

[Home](#) > [Debate](#) > [Blogs & Opinions](#) > Decent income

## Decent income

Michael Briguglio

Thursday, 3 September 2020, 07:26

Last update: about 10 months ago



Recent data and policy discourse confirm that Malta is in need of tackling its income policies. At the same time, the uncertainty caused by the Covid-19 pandemic complicates matters as polities around the world attempt to manage risks and opportunities.

The most recent European Statistics on Income and Living Conditions survey (EU-SILC), which opened Malta between 2018 and 2019 (i.e. before the pandemic) shows that 17.1% of the M

Designed and developed by Deloitte Digital

Independent Online. ©2021. Standard Publications Ltd. Registered Office: Standard House, Birkirkara Hill, St. Julian's, STJ 1149, Malta.

corresponding figure for persons aged 18-64 was of 13.2%, whilst the rate for persons aged 65 and over went up to 27.7%.

Likewise, percentages for households with and without dependent children were calculated at 17.3% and 16.9%, whilst 42.9% of members of single parent households were at risk of poverty.

At the same time, 3.6% of people living in households were classified as being severely materially deprived - an increase of 0.6% from EU-SILC 2018. The at-risk-of-poverty or social exclusion rate (AROPE) climbed up to 20.1%, a 1.1% increase over the previous year. A person is considered to be AROPE if they reside in a household that falls under one of the following three conditions: at-risk-of-poverty (ARP); severely materially deprived (SMD); having low work intensity (LWI).

One can obtain more data and an explanation of these figures at the respective National Statistics Office and Eurostat websites.

In the meantime, the Central Bank of Malta is expecting Malta's economy to contract by 6.6% this year and to grow by 6.1% in 2021. Similarly, Malta's projected public deficit is expected to hit 8.6% of GDP this year. The pandemic plays a major role in these figures, so one indeed hopes that as from next year we will be in a better situation.

Behind these figures are real people who may be experiencing lack of job stability, insufficient pensions, and stress to cope with the work-life balance. Of course, there are many whose socio-economic situation remains relatively stable, but the data shows that policy action is needed to help tackle the challenges ahead. If poverty and social exclusion data switched on some red lights for last year, as things stand one can only expect a more adverse situation when the upcoming data is published.

In this regard, various workers' and employers' organisations are urging the government to extend the wage subsidy support scheme for economic sectors which are badly hit by the pandemic. Government has now added another month's worth of such. At the same time it is important to acknowledge the proactive approach recommended by some. For example, Philip Fenech, the president of the tourism section within the Chamber of SMEs recently said that while the wage subsidy support is vital for the tourism sector, it is also important that companies adapt and reinvent themselves to emerge from the current situation even stronger than before.

It is also important to note that the Alliance Against Poverty is once again recommending a national discussion on the COLA (Cost of Living Allowance) mechanism, the introduction of a living income to guarantee decent income for everyone and other policies to combat poverty.

In the meantime, earlier this week, Minister Carmelo Abela announced that the government will be commissioning a study to determine how a basic living income could be implemented in Malta. Speaking to the social partners within the Malta Council for Economic and Social Development (MCESD), Abela said that the study will be an analysis of how a basic living income can be combined with social benefits that are already in place.

A policy approach towards decent income is making headlines in various parts of the world. open nents circulating around this policy include its possible impact on public finance, on the

Designed and developed by Deloitte Digital

Independent Online. ©2021. Standard Publications Ltd. Registered Office: Standard House, Birkirkara Hill, St. Julian's, STJ 1149, Malta.

different sections of the population. It is one thing to have strong social networks such as family or community support and another to be deprived of them.

The same Minister Abela also suggested that national policies on telework within the public and private sectors become mandatory. Again, it is imperative that the discussion and analysis of this investigates various aspects through a multi-disciplinary social-scientific approach and a thorough deliberative process. One should also investigate the particularities, decision-making processes, and cultures at different workplaces within the public and private sectors.

As a small-island state Malta faces its own risks in relation to the global economy – the backlash on tourism is a case in point. On the other hand, the proximity of our social settings could help foster a more thorough investigative process to design robust policies. Whilst extra government expenditure today will have to be accounted for by taxpayers tomorrow, a sustainable, deliberative, and evidence-based policy-making approach can help create better conditions for both today and tomorrow.

**Dr Michael Briguglio is a sociologist and Senior Lecturer at the University of Malta**

[www.michaelbriguglio.com](http://www.michaelbriguglio.com)

Like 25 Tweet Share 1

IL-QORTI TAL-ĠUSTIZZJA TAL-UNJONI EWROPEA

**INTERESSAT/A FIL-LIĠI U FIL-LINGWI?**

Sir traduttur estern għall-Qorti tal-Ġustizzja tal-Unjoni Ewropea

[GĦAL IKTAR INFORMAZZJONI...](#)

**THE RE/MAX MALTA MOBILE APP**

SEARCHING FOR A PROPERTY HAS NOW BECOME EASIER

[DOWNLOAD IT NOW](#)

RE/MAX MALTA

[More property in Marsascla](#)

don't miss

**12-15 year-olds to receive Pfizer vaccine appointment invites after school exam period - Fearne**

share

[open](#)



[Terms of Use](#) [Advertising Rates](#) [Contact Us](#) [Privacy Policy](#)