a high 18.5% (Commission of European Communities, 2007a). Malta’s labour market trends are dissimilar in a number of ways to the general situation in the EU. Having the lowest labour market participation rates of women as well as of older workers in the EU as well as the highest rate of early school leavers, Malta also has comparatively lower levels of unemployment, both short- and long-term as well as acceptable levels of youth unemployment (Commission of European Communities: Country Profiles, 2007b). Another difference is that men register higher levels of both short- and long-term unemployment (NSO, 2007e). This may in part be due to the lower rates of female participation in the labour market.

In Malta, unemployment data are derived from two main sources: The Employment and Training Corporation (ETC) which keeps records of all those registering for work and the Labour Force Survey (LFS) carried out by the National Statistics Office (NSO) on a quarterly basis and is based on a random sample of 2500 private households. Consequently the two sources provide different figures. According to ETC data (NSO, 2007e) in June 2007, the unemployment rate stood at 4.3% of the labour supply with men registering a higher rate (4.9%) than women (3.1%) unlike the general EU trend. The long-term unemployment rate stood at 1.7% (men: 2.1%; women: 0.1%), although these data pertain only to those registering under Part I. On the same basis, the unemployment rates of older workers (45+) stood at 4.1% for men and 2.9% for women while youth unemployment (younger than 25) stood at a relatively low rate of 5.5% (men: 6.4%; women 4.1%) (NSO, 2007e). The corresponding figures derived from the LFS (April-June 2007) are higher than those provided by the ETC although still lower than those for the whole EU. According to the LFS (NSO, 2007d), Malta’s unemployment rate is 6.6% with most of the unemployed (14.8%) aged between 15 and 24 years.

Despite the relatively low rates of both short-term and long-term unemployment in Malta, the poverty rate among the unemployed is a high 45.9% with men appearing to be much worse hit than women (NSO, 2007a). The high risk of poverty among the unemployed in Malta suggests that welfare benefits are not sufficient to alleviate jobless persons from poverty. At the same time while unemployment benefits may
provide some degree of income security, they can reduce the financial incentive to work, hence leading a person into an unemployment trap (Commission of European Communities, 2007a). Thus finding an effective balance is a priority of many governments.

It is also important for policy makers to recognise that although employment plays an important role in alleviating poverty, it does not necessarily imply that those who have a job are protected against poverty. There are workers who still cannot cope with living expenses especially if they have a low wage and they have a family to support (Alcock, 2006). The self-employed, who are not protected by the minimum wage, may also be at risk of poverty and their income may even at times drop below the level of social protection according to Alcock.

In Malta, the percentage of the working poor is significantly lower than that of the unemployed. At 5.5%, the poverty rate of those who have a job is not extremely worrying considering the much higher risk of poverty of those without a job (45.9%) (NSO, 2007a). This is probably due to a combination of the long-established minimum wage which offers a degree of protection as well as the wide range of social measures and state-funded services offered in Malta. Although in Malta, unemployment figures are not significantly high, close to half of those without paid employment live in poverty and the solution to the problem may not just be the availability of jobs for these people. The problem is more complex and various issues related to the problem also have to be addressed such as how to make work pay, how to make work more accessible to vulnerable groups such as the disabled, how to eliminate prejudice and discrimination in the labour market, how to integrate older workers in the labour market and how to improve the skills and knowledge of those seeking work especially the long-term unemployed.

The Disabled

The 2005 census indicates that there are 23,848 persons with long-term disability in Malta amounting to about 6% of the total population (NSO, 2007a). According to the census, the most common form of disability in Malta is due to physical impairments (7702) while a significant number (3763) of disabled persons have more than one impairment. There are slightly more females (12003) who suffer from some form of disability than males (11845), in line with EU trends.

It is estimated that in the EU 44.6 million people or almost 16% of the EU population aged between 16 and 64 suffer from a long-standing health problem or disability (LSHPD) (Commission of the European Communities, 2005). Although these figures cannot be compared to Malta’s relatively low disability rate of 6%, the figure for Malta remains relatively low (8.5%) even when both long-standing health problems and disabilities are taken into consideration (Eurostat, 2003). 65% of people with disabilities are older than 45 while the corresponding figure of non-disabled persons in the EU is only 34% (European Commission, 2001).

Disability is often associated with a decline in or lack of income and employment while those at the lower end of the income distribution are more likely to become disabled than those having higher incomes (Alcock, 2006). In Malta disabled people have a high risk of poverty regardless of their socio-economic background. Although the disability pension helps to relieve some of the financial problems faced by these people, it does not guarantee financial independence (Government of Malta and European Commission, 2003).

A local study by the National Commission Persons with Disability found that almost 15% of respondents receive no income at all while half of them claim to earn less than Lm200 (€465.87) a month, Lm40 (€93.17) less than the national minimum wage (NCPD, 2004). The same study reveals that where income is concerned, the problem appears to be more prevalent among females. A disability pension is received by 37% of the people surveyed by the NCPD although persons with disability may receive other forms of financial assistance from the government. Persons with disability also have expenses related to their disability which increase their financial hardship. Local research (NCPD, 2003a) shows that the average per capita income of persons living in a household with a disabled person is generally about 5% lower than that of other households. The same study indicates that disabled persons are more likely to be recipients of benefits than non-disabled persons especially among the older age groups. In Malta the income obtained from social benefits by households with a disabled person is double that for other households.
The low income of persons with disability is directly linked to their low levels of participation in the labour market as well as with the type of work they do. This in turn is also related to their generally lower level of education. The NCPD (2004) study reveals that among the survey participants 12.4% have no education compared to 3.6% for the general Maltese population and very few disabled persons continue studying beyond the age of 19. In the EU in 2003, 40% of disabled persons were employed compared to 64.2% non-disabled, while their inactivity rate was twice as much (Commission of European Communities, 2005). Research shows that the likelihood of a disabled person being employed is lower for almost all age groups and for all educational levels (European Commission, 2001).

In Malta the NCPD study (2004) indicated that only 11.5% of respondents were employed. However, disabled persons are more likely to be concentrated in elementary jobs and to work part-time in the EU (European Commission, 2001) although in Malta more tend to work full-time (NCPD, 2004). They also tend to receive a lower hourly wage than other persons (European Commission, 2001). Many of the NCPD study (2004) respondents felt they were underpaid. The level of social participation of the disabled is also low increasing their risk of social exclusion (NCPD, 2003b).

As some commentators (Alcock, 2006) have pointed out, most of the problems faced by the disabled are not due to the disability itself but concerns more the failure of society to take into account the practical needs of the disabled. The socio-economic integration of these people is not just a question of rights but also the most effective way of reducing their poverty.

**Immigrants**

Malta has during the past few years seen an unprecedented influx of immigrants who come by boat largely from sub-Saharan African countries with the intention of finding asylum in Europe although these are not the only category of foreign nationals who have been entering Malta in an irregular manner. It appears that these migrants are the most recent addition to the list of social categories most likely to experience poverty in Malta. Indeed reference is made to them, albeit briefly in both the 2004-2006 National Action Plan on Poverty and Social Exclusion as well as in the National Report on Strategies for Social Protection and Social Inclusion 2006-2008. Most of these apply for asylum.

Although poverty and immigration are not always connected, in Europe large numbers of immigrants live in poverty and the groups most at risk are irregular immigrants and asylum seekers (Caritas Europa, 2006). In the EU, there are significant differences between immigrants, ethnic minorities and the rest of the population with regards to employment and unemployment, income, education, early school leaving, health and poverty (Commission of European Communities, 2007a). Migrants from outside the EU are more likely to be at risk of poverty than those coming from another EU country (European Commission, 2007; Lelkes, 2007). Immigrants are over represented in atypical jobs making them vulnerable to discrimination and exploitation. If they are employed in the informal sector they are more likely to experience insecurity. They often end up doing the work which the nationals refuse. If they are also irregular immigrants, their bargaining position at work is even worse. As a result they are more likely to earn below-average wages, to be deprived of social rights and benefits and to work longer hours (Caritas Europa, 2006; Alcock, 2006; Stalker, 2001). Asylum seekers are generally prohibited from working until their case has been processed and they do not have full access to social security support (Alcock, 2006). Alcock also cites research which shows that migrants may also face difficulties in accessing housing markets and tend to concentrate in unpopular districts in appalling living conditions increasing their risk of social exclusion. The combination of living conditions, poor nutrition and dangerous, low-paid jobs lead to illness which exacerbates the poverty of these people. These disadvantages are aggravated by discrimination (Caritas Europa).

In Malta many migrants from African countries are here against their will and the majority are kept in detention for up to 18 months unless one qualifies as a vulnerable person. The Committee on Civil Liberties, Justice and Home Affairs of the European Parliament has described these detention centres as “unacceptable for a civilised country and untenable in Europe, which claims to be the home of human rights” (2006). According to the JRS (2005) at any given time there is also a notable share of immigrants living in the community. These are invisible and not even mentioned in the Government’s Policy Document (2004). Although their difficulties are different from those who are held in detention, JRS believes that “these people
are among the most disadvantaged in terms of access to material or financial assistance and professional or other services” (JRS Malta, 2005).

Asylum seekers who are released from detention after a maximum of eighteen months receive a number of benefits which do not amount to much but at least they are better off than those who were never detained who get no assistance whatsoever. These allowances are attached to regular registration in the Open Centres. Those who are granted Refugee Status are not given an allowance since they are entitled to full unemployment benefits, housing assistance, rent subsidy, pink cards and other entitlements as any Maltese citizen (source: OIWAS). Rejected asylum seekers are not allowed to work and consequently they often resort to informal jobs. According to the JRS Report (2005), most immigrants find the lack of access to the labour market as the biggest obstacle to a dignified life.

The Ministry for the Family and Social Solidarity is responsible for the welfare of immigrants as well as for their social integration. However this is no easy task in a country which does not favour ethnic diversity. The Maltese were found to be the least supportive in the EU of migrants’ rights and the most supportive of deportation policies even regarding legally-residing third country nationals especially if they are unemployed (European Monitoring Centre on Racism and Xenophobia, 2003; Mipex, 2007).

Asylum seekers are often regarded with hostility. Although they may be fleeing violence and oppression in their country, they are often suspected of having left their country for economic reasons. Although this may be a false perception, it is often shared and projected by the media where immigrants are often portrayed as unwanted or illegal immigrants or as “klandestini”. In the past few years Malta introduced a number of integration policies aimed at refugees. However according to the Migrant Integration Policy Index (Mipex, 2007), Malta’s highest scores are only in the areas of family reunion and long-term residence and very low in relation to access to nationality and labour market as well as to anti-discrimination measures. The weakest policy scores were registered in terms of political participation, a characteristic shared by many other European countries.

Across Europe (and Malta is no exception) there are very few studies on the relationship between immigration and poverty. More research is therefore needed in this regard. However the EU has been criticised that not enough is being done to ensure the inclusion of ethnic minorities despite their inclusion in many National Action Plans. Ethnic minorities are often regarded as second-class citizens and an economic burden rather than as an asset.

**From Poverty to Exclusion?**

Social exclusion is closely related to poverty but goes beyond income poverty and includes the various dimensions of both economic and social deprivation. It involves relational issues and implies limited social participation, lack of integration and lack of power (Room, 1995). However, the effect of poverty on social relations is mixed and not very significant. Some research found a clear link between low income and some dimensions of social exclusion however the link is not particularly strong (Lister, 2004). While certain groups are less likely to participate in society e.g. disabled, elderly, lone parents, it is not clear whether this is related to their financial situation (Barnes et al, 2002).

However it is important to distinguish between different forms of social isolation. While the poor may have strong personal networks, they tend to be disconnected from the wider society. It is this form of isolation which is more typical of the poor and the unemployed (Lister, 2004). However although certain types of poverty may increase the risk of exclusion, poverty is not an essential feature of social exclusion. There are many people who may experience short spells of poverty without much risk of exclusion. It is longer and repeated spells of poverty which increase the risk of exclusion as the poor lose their sense of dignity and self-determination and their coping strategies are pushed to the limit (Walker, 1995). However there are those who experience both poverty and exclusion while others may be poor but socially integrated or socially excluded without being poor (Lister, 2004).

The EU has in recent years, especially since the Lisbon summit in 2000, shown greater commitment to fight social exclusion, to identify the risks of social exclusion and to develop policies which promote inclusion and integration in society (Heady and Room, 2002). Thus social integration has become one of the strategic goals.
of EU Member States. Social exclusion has practically become a buzz word which is preferred to poverty perhaps because it is politically safer but also because it is a wider concept than poverty. Still not everyone is comfortable with this shift of focus from poverty to social exclusion.

The Value of Social Transfers

Social security benefits have been the major form of protection against poverty in many welfare states. They are mainly provided by the state and may be either horizontal (contributory) or vertical (non-contributory) (Alcock, 2006). However the state was never alone in this.

In 2003, the EU25 spent 28% of its GDP on social protection, with the highest expenditure recorded in Sweden (33.5%) and the lowest (13.4%) in Estonia and Latvia. In most countries, old age and survivors’ benefits account for most of the expenditure accounting for 62% of total expenditure; in the case of Malta: 52.3% (Eurostat, 2006). In the first quarter of 2007, social security expenditure in Malta amounted to Lm62.7 million (€146.05 million) and registered an increase of 5.8% (NSO, 2007f). Malta’s National Action Plan (2004-6) attributes the fact that poverty has not up to now been a major issue in Malta to the wide net of social protection and the continuous increase in social expenditure. The extensive social welfare system in Malta significantly reduces the proportion of those close to the poverty line according to the NAP.

Although combating poverty is not the only aim of social security expenditure, according to some researchers (Alcock, 2006; Gordon and Townsend, 2000) social security is the most effective means of preventing or combating poverty. The European Commission estimates that in the absence of social transfers, the risk of poverty in the EU would have been considerably higher (41% instead of 16%) in 2004 while if pensions are taken as income instead of social transfers, the rate would have been 26% (European Communities, 2007a).

However whether the income provided by the welfare state is sufficient to help people escape from poverty is a controversial issue. There are complex issues related to the implementation of benefits such as fraudulent claims or underpayment (Alcock, 2006). At the same time one has to recognise the importance of modernising or restructuring social protection systems to be able to deal effectively with the rapid social changes and the ensuing social problems of the past decades e.g. increase in lone parents; immigrants (Heady and Room, 2002).

Welfare programmes may not be sensitive to gender issues. This is of particular concern in a small insular island state such as Malta where traditional gender roles are still relatively strong. Camilleri-Cassar (2005) is critical of Malta’s welfare regime in that despite its generosity, it is built on a “male breadwinner” model. It fails to recognise women’s capability of economic independence and may increase women’s reliance on benefits in the incidence of marital breakdown, widowhood and in old age. Women’s poverty, which is very often hidden within the family where income may not be evenly shared, is not adequately addressed by Malta’s social security system.

Considering that poverty is such a complex and multi-dimensional problem, there is no one way of dealing with it. Although social transfers are not without their limitations they appear to be quite effective at least in cushioning the harsh effects of material poverty if not of eradicating it.

Conclusions and Recommendations

The EU has on more than one occasion reiterated that the fight against poverty and social exclusion is one of its central objectives and that of its Member States. However despite the apparent good will on the part of the EU and its Member States; despite the numerous plans, agendas and reports which are written; the positive action which is implemented and the monitoring and evaluation processes which are undertaken, the results are still far off the desired outcome. Although certain achievements have been registered, over 75 million people in the EU are still living in poverty and there is evidence that the number of people suffering from absolute poverty is increasing (Commission of the European Communities, 2007c).

In 2005 the European Commission launched its Social Agenda for 2005-2010. In it the Commission announced its proposal to designate 2010 as the European Year for combating poverty and social exclusion
in order to complement the work being done through the Open Method of Coordination. Through its proposal the Commission (Commission of the European Communities, 2007c) wants to consolidate the EU’s political commitment to solidarity, social justice and social cohesion as established in the Lisbon Strategy.

One of the central problems facing policy makers and other stakeholders in the fight against poverty both at EU and national levels is that considering the complexity of the problem and the many issues linked to it, “there is no obvious ‘answer’ to poverty” (Spicker, 2007: 143). Due to the multidimensionality of poverty, policies have to be multidimensional too. Every anti-poverty strategy has to take into consideration material need, economic circumstances and social relationships (Alcock, 2006).

There are various ways in which government and society have responded to poverty. There are some things which work and others which don’t (Spicker, 2007). There are various problems with anti-poverty policies e.g. they may work for one kind of poverty but not for others; they often take into consideration other issues such as the effect on the economy, on education, culture, family life, religion or personal relationships. Another problem is the bureaucratic processes and administrative procedures involved, making it more difficult to respond holistically and effectively to the problems. Policy tends to develop piecemeal and often involves lengthy periods of negotiation, experimentation, adjustment and use (Spicker, 2007).

A major problem in most European countries nowadays is unemployment. Indeed economic growth and the creation of employment are the basis of the Lisbon Strategy. Employment also features prominently in Malta’s National Action Plan (2004-6) as well as in the National Report on Strategies for Social Protection and Social Inclusion (2006-8). However, while employment creation has its benefits, in certain situations and for certain social groups living in poverty or experiencing exclusion, the problem cannot be solved simply by employment provision. Considering the difficulties of certain groups in accessing the labour market and their concentration in low-paid, unstable jobs (which may also be in the informal sector), making work pay through a decently paid, rewarding job is one of the options which should seriously be considered by policy makers. However, even this option is not sufficient for certain groups such as the severely disabled whose access to employment is even more restricted and in certain cases out of the question. Therefore employment policies have to be implemented in conjunction with other policies which encourage active inclusion. Investment in employment cannot take place to the detriment of other forms of social inclusion programmes and welfare.

Another challenge in the fight against poverty and social exclusion is that nowadays, social policy makers are faced with a different set of requirements than in the past (European Communities, 2007b). Despite the increasing difficulties of financial sustainability, both old and new risks have to be covered. While traditional risks such as unemployment, sickness, disability and old age remain today, new risks have emerged such as bad and unstable jobs, an increase in lone-parent families, long-term unemployment of low-skilled workers, the difficulty of women, young people and the disabled to enter the labour market as well as unemployment among middle aged persons (European Communities, 2007b).

As one of the new Member States, Malta too has pledged its commitment to fighting poverty and social exclusion. Although the proportion of people at risk of poverty in Malta may be relatively low, this does not take into consideration those who are socially excluded especially those whose experience of marginalisation within Maltese society is not linked to low income. Furthermore, the percentage of the poor has not changed since 2000, the base year of the Joint Memorandum on Social Inclusion of Malta (Government of Malta and European Commission, 2003). While this may be interpreted positively in the sense that poverty levels have been kept stable, an alternative interpretation could be that the first decade of the 21st century has not witnessed any improvement in the situation of the poor in Malta, despite the Government’s claimed commitment to the contrary.

Like other countries, Malta is also facing new challenges such as new family structures, an increase in teenage pregnancies, youth and 40+ unemployment as well as the influx of immigrants which the country has witnessed over the past few years and policy has to ensure that all the vulnerable groups are included.

While the active participation of NGOs, family and community is to be encouraged, one cannot ignore the social changes which Malta is undergoing as a modern nation. While Malta still retains traditional cultural elements in relation to family life, modern “European” trends may undermine the family support which has
until now very often been taken for granted. Consequently, this may lead to an increase in the number of those who experience poverty or social exclusion.

The pledge to eradicate poverty and social exclusion in Europe is a shared commitment. Poverty and social exclusion are universal problems and greater efforts at coordination both among the Member States as well as with EU institutions will enhance the likelihood of making the vision of a more inclusive, just and equal Europe a reality. Monitoring and evaluation processes need to be stepped up both at national and EU levels in order to reap more concrete results than those achieved so far.

Complex problems such as poverty and exclusion will certainly be more effectively addressed if policy makers encourage the involvement of civil society. The support of NGOs, families, communities and above all the involvement of the poor themselves will undoubtedly contribute to the alleviation of suffering still experienced by so many people in Europe. More importantly there has to be sincere political will to implement effective programmes which will ensure a more just redistribution of material resources as well as greater recognition of the right of every human being as an equal citizen and a full partner in every sphere of society. Material and social deprivation are unacceptable in any part of the world but it is a greater shame for the rich and powerful region of Europe to be scarred with such human suffering.

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