

NATIONAL STRATEGIC POLICY FOR POVERTY REDUCTION AND FOR SOCIAL INCLUSION 2014 - 2024

IMPLEMENTATION &
EVALUATION REPORT 2020 - 2022

DECEMBER 2022

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Minister's Foreword

The fight against poverty and social exclusion has always been at the very heart of Government's agenda. Monitoring and evaluating the progress of our strategic policies on poverty reduction is an integral aspect of analysing the realised achievements while at the same time an opportunity to understand where we can do more. This third Implementation and Evaluation Report for the **National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024** evaluates our strategy against the projected outcomes and also lays down the initial foundations on which to plan future policy interventions.

When the Strategic Policy for Reducing Poverty and Enhancing Social Inclusion was launched back in 2014, nobody could have predicted the challenges that our society was going to face due to the international crises. In particular, the COVID-19 pandemic and the war in Ukraine have had huge impacts on the most vulnerable groups in our society.

During this difficult period, we still managed significant progress towards achieving the goals set out in the National Strategic Policy. We have implemented a range of measures to support, in particular the persons in the most vulnerable situations, but not only. This Implementation and Evaluation Report highlights the incremental impact that the 2014 National Strategic Policy has exerted on the wellbeing and quality of life for our populace, notably among children, youth, the older persons, unemployed, and the working poor.

It is also within this context that the Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024 proved to be effective, as the persons at risk of poverty and social exclusion decreased from 22.2% in 2015 to 20.1% in 2022.

In line with the principles set in the Strategic Policy itself, the outcomes of this Report are a result of intensive inter-ministerial cooperation that involved all Government departments and entities that touch on all aspects of poverty and social exclusion.

While a lot has been achieved, we are also conscious that much more must be done. Given the deep-rooted structural causes of poverty and social exclusion, Government will remain committed to addressing today's realities and challenges by furthering efforts to continue to build a more inclusive and equitable society. I am confident that this Implementation and Evaluation Report is a further step in this direction that will assist the shaping of future policies and strategies.

Michael Falzon

Minister

Ministry for Social Policy and Children's Rights

Permanent Secretary's Message

The *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* stands as one of the pivotal initiatives undertaken by government to support persons in the most vulnerable situations in our society. Evaluating the progress made in the past years in implementing our Strategic Policy contributes fundamentally to sound public governance and serves in understanding the effectiveness of the policy outcomes.

This **Implementation and Evaluation Report** that we are presenting marks the third in its series and encapsulates the advancements made during the period 2020-2022 by providing valuable data and insights into the progress towards the intended objectives of the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024.

The period under review encompasses the challenging times brought about by the COVID-19 outbreak and the early impacts of the war in Ukraine. During this difficult period, Government intensified efforts to continue supporting the economy, mainly by further enhancing the social protection system, protecting jobs and helping the most vulnerable. This allowed for significant progress towards achieving the goals set out in the National Strategic Policy.

Despite the challenges posed, in the past three years we have again achieved encouraging results in several areas, including in the overall reductions of the rates of: people at risk of poverty and social exclusion (AROPE); people in severe material and social deprivation (SMSD); people in material and social deprivation (MSD); and unemployment. The total number of persons living on social assistance has decreased drastically whereas the average household disposable income continued its upward trend.

I am convinced that the measures that we have implemented have contributed positively in obtaining these encouraging results. Since the inception of this strategic policy, we have now affected a total of 701 measures and initiatives. These are the result of joint efforts, orchestrated across various ministries, that exemplify the importance of an inter-ministerial approach in combating the multi-faceted nature of poverty. This collaboration has been instrumental in our success, and we will continue to work together to further achieve our intended goals.

The fight against poverty and social exclusion is a continuous one and it would be unrealistic not to acknowledge that challenges still persist. Certain groups within our society, in particular certain cohorts of older persons and single parents require particular attention. We must therefore continue to work towards addressing persons in the most vulnerable situations to ensure that no one is left behind.

The prevention and reduction of poverty and social exclusion is one of the most specific and longstanding social policy goals that the Ministry has prioritised over the past years. Our relentless pursuit will remain in the advancement of poverty reduction and the promotion of social inclusion, with the overarching aim of fostering wellbeing and elevating the quality of life for all.

Mark Musu'

Permanent Secretary

Ministry for Social Policy and Children's Rights

Executive Summary

Poverty and social exclusion negatively impact a person's quality of life and are also likely to hinder one's prospects for a better future. **The National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024** adopts a range of diverse yet co-ordinated actions through the six dimensions of wellbeing (income and benefits, employment, education, health and environment, social services, and culture). A national roadmap for poverty reduction and social inclusion is presented by mainstreaming these themes across all policy areas.

This Implementation and Evaluation Report 2020-2022 assesses the progress achieved in the context of the strategic policy actions outlined within the National Strategic Policy for Poverty Reduction and for Social Inclusion. In particular, the Report reviews the advancements in the six dimensions of wellbeing and analyses the execution of measures aimed at realizing the policy's goals.

Income and social benefits are pivotal in alleviating poverty and social exclusion by addressing income disparities and ensuring a decent standard of living. Malta has implemented various policies to bolster its social benefit system and financial aid initiatives. During the 2020-2022 period, several measures were taken in line with the strategic policy. These include reinforcing commitment to existing measures, increasing and undertaking reforms in both contributory and non-contributory pensions, and continuously promoting financial literacy as a complementary aspect of our social security benefits provision.

A primary goal is to ensure access to **employment for all**, with a focus on empowering jobseekers, enhancing workforce development, and aiding employers in recruitment and training. The government has launched various initiatives to equip individuals with the skills needed for employment, particularly targeting disadvantaged groups. By fostering a holistic approach, investments in the education sector directly enhanced citizens' employment prospects. The implemented measures have promoted employability, reduced social dependency, and contributed to further break the cycle of joblessness.

During the latest three years in review, Government also continued investing in **education** to equip current and future generations with skills for citizenship and employability, bridging the education-employment gap. The actions introduced committed to equal opportunities in education, guided by principles of equity and quality. Policy reviews, including thematic committees, oversee various policies like lifelong learning, early school leavers, literacy, and digitalization. The Framework for Education Strategy for Malta 2014-2024 serves as the foundation for an accessible education system for all.

Socio-economic status significantly affects an individual's health, with poverty being a major barrier to **good health and access to healthcare**. While Malta has a GDP per capita close to the EU average, its healthcare system has played a vital role in breaking the poverty cycle. The main efforts concentrated on ensuring universal healthcare access, addressing environmental factors affecting health, and mitigating health disparities. Measures implemented include legislative frameworks promoting healthier lifestyles, ensuring equal access to quality healthcare, and ongoing research for evidence-based care.

The National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024, prioritizes social cohesion and strives to ensure the wellbeing of all citizens while reducing socio-economic disparities. To achieve this, Government implemented legislative changes, policies, and services to empower individuals for active participation in society, thus improving their quality of life. Recent actions aimed at enhancing **social services**, with a focus on initiatives concerning social welfare for families, children, the elderly, and individuals with disabilities, as well as housing.

The **cultural sector** plays a vital role in promoting social cohesion and inclusion by bringing people of diverse backgrounds together for meaningful interactions. Malta's National Cultural Policy 2021, initiated in September 2021, prioritizes social inclusion. It aims to engage vulnerable and disadvantaged

groups in cultural activities, enhancing their wellbeing. This policy also addressed the challenges posed by the COVID-19 pandemic by investing in digital technology for online cultural initiatives. As the situation improved in 2022, live performances, art exhibitions, and innovative cultural programs were reintroduced, offering equal cultural opportunities and fostering social inclusion during the pandemic's uncertainties.

The Report also provides a general overview of the impact of the COVID-19 pandemic, later coupled with the Russo-Ukrainian War that began in early 2022. Within this context an analysis is provided on the:

- social benefits provided during 2020 and 2021 to counteract the impact of the Covid-19 pandemic on employment;
- challenges and corresponding actions in service provision during the pandemic;
- 2022 figures of the economic impact (including amongst others food and energy prices, employment, wages and disposable income); and
- early 2023 figures of macroeconomic trends.

Malta's strong dedication to alleviating poverty and social exclusion is clear through the substantial execution of measures based on the strategic policy actions of its 2014-2024 National Strategic Policy. Within this context, persistent and unwavering efforts will continue to ensure that these actions result in tangible benefits for all citizens, especially those facing significant challenges.

Social Changes Over Time

2013-2022	
Indicator	Number as at end 2022
Number of addressed strategic policy actions (2014-2022)	93 (Out of 94)
Number of implemented measures (2014-2022)	701
Indicator	Change from 2013 to 2022 (number in € or persons and % or pp ¹)
Average Household Disposable Income ²	+€11,000 +48%
At-Risk-of-Poverty threshold (for a single adult) ³	+€2,197 +37.9%
At-Risk-of-Poverty threshold (for a couple) ⁴	+€5,383 +50.2%
At-Risk-of-Poverty threshold (for a single parent + at least 1 child) ⁵	+€2,969 +40.0%
At-Risk-of-Poverty threshold (for a couple + at least 1 child) ⁶	+€8,773 +61.2%
At-Risk-of-Poverty ⁷	+0.9 pp +21,000 persons
Not At-Risk-of-Poverty	+78,000 persons

¹ pp = percentage points.

² NSO. News Release 164/2014: Statistics on Income and Living Conditions 2013: Salient Indicators. Accessed at: https://nso.gov.mt/wp-content/uploads/News2014_164.pdf

NSO. News Release 103/2023: EU-SILC 2022: Salient Indicators. Accessed at: <https://nso.gov.mt/eu-silc-2022-salient-indicators/>

³ Data provided by NSO.

⁴ Data provided by NSO.

⁵ Data provided by NSO.

⁶ Data provided by NSO.

⁷ At-risk-of-poverty rate by poverty threshold, age and sex - EU-SILC and ECHP surveys. Eurostat online data code: [ILC_LI02](https://ec.europa.eu/eurostat/tgm/table.do?code=ILC_LI02)

Living on social assistance ⁸	-8,995 persons
Very Low Work Intensity (0-64 years) ⁹	-5.3 pp -3,000 persons
Unemployment rate ¹⁰	-3.2 pp
Registering for work ¹¹	-6,355 persons
2015-2022¹²	
Indicator	Change from 2013 to 2022 (number in € or persons and % or pp¹³)
At-Risk-of-Poverty or Social Exclusion (whole population) ¹⁴	-2.1 pp +7,000 persons
Not At-Risk-of-Poverty or Social Exclusion	+74,000 persons
Severe Material and Social Deprivation ¹⁵	-3.3 pp -10,000 persons
Not in Severe Material and Social Deprivation	+91,000 persons
Material and Social Deprivation ¹⁶	-6.4 pp -14,000 persons
Not in Material and Social Deprivation	+95,000 persons

⁸ 2013 data was provided by MSPC.

NSO. News Release 056/2023: Government Expenditure on Social Security Benefits: January-December 2022. Accessed at: <https://nso.gov.mt/government-expenditure-on-social-security-benefits-january-december-2022/>.

⁹ Persons living in households with very low work intensity by age and sex (population aged 0 to 64 years). Eurostat online data code: [ILC_LVHL11N](#)

¹⁰ Total unemployment rate. Eurostat dataset code: [TPS00203](#)

¹¹ NSO. News Release 016/2014: Registered Unemployed: December 2013. Accessed at: [News2014_016.indd \(gov.mt\)](#)

NSO. News Release 014/2023: Registered Unemployment: November-December 2022. Accessed at <https://nso.gov.mt/registered-unemployment-november-december-2022/>

¹² As from 2020, new AROPE, MSD and SMSD indicators are being used instead of the previous indicators for which data was reported within the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* and its first two Implementation and Evaluation Reports. The new indicators use a new definition which data is available from 2015 onwards, and thus data for AROPE, MSD and SMSD are being compared to the first available data of this indicator - that of 2015 - instead of 2013.

The difference between the Maltese population in that year and the number of persons in AROPE, in MSD and in SMSD (separately) yields the estimated number of persons not in AROPE, Not MSD and Not SMSD (separately as presented in the Social Changes Over Time Table). Population on 1 January by age and sex. Eurostat online data code: [DEMO_PJAN](#)

¹³ pp = percentage points.

¹⁴ Persons at risk of poverty or social exclusion by age and sex. Eurostat online data code: [ILC_PEPS01N](#).

¹⁵ Severe material and social deprivation rate by age and sex. Eurostat online data code: [ILC_MDSD11](#)

¹⁶ Material and social deprivation rate by age and sex. Eurostat online data code: [ILC_MDSD07](#)

At-Risk-of-Poverty or Social Exclusion - Children ¹⁷	-4.7 pp -3,000 persons
Not At-Risk-of-Poverty or Social Exclusion - Children	+10,000 persons
At-Risk-of-Poverty or Social Exclusion - Aged 18-24 years ¹⁸	-5.2 pp -3,000 persons
Not At-Risk-of-Poverty or Social Exclusion - Aged 18-24 years	-1,000 persons
At-Risk-of-Poverty or Social Exclusion - Aged 65+ ¹⁹	+8.7 pp +14,000 persons
Not At-Risk-of-Poverty or Social Exclusion - Aged 65+	+14,000 persons
Severe Material and Social Deprivation - Aged 65+ ²⁰	+0.4 pp +2,000 persons
Not in Severe Material and Social Deprivation - Aged 65+	+26,000 persons
At-Risk-of-Poverty or Social Exclusion - Unemployed Persons ²¹	-23.1 pp

¹⁷ Persons at risk of poverty or social exclusion by age and sex. Eurostat online data code: [ILC_PEPS01N](#)

¹⁸ Persons at risk of poverty or social exclusion by age and sex. Eurostat online data code: [ILC_PEPS01N_custom_7077797](#).

¹⁹ Persons at risk of poverty or social exclusion by age and sex. Eurostat online data code: [ILC_PEPS01N](#).

²⁰ Severe material and social deprivation rate by age and sex. Eurostat online data code: [ILC_MDSD11](#)

²¹ At-risk-of-poverty rate by poverty threshold and most frequent activity in the previous year - EU-SILC and ECHP surveys. Eurostat online data code: [ILC_LI04](#)

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List of Abbreviations

A2E	Access to Employment
ALP	Alternative Learning Programme
ALP+	Alternative Learning Programme Plus
AROPE	At-Risk-of-Poverty or Social Exclusion Rate
ARP	At-Risk-of-Poverty Rate
CRA	Carers Allowance
CFC	Office of the Commissioner for Children
COLA	Cost of Living Allowance
CPS	Child Protection Services
CRPD	Commission for the Rights of Persons with Disability
CSW	Child Support Worker
CYPAB	Children and Young Persons Advisory Board
DSS	Department of Social Security
ERDF	European Regional Development Fund
ESF	European Social Fund
ESL	Early School Leavers
EU	European Union
FEAD	Fund for European Aid to the Most Deprived
FSWS	Foundation for Social Welfare Services
HA	Housing Authority
ICRA	Increased Carers Allowance
IMC	Inter-ministerial Committee
IT	Information Technology
LTU	Long-Term Unemployment
LWI	Low Work Intensity
MATSEC	Matriculation and Secondary Education Certificate
MCAST	Malta College of Arts, Science and Technology
MCRB	Minors Care Review Board
MD	Material Deprivation
MDH	Mater Dei Hospital
MEDE	Ministry for Education and Employment (Now Ministry for Education, Sport, Youth, Research, and Innovation)
MFCS	Ministry for the Family, Children's Rights and Social Solidarity (Now Ministry for Social Policy and Children's Rights)
MFH	Ministry for Health
MFIN	Ministry for Finance (Now Ministry for Finance and Employment)
MFSS	Ministry for the Family and Social Solidarity (Now Ministry for Social Policy and Children's Rights)
MGOZ	Ministry for Gozo
MHAL	Ministry for National Heritage, the Arts and Local Government
MHAS	Ministry for Home Affairs and National Security
MHSE	Ministry for Home Affairs, National Security and Law Enforcement
MJCL	Ministry for Justice, Culture and Local Government
MJEG	Ministry for Justice, Equality and Governance
MNEI	Median National Equivalised Income

MQF	Malta Qualifications Framework
MSDC	Ministry for Social Dialogue, Consumer Affairs, and Civil Liberties
MSPC	Ministry for Social Policy and Children's Rights
MTICP	Ministry for Transport, Infrastructure and Capital Projects
NCFHE	National Commission for Further and Higher Education
NEET	Youth Not in Education, Employment or Training
NEI	National Equivalised Income
NLA	The National Literacy Agency
NSO	National Statistics Office
POYC	Pharmacy of Your Choice
PP	Positive Parenting
pp	Percentage Points
SCSA	Social Care Standards Authority
SDH	Social Determinants of Health
SEC	Secondary Education Certificate
SILC	Survey on Income and Living Conditions
SMD	Severe Material Deprivation
SRE	Sexual Relationship Education
TEP	Training for Employment Project
UNCRC	United Nations Convention on the Rights of the Child
VCA	Valletta Cultural Agency
VET	Vocational and Educational Training
VINFL	Validation of Informal and Non-Formal Learning
VLWI	Very Low Work Intensity
WHO	World Health Organization
WI	Work Intensity

Chapter 1: INTRODUCTION

1.1 OVERVIEW OF THE NATIONAL STRATEGIC POLICY

To elevate the overall quality of life and wellbeing for all, in 2014, the Ministry for the Family and Social Solidarity (MFSS)²² at the time, launched the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024. This initiative is part of a comprehensive decade-long strategic action plan aimed at addressing poverty and social exclusion.

Poverty and social exclusion yield a range of outcomes for those affected. These outcomes encompass adverse effects on both physical and mental health, as well as significant impacts on an individual's educational attainment, employment opportunities, and engagement in sociocultural activities. The Poverty Reduction Strategic Policy developed in 2014 provided the required integrated approach to tackle the complex realities brought about by poverty and social exclusion. These measures did not only enhance the wellbeing of individuals facing or experiencing the harmful consequences of poverty or social exclusion but also served as a safety net for the entire population. Recognising that people's needs change throughout their lives, the Strategic Policy employed a life-course approach to address these evolving requirements.

This strategy's execution is geared towards attaining various outcomes, including the establishment of a high standard of living, the creation of top-tier job opportunities, guaranteeing equitable access to healthcare and eco-friendly environments, advancing inclusive education, unifying social services to foster solidarity and cohesion, and fostering more comprehensive cultural initiatives.

The cooperative essence of this document is evident in the extensive stakeholder discussions that informed its creation and development, as well as the collaborative endeavours that drove its execution. Several supplementary national strategies and policy papers, with the goal of elevating overall wellbeing, complement the principal policy document. Together, these documents constitute a concerted effort to combat poverty and social exclusion in Malta²³. They encompass various measures related to social welfare and housing²⁴, employment and education²⁵, health²⁶, and culture²⁷.

In conclusion, the creation of an Inter-Ministerial Committee (IMC) tasked with benchmarking, monitoring, and assessing the policy's implementation success underscores the comprehensive approach that Malta has been taking in tackling poverty and social exclusion. Although this report focuses on the 2020-2022 period, it is timely to provide an overview of the impact exerted from external shocks that have hit Malta, such as the COVID-19 pandemic and the Russo-Ukrainian War, which have had repercussions on poverty and social exclusion.

²² As of March 2022, the name of this Ministry was changed to 'Ministry for Social Policy and Children's Rights (MSPC).

²³ Note: Some policy documents have now been superseded by newly published ones.

²⁴ Such as the: National Strategic Policy for Active Ageing 2014-2020; National Strategic Policy for Positive Parenting 2016-2024; National Children's Policy 2017; National Action Plan for a Child Guarantee 2022-2030; National Adoption Strategy for Children and their Families 2019-2022; Renting as a Housing Alternative: White Paper on the Rental Market; The National Strategy for Persons with Disability 2020-2030; A Social Vision for Malta 2035.

²⁵ Such as the: National Youth Policy Towards 2020; Framework for the Education Strategy for Malta 2014-2024; A Strategic Plan for the Prevention of Early School Leaving in Malta 2014; Addressing Attendance in Schools Policy 2014; Addressing Bullying Behaviour in Schools Policy 2014; The National Employment Policy 2014; National Digital Strategy 2014-2020; Malta National Lifelong Learning Strategy 2020.

²⁶ Such as the: A Healthy Weight for Life: A National Strategy for Malta 2012-2020; National Health Systems Strategy for Malta 2014-2020; Food and Nutrition Policy and Action Plan for Malta 2015-2020; National Breastfeeding Policy & Action Plan 2015-2020; Diabetes: A National Public Health Priority: A National Strategy for Diabetes 2016-2020; National Policy for Sport in Malta and Gozo 2017-2027; National Cancer Plan for the Maltese Islands 2017-2021; A National Strategy for the Elimination of Hepatitis C Virus as a Public Health Threat in the Maltese Islands 2018-2025; Mental Health Strategy for Malta 2020-2030.

²⁷ Such as the Create 2020 Strategy (2015) and the National Cultural Policy 2021.

1.2 AIMS AND OBJECTIVES OF THIS IMPLEMENTATION AND EVALUATION REPORT

The report assesses the measures implemented between 2020 and 2022 to implement the National Strategic Policy for Poverty Reduction and Social Inclusion, spanning the period from 2014 to 2024. It evaluates progress across all six dimensions of wellbeing and analyses the execution of measures designed to achieve the policy's goals. The compilation of this report involved gathering information from relevant stakeholders and conducting a statistical analysis using data from Eurostat, the National Statistics Office, and various Ministries, aiming to provide a comprehensive assessment of the effectiveness of initiatives carried out by different Ministries in the battle against poverty and social exclusion.

Chapter 2: IMPLEMENTATION OF THIS STRATEGIC POLICY

2.1 MECHANISMS SET UP TO MONITOR THE IMPLEMENTATION OF STRATEGIC POLICY ACTIONS

The National Strategic Policy for Poverty Reduction and Social Inclusion laid the foundation for a nationwide framework to oversee advancements in various areas. In pursuit of this objective, subsequent to the strategy's launch in December 2014, an Action Committee was established. Its primary purpose was to develop a plan for executing the policy's measures, track their progress, and assess their impact on the SMART goals articulated in the strategy.

Addressing the challenge of poverty reduction and social inclusion calls for a collaborative, multidisciplinary approach that extends beyond mere implementation and necessitates the involvement of diverse stakeholders. To address this imperative, the Action Committee underwent a transformation in 2015, evolving into an Inter-Ministerial Committee (IMC). This IMC comprises representatives from key Ministries tasked with the implementation of the policy's six dimensions.

The Ministry for Education and Employment (MEDE)²⁸ is responsible for reporting on the employment and education dimensions.

The Ministry for Health (MFH) is entrusted with reporting on the health and environmental dimension.

The Ministry for Justice, Culture, and Local Government (MJCL)²⁹ is responsible for reporting on the culture dimension.

The Ministry for the Family and Social Solidarity (MFSS) is charged with reporting on social benefits and social services dimensions.

2.2 MEASURES UNDERTAKEN TO ADDRESS THE STRATEGIC POLICY ACTIONS

The Inter-Ministerial Committee (IMC) oversaw the advancement of all initiatives specified in the National Strategic Policy for Poverty Reduction and for Social Inclusion spanning from 2014 to 2024. This report will encapsulate the progress achieved in executing these policy actions. Table 1 below illustrates the measures undertaken between 2014 and 2022 in each of the six dimensions of wellbeing that form the strategic policy.

²⁸ As of March 2022, the name of this Ministry was changed to 'Ministry for Education, Sport, Youth, Research and Innovation (MEYR)'.

²⁹ As of March 2022, culture formed part of the Ministry for the National Heritage, the Arts and Local Government (MHAL)'s portfolio.

Table 1: Implementation covering period January 2014 - December 2022³⁰

Dimensions		No of Policy Actions	No of Policy Actions being addressed	No of Policy Actions not yet addressed	% of Actions being addressed	No of measures/projects feeding into the policy actions
Income & Social Benefits		14	14	0	100.0	153
Employment		13	13	0	100.0	42
Education		17	16	1	94.1	101
Health and Environment		11	11	0	100	107
Social Services	Social Welfare Services	8	8	0	100.0	46
	Children & Young People	5	5	0	100.0	55
	Elderly	6	6	0	100.0	57
	Other Vulnerable Groups	6	6	0	100.0	36
	Housing	5	5	0	100.0	35
Culture		9	9	0	100	52
Total		94	93	1	96.8	684³¹

³⁰ These figures were sourced from the Ministry for Social Policy and Children's Rights (MSPC).

³¹ Excluding 17 overarching measures:

- 6 being implemented by MSPC (two of which commenced in 2016: the **Fund for European Aid to the Most Deprived (FEAD)** and the launching of the **Positive Parenting Policy**, two which commenced in 2017: the **State Funded Food Distribution (SFFD)** and the **launching of the National Children's Policy**, one in 2018: the **CPAT**, and one in 2021: **A Social Vision for Malta 2035: Shaping our future**).
- 6 being implemented by MSAA (one of which commenced in 2018 (BM44.18): **White Paper: Affordable Housing**, one in 2019 **Equity Sharing Schemed (BNM33.19)** which was further enhanced through **BM 56 in 2022**, two measures in 2020: **Scheme on 10% Deposit for the purchase of a property (BM3.9)**, and another measure in 2022 - **BM 63.22 - New Hope: Guarantee Scheme**).
- 3 measures being implemented by MEYR (Education division) launched in 2018: **Free Transport for Church and Independent Schools**, the **National Strategy for Voluntary Organisation**, and the **National Youth Strategy**.
- 2 measures being implemented by MJCL (Culture Department) *introduced in 2018: MJCL 35 - Heritage Malta Passport*, and *MJCL 36: The establishing of the Valletta Cultural Agency (VCA)*.

It is worth noting that out of the total 94 policy actions presented in the Strategic Policy, 83 have been targeted by more than one measure, amounting to 88.3% as presented in Table 2 below.

Table 2: Policy actions targeted by more than one measure, 2020 - 2022³²

Dimensions	Income & Social Benefits	Employment	Education	Health & Environment	Social services	Culture	Total	Total %
Number of Policy Actions	14	13	17	11	30	9	94	100
Number of Policy Actions targeted by more than one measure	13	8	15	9	29	9	83	88.3

The multifaceted nature and complexity of poverty and social exclusion is evident, leading to the need for intersectoral and interministerial efforts to address these concerns.

A comprehensive list of all initiatives undertaken by the responsible Ministries, Departments, and entities between 2014 to 2022 can be found within Annex A to Annex J.

2.2.1 INCOME AND SOCIAL BENEFITS

Income and social security benefits play a crucial role in reducing poverty and social exclusion. These benefits are designed to tackle income disparities and ensure a decent standard of living for everyone. In this regard, various policies and measures have been implemented to strengthen Malta's social benefit system and other forms of financial assistance.

Measures introduced during the 2020-2022 period that contribute towards the strategic policy actions presented under this dimension include:

1. A stronger commitment to existing measures;
2. An increase in contributory and non-contributory pensions and benefits;
3. A reform of contributory and non-contributory benefits; and
4. A sustained promotion of financial capability viewed as a complementary sector to the provision of social security benefits.

Further details in relation to these measures are outlined below³³.

³² These figures were sourced from the Ministry for Social Policy and Children's Rights (MSPC).

³³ Unless otherwise stated, data pertaining to numbers of beneficiaries and expenditure has been obtained through the National Statistics Office available online via: <https://nso.gov.mt/government-expenditure-on-social-security-benefits-january-december-2022/>.

Stronger commitment to existing measures

During the period under review, social protection measures that were introduced in previous budgets, continued to meet people's needs, prevent poverty and promote a better quality of life. Amongst others, the following social benefits and programmes attested to the continuous commitment to support various vulnerable groups by increasing investment and reaching more beneficiaries:

- The **Tapering of Benefits**³⁴ facilitated smooth transition from the unemployment register to the world of work for an average of around 1,685 beneficiaries yearly during 2020-2022³⁵ through an expenditure of over €3,500,000 yearly³⁶.
- Food boxes continued to be distributed to vulnerable families through the **Fund for European Aid to the Most Deprived (FEAD)**³⁷ and the **State Funded Food Distribution Scheme (SFFD)**³⁸. During the period under review, around 6,900 persons benefitted yearly from the FEAD, whilst around 15,100 persons benefitted yearly from the SFFD³⁹.
- Following the successful launch of the **Għaqal id-Dar, Hajja Ahjar**⁴⁰ project in 2016, it was subsequently expanded in 2019 to address a wider range of themes related to sustainable living. The sessions done during this project were temporarily reduced in 2020 due to the COVID-19 pandemic. Consequently, in 2020, a limited number of sessions were held, comprising of two courses conducted in two different localities. Nonetheless, the sessions resumed and increased starting from the 4th quarter of 2021 and continued throughout 2022.
 - During 2020, switching to online courses was not possible particularly due to the potential participants wellbeing. Nonetheless, community education continued through the creation of 20 bilingual⁴¹ educational videos and related complimentary material⁴² that were developed for an original series called Tikka u Tajba. These resources were shared via social media platforms of the Local Council Association (YouSafe) and the Facebook pages of the Local Councils. In 2022, these videos were also promoted for use in schools.
 - In 2021, tailored short courses were held for the first time for persons and their support workers within the community. In 2022, such courses were conducted both through face-to-face sessions and online at an immigrants' residence. These tailored courses were

³⁴ Through this measure, persons who are found to be able to work after having received social benefits for two years or over, do not have their benefits stopped right away from the moment they start working, but have their benefits reduced over a period of time: receiving 65% of the benefit in the first year, 45% in the second year and 25% in the third year. The employer is also given 25% of the benefit every year for three years.

³⁵ NSO. 5th April 2023. NR056/2023: Government Expenditure on Social Security Benefits: January-December 2022: Table 3. Social Security Non-Contributory Benefits by period and description. Accessed at: <https://nso.gov.mt/government-expenditure-on-social-security-benefits-january-december-2022/>

³⁶ This data was provided by MSPC.

³⁷ The EU co-funded Fund for European Aid to the Most Deprived (FEAD) provides food and/or basic material assistance to the most deprived. This includes boxes containing food, clothing and other essential items for personal use, e.g. shoes, soap and shampoo. The food boxes are distributed 3 times a year to families who are most in need and vulnerable according to income and household composition.

³⁸ Vulnerable families in need who are not eligible for the FEAD are provided food boxes twice a year under SFFD which is totally funded by the state.

³⁹ This data was provided by MSPC.

⁴⁰ The Għaqal id-Dar, Hajja Ahjar course is composed of 10 free community sessions aimed to help adults make better use of their resources in order to improve theirs and their family's quality of life.

⁴¹ Maltese and English.

⁴² Recipes and tip sheets/ handouts.

designed and held in collaboration with other state agencies to promote independent and efficient management of available resources for a more sustainable and healthier lifestyle.

- **Incentives targeting more people to stay in the world of work** (voluntarily and in agreement with their employers), have been contributing towards the sustainability of Malta's pension system. An annual incentive was provided to individuals entitled to a pension who continued working (both if employed or self-employed). Following incentives from 2016⁴³ to 2019⁴⁴, this measure was expanded by new incentives during the period 2020-2022. As from 2020, public sector and public service employees who retired during and after 2016 and delayed their pension, but did not benefit from the percentage increase measure, had their pension rate revised. The original pension rate was increased by the deferred percentage rate, resulting in a new revised pension rate issued from 2020. The percentage increases are determined based on the individual's age at the time of retirement as indicated hereunder:

Table 3: Percentage increase per year of retirement deferral ⁴⁵

Age at Retirement	Increase
61 Years	0%
62 Years	5%
63 Years	10.5%
64 Years	16.5%
65 Years	23%

Percentage increases are applicable to persons who have been receiving a Retirement Pension since 1st January 2016. The 289/2016 Legal Notice refers.

A person whose date of birth is before January 1952 may also be entitled to percentage increases, provided that s/he was awarded a Retirement Pension on 01/01/2016 or thereafter.

Beneficiaries benefitting from these incentives reached 3,391 persons in 2020 costing €6.1 million. In 2021, 1,093 persons benefitted at a cost of €1.49 million and in 2022, 437 persons benefitted at a cost of €8,900⁴⁶.

- The **Pilot Fund for Live-In Carers**⁴⁷ has been in operation for a number of years and is no longer considered a pilot measure. This Carer at Home benefit has been supporting families in caring for their dependent elderly relatives. The take-up increased significantly during the period under review, benefitting more people through an expenditure of around 2 million in 2020, 3 million in 2021 and 4.1 million in 2022. The expenditure increase is mostly due to an rise in the maximum subsidy rate in both years. The maximum subsidy rate was increased in 2021 from €5,291 to €6,000 per year, and in 2022, from €6,000 to €7,000 per year. This increase was also reflected on pro-rata basis to the beneficiaries who employ a carer less than 40 hours. As a result, in 2022, around 573

⁴³ The Pensions % Increase measure came into effect in 2016 for Private Sector employees and self-occupied persons only.

⁴⁴ With effect from January 2019, public service employees working in the public sector, who would have had enough contributions to be entitled for a contributory retirement pension at 61 years of age but chose to continue working, were, with effect from January 2019 eligible for a percentage increase to their pension rate, just like private sector employees.

⁴⁵ This data was provided by MSPC.

⁴⁶ This data was provided by MSPC.

⁴⁷ From this pilot fund, families who have a dependent elderly person who needs constant care, will be given a subsidy when they hire a qualified carer, on the basis of full or part time. The subsidy is of up to half of the national minimum wage. Whoever hires someone part time, benefits pro rata.

full-time carers were paid €583.33 (€7,000 per year) instead of the rate of €500 per month (€6,000 per year). Till end 2022, there were 672 elderly and their families who benefitted from this subsidy.

- The **Benefit for Children with Disability**⁴⁸ has seen a steady increase in beneficiaries and expenditure during the period under review – with a yearly average of 1,870 beneficiaries and a yearly average expenditure of €2.5 million. From 1,570 individuals who benefitted from the program in 2019, the number of beneficiaries reached 2,028 in 2022 costing €3.3 million.
- The **Pension to Persons with Disabilities**⁴⁹, structured into three levels, continued to help more persons to receive adequate income. A total expenditure of €29.2 million in 2020 reaching €28.8 million in 2021, resulted in 4,802 persons and 5,258 persons who received this pension for each year respectively. A total expenditure of 33.1 million in 2022 reached 5,655 beneficiaries.
- Efforts towards the review and possible increase of the minimum wage have continued. **A Low Wage Commission** was set up in 2020 to determine whether the minimum wage needs reviewing. The first recommendations by the *Low Wage Commission* to Government will be due in 2024, and further recommendations will subsequently continue to be provided every four years.

Increase in contributory and non-contributory pensions and benefits

Existing contributory and non-contributory benefits were increased as follows:

- The weekly cost of living⁵⁰ allowance was increased in 2020 by €3.49 for all pensioners and all other persons receiving social benefits. During 2020-2022, the average number of beneficiaries amounted to around 3,870⁵¹.
- In 2021, the annual bonus for people who have reached retirement age but do not qualify for the pension because they did not have enough contributions, was increased by €50, amounting to €250 per year for persons having less than 5 years of social security contributions and €350 per year for persons having paid more than five years. In 2022, this annual bonus increased by €150. In 2021, around 15,000 beneficiaries through a government expenditure of €4.5 million on this measure. In 2022, the number of beneficiaries reduced to around 13,800, while the annual government expenditure rose to €6.4 million.

⁴⁸ The Disabled Child Allowance is provided to children with certified physical and/or mental disabilities, in addition to the standard Children's Allowance, and is applicable until they reach the age of 16 years or 14 years in the case of visual impairment.

⁴⁹ At the first level, individuals receive the Increased Severe Disability Allowance (ISDA) which is the highest benefit rate, matching the net amount of the Minimum Wage. The second level is the Severe Disability Assistance (SDA) and Assistance for the Visually Impaired (BLD), encompassing those disabled individuals covered by the Social Security Act, who are either employed or capable of working. The third level gradually included more disabilities to be covered by existing laws and extended the Disability Assistance (DA) to those who have not received them previously. DA is payable to persons having a total paralysis or a permanent total severe malfunction, or else a permanent total disability through the amputation of one of the upper or lower limb; or to a person who has a hearing and speech impairment.

⁵⁰ The cost of living refers to the sum of money required to meet essential expenditures like housing, food, taxes, and healthcare within a specific location and timeframe.

⁵¹ This data was provided by MFCS.

- In 2020, the Children's Allowance Rate⁵² for widows was revised to a flat rate of €10 per week. Until March 2020, 252 widows benefited from this revision⁵³.
- In 2020, the Supplementary Allowance⁵⁴ was amended for persons over 65 years with low income, with an increase of €50, amounting to €150 per year. Until the end of 2022, this increase benefitted around 16,000 pensioners⁵⁵.

In 2022, the Supplementary Allowance was increased further for couples whose income does not exceed €14,318. The increase varied between €3.47 and €6.50 per week, depending on their income. During 2022, this increase benefitted around 418 persons⁵⁶.

In 2022, the Supplementary Allowance was also increased further for single persons including widows, whose total income did not exceed €10,221. The increase varied between €4.10 and €5.00 per week depending on their income. During 2022, this increase benefitted around 3,223 persons⁵⁷.

- As of 2020, the Disability Assistance⁵⁸ was increased to be equivalent to the net National Minimum Pension (i.e. (€161.40 per week). In 2020, this measure benefitted 205 people, with a government expenditure of €6,030,654.44. In 2021, this measure benefitted 843 people with a government expenditure of €813,000. The number of beneficiaries increased to 260 persons in 2021 and to 353 persons in 2022, with the expenditure amounting to €906,000 and €1,406,000 for each year, respectively.
- In 2020, the Invalidity Pension⁵⁹ was increased and made equivalent to the net National Minimum Pension, benefitting 132 persons, with a total of €524,000 in expenditure. Meanwhile, in 2021, 114 persons benefitted, with an expenditure of €640,000. There was a slight decrease in the number of beneficiaries in 2022, amounting to 106 people and an expenditure of €572,000.
- In 2021, the cost of living increase was raised by €3.49 per week for all pensioners and those receiving social benefits. This measure benefitted a yearly average total of 19,387 people during 2021 and 2022, receiving the following benefits⁶⁰:
 - 4,482 beneficiaries received the Age Pension (AP),
 - 3,816 beneficiaries received the Severe Disability Assistance (SDA),
 - 428 people received the Visual Impairment Assistance (BLD),

⁵² The Children's Allowance is granted to families with married or civil union couples, cohabiting couples, single parents, separated parents, or returned migrants who are responsible for the care and custody of their children under sixteen (16) years old. To be eligible, their total annual income from employment or social security in the relevant year (two (2) years prior to the current year, e.g., Children's Allowance 2023 - Income 2021) must not exceed €25,924.

⁵³ This data was provided by MSPC.

⁵⁴ A person with a low income who is not currently receiving Children's Allowance may be eligible for a Supplementary Allowance. The purpose of this allowance is to assist the individual in meeting their income needs.

⁵⁵ This data was provided by MSPC.

⁵⁶ This data was provided by MSPC.

⁵⁷ This data was provided by MSPC.

⁵⁸ A person who is 16 years old or older and has a disability, such as complete paralysis, permanent severe dysfunction, or the amputation of a limb, may be eligible for Disability Assistance. Additionally, individuals with hearing or speech impairments may also qualify for this assistance.

⁵⁹ The Invalidity Pension is given to those who cannot work full-time or part-time due to a serious illness or physical/mental impairment and meet the social security contribution conditions. It can also be given to those who are over 90% disabled due to a work-related injury or disease. If granted, Social Security Credits are awarded for retirement. Applicants must submit six months of medical certificates before applying. Civil service employees must first go to the People and Standards Department board before applying to the Department of Social Security Board.

⁶⁰ Breakdown of beneficiaries is at a yearly average.

- 2,515 people received Social Assistance Single Parent benefit,
 - 1,435 people received the Subsidiary Unemployment Assistance (SUA),
 - 306 persons received the Disability Assistance (DA),
 - 1,342 persons received the Increased Severe Disability Assistance (ISDA),
 - 4,312 people received the Social Assistance (SA), and
 - 751 people received the Unemployment Assistance (UA).
- In 2021, the Foster Care Allowance⁶¹ increased by €250/year, totalling to €5,720 yearly. In 2021 and 2022, an average of 200 families per year benefitted from this increase, resulting in a yearly government expenditure of around €1.9 million.
 - In addition to the cost-of-living increase, all social security pensions (retirement, widows, invalidity, and age) were increased by €3.51 in 2020, and €3.25 in both 2021 and 2022. In 2020, around 96,000 persons benefitted from this measure, with a government expenditure of around €7.9 million. During 2021 and 2022, the average number of beneficiaries amounted to around 100,000, resulting in an average government expenditure of €859.7 million.
 - As of 2020, the Senior Citizen's Grant (€300 annual allowance) continued to be given to those aged 75 years or over. However, those over the age of 80 years received an increase of €50 in 2020, bringing their total annual allowance to €350, and an additional increase of €50 in 2022 raising their total annual allowance to €400. In 2020, this measure benefitted 36,138 people, with a government expenditure of around €11 million. By 2021, the number of beneficiaries increased to 38,648, with an expenditure over €11,8 million. The number of beneficiaries reached 40,837 in 2022, with a government expenditure of 13.4 million⁶².
 - In 2022, the widow's pension⁶³ rate was gradually adjusted to reflect that of their spouse in case of death. Subsequently, these widows also continued to receive all increases in rates announced by the Government. In 2022, this measure benefitted 146 people, with a total government expenditure of €1,234,000.
 - In 2022, the Disabled Child Allowance⁶⁴ was increased by €5 per week, for a total of €1,560 per annum. During this year, 2,028 persons received this allowance, resulting in a total government expenditure of €3.3 million.
 - In 2022, the carers taking care of persons with a severe disability received an increase of €200 allowance, thus increasing their yearly income from €300 to €500. During this year, 1,523 carers benefitted from this increase in the Increased Carer's Allowance with a total government expenditure of around €10 million.

Reform of contributory and non-contributory benefits

To reach a broader group of vulnerable individuals who were previously being overlooked by the existing criteria and assessments to qualify for certain social benefits, several reforms have been

⁶¹ The Foster Care Allowance is awarded to authorised foster carers providing a foster care service to a child. This allowance is paid until a child reaches twenty-one (21) years of age.

⁶² This data was provided by MFCS.

⁶³ The Contributory Widow's Pension is granted to a claimant who meets the necessary requirements after the passing of their spouse/partner.

⁶⁴ Children who have been diagnosed with physical and/or mental disabilities may be eligible for a Disabled Child Allowance, which is a supplementary payment in addition to the standard Children's Allowance. This allowance remains valid until the child reaches 16 years of age or 14 years of age in the case of visual impairment.

implemented. These changes not only eliminate bureaucratic procedures but also promote the achievement of social fairness by offering financial assistance to those in genuine need. The following main reforms affecting contributory and non-contributory benefits during the period under review have been made following evidence-based research, such as the recent reports: Pensions Strategic Review Report 2020⁶⁵ and Pension Age Impact Review 2022⁶⁶.

Contributory Benefits

- In the light of the provisions of the laws on Civil Union and Cohabitation, the current meaning of 'widow' in the Social Security Act was amended in 2021 so that, in the event of the death of one or more of the parties, persons who were in a civil union or registered in a cohabitation will also be recognized as widows of their cohabitant or partner.
- In 2020, Social Security contributions were credited for a maximum of 8 years, for persons who had to stop working to take care of their children suffering from rare diseases.
- In 2021, Service Pensioners⁶⁷ continued to benefit, in a gradual manner, from the improvement in their two-thirds pension, whereby an increase of €200 was not taken into account in the calculation of their social security pension. During 2021 and 2022, a yearly average of 56,750 pensioners benefitted from this measure, resulting in a yearly average expenditure of around €5.5 million.
- In 2021 and 2022, more than €9 million was allocated to address past injustices under three different schemes: former shore workers, corps workers, student workers and apprentices who joined the Government after 1979, former Gas Board workers, and Maltese apprentices Electricity Board which had merged with Enemalta Corporation when it was established in 1977. Heirs of persons eligible under the three schemes also benefit from the grants.
- In 2022, people who, according to official records, were in employment before the establishment of the Employment and Training Corporation in 1990 but were not found to have paid Social Security Contributions for the duration of their employment, were given the opportunity to pay up to five years of missing contributions for periods that, according to official records, show they were working.
- In 2022, people who have reached the age of 59 years, have missing social security contributions, and are receiving the Invalidity Pension, were given the opportunity to pay up to 5 years of back contributions.
- As from 2020, the yearly €100⁶⁸-€200⁶⁹ bonus for retirees aged between 62 and 74 years who do not qualify for a pension will also be given to persons aged 75 years. This measure aims at providing justice to a number of workers, particularly women, who, in the past, spent many years out of work either due to applicable laws or the prevailing social situation during that time, and hence, do not have a pension. During 2020-2021, the average number of beneficiaries amounted to around 15,000, with an average government expenditure of €4.2 million. In 2022, around 14,000 persons benefitted from this measure, resulting in a government expenditure of around €6.3 million⁷⁰.
- In 2022, people who suffer a disability due to an injury at work and who continue to work for the duration of their work and receive the Occupational Injury Pension, had legal restrictions removed for sickness, unemployment, and injury on duty. Therefore, these people do not receive a

⁶⁵ Accessed at: <https://familja.gov.mt/wp-content/uploads/2023/04/Pensions-Strategic-Review-Report-2020.pdf>

⁶⁶ Accessed at: [Pension-Age-Impact-Review-2022.pdf \(gov.mt\)](https://familja.gov.mt/wp-content/uploads/2023/04/Pension-Age-Impact-Review-2022.pdf)

⁶⁷ The Service Pension is a pension awarded to all government employees who started their service with the government before 15th January 1979 and whose service with the government was continuous, Police, AFM personnel, Correctional Facilities officials and members of the Civil Protection, Members of Parliament, and Members of the Judiciary and the Attorney General.

⁶⁸ If they have paid contributions for more than one year but less than five years.

⁶⁹ If they have paid more than five years contributions.

⁷⁰ This data was provided by MSPC.

deduction from benefits, which may apply to them. During 2022, 39 persons benefitted from this measure, with a government expenditure of around €28,100⁷¹.

Non-Contributory Benefits

- In 2020, the means testing for Disability Assistance for persons who receive social benefits and age pension was adjusted, benefitting 6 persons yearly during the period under review⁷².
- In 2020, the means testing for Sickness Assistance⁷³ for persons who receive Disability Assistance was adjusted, benefitting 3 persons yearly during the period under review⁷⁴.
- As of 2020, the Sickness Assistance also included persons suffering from Fibromyalgia and Myalgic encephalomyelitis (ME). A total of 35 people, 50 people and 65 persons benefitted from this amendment in 2020, 2021 and 2022 respectively⁷⁵.
- In 2020, the threshold mechanism with regards to the Medical Assistance⁷⁶ for single persons and married couples was revised. This revision means that the threshold is calculated based on the Minimum National Pension and an increased sum of €22 for individuals and €30 in the case of married couples. Additionally, starting in 2020, the Medical Assistance is paid without interruption for widows or widowers who are already beneficiaries, and thus they do not have to apply again in case of death of the spouse. There were 81, 62 and 69 people who benefitted from these revisions for each respective year between 2020 and 2022⁷⁷.
- As of 2021, couples adopting locally have also benefitted from the Adoption Benefit⁷⁸, which was originally introduced in 2018 for international adoption. The aim of this measure is to alleviate the costs related to the adoption process. The maximum payment of this grant can be of €1,000.
- A onetime childbirth or adoption bonus of €300 was introduced in 2020 for every child born or adopted. In 2022, the bonus was increased by €100, raising from €300 to €400. There were 3,000 families in 2020, 3,240 families in 2021 and 3,135 families in 2022 who benefitted from this measure at a yearly respective government expenditure of €904,000, €980,000 and €1.3 million⁷⁹.
- In 2021, a Children's Allowance Supplement was introduced. An income supplement of €70 is given per year for every child born to couples with income not exceeding €25,318. Couples whose income is higher than €25,318 receive €50 per year for every child born. The yearly average beneficiaries of this supplement amounted to 43,700, with a government expenditure of around €2.7 million in 2021 and 4.8 million in 2022.
- In 2020, the Disability Assistance was adjusted so that persons who are deaf and mute will also qualify for this assistance. In 2020, 7 persons who are permanently deaf and a person who is totally and permanently mute benefitted from this measure. In 2021, the number of beneficiaries reached 19 persons who are permanently deaf and 2 persons who are totally and permanently mute⁸⁰.

⁷¹ This data was provided by MSPC.

⁷² This data was provided by MSPC.

⁷³ If a person can provide satisfactory evidence to the Director of Social Security that someone in their household or a family member living with them is afflicted by a disease listed on the Social Security website and requires a special diet or regimen that causes additional expenses, then they may be eligible for Sickness Assistance.

⁷⁴ This data was provided by MSPC.

⁷⁵ This data was provided by MSPC.

⁷⁶ Medical Assistance encompasses several types of aid, such as Free Medical Aid, Injury Benefit, Injury on Duty Grant/Pension, Leprosy Assistance, Milk Grant, Sickness Assistance, Sickness Benefit and Tuberculosis Assistance.

⁷⁷ This data was provided by MSPC.

⁷⁸ An Adoption Benefit may be awarded to a person who adopts a child of any age.

⁷⁹ This data was provided by MSPC.

⁸⁰ This data was provided by MSPC.

- In 2021, the mechanism for calculating the rates for supplementary allowance⁸¹ was upgraded. The maximum rates, calculated according to the income and marital status of the person, were increased by €70 and €108. During 2021 and 2022, the average number of beneficiaries yearly amounted to 22,585, at a government expenditure of €13.5 million in 2021 and €17.4 million in 2022.
- In 2021, with regards to the Severe Disability Assistance⁸², the Barthel Index parameters were raised from eight to nine and the parameters for intellectual disability conditions were slightly widened so that more people with some form of disability who are unable to work become eligible for this assistance as well. After the adjustment in 2021, there were 3,930 beneficiaries who received the Severe Disability Assistance in 2022 with a total government expenditure of €21.9 million.
- In 2022, full compensation was granted for the cost-of-living adjustment for persons who are in receipt of Social Assistance⁸³. Beneficiaries during this year amounted to 4,181 receiving Social Assistance through an expenditure of €20.2 million and 2,434 receiving Social Assistance for Single Parents through an expenditure of €11.6 million.
- Up until 2021, people under the age of 61 years living with their parents and receiving the Invalidity Pension can benefit from Medical Assistance if they meet several conditions that are most related to their and their parents' capital income. From 2022, this anomaly was removed so that in such cases an applicant is considered separately, only his or her income and capital are considered, and the payment of the benefit is made directly to the applicant. During the year of implementation of this measure, there were 15 persons who benefitted⁸⁴.
- In 2022, the means test required to qualify for the assistance for severe disability was removed. A total of 3,930 benefitted from this assistance in 2022 through an expenditure of €21.9 million.
- A new benefit was introduced in 2021 for parents who had to stop working to care for a child with a disability over the age of 16 years and who are entitled to Increased Assistance for Severe Disability. The benefit, called a Carer's Grant⁸⁵, is of €300 per year. In 2021, through a government expenditure of €126,000, 421 parents benefitted from this measure. The increase in beneficiaries in 2022, amounting to 437 parents, resulted in an expenditure of €233,000.
- Since 2014, the **In-Work Benefit** promoted the motivation to work (Making Work Pay), reduce dependence on social benefits and provide more income among low-income families with children aged under 23 years. The rates of the benefit, which vary according to the families' income and number of children, have been increasing yearly, and several reforms were introduced to this benefit in the years under review. During 2020, a €250 **in-work supplement** was added to 3,276 beneficiaries of the in-work benefit as an aid against the effects of the Covid-19 pandemic⁸⁶. In 2021 and 2022, the income thresholds for eligibility to receive the in-work benefit were widened to reach more families⁸⁷. As a result of making more families eligible for the in-work benefit, the beneficiaries of this benefit increased from 5,336 in 2020 to 24,611 in 2022, while the total

⁸¹ A person with a low income who is not currently receiving a Children's Allowance may be eligible for a Supplementary Allowance, which is designed to assist them in meeting their income needs. Its purpose is to act as a financial bridge for the individual.

⁸² A Severe Disability Assistance may be awarded to a person with a physical disability who 16 years of age or older and can be engaged in a gainful occupation.

⁸³ Social Assistance may be awarded to a person responsible for the household who may:

- be incapable of working due to medical reasons; or
- cannot engage in employment due to having care and custody of own children, and is legally or de facto separated.

⁸⁴ This data was provided by MSPC.

⁸⁵ The Carer's Grant is given to a non-employed parent who is responsible for caring for a disabled child above the age of sixteen (16) years and receiving Increased Severe Disability Assistance.

⁸⁶ More information is presented in Chapter 4.

⁸⁷ For couples who are both in employment, the yearly threshold rose from €26,000 to €35,000 in 2021 and to €50,000 in 2022. For single parents who are in employment, the yearly threshold rose from €18,200 to €23,000 in 2021 and to €35,000 in 2022. For couples where only one parent is employed, the yearly threshold increased from €22,000 to €26,000 in 2021 and to €35,000 in 2022.

expenditure on this benefit increased from €5,869,000 in 2020 to €13,593,000 in 2022. Furthermore, in 2022, a complete revamp of the In-Work Benefit was carried out by the Income Support and Compliance Division, for payments to be made to all eligible parents irrespective of application status.

- In 2022, through a government expenditure of around €3.7 million, a new In-Work Benefit was introduced with the goal of encouraging individuals to seek employment and enhancing household earnings. This **In Work Benefit for Workers with Atypical Working Hours** targets private sector employees earning a basic salary of up to €20,000 annually, who work weekend or evening shifts. Eligible sectors encompass accommodation and food services, administrative and supportive services, manufacturing, transport, and storage, as well as wholesale and retail. Qualified workers in these sectors can receive an annual in-work benefit of up to €150, representing approximately 10% of their income tax payments. To be eligible, individuals need to work for at least six months within these sectors during a calendar year.

Sustained promotion of financial capability

Various initiatives were undertaken during the period under review to continue promoting financial capability. These initiatives ranged from small local community projects⁸⁸ and a Pension Action Plan to the dissemination of information through various means. The efforts were targeted at vulnerable groups and the general public, supported by the *ESF Project 2.063: Knowledge, Training, Communications and Support Measures in support of Vulnerable Groups* and *GEMMA*.

Pension Action Plan

A Pension Action Plan⁸⁹ covering the years 2021-2027 was published to ensure a pro-active approach towards adequate and sustainable income for older persons. The core objective of the Action Plan is to enhance pension adequacy with sustainability measures targeting those who retire after 2027. The Plan places a strong emphasis on rectifying gender disparities in pension entitlement and addressing the issue of couples relying on a single pension. Notably immediate increases in the retirement age or social security contribution rates are not anticipated in the near future. Nonetheless, the Plan also strives to extend careers and reduce premature exits from the workforce with the increase in the pension age to 65 years. Additionally, a key focus of this action plan is to sustain the growth of supplementary income sources during retirement. However, there remains a need for innovative approaches to incentivise younger savers.

ESF 2.063: Knowledge, Training, Communications and Support Measures in support of Vulnerable Groups

MSPC has continued to implement the ESF co-financed project initiated in 2016, with one of its key objectives being to enhance the financial knowledge of professionals from various organizations⁹⁰. The goal of this capacity building is to empower these professionals to offer comprehensive financial counselling to vulnerable and disadvantaged individuals, integrating money

⁸⁸ In 2020, the FSWS Qawra Community Services ran a Budgeting Skills Programme to build on the community's financial capabilities.

⁸⁹ Malta Pension Action Plan accessed at: <https://familja.gov.mt/wp-content/uploads/2023/04/Malta-Pension-Action-Plan-2021-2027-EN-1.pdf>

⁹⁰ Professionals include those at FSWS, Aġenzija Sapport, CRPD and DSS; educators at the Home Economics Seminar Centre and Dun Manwel Attard Resource Centre; teachers and staff from the Directorate for Lifelong Learning; and persons engaged in registered Voluntary Organizations.

management, budgeting, debt management, and more with other social security and welfare advice.

The Covid-19 pandemic had a negative impact on the implementation of activities during 2020-2021, particularly those services directly affecting vulnerable persons. However, despite facing complex challenges, several results were achieved:

- The closure of educational institutions as a result of the health protocols mitigating the spread of the virus has negatively impacted the activities of the project *ESF 2.063: Knowledge, Training, Communications and Support Measures in support of Vulnerable Groups* relating to the Responsible Living Programme. The piloting phase of the accredited course entitled *Responsible Living Programme* underwent an evaluation which was concluded in 2020. Despite Covid-19 pandemic restrictions, during the 2020-2021 scholastic year, 8 practical and interactive sessions on responsible living in collaboration with Home Economics teachers were conducted. These sessions were delivered to a group of 10 young mothers attending *Servizz Għożża*⁹¹. The aim of this course was for these young people to not only take on their responsibilities as young mothers but also recognize a wide range of educational opportunities.
- As part of the targeted awareness campaign on financial literacy, mini campaigns were conducted: i) in 2020 targeting tertiary students, family members in family business, persons in first employment, and persons with disabilities; and ii) in 2021 targeting widows; single parents; separated/divorced persons; young women; young adults who are recently married, followed by an overarching national outreach.
- In 2020 and 2021, the project continued to support financial literacy through online-modes by the: i) Home-Based Therapeutic Services (HBTS)⁹² run by FSWS through a budget of €2,548,311⁹³ for the period 2017-2021. As at end December 2020, there have been 628 beneficiaries; and ii) MCAST accredited and certified training activity through Financial Literacy Award Level 3 and Benefits Management Training Award Level 4.
- In 2021 and 2022, 7 reports⁹⁴ were delivered on financial sustainability according to the Reimbursable Advisory Services Agreement between the Government of Malta (through the MFE) and the International Bank for Reconstruction and Development (the World Bank).

⁹¹ A support service and an educational programme provided to unmarried pregnant minors with the intention of leading them to adopt a positive attitude towards motherhood while empowering them to pursue their career paths.

⁹² HBTS addresses a wide range of challenges faced by families, including issues related to violence, poverty, abuse, physical and mental health, and concerns about child abuse and neglect. It serves as a 'last resort service', guided by the principle of 'family preservation'. This approach centers on mitigating risks directly affecting children, with the primary objective of enabling them to remain within their families rather than being placed in alternative care arrangements.

⁹³ Of which, €2 038 649 are accounted for by the EU Commission.

⁹⁴ Report 1: Assessment of Social Protection Benefits in Malta with a focus on non-Contributory Benefits.

Report 2: Analysis of Malta's Safety Nets: Considerations for a Transition to Increased Efficiency and a Stronger Focus on Poverty: Microsimulation Scenarios for Reform.

Report 3: Summary of Scenarios and Quantitative Results of Pension Simulations.

Report 4: Assessment of Institutional Setup and Service Delivery Systems in the Social Protection Sector.

Report 5: Review of the Corporate Information Systems in the Social Sector of the Government of Malta with the Aim to strengthen Data Analytics Capabilities.

Report 6: Master Data Management and Data Governance Framework for the Social Protection Sector.

Report 7: Business Intelligence (BI) for Social Security Management: Framework and International Experience.

ĠEMMA

ĠEMMA, Malta's initiative to enhance financial capability in the country, continues to empower different population cohorts⁹⁵ and vulnerable target groups⁹⁶. As a result, this empowerment equips individuals to become more financially capable, providing them with knowledge to make informed decisions on various matter relating to retirement and finances. This encompasses both daily and long-term planning, all tailored to their unique personal situations.

The launch of the Financial Capability Strategy 2022-2025⁹⁷ marks a continuation of the previous strategy (2017-2021) and aims to strengthen the financial capability of the Maltese population through the "Know, Plan, Act" approach. This comprehensive strategy focuses on raising awareness and providing education on various financial aspects such as debt management, budgeting, future planning, investment knowledge, and safeguarding against financial abuse.

Financial capability plays a crucial role in addressing poverty and social exclusion, ultimately contributing to a higher standard of living for all. Independent trusted information and education remained the two main fronts on which a broad range of measures were implemented by ĠEMMA. The measures introduced during 2020-2022 that contribute towards these two areas include:

- Conducting physical and online sessions for children, employers, employees, mental health service users and the elderly.
- Media campaigns and collaborating with local councils to reach the general public.
- Conducting research to inform the future sustainability and adequacy of Malta's pension system.
- Publications on self-employment and against fraud.

These initiatives address several themes to promote financial independence, responsibility and stability among the population. These themes include: i) making informed financial and lifestyle choices; ii) managing a daily budget and debt; iii) building a safety net; iv) acquiring insights about pensions and planning for the future; and v) understanding the basic financial landscape and basic consumer rights.

Physical and Online Sessions

- Sessions for Children: A collaborative effort between ĠEMMA at MSPC and the HSBC Malta Foundation has resulted in the delivery of financial literacy sessions during Skolasajf over the summer of 2021⁹⁸. These sessions aimed to help the students learn how to make informed financial and lifestyle choices for their present and future. ĠEMMA continues to prioritize improving financial literacy among children and young people by improving the Skolasajf program, introducing new initiatives and tools, and equipping teachers with more diverse and interactive resources to teach financial knowledge to children.

During the period of 2020 to 2022, ĠEMMA's expanded its initiatives to include school competitions that catered students across diverse educational settings⁹⁹. These competitions were interactive and engaging, intended to create a long-lasting impact on students by cultivating

⁹⁵ This includes but is not limited to children in education from primary to tertiary education, women, Maltese students going to study abroad, people in first employment, and people preparing to having a family.

⁹⁶ i) persons in low-income employment; ii) persons in unemployment; iii) self-employed persons; iv) teenagers; v) post-secondary students; and vii) family members working in family businesses but not paying social security contributions.

⁹⁷ <https://gemma.gov.mt/launch-of-the-financial-capability-strategy-2022-2025/>

⁹⁸ <https://gemma.gov.mt/gemma-hsbc-malta-foundation-and-financial-literacy-sessions/>

⁹⁹ Primary, Secondary and Summer schools.

healthy financial habits and informed decision-making skills from an early age. The financial concepts explored in these competitions included distinguishing between needs and wants, prioritizing expenses, and creating and maintaining a budget. The competitions also promoted teamwork among the students, thereby enabling them to hone their communication and interpersonal skills, which are vital for success in all areas of life. Resultantly, there are plans to sustain and continue similar initiatives throughout 2023 and beyond.

- Capacity Building for Employers and Employees: In 2022, GEMMA prioritized the delivery of training sessions to equip employers and employees with valuable knowledge on financial literacy through 3 main initiatives:
 - In collaboration with EMCS Academy, GEMMA conducted training sessions for employers and employees¹⁰⁰. These sessions focused on introducing Voluntary Occupational Retirement Pension Schemes (VORPS) and educating senior management about the associated tax advantages. The aim was to bridge the gap between future pension income and income earned during employment, while also addressing the costs related to employee turnover. This initiative aimed to encourage companies to adopt VORPS, offering individuals an opportunity to plan for their future and maintain their standard of living in retirement.
 - In collaboration with other entities¹⁰¹, GEMMA partnered with the UHM Voice of the Workers¹⁰² to provide financial capability education resources to its members through the Union's e-newsletter, with both organizations collaboratively engaging in initiatives focused on enhancing financial capability, at national level and also directed towards the members of the Union¹⁰³.
 - In collaboration with CARITAS and the HSBC Malta Foundation, GEMMA launched a Financial Capability Training program, training CARITAS volunteers to deliver sessions on various financial topics to the local community, following a successful train-the-trainer approach¹⁰⁴.
- Sessions for Mental Health Service Users: GEMMA established a strategic partnership with the Mental Health Services (MHS) within the Ministry of Health in 2021¹⁰⁵ to develop and implement a financial capability program specifically tailored for MHS service users in the community. Through a combination of workshops and a guidebook¹⁰⁶, the partnership aimed to improve financial literacy and independent functioning of individuals with mental health conditions. In 2022, GEMMA, in collaboration with the HSBC Malta Foundation and Mental Health Services (MHS) hosted the 5th Interactive Workshop for community mental health service users¹⁰⁷. This workshop empowered individuals by providing them with the necessary knowledge and skills to manage their current income, expenses, and plan for the future. The workshops followed a step-by-step approach, addressing the unique challenges faced by individuals with mental health issues. The primary objective was to improve participants' financial capability, increase their independence and reduce the stress and depression associated with financial challenges.

¹⁰⁰ <https://gemma.gov.mt/press-release-gemma-launches-vorps-training-sessions/>

¹⁰¹ The Central Bank of Malta, the University of Malta, BOV, MAPFRE MSV Life, the General Workers Union, the eSkills Malta Foundation, Mental Health Malta, the Malta Chamber of SMEs, and the HSBC Malta Foundation.

¹⁰² This is the 10th strategic partnership.

¹⁰³ <https://gemma.gov.mt/uhm-teams-up-with-msfc-and-gemma-on-financial-capability-education/>

¹⁰⁴ A similar approach has been undertaken before, including the ongoing training conducted in partnership with the Instituto Paolo Freire and the Mental Health Services.

¹⁰⁵ <https://gemma.gov.mt/strategic-partnership-with-mental-health-services-within-the-ministry-of-health/>

¹⁰⁶ GEMMA's Mental Health and Financial Capability Guidebook can be accessed at: <https://gemma.gov.mt/wp-content/uploads/2021/05/Mental-Health-and-Financial-Capability-Guidebook.pdf>

¹⁰⁷ <https://gemma.gov.mt/press-release-financial-capability-project-mental-health-5th-interactive-workshop/>

- Sessions for Older Persons: In 2022, ĠEMMA, in collaboration with the Malta Bankers' Association (MBA), successfully conducted the initial session of a four-part series targeting individuals aged 60 years and above¹⁰⁸. These sessions specifically focused on the theme of "Digitalisation within the Banking Sector", with a primary emphasis on online banking. Building upon the positive outcomes of this financial literacy pilot project for pensioners held in October 2022 at Paola Local Council, ĠEMMA and MBA have decided to continue their efforts in delivering Digital Financial Literacy sessions for this demographic. The valuable feedback obtained from the pilot project provided the organizing team with a deeper understanding of the financial challenges faced by older adults, highlighting the potential of digital technology in alleviating these difficulties. Recognizing low digital capability as a significant factor contributing to financial exclusion and frustration among older adults, future interactive sessions in 2023 will be divided into two parts: Money Awareness sessions and specific Online Banking sessions in collaboration with three prominent commercial banks.
- Collaboration with Local Councils: In partnership with the Local Councils Association, ĠEMMA actively engaged with regional and local councils to introduce financial capability programs within communities. The primary objective of this partnership was to enhance the financial literacy and decision-making skills of the general population, especially during significant life milestones like retirement. These programs focused on important aspects such as budgeting and safeguarding against financial scams, aiming to empower individuals with the necessary knowledge and skills to make informed financial decisions. Regional and local council offices served as accessible hubs for resources and materials on financial capability, ensuring that individuals could easily access the information they needed. In reciprocation, the Local Councils Association granted ĠEMMA access to its digital platforms, allowing for the wider distribution of financial capability knowledge to a larger audience.
- Media Campaigns¹⁰⁹: The collaboration between ĠEMMA and the Central Bank of Malta has resulted in the launch of a video series called "X'inhu Baġit?"¹¹⁰. The main objective of this educational series, uploaded for public viewing in 2020, is to provide valuable insights and guidance on budgeting. The videos cover a wide range of important subjects, including the significance of budgeting, distinguishing between needs and wants, prioritization, setting financial goals, effective budget management, and the introduction of the My ĠEMMA Budget Planner tool. In addition, the videos also feature budget-friendly and easy-to-make dishes.

Furthermore, the Central Bank of Malta and ĠEMMA have also partnered to offer practical assistance and valuable information on effective financial management through another video series. The topics covered in these videos include credit card usage, budgeting for daily and special expenses, saving for the future, and planning for retirement.

In 2020, MSPC entered in a Memorandum of Understanding (MOU) with the Bank of Valletta and MAPFRE MSV Life¹¹¹ to leverage ĠEMMA's Know, Plan, Act platform by developing a retirement

¹⁰⁸ <https://gemma.gov.mt/gemma-and-malta-bankers-association-launch-2nd-project-on-digital-financial-literacy-amongst-pensioners/>

¹⁰⁹ All the videos launched by ĠEMMA can be watched through: <https://gemma.gov.mt/videos/>

¹¹⁰ <https://gemma.gov.mt/gemmas-video-series-on-budgeting-xinhu-bagit/>

¹¹¹ <https://gemma.gov.mt/mou-with-bank-of-valletta-and-mapfre-msv-life-on-financial-capability-education/>

planner tool, establishing standardized pension projections, and conducting joint initiatives to enhance financial capability¹¹².

- In 2022, a webinar, titled "Putting Retirement on a Young Person's Radar,"¹¹³ tackled the challenge of encouraging young individuals to prioritize retirement planning, despite financial constraints and competing priorities. Research In 2021, ĠEMMA conducted a survey to assess the level of understanding of the pension system among individuals born in 1962 and later¹¹⁴. The survey results revealed that a significant majority of people have a limited understanding of how the pension system functions and its direct implications for their lives¹¹⁵. As a result, ĠEMMA organized webinars to discuss the survey findings and explore potential ways to address the identified gaps in understanding. The focus was on fostering collaboration among stakeholders to develop recommendations and strategies aimed at improving individuals' comprehension of the pension system and empowering them to make informed decisions regarding their retirement planning. Furthermore, 2021, another webinar also centred around the future sustainability and adequacy of Malta's pension system¹¹⁶ was held. The panel discussion included perspectives from various experts, highlighting important aspects such as the system's current state, projected deficits, and the need for reform. The participation of women in the economy, gender equality, and social solidarity were also addressed. The webinar aimed to provide insights to policymakers and facilitate informed decision-making regarding the pension system.

Publications

- With scams making regular appearances in news headlines, the prevalence of online scammers has increased significantly, making them harder to identify due to their advanced techniques and tools. As a response to this growing concern, the Little Black Book of Scams and Fraud was initially introduced by ĠEMMA in 2020 with the objective of providing the public with valuable insights into emerging scams, practical protective measures against fraud, and guidance on the appropriate actions to take in the event of falling victim to fraudulent schemes.
- In 2021 HSBC Bank Malta joined forces with ĠEMMA¹¹⁷ to publish the fifth edition of the Little Black Book of Scams and Fraud¹¹⁸. This collaborative effort aims to educate the community about effective strategies for safeguarding their financial interests in the online landscape. In this latest edition, HSBC Malta and ĠEMMA have curated twelve short stories that shed light on real-life instances of scams and fraud witnessed by financial institutions in Malta. These cases serve to illustrate the extensive range and complexity of fraudulent activities prevalent in the country, including topics like mule entrapment, financial exploitation of the elderly, fraudulent imports of cars from the UK, and deceptive online bargains.
- In 2021, ĠEMMA also introduced an informative infographic aimed at raising awareness about investment scams¹¹⁹ and equipping the public with knowledge on safeguarding themselves

¹¹² The development of a responsive website retirement tool is expected to empower individuals with knowledge about the social security contributory pension system, enabling them to make informed decisions regarding their retirement.

¹¹³ <https://gemma.gov.mt/gemmas-webinar-on-putting-retirement-on-a-young-persons-radar/>

¹¹⁴ <https://gemma.gov.mt/are-you-born-on-and-after-1962-do-you-know-how-the-pension-system-works/>

¹¹⁵ Gemma survey on the Level of Understanding by Persons Born on and After 1962 of How the Pension System Works: <https://gemma.gov.mt/wp-content/uploads/2021/06/Final-110621-GEMMA-Survey-on-Pensions.pdf>

¹¹⁶ <https://gemma.gov.mt/gemma-webinar-on-the-future-adequacy-sustainability-and-solidarity-of-maltas-pension-system/>

¹¹⁷ <https://gemma.gov.mt/hsbc-malta-and-gemma-launch-fraud-awareness-booklet/>

¹¹⁸ The E-book on Scams and Fraud: <https://gemma.gov.mt/ebook-download-page/>

¹¹⁹ <https://gemma.gov.mt/investment-scams/>

against fraudulent activities. The infographic presents a range of valuable tips that individuals should adhere to protect themselves from falling victim to investment scams¹²⁰.

- Additionally, in 2020 ĠEMMA organized a webinar on self-employment¹²¹ and introduced another e-Book that serves as a comprehensive guide for individuals considering self-employment in Malta¹²². The e-Book covers essential topics such as the differences between self-employment and employment, employing others in a business, and managing VAT, social security, and income tax obligations. It also provides interactive features and downloadable forms for easy access and practical use. The e-Book aims to equip self-employed individuals with the necessary information to make informed decisions about financial matters that impact their lives and the wellbeing of their families. It emphasizes the importance of understanding the full range of contributory social benefits and highlights the potential risks of under-declaring income for social security contributions.

From the afore mentioned, it is clear that the provision of social benefits is not the only set of measures being implemented to ensure that persons have enough disposable income to live a good quality of life. The general population and vulnerable groups in particular are being equipped with the necessary skills and materials to manage their own responsibilities and find financial stability throughout their lives.

2.2.2. EMPLOYMENT

The primary aim of this dimension is to facilitate universal access to employment, empower, support and provide training to individuals seeking jobs, encourage the growth of the workforce, and aid employers in their recruitment and training requirements. This is in line with Malta's National Employment Policy (2021-2030). In this context, Government is implementing various initiatives to help individuals acquire the essential knowledge, skills, and competencies needed for securing and maintaining employment. These efforts also aim to encourage the recruitment of disadvantaged and vulnerable populations and stimulate productive investments and job creation, which are supported by both EU and initiatives funded nationally. Various schemes and measures promote employability and job mobility, and integrate people in employment. This contributes to the decrease in the reliance on social welfare programs, breaks the cycle of joblessness passing from one generation to the next, and reduces dependence on government assistance. The recent reforms in social welfare benefits, along with focused measures to boost labour market participation, have successfully transitioned several welfare recipients and inactive individuals into the workforce. This achievement has been facilitated by the establishment of new economic sectors and the restricting of conventional ones. The provision of the free-childcare scheme, breakfast club and after-school care service have increased female labour market participation as per below Eurostat data in Table 4.

Table 4: Female Employment Rate 20 - 64 years - percentage of total population 2014-2022¹²³

Time	2014	2015	2016	2017	2018	2019	2020	2021	2022
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¹²⁰ The infographic on Investment Scams: <https://gemma.gov.mt/wp-content/uploads/2021/06/Investment-Scams.pdf>

¹²¹ <https://gemma.gov.mt/gemma-webinar-on-being-self-employed/>

¹²² The e-book on Self-Employment: <https://gemma.gov.mt/ebooks/handbook-of-how-to-go-self-employed-in-malta/>

¹²³ Employment rate by sex. Eurostat online data code: [TESEM010](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

EU 27 (from 2020)	62.4	63.2	64.3	65.4	66.4	67.2	66.5	67.6	69.3
Malta	54.3	55.3	58.0	60.6	64.1	65.8	67.8	70.3	74.1

Efforts were undertaken to secure more employment opportunities that render a stable and adequate income for young people as follows:

The Youth Guarantee Scheme

The Youth Guarantee Scheme, has continued to provide support to young people aged 15-29 years to increase their skillset and enter employment or continued education. The Scheme is particularly aimed at supporting and incentivising young people who are Not in Education, Employment or Training (NEET), to integrate into the labour market or continue their studies.

This partly EU-funded project promotes youths' development in education and employment through its four initiatives specifically developed for young people, namely:

- *NEET Activation Scheme II* that offers profiling, motivational and behavioural training, continued education, work exposure and traineeship. The participants also receive an allowance equivalent to the minimum wage.
- *SEC Revisions Classes* that consist of five weeks of free revision classes in a choice of up to three subjects (English, Maltese, Mathematics, Biology or Physics) in preparation for the September resits.
- *MCAST Preventive Classes* that reduce the rate of dropouts by giving students a chance to follow further MCAST courses, even if one fails in one exam of their previous course.
- *ICT Courses* for young people to acquire ICT skills in addition to a preparatory course in English.

Through these initiatives, students are helped to achieve higher grades and enrol in an educational institution to further their educational attainment prospects or facilitate their transition into employment.

Changes in the NEETs rate during the past years are a reflection of the effectiveness of the Youth Guarantee Scheme coupled with other Government measures, especially during and post Covid-19. The NEETs rate of young people aged 15-24 years has hit a local record low in 2022 at 7.1% (compared to the EU average of 9.6%) following the rates of 9.3% and 9.8% during 2020 and 2021 respectively. The 2022 rate reduced by 2.8% from 2013 (standing at 9.9%) and by 3.4% from 2015 (standing at 10.5%). The local NEETs rate during 2020-2022 saw a higher rate for males than females, an opposite trend when compared to previous years.

The fight against any threats to the employees' work, upskilling and personal development continues to be promoted through a number of programmes, schemes and legislative frameworks:

Revision of the Employment & Industrial Relations Act (EIRA)

Malta's main employment law is governed by the Employment and Industrial Relations Act (EIRA) (Cap 452 of the Laws of Malta). This legislation covers various aspects of employment, such as

employment conditions, anti-discrimination measures, and industrial relations. During the period under review, the law was amended in 2020, 2021 and 2022 affecting the following changes:

- In January 2020, workers were granted an additional eight hours of paid leave, increasing the total annual vacation entitlement to 216 hours per worker.
- In March 2020, the Minimum Special Leave Entitlement Regulations were amended to provide paid quarantine leave when an employee is required to abide by a quarantine order.
- In June 2020, the Leave for Medically Assisted Procreation National Standard Order (Legal Notice 156 of 2017) was amended to provide paid leave for individuals and couples undergoing medically assisted procreation treatment (IVF).
- The Posting of Workers in Malta Regulations were also amended in June 2020. The changes included extending the terms and conditions of employment to include remuneration, providing conditions for workers' accommodation, and allowances for travel and lodging expenses during posting assignments. Temporary agency workers were also to be treated the same as workers hired directly by the employer. In June 2021, the Posting of Workers Regulations were amended further so that in any civil proceedings instituted by the posted worker where there is a subcontracting chain, when the direct subcontractor is the employer of a posted worker, the contractor and the direct subcontractor are jointly and severally liable to the posted worker with respect to their rights.
- In February 2021, the National Holidays and other Public Holidays Act (Cap 252 of the Laws of Malta), the Annual Leave National Standard Order (Subsidiary Legislation 452.115) and the Organisation of Working Time Regulations (Subsidiary Legislation 452.87) were amended so that when a national or public holiday falls on a Saturday, Sunday or weekly day of rest to which an employee is entitled, such an employee shall be entitled to an additional day of vacation leave.
- With effect from 1st January 2022, the wages of all full-time employees were increased by €1.75 per week¹²⁴.
- In July 2022, the Work-life Balance for Parents and Carers Regulations (Legal Notice 201 of 2022) were published. By virtue of these regulations, Paternity Leave was increased to 10 days with full pay, two months of the four Parental Leave is being paid at the rate of the sickness benefit and five days unpaid carers leave were introduced.
- In October 2022, the Transparent and Predictable Working Conditions Regulations (Legal Notice 267 of 2022) were introduced. These regulations transpose minimum requirements relating to working conditions applicable to every worker in the European Union who has an employment contract or employment relationship as defined by the law, collective agreements or practice in force in each Member State with consideration to the case-law of the Court of Justice.
- In October 2022, the Digital Platform Delivery Wages Council Wage Regulation Order (Legal Notice 268 of 2022) was published. The scope of these Regulations is to ensure that persons engaged to provide paid services consisting of the delivery of any consumer product, gain access to labour and social protection rights.

Engagement of Inspectors to enforce WROs

A wage regulation order (WRO) is a government mandate that sets minimum wages for specific industries or sectors to protect workers and prevent exploitation. WROs establish a minimum hourly wage or monthly salary and any applicable benefits or bonuses that must be provided to workers. Employers who violate a WRO may face penalties, and workers can seek legal remedies

¹²⁴ Part-timers' wages are increase pro rata.

if they are not paid the minimum wage required by law. WROs help reduce poverty by ensuring a living wage, reducing income inequality, promoting economic growth, and improving social mobility.

The Enforcement Branch within the DIER has a dedicated Inspectorate Section which is responsible for monitoring conditions of employment and processing complaints of workers who are still in employment. Previously this section only consisted of six inspectors but in December 2020, the number of EIRA inspectors was increased to eight and there are plans to increase the complement of EIRA inspectors further.

Work Exposure and Traineeships

The objective of the Work Exposure Scheme is to ensure that everyone, including individuals who may lack education or job experience due to their circumstances, is given equal opportunity in the labour market. By offering practical, on-the-job training, this programme equips individuals with the essential knowledge, skills, and competencies needed to find and maintain employment. The scheme is structured to align with current labour market needs, with a focus on matching jobseekers' preferences with employers' requirements.

The Traineeship Scheme provides jobseekers with initial vocational training (pre-employment training) that would help individuals obtain the knowledge, skills and competences required to find and retain employment. Traineeships are based on a combination of on-the-job and off-the-job training. The programmes offered are labour market driven, whereby the job preferences of the jobseekers are matched with the requests made by employers participating in the scheme.

The Work Placement Scheme provides training to participants following a course offered by Jobsplus, which includes a practical component. The Work Placement Scheme gives Jobsplus' trainees an opportunity to acquire both theoretical and practical training in:

- Care workers for the Elderly
- Care workers for Persons with Disability
- Childcare

This scheme is available to persons who were/are unemployed or inactive.

More Work-based Learning as Part of the MCAST Apprenticeship Scheme

MCAST offers various types of work-based learning opportunities, including placements, apprenticeships, internships, and live cases (practicals)¹²⁵, tailored to the specific course. The primary aim of work-based learning is to equip students with practical skills and experience that prepare them for real-world careers, blending college-based learning with relevant work experience. Work-based learning not only enhances students' career prospects but also enables them to gain hands-on experience by contributing to the creation of real goods and services.

Placements are available to students up to MQF level 4, providing them with an opportunity to acquire work experience and skills that lead to vocational qualifications or awards, which may be paid or unpaid at the discretion of the sponsor. Apprenticeships, offered in selected MQF level 3-6 courses, provide relevant paid work experience combined with college-based learning for various industries. Internships, designed for MQF level 5 or higher students, offer practical work

¹²⁵ Live cases in the creative arts program enable students to work with clients, researching, designing, developing, and producing a creative concept.

experience leading to vocational qualifications or awards, which may be paid or unpaid at the discretion of the sponsor.

In June of 2021, the Government announced the MCAST Covid-19 Apprenticeship Recovery Plan, which is an investment of nearly €2.75 million to expand apprenticeship opportunities for students, thereby continue to enforce the Work Based Learning and Apprenticeship Act. This investment enables MCAST to entice more businesses to take on students in their apprenticeship programs through a payment. The COVID-19 pandemic presented various obstacles to employers and companies, both during and after the pandemic. To ensure economic prosperity in a post-pandemic scenario, companies had to continue investing in work-based learning to ensure that they have competent and well-trained workers to sustain growth. Apprenticeships are a critical component in the development of human capital, and the Government is committed to supporting the industry in promoting the uptake of apprenticeships, especially during challenging times. As of June 2021, a network of over 1,463 companies provided apprenticeships to 1,675 students. In October 2021, the first payments of the MCAST Covid-19 Apprenticeship Recovery Plan were issued. More information about the MCAST Covid-19 Apprenticeship Recovery Plan is found within the next section on Education.

IPS Student Scheme

In 2021, the Institute for the Public Service (IPS) in collaboration with MCAST launched the 'IPS Student Scheme' which provides students with a paid work-placement (in addition to the stipend) while reading for the full-time course and a secure job opportunity once completing studies. The scheme, which has a budget of up to €250,000 yearly, also includes mentoring and applied knowledge to students. Upon satisfactory completion of their studies, and through the experience gained, participants will automatically be employed within the Malta Public Service.

In 2021, the IPS issued two calls under the IPS Student Scheme to the general public, inviting interested applicants to pursue a 3-year course in either BA (Honours) Procurement and Finance or BA (Honours) Public Policy and Management with MCAST on a full-time basis. The IPS incurred a cost of €146,000 for these courses.

In 2022, the IPS collaborated with MCAST and UoM to expand the program by issuing two additional calls under the IPS Student Scheme to the general public. These calls aimed to attract applicants interested in a 2-year Advanced Diploma in IT (Computer Systems and Networks) and Advanced Diploma in IT (Software Development) provided by MCAST, or a Diploma in IT through UoM offering 5 different areas, with the areas being: (i) Computing Engineering, (ii) Computer Science, (iii) Artificial Intelligence, (iv) Computing and Business, or (v) Software Development. Consequently, since the intake was very low, IPS decided to sponsor only the Diploma in IT with MCAST in Computer Systems and Networks or Software Development.

Up until 2022, a total of 20 students had enrolled in these courses. The Scheme is envisaged to continue in the coming years with the inclusion of other courses and stakeholders.

EU Graduate Tracking Study

In 2022, the University of Malta participated for the second time, within the European Survey of Higher Education Graduates, which survey is due to be closed in 2024. Malta first participated in this study in the 2018-2019 pilot survey. This pilot survey of graduates in a choice of European countries aims to lay the ground for a sustainable European-wide graduate survey. The study monitors educational pathways of graduates, how they evaluate their study experiences and how that

translates into their professional careers and lives as European citizens. The purpose of the EU Graduate Tracking Study includes the following:

- Strengthening career guidance systems for prospective students, current students and graduates
- Supporting the design and updating of curricula to improve the acquisition of relevant skills for employability;
- Improving skills matching to support competitiveness and innovation at local, regional and national level, and to resolve skills shortages;
- Planning for and forecasting evolving employment, educational and social needs; and
- Contributing to policy development at both national and EU levels.

The Learning Box

Efforts have been undertaken and are in progress for skills-upgrading as part of the adult education sector. In line with MEYR's lifelong learning strategy, the establishment of the "Learning Box"¹²⁶ in 2021 aims to provide immersive and engaging digital educational opportunities accessible at any time to adult learners. Further detail is given within the next sub-chapter on the Education dimension.

Investment in job creation for vulnerable groups was sustained through a number of schemes, projects and services as follows:

Access to Employment Scheme (A2E)

Long term investment in employment has continued to be increased by the utilisation of EU funds within the Access to Employment Scheme (A2E). The Scheme is aimed at providing assistance to businesses in Malta and Gozo to encourage the recruitment of job seekers and individuals who face greater challenges in finding employment. Table 5 illustrates the eligible target groups.

Table 5: Eligible Target Groups for A2E

TARGET GROUP	CLIENT GROUP
1	Any person of age 24 and over who has been unemployed/inactive for the previous 6 months.
2	Any unemployed person of age between 15 to 24 who previously participated and completed the Youth Guarantee / Work Exposure / Traineeship Scheme and is recruited for the first-time following completion of such initiatives.
3	Any person who is living as a single adult who has one or more dependants and is not in full-time employment.

¹²⁶ "Learning Box" has been set up and is available at <https://learningbox.edu.mt/>.

TARGET GROUP	CLIENT GROUP
4	Any person of age 24 and over who has not attained an upper secondary educational or vocational qualification (ISCED 3), who does not have a job.
5	Any person older than 50 years who does not have a job.
6	Any person who has been unemployed / inactive for the previous 12 months during which he/she has not benefited from a traineeship with the Undertaking and who belongs to one of the categories (3) to (5).
7	Any person of age 24 and over who has been unemployed / inactive for the previous 24 months during which he/she has not benefited from a traineeship with the Undertaking.
8	Any person who is a registered disabled person under national law.

Source: MFE.

Community Work Scheme

The Community Work Enterprise Foundation scheme's primary goal is to offer jobless individuals an opportunity to acquire work experience and enhance their prospects of securing employment. Moreover, through the Community Inclusive Scheme, Jobsplus matches unemployed registered persons with disability to be employed with Local Councils across Malta and Gozo. The scope is to help them access and integrate into productive employment.

Through the VASTE Programme, a project implemented by Jobsplus in partnership with the Lino Spiteri Foundation, Jobsplus' advisors aim at preparing persons with disability and other vulnerable individuals for employment by providing a number of services. The main activity of the project is the development a Vocational Multi-Disciplinary Assessment Centre, to offer detailed assessment services to the targeted individuals. Such assessment helps Jobsplus and the Lino Spiteri Foundation's guidance service to tailor a personal action plan and employment exposure to targeted jobseekers. Multiple training options such as Pre-Employment Training, Basic ICT Training, Sheltered Employment Training, the Headstart Programme, Job Carving and Supported Employment (On-the-Job Coaching) are also offered to the clients.

- Pre-Employment Training is offered to four distinct groups: persons with intellectual difficulties, persons with physical/sensorial difficulties, persons with mental health challenges and other vulnerable individuals. Courses range from 50 to 100 hours of training depending on the training referred to.
- Basic ICT Training aims to provide clients with practical knowledge, skills and competences required to use ICT, use the Internet, send and receive email and use Microsoft Word to prepare a Curriculum Vitae and covering letter. Through this training programme, the client also learns to identify and apply the correct practices and habits to work with ICT equipment safely.
- Sheltered Employment Training gives the opportunity to clients with intellectual or other severe disabilities to receive hands-on training in different tasks such as back office, assembly of products, packaging etc. The duration of this training is of 52 weeks, during which, clients work within groups and are assisted by Job Coaches. Skills such as work ethics, independent living, communication and social skills are embedded within this programme. The main objective of this initiative is to offer maximum opportunity to those

with severe or multiple disabilities, possibly instigating achievement from sheltered to supported employment.

- Headstart is a six-month programme offered by the Lino Spiteri Foundation with the scope of increasing work prospects within the labour market. The aim of the programme is to assist individuals in enhancing their competences related to employment. It simulates a work setting and is structured in a manner that helps individuals to improve relationships and social skills, understand work-related skills and procedures and foster workplace ethics.
- Job Carving is an approach which aims to rearrange tasks in a company to tailor a job opportunity for a person that has constraints to fulfil certain tasks, while keeping in mind the company's needs.
- Mentoring service is also being provided to clients prior and during employment as necessary. Throughout Supported Employment, the client is also given training and re-training on the specific job tasks according to the individual's needs. Job Coaches are assigned to facilitate the integration of the individual at the place of work by the identification of a 'work buddy' who will volunteer to handhold the vulnerable individual on an ongoing basis to retain employment.

The Bridging the Gap scheme is also designed to support disadvantaged groups such as registered persons with disability who are registering as unemployed in the transition period from unemployment to employment. It allows the employer to evaluate the performance of the client in the workplace, prior to proper engagement. The scheme offers participants a period of work exposure with an employer to learn on-the-job the skills needed for a job.

Document Management System

The Document Management Scheme has created an employment opportunity specifically tailored to persons with disabilities whereby participants carry out administrative tasks. This initiative opened up new avenues for individuals with mental, physical, or intellectual disabilities to find gainful employment and lead more fulfilling lives.

As a result of the measures targeting persons with disabilities, Malta has experienced a year-on-year increase in the employment of persons with registered disabilities as per Table 6 below.

Table 6: Registered Disabled Persons (RDPs) in Employment - December 2013-2022

RDP in Employment			
Year	Full Time	Part Time	Grand Total
Dec - 2013	1,455	342	1,797
Dec - 2014	1,619	388	2,007
Dec - 2015	1,853	465	2,318
Dec - 2016	2,214	636	2,850
Dec - 2017	2,661	838	3,499

Dec - 2018	2,729	849	3,578
Dec - 2019	2,953	941	3,894
Dec - 2020	3,053	919	3,972
Dec - 2021	3,326	1,049	4,375
Dec - 2022	3,672	1,162	4,834

Source: Jobsplus' administrative data, 2023.

The initiatives and actions highlighted in this dimension have the dual objective of providing stable employment opportunities while also giving proper consideration to personal growth. This dimension also addresses the imperative of creating job opportunities for vulnerable individuals. Within this framework, the progress of the Employment dimension of this Strategic Policy adopted a comprehensive approach to promote active participation in the labour market through:

- ongoing education and training with diverse programs and initiatives targeting low-skilled youth;
- strategies designed to foster inclusivity in the workforce;
- the development and revision of legal frameworks to ensure worker protection;
- endeavours to facilitate lifelong learning; and
- initiatives aimed at providing work-based learning and supporting competitiveness.

2.2.3 EDUCATION

Education serves as a tool, opening the gateway towards an improved quality of life, while also facilitating the reduction of poverty, enabling greater social mobility, and fostering social inclusion. Within this context, the objective is to promote inclusive and high quality education across all levels.

During the years under review, Malta has continued investing in the educational sector to provide present and future generations with opportunities to develop the necessary values, skills, and attitudes for active citizenship and employability. This investment is aimed to bridge the gap between education and employment.

Malta is committed to ensuring equal opportunities and accessibility for all at every level of education and training. This commitment is demonstrated by an inclusive policy at all education levels, and an education policy based on two main principles: equity and quality.

This is further complemented through an established policy review process which includes thematic review committees tasked with monitoring the planning, implementation, and review of a number of policies, including:

- Lifelong learning.
- Early leavers from education and training.
- Literacy.
- Simplification and digitalization.

The Framework for Education Strategy for Malta 2014-2024¹²⁷, which is now in its final cyclical policy phase, serves as the foundation for Malta's strategic outlook towards an equitable and accessible educational system for all. This framework provides a coherent strategy for lifelong learning opportunities, ranging from early childhood education and care to adult learning as well as technology integration and teacher development.

Several policies have been reviewed and renewed with a lifecycle extending up to 2030, guided by the current four broad goals of the Framework for Education Strategy 2014-2024. These goals aim to provide more opportunities and flexibility in the education system. Malta is committed to modernizing curricula, improving teaching and assessment quality, and promoting digital skills.

The following standards and policies are in line with the Council resolution on a strategic framework for European cooperation in education and training, aimed at fostering the European Education Area and beyond, including the identified EU-wide targets in education contained therein:

- The 2021 National Standards for Early Childhood Education and Care Services (0-3)¹²⁸ and the 2021 Early Childhood Education and Care National Policy Framework for Malta¹²⁹ and Gozo address a democratic, systematic, and universal design approach.
- Malta's updated National Inclusive Education Framework (2022)¹³⁰ re-designed processes and practices in a manner that respond effectively to all learners' needs and social realities. It is currently being implemented to address the inclusion of all learners, especially those at risk of being marginalised.

Furthermore, the strategic policy actions presented under the education dimension within Malta's National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024 are being implemented through a number of measures aimed at:

- consolidating ongoing measures to modernise the education system and improving governance;
- addressing educational inequalities and improving quality education for all; and
- strengthening life-long learning and digital literacy.

An overview of the measures being implemented under these three policy objectives is provided below.

Modernising the education system and improving governance

Change is an inevitable reality, underscoring the necessity for educators to constantly keep up with evolving trends in the professional landscape. Enhancing educators' skills and professionalism, along with regularly assessing and adjusting curricula and educational services to align with emerging realities, can in turn, lead to higher-quality learning.

¹²⁷ Accessed at: <https://education.gov.mt/wp-content/uploads/2023/05/booklet-esm-2014-2024-eng-19-02.pdf>

¹²⁸ Accessed at: [https://meae.gov.mt/en/Public_Consultations/MEDE/Documents/National%20Standards%20for%20Early%20Childhood%20Education%20and%20Care%20Services%20\(0%20-%203%20years\).pdf](https://meae.gov.mt/en/Public_Consultations/MEDE/Documents/National%20Standards%20for%20Early%20Childhood%20Education%20and%20Care%20Services%20(0%20-%203%20years).pdf)

¹²⁹ Accessed at: https://meae.gov.mt/en/Public_Consultations/MEDE/Documents/NPF%20Early%20Childhood%20Education%20and%20Care.pdf

¹³⁰ Accessed at: https://educationservices.gov.mt/en/Documents/WEB_FrameworkDocument_061222.pdf

Improving the competence and professionalism of educators

Malta has made great strides in the past years in teachers' support mechanisms so that the latter can be effective in the classroom. This includes the engagement of professionals who are specialised in a particular area of the curriculum and/or in child socio-emotional needs. These professionals support the teacher so that the latter builds the skills needed to address the diverse needs of the students in class.

Malta prioritises early career support. Providing opportunities for growth not only in terms of progression but also in terms of professional development has shown to increase retention, motivation and performance.

During the period under review, measures to foster a professional learning community have continued yearly as per previous agreements. These measures include:

- the widened concept of professional development, from CPD to COPE (Community of Professional Educators), that includes all types of learning opportunities (within schools, externally designed and based on self-development) and that allowed teachers the option to get a salary increase in six years if they follow 360 hours of CPD. Such newly introduced learning opportunities include an internship scheme¹³¹ for teachers of STEM subjects to undergo a work experience in industry. Another learning opportunity is the re-training courses for teachers willing to teach VET subjects.
- CPD offered by the Institute for Education, particularly: i) the introduction of a Postgraduate certificate in Assessment for Learning Strategies pegged at MQF level 7 to teachers during school hours; ii) a number of Awards after school hours in many specialised areas¹³²; iii) on-the-job digital training to teachers/educators; and iv) a Postgraduate Certificate in Digital Competences for Education aimed to upskill teachers in the digital aspect to enhance the learning experience of the learners under their responsibility.
- CPD offered by the Faculty of Education within the University of Malta, whereby a number of Community of Professional Educators (CoPE) sessions are held in schools as requested by different Heads of school, and teachers are trained in lesson study and mentoring, amongst other professional approaches.
- Training related to migrant learners. Training ensures that the education system promotes a culture of dialogue and democratic values, addresses the cultural diversity of learners and creates a space for community building at the national level.
- Training offered on Reading Recovery (RR)¹³³. A cohort of 85 school-based complementary education teachers working with children who are facing literacy difficulties are participating in a year-long intensive training to learn to use the RR methodology.

¹³¹ Scheme launched in collaboration with the Malta Chamber of Commerce.

¹³² The modality is blended to enhance accessibility and flexibility.

¹³³ An accredited school-based literacy intervention programme in English, for lowest achieving children aged 6 to 7 years.

- Requirements for all teaching grades rendering a service in state schools to actively participate in Management-driven Community of Professional Educators (CoPE) sessions¹³⁴.
- Ongoing training sessions of digital literacy to cater for specific requirements are provided, particularly when new learning equipment, learning devices and online teaching and learning digital resources are introduced.
- Pedagogical digital support is offered in all Primary and Secondary schools through a pool of digital literacy support teachers, including the availability of Digital Literacy Heads of Department within each College.
- A survey carried out in Scholastic Year 2022-2023 with newly qualified teachers who are in their second year of their induction programme. The findings of this survey show that:
 - 80% were satisfied with the procedures currently in place regarding mentoring;
 - 97% felt their work was duly recognised by the Head of School; and
 - 83% felt they could come up with their own targets with ease.

Strengthen educational services to reflect emerging realities

- ***Network infrastructure in schools:*** During 2022, a number of schools in Malta and Gozo underwent works for the network infrastructure to be installed and updated. Works on Tarxien Annex and Safi schools were completed while works on other schools are envisaged to be completed by 2026.
- ***Reform in the location of SEC Exams:*** In 2022, around 500 people (supervisors, invigilators and technical staff) were trained physically and online while the necessary equipment and administrative operations were undertaken for SEC Exams to be held in the same school where students attend. This measure is envisaged to help students manage their studies and focus, reducing the hassle of finding the locations of multiple schools and arranging transport, as well as increasing comfort while undergoing SEC exams.
- ***A new grant for vulnerable children:*** In the last quarter of 2022, a grant with an average of €10,000 per year was given to each of head of a state school to ensure that the children under their supervision are not lacking in food or other basic resources. The allocation of funds was calculated in a way that considers not only the student population but also how much of the population comes from an economic band that qualifies for Scheme 9. A manual was published with guidance for the use of these funds and meetings were held with all the Heads of Schools with the aim of informing them on making the maximum use of these funds for the wellbeing of children.
- ***Free internet vouchers to all 1st year Post-Secondary students:*** As from 2021, an incentive to encourage students to pursue further studies was introduced through vouchers amounting to a value of €300 of Internet access distributed to students who after leaving their obligatory Secondary education, are in their first year of studies in a Post-Secondary

¹³⁴ The management is encouraged to analyse the professional development needs of its professional community and meet such needs through CoPE time. Before the start of the scholastic year, a balance is determined between locally (school) and nationally (central authority) organised CPD.

course. During 2021 and 2022, an yearly average of 2,300 students benefitted from this scheme.

- **Overcoming challenges to education brought by Covid-19:** During the closure period related to the Covid-19 pandemic, the government continued paying its contribution to childcare centres. However, a condition was imposed that the centres could not terminate the employment of their staff. Instead, staff members were encouraged to hold online activities and maintain contact with parents during this time. For the 2020/2021 scholastic year, all state schools reopened with the necessary preventive measures in place for all students, from childcare to Year 11. MEYR also provided approximately 12,000 recorded lessons on demand, accessible for free on teleskola.mt, covering all syllabi from pre-primary to Year 11.

Since 2020, three virtual schools opened for primary, middle, and secondary school students who are vulnerable or who have guardians who are vulnerable in relation to their health and Covid-19.

In 2021, MEYR implemented an eight-week educational Summer programme, benefiting around 500 students from Year 1 to Year 10. The lessons were physically delivered in 7 centres around Malta and Gozo, and also online through a virtual school. The curriculum included a variety of academic and enrichment activities, such as Maths, English, Maltese, and Science lessons, as well as activities designed to build confidence and friendships, and improve wellbeing. The programme was extended to the winter of 2021 and is still being offered in the academic year of 2022/23 to help eligible students catch up on education lost due to the pandemic.

Addressing educational inequalities and improving quality education for all

Malta has strived to provide equal opportunities to all, ensuring that no child is left behind. In this regard, continuing on the efforts of previous years, various measures have been implemented to encourage the inclusion of individuals who are at risk of exclusion due to differences in their levels of development, literacy, nationality, and family income. This section offers an overview of the initiatives undertaken between 2020 and 2022 which concerned: a) literacy; b) inclusive education; and c) financial assistance for higher education.

Literacy

A continuous commitment to literacy: Several initiatives continued to be implemented and strengthen their uptake to improve children's literacy, including literacy and reading programs that have been shifted online and to television during the Covid-19 pandemic. These programs offer around 800 hours of weekly online literacy and reading sessions, including these programmes provided by the National Literacy Agency¹³⁵:

- *Reading Recovery Programme*, which is a one-to-one daily literacy intervention programme provided by trained teachers¹³⁶ to Year 2 students who struggle with reading and writing;
- *Aqra Miegħi / Read with Me*, which is a free online Early Literacy Programme for children aged 0 to 3 years accompanied by their families;

¹³⁵ Due to COVID 19 restrictions and alternate use of human resources, all programs by the National Literacy Agency were either suspended or being offered partially online.

¹³⁶ Each year, around 30 more teachers are trained in Reading Recovery.

- *Seħer l-Istejjer / The Magic of Stories*, which is a family literacy programme intended for children of 4 to 6 years and their parents or caregivers;
- *Għidli Storja / Tell Me a Story*, which is an online storytelling programme targeted to Year 5 primary students to improve their oracy, listening and comprehension skills through stories, storytelling and oracy-based activities;
- *Naqraw Flimkien / Let's Read Together*, which is a television programme produced by the National Literacy Agency and the Public Broadcasting Services to further promote reading among young children.

Standards and Policy for Early Childhood Education and Care Services: In October 2021, the Directorate for Quality and Standards in Education (DQSE), responsible for the quality assurance of Early Childhood Education and Care (ECEC) services (0-3 years), published the National Standards for Early Childhood Education and Care Services (0-3 years). These standards supersede the National Standards for Child Care Facilities, published in 2006. The new standards reflect the significant changes and development in the area of early years education. The need for a review of these standards was also brought about by the fact that the area of ECEC has been included as one of the main areas of foci towards achieving the targets outlined in the Sustainable Development Goals (SDG) in particular target SDG 4 which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. The consolidation of these standards was informed by practitioners and experts in the fields of ECEC provision for under 3-year-olds as well as the general public through a public consultation.

The objectives of the updated National Standards for Early Childhood Education and Care Services (0-3 years) are to:

- Reflect recent developments in the ECEC (0-3) field within the Maltese context;
- Be in line with ongoing ECEC research for children aged (0-3 years);
- Develop and strengthen a more socially just and active labour market in Malta by sustaining availability and accessibility to quality ECEC services;
- Ensure that these standards, are consistent with the overall framework for Early Years pedagogy (0-7 years) within the National Curriculum for All (2012).

These newly revised standards are informed by the principles of the National Curriculum Framework for All (2012) as well as national policies and international research that incorporate the key elements of best practices in ECEC, and are complementary to the Early Childhood Education and Care (0-7 years) National Policy Framework for Malta and Gozo¹³⁷ which was also published in October 2021.

Inclusive Education

Investing in inclusive education in schools is of paramount importance as it enables all children to develop a sense of belonging and a better understanding of their role as members of the community from an early age, thus equipping them to become better prepared for life in the community. To ensure that learners of all backgrounds have equal opportunities, Malta addresses barriers to learning by taking into account the learner's personal characteristics,

¹³⁷ Accessed at:

<https://educationservices.gov.mt/en/dqse/Documents/publications/NPF%20Early%20Childhood%20Education%20and%20Care%20ENG%20-%20A4%20Oct21.pdf>

family, cultural and socio-economic background. This empowers educators to make professional choices that support all learners.

In this context, **Malta's Policy on Inclusive Education in Schools: Route to Quality Inclusion (2022)**¹³⁸ and **A National Inclusive Education Framework (2022)**¹³⁹ provide guidance to all stakeholders within the education sector to ensure that all learners have access to quality education, intervention, and support to experience success in learning within a high-quality inclusive education system. These commitments are in line with the Framework for Education Strategy for Malta 2014-2024 and are crucial for having a more responsive education system that caters to the diversity of needs of all learners in the school community.

In accordance with the *Inclusive Education in Schools: Route to Quality Inclusion*¹⁴⁰ policy, the MEYR introduced several measures specifically targeting vulnerable and disadvantaged students who were unable to benefit from online resources during school closures related to the Covid-19 pandemic. These measures included:

- Free school lunches provided for children benefitting from Scheme 9, which during scholastic year 2021/2022 were distributed to 158 students at their own home;
- Supplying free internet service to 158 students; and
- Loaning 139 laptops, and 488 tablets to students in need through the Covid-19 scheme.

To further support economically and socially disadvantaged children, starting from academic year 2022/2023, Scheme 9 expanded its provision of basic educational needs such that eligible disadvantaged¹⁴¹ students aged 3 to 16 years (currently estimated at around 2,000 children) do not have to choose one from the services offered but are eligible to receive all of them. Free eyeglasses to children who need them was also added among the already existing list of services¹⁴² offered. This measure strives to ensure that all children at-risk-of poverty have a quality education experience and get the most out of their scholastic life.

Furthermore, the Early Intervention service offers support to infants and toddlers (0-5 years) with developmental delays and disabilities, along with their families. Each primary school is assigned an Early Intervention practitioner who collaborates with the Assistant Head responsible for the kindergarten years. Strategies are provided to help children with disabilities, developmental delays, or difficulty engaging with the kindergarten curriculum to attend mainstream school. A whole-school approach to Early Intervention is implemented, emphasizing the importance of early identification and intervention for improved outcomes.

During the period under review, the following initiatives provided more access to inclusive education and equal opportunities for children with disabilities:

Multisensory rooms: Since 2015, inclusive set-ups and newly equipped multisensory rooms have been installed in mainstream primary schools to provide opportunities for learners with

¹³⁸ Accessed at: [WEB_InclusionDocument_061222.pdf\(gov.mt\)](https://www.govt.gov.mt/Document/WEB_InclusionDocument_061222.pdf)

¹³⁹ Accessed at: https://educationservices.gov.mt/en/Documents/WEB_FrameworkDocument_061222.pdf

¹⁴⁰ First published in 2019 and revised in 2022.

¹⁴¹ Coming from low socio-economic family backgrounds.

¹⁴² Through the Scheme 9, free healthy and nutritious meals, are provided on all school days to children in low-income families. Additionally, Scheme 9 provides for other in-kind benefits including: free uniform; free stationary; free photocopies; and exemption from any fees in relation to extracurricular activities. Reading books, adapted according to the child's age, are also provided to those benefitting from Scheme 9.

severe autism and other disabilities to engage and enhance learning¹⁴³. Till 2022, the amount of multisensory learning rooms kept increasing, totalling to 12 fully operating rooms in 2022.

Reach Autism units: The Reach Unit is part of a continuum of educational provision that enables learners with complex autism-specific needs to be educated in smaller groups within their local mainstream Middle and Secondary schools. It provides learners with a calm, stable, predictable, and supportive learning environment that aims to meet their specific needs, including those related to sensory processing, emotional regulation, executive functioning, and social skills. The Reach Unit enables learners to access a more meaningful and functional curriculum, allowing them to develop to their full potential while offering access to appropriate and effective mainstream educational and social learning opportunities. This pilot project was launched during the 2021-2022 school year, and there are currently four Reach units and 22 students benefitting from the program. Moreover, as from scholastic year 2022/2023, two more middle schools were equipped with Autism Units. This project was further strengthened by more trained educators, autism strategies and quality assessment, adequate resources and classroom planning, as well as a functional curriculum with specific targets suitable for children with autism so that they all reach their full potential and participate fully in society.

More Braille machines in schools: In order to continue to ensure that children with visual impairment (blind) receive a quality education that safeguards their right to learn in an inclusive, equitable and fun way, Braille machines equipped with modern technology were added in more schools in 2022 for an expenditure of €30,000.

More support to migrant learners: The Migrant Learners' Unit (MLU) within the MEYR provides support to migrant children who want to access state schooling. It offers an induction program for those who are unable to communicate in Maltese and English and after-school programs such as the "Language to Go!" summer language intensive courses. The MLU also provides training and support to educators, school leadership and staff, and offers outreach services to migrant families through its Community Liaison Workers team.

Furthermore, in October 2020, the Unit launched an after-school welcome course for Ukrainian families that teaches basic English and Maltese and provides cultural awareness. This project, initiated by the MLU in collaboration with the EU's Structural Reform Support Programme, aims to enhance the participation of migrant learners in lifelong learning and promote more effective collaboration between education stakeholders. It also aims to cultivate school cultures that acknowledge and celebrate the potential of all learners and to improve the overall quality and inclusiveness of education provision in Malta. By implementing these support structures, the project seeks to create a more inclusive and equitable educational environment for all learners in Malta, regardless of their background or origin.

Additionally, there were several activities attached to the project, including:

- migrant learners and teachers' needs assessment;
- training of trainers benefitting 89 persons;
- teacher training;

¹⁴³ These rooms offer nurturing, learner-centred, and sensory support to facilitate empowerment, self-organization, relaxation, sensory awareness, communication, reality orientation, activity tolerance, and general awareness of self, peers, and the environment.

- mapping of good practices and translational dialogue through webinars;
- physical and online peer reviews with the MLU of other countries to share and compare activities, projects and experiences, enhance dialogue to identify lessons learnt, common constraints, as well as promising solutions and practices to strengthen the national MLU's service provision;
- a comprehensive functional review of the national MLU and roadmap structures to set up;
- further developing MLU's website;
- the development of a strategic document on improving migrant learners' inclusion in primary and secondary mainstream education;
- pilot actions to improve service provision and development of two project proposals.

Financial Assistance in Higher Education

A total of around €32.8 million yearly was spent by Government on educational stipends which included the following upgrades:

- **Cost of living compensation for students:** In 2020 and 2021, educational stipends increased pro-rata according to the cost-of-living increase, benefitting a yearly average of 16,000 students.
- **Increase in stipend:** Various stipends of all courses were increase by 10% in 2022.
- **Stipend to students engaged in 52employment:** As from academic year 2021-2022, stipends to students even if they work up to a maximum of 25 hours a week were introduced. For this measure to be introduced, the necessary changes were made in legal notices 308/2016 and 320/2021 as well as subsidiary legislation 605.06. This measure came into force in February 2022 with retrospective effect from the beginning of academic year 2021-2022.

Consolidating lifelong learning, vocational training, career guidance and digital literacy

The creation of robust education structures within the context of bridging the gap between education and employment aims to increase academic attainment and employability. Malta is committed to strengthening transitions within compulsory education, post-secondary education, and/or the workforce by collaboration between MEYR and educational entities such as tertiary institutions and employers.

Providing necessary digital skills to students also contributes to the EU's current goals towards digital transition, which broadens their horizon of employability by equipping them with a holistic repertoire of knowledge and skills that can be utilized within the working environment. However, Malta's efforts to broaden job prospects do not end with the younger generation, as opportunities for adults also boost the potential of the working population as a whole to become skilled, productive, and employable. These initiatives are outlined below.

Apprenticeships

Further investment in apprenticeships in the private sector was implemented in 2021 and 2022 through the *MCAST Covid-19 Apprenticeship Recovery Scheme* funded through MEYR and the Ministry of Finance and Employment as part of the COVID-19 national recovery plan. Companies and self-employed persons who retained apprentices with regular attendance for 6 months or

more received €500 per contract in 2021 and €1,000 per student in 2022. By end 2022, companies received funds for a total of 86 students.

In addition, for academic year 2020/2021, a total of 83 courses were provided on Apprenticeships, benefitting a total of 1,498 students. For academic year 2021/2022, a total of 99 courses were provided on Apprenticeships, benefitting a total of 1,522 students.

Digital Literacy at Compulsory Education

Digital literacy is ubiquitous throughout all school years, from kindergarten to post-secondary education, just prior to entry into tertiary education. Students are exposed to the use of productive software such as Microsoft Office, coding skills, building and programming robots, the Internet of Things (IoT), and other ancillary 21st-century competencies that better prepare them to understand and navigate the digital world in an informed and responsible manner.

As mentioned in the previous section, digital education and training prioritized the needs and circumstances of vulnerable learners through free internet access and devices as part of Scheme 9 and the COVID-19 scheme.

Furthermore, to improve learning prospects, including the acquisition of digital competencies in a cross-curricular manner, MEYR heavily invested in teaching and learning resources. Further to the ongoing introduction of the One Tablet Per Child (OTPC) program to all year 4, 5, and 6 primary school students, digital educational content was produced for these cohorts in 2022, with a strategic plan for tablets and digital content to be introduced to year 7 students in 2023. Additionally, in 2022, all state colleges and resource centres for special needs have been provided with Virtual Reality (VR) sets to offer students a more immersive learning experience where they can directly interact with the virtual environment.

Artificial Intelligence in Education pilot project: In 2022, MEYR began implementing the Artificial Intelligence (AI) in Education pilot project as proposed in Malta: The Ultimate AI Launchpad - A Strategy and Vision for Artificial Intelligence in Malta 2030¹⁴⁴. The project consists of two parts:

- Part 1 - The development of an AI-powered adaptive learning system. This system aims to support students' outcomes through personalized learning programs based on student performance, goals, and requirements. Teachers are supported in building more formative assessments of pupils' capabilities.
- Part 2 - The construction of a rich data set and use of AI analytics for State Schools to drive insights and actions to enhance the education system. Its focus will be on delivering predictive insights to identify potential early dropouts, enabling educators to take preventative actions and drive better educational outcomes for all students. This complements components 3 and 5 of Malta's Recovery & Resilience Plan (RRP), namely Fostering a Digital, Smart, and Resilient Economy and Enhancing Quality Education and Fostering Socio-economic Sustainability, respectively.

¹⁴⁴ Accessed at: https://www.mdia.gov.mt/wp-content/uploads/2023/04/Malta_The_Ultimate_AI_Launchpad_2030.pdf

Support to educators on online teaching: In April 2021, guidelines for online teaching and learning were published as a practical reference for educators to help plan and deliver online teaching experiences, which also align with the Teachers' Code of Ethics and Practice. Additionally, school leadership teams can refer to the guidelines to help guide and support their school community in adopting technology for blended teaching and learning. The guidelines offer tips on organization of the school timetable, access to devices and ICT infrastructure, digital environment/platforms, digital tools, parental involvement, and supporting staff to develop and enhance their digital pedagogical competence. Furthermore, as from 2021, the Institute for Education (IFE) introduced the provision of an Award in Supporting Learners Online through Digital Technology, aimed to equip educators with the necessary skills and competencies to apply digital technology in their teaching and learning.

Lifelong Learning

Lifelong Learning Courses: The Adult Learning Courses cover the eight key competencies for lifelong learning, including both academic and vocational subjects. Learners can acquire a qualification on the National Qualifications Framework from level 1 to level 4, with courses in literacy (Maltese & English), numeracy (Maths), and ICT, as well as MATSEC revision classes and open classes. The courses are delivered from eight Adult Learning Centres, seven in Malta and one in Gozo. The Directorate also collaborates with local councils and entities that work in the community to extend its course offerings within various communities. The courses are subsidized to encourage participation by low-skilled and low-qualified adults.

Starting from November 2021, the 'Learning Box' initiative was introduced, providing a variety of self-paced and blended learning courses. The courses are developed and curated by professional educators and adult learning experts, with a focus on transitioning from traditional in-class and teacher-led instruction to digital and teacher-supported learning. The course offerings include language, IT, business, and humanities subjects.

Moreover, in 2022, two new essential skills courses were introduced, focusing on promoting 21st-century skills, namely '*Media Literacy: Understanding how media affects us*' and '*Personal Finance: Managing your Money*'. Additionally, in a shift towards more modular courses, two courses that were offered in the past years were broken down into new modular courses, providing more flexibility to learners and potentially making learning commitments more manageable. For instance, the essential skills course entitled '*Bring Your Own Device*' has been broken down into two shorter courses: '*Digital Skills: Learn to use a smartphone and/or tablet*' and '*Digital Skills: Learn to use the internet and email*'. The course '*Child and Adolescent Development*' has been substituted by '*Child Development 0-3 years*' and '*Child Development 11years+*'.

KIDS4ALL: In 2021, the Institute for Education participated in the Horizon 2020 project KIDS4ALL, which focused on Key Inclusive Development Strategies for Lifelong Learning. The project aimed to establish a 'buddy collaboration' scheme, which involved pairing learners in a guided and intentional manner, with a lifelong and life-wide dimension of learning in formal, informal, and non-formal educational contexts. Children involved in the project worked on learning content related to eight lifelong learning competencies through theoretical understanding, applied content, and interactive co-creation activities. These activities helped the children develop authorship, agency

and enhanced their intercultural, linguistic, and socio-emotional skills. The project had partners from various countries such as Belgium, Bulgaria, Germany, Greece, Hungary, Israel, Italy, Norway, Spain, and Turkey.

The initiatives mentioned above highlight the multifaceted approach adopted by Malta to ensure that all individuals, especially those from disadvantaged backgrounds, have equal opportunities for holistic education and skills development throughout their lives. Malta is making significant investments in its education and training system and is taking measures to modernize curricula, improve quality in teaching and assessment, and promote digital skills. The reforms in the education system aim to equip all persons with the necessary skills and attitudes to become active citizens as from an early age and throughout their life course.

2.2.4 HEALTH AND ENVIRONMENT

An individual's health is significantly impacted by their socio-economic conditions. Socio-economic resources make it possible for an individual to be physically, mentally and emotionally healthy by fulfilling their needs, achieve their goals, and adapt to their surroundings. Poverty, in particular a lack of financial resources, is thus a major factor that contributes to ill health and puts barriers to accessing healthcare when needed. The impact of this poverty-health relationship may be financial, such as the inability to purchase food that is essential for good health, or it may be due to other factors, such as a lack of knowledge about appropriate health-promoting practices or a lack of empowerment. Likewise, poor health can restrict one's ability to earn a living, resulting in reduced income, which in turn leads to further ill health.

Malta's National Health Service (NHS) provides nearly universal coverage, with all residents covered by social security legislation or a humanitarian exemption entitled to access a comprehensive range of publicly provided health services. This universal service has been a significant contributor to poverty reduction since poverty and poor health are interlinked. Poverty may lead to certain health related conditions such as poor nutrition, overcrowding and poor sanitary conditions. At the same time, poverty and social exclusion may arise due to certain health issues that make the person less productive, particularly economically. Within this context, it is evident that health is critical in breaking the cycle of poverty. Strengthening healthcare systems leads to improved health outcomes across the entire population, particularly among individuals who are at higher risk of poverty or social exclusion. These individuals and their families are often more vulnerable to social, physical, and mental health issues. In 2022, Malta's population exceeded 520,000 persons¹⁴⁵, with a GDP per capita slightly below the EU average at 32,430¹⁴⁶ and a poverty rate close to the EU average at 16.7%¹⁴⁷. Overall, the Maltese healthcare system has made remarkable progress, with improvements in avoidable mortality rates and low levels of unmet need. However, outstanding challenges remain, including adapting the health system to an increasingly diverse population, building capacity to cope with a growing population, reallocating resources and activity from hospitals to primary care, ensuring access to expensive new medicines while still achieving efficiency improvements, and addressing medium-term financial sustainability issues arising from demographic ageing.

¹⁴⁵ Eurostat. 14th April 2023. Population on 1 January [TPS00001]. Accessed at: [Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

¹⁴⁶ Eurostat. 15th May 2023. Gross domestic product at market prices [TEC00001]. Accessed at: [Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

¹⁴⁷ Eurostat. 10th May 2023. At-risk-of-poverty rate [TESPM010]. Accessed at: [Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

This dimension focuses on efforts to ensure equitable and universal access to healthcare for all while addressing environmental factors that perpetuate the cycle of poor health. The impact of social determinants on health and wellbeing is acknowledged with the aim of tackling health inequities through both general and targeted measures. Such measures fall into three overarching categories, namely: (i) the development and implementation of legislative frameworks, strategies, guidelines, and initiatives that promote healthier lifestyles and prevent non-communicable diseases; (ii) the consolidation of equal access to quality healthcare for all; and (iii) ongoing research to provide evidence-based care.

These measures, which feed into the strategic policy actions for alleviating poverty and combatting social inclusion, are outlined below:

1. The development and implementation of legislative frameworks, strategies, guidelines, and initiatives that promote healthier lifestyles and prevent non-communicable diseases

Health promotion and health education bring about positive health behaviour, and they constitute important elements of public health. They provide citizens with a better understanding of the preventive and management strategies of illness enabling autonomy and empowering individuals to make the right healthy choices concerning their own lifestyles. This will contribute to the cutting down of costs arising from treating preventable diseases in the long term both on an individual and a national level. Promoting healthier lifestyles will benefit all, particularly those on the margin of society, poor or socially excluded and who may be limited in relation to health literacy.

In the Maltese Islands, cardiovascular diseases remained the leading cause of death in 2018, accounting for 34% of all deaths, followed by cancer at 28%. Many of these deaths can be attributed to poor dietary choices, such as a high intake of sugar and salt, as well as a lack of physical activity¹⁴⁸. Promoting a healthy lifestyle that includes a balanced diet and adequate physical activity has been a priority for the country, especially to address the significant public health concern of obesity. Some initiatives targeted children and teens to instil such healthy behaviour from an early age.

- A research study was conducted and published in 2022 regarding the rate of obesity in children aged between 4-5 years¹⁴⁹. The research also includes a compilation of good practice initiatives in Primary Schools and Kindergartens to promote a healthy diet and lifestyle including physical activity. During 2023, this research will be evaluated in relation to its applicability in Kindergartens and Primary Schools in Malta.
- Following previous similar efforts, another campaign to promote healthy lifestyles and nutrition targeted to children and young people started to be implemented in 2021 by Dar Kenn Għal Saħħtek¹⁵⁰. As part of this campaign, various activities were undertaken to combat eating disorders and obesity from an early age.
- In partnership with the University of Malta's Faculty for Social Wellbeing, a comprehensive survey was carried out nationwide in 2021 to specifically target the authentic requirements of young individuals aged 10 to 16 years. The objective was to address the needs outlined by the statistical findings of the survey. Implemented efforts to address these needs included promoting awareness

¹⁴⁸ OECD/European Observatory on Health Systems and Policies (2021), Malta: Country Health Profile 2021, State of Health in the EU, OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels. Accessed at: <https://www.oecd-ilibrary.org/docserver/cd4b1ed7-en.pdf?expires=1689326730&id=id&accname=guest&checksum=ABD32D03070CAE896202C8843612D042>

¹⁴⁹ Superintendence of Public Health, Ministry for Health; Directorate for Research, Lifelong Learning and Employability; & Ministry for Education, Sport, Youth, Research and Innovation. 2022. A study on Childhood Obesity in Malta: With a special focus on 4-5 year old children. Accessed at: [Childhood Obesity in Malta.pdf \(gov.mt\)](#)

¹⁵⁰ "Dar Kenn Għal Saħħtek" (Centre for the Treatment of Obesity and Eating Disorders) is a residential, day care, and outpatient facility aimed at providing holistic treatment for patients with eating disorders and weight behavioural problems.

and facilitating the utilization of services available at *Dar Kenn għal Saħħtek* through the following interventions:

- Posts on Facebook and other social media platforms;
 - Online discussions attended by both patients and their close relatives;
 - Printed informative materials and other materials on social media;
 - Training for the team of professionals working at DKS; and
 - Interviews on television and radio stations to reach a larger audience.
- The Department for Health Regulation has made significant investments in training programs to enhance the skills and knowledge of health sector employees. Incentives have been given to medical specialists to pursue prevention training and health promotion services like online weight loss courses and smoking cessation sessions were launched. In 2021, webinars targeting health professionals in the prevention sector were held, some of which focused on mental health. These initiatives highlight their proactive approach to fostering a well-trained workforce and promoting holistic healthcare.

2. Ensure equal access to quality healthcare

A number of initiatives were undertaken over these past few years to support the implementation of the National Health Systems Strategy, and the related legislative framework, including the Mental Health Act, and the Health Act, including the Charter for Patients' Rights and Responsibilities. The following initiatives referred to hereunder cater for the needs of the public as well as to particular vulnerable groups such as those afflicted with physical, behavioural or mental health issues.

2.1. Healthy Behaviour Programmes

Rates of obesity in Malta are the highest in the EU, with more than 25% of adults classified as obese. Poor diets and physical inactivity contribute to high levels of obesity in the country. Smoking rates among adults are similar to the EU average¹⁵¹. The Department of Health Regulation undertook the provision of an educational programme focusing on the improvement of employees' health at work particularly in relation to weight loss, smoking cessation and mental health. Guidelines were published in 2021 for employers and the human resources teams to assist with the improvement of employee health and wellbeing. A number of online courses and other sessions were organised for weight reduction, smoking cessation, mental health and wellbeing.

In 2022, managing one's weight was also tackled by *Dar Kenn għal Saħħtek* through the design of a *Residential Programme and Day Programme for Binge Eating Disorder* for young adults. A group of young adults have been chosen and assessed by a team of professionals to attend this 8-week programme. This programme which is designed to take 15 young adults is a recurring programme.

2.2 Occupational Therapy Scheme

A scheme was launched in 2022 for persons with disability and who require Occupational Therapy from birth up to 5 years. Each family that is affected within this cohort is entitled to receive a number of vouchers to be used for private occupational therapy services. This enables children

¹⁵¹ World Health Organization. (2022). WHO European regional obesity report 2022. World Health Organization. Regional Office for Europe.

with disability to achieve an early intervention objective and for services to be monitored by a board.

2.3 Inclusion of new medicines in the national formulary

Another important initiative in 2022 was the inclusion of free medicines and treatments to the National formulary for patients suffering from fibromyalgia, osteoporosis, psychiatric disorders, cardiovascular, circulatory system and skin diseases. Beneficiaries included:

- 2,600 patients who suffer from Fibromyalgia benefitting from the inclusion of Pregabalin in the list of free medicines;
- 20,000 adults and children benefitting from innovative treatment in relation to osteoporosis included in the Government formulary;
- 5,000 persons benefitting from two innovative medicines in psychiatry that have been included in the National formulary;
- 6,000 patients that require new medicines for their cardiovascular and circulatory system conditions; and
- more than 45 patients benefitting from the introduction of new medicines for skin diseases.

2.4 The implementation of public health strategies

2.4.1 Sexual and Reproductive Health

The year 2020, which was also the year of the Covid-19 pandemic, had a significant impact on the implementation of public health policies related to sexual health. During this year, a strategy was launched with the objective of eliminating Hepatitis C. This strategy was extended to include a screening program at Corradino Correctional facilities.

The Health Promotion Department was also aiming to continue with its campaign regarding sexual health and sexually transmitted diseases. The informative campaign continued on social media and the website www.sexualhealth.gov.mt was regularly updated.

2.4.2 Extension of National Vaccination Programme

In 2020, a commitment was undertaken to protect the health of 22,000 children by expanding the national vaccination schedule against infectious diseases. During the same year, the vaccines were administered to children entitled to receive them:

- Vaccinations against Pneumococcal infection, Meningitis B and Meningitis ACWY were introduced to the National Immunisation Schedule with the first doses starting at 2 months of age. These vaccines were previously solely available in the private sector, against payment. Thus, the availability of these vaccinations for free in the public sector, to all children, has ensured equity in that these vaccines are available to all children irrespective of their socio-economic background.
- The eligibility of Human Papilloma Virus (HPV) vaccination has been extended to include boys. Males born from 2000 onwards are now also eligible for vaccination, thus making the eligibility criteria for boys the same as that for girls.
- The Scheme for Administration of Scheduled Vaccines in Private Practice was introduced. Paediatricians and general practitioners (GPs) in private practice who register with this scheme are provided with vaccines that form part of the National Immunisation Schedule,

free of cost to be administered in private practice. Through this scheme, parents can take their children to their private paediatrician or GP for administration of the free vaccines, thus paying only the fee for administration.

2.4.3 The Cancer Survivorship Programme

The Cancer Survivorship Programme and its services for patients suffering from cancer and their families were evaluated, particularly in relation to colorectal cancer. Qualitative research was also carried out with patients who underwent prostate cancer treatment and are in the survivorship phase. A report with the findings and the survivorship plan was finalized in 2021, which extended the Cancer Survivorship Programme to include prostate cancer patients.

2.4.4 The Covid-19 Pandemic

The years 2020 to 2022 presented a new challenge due to the emergence of the Covid-19 Pandemic which hit the Maltese Islands in March 2020. One of the strategies to contain the spread of this new pandemic was the administration of Covid-19 vaccines which roll-out commenced at the end of 2021. The Health authorities demonstrated a sound commitment to administer the vaccines and the booster for this virus as advised by the World Health Organisation. The vaccination roll-out was a resounding success with high population uptake across all ages, placing Malta as the leading European country in COVID-19 vaccination. This helped to curtail the spread of Covid-19 and lower the mortality rates. Additionally, Malta has successfully implemented a COVID-19 strategy that rapidly covered a substantial proportion of the population over a short period of time, with herd immunity reached by mid-May 2021.

2.4.5 Provision of Hearing Aids

In 2022, a new measure ensured the continuation of providing two hearing aids to adults who were born deaf or have developed deafness, when clinically indicated, resulting in a better quality of life. Approximately 300 people benefitted from this measure.

2.5 Strengthening of mental health services

Mental health is a vital aspect of overall quality of life, and mental disorders have a significant impact on a nation's wealth, productivity, and wellbeing. In the WHO European Region, mental disorders are one of the most significant public health challenges, causing more disability than any other condition and ranking third in overall disease burden (measured by disability-adjusted life-years), after cardiovascular disease and cancer¹⁵².

Mental health is not limited to the absence of physical illness, but also encompasses one's wellbeing. Individuals with mental health issues face additional barriers to other dimensions of wellbeing, such as education and employment, and are at higher risk of poverty and social exclusion. Stigma associated with reduced mental health can further increase the likelihood of social exclusion, contributing to poverty.

Malta has implemented several initiatives to promote mental wellbeing and contribute to the holistic development of its population. The ten-year Mental Health Strategy launched in 2019 aims to foster a society that encourages mental health and wellbeing for everyone, prevents mental disorders among high-risk individuals, and provides quality treatment and support to those with

¹⁵² World Health Organization. 2016. Global health estimates 2015: disease burden by cause, age, sex, by country and by region, 2000-2015 [online database]. Accessed at: http://www.who.int/healthinfo/global_burden_disease/estimates/en/index2.html

mental disorders. During the period under review, a number of initiatives were undertaken to provide high-quality specialized acute mental health services, including early intervention teams, with multi-disciplinary care aimed at effective treatment and support to enable discharge into the community – as follows:

- A refurbishment programme undertaken at Mount Carmel Hospital with the aim of modernising the health facilities. A number of areas such as the Female Dual Diagnosis Unit, Female Ward 2, Female Ward 7, Male Ward, San Ġorġ Isolation Ward, and Multi-Purpose Unit started the process of refurbishment in 2021 and were completely refurbished by end 2022 – except for Female Wards 2 and 7 on which works are still ongoing. Part of Female Ward 2 became an isolation unit to accommodate patients with infectious diseases.
- Mount Carmel Hospital increased its capacity to offer services, benefiting several initiatives that support assisted living in the community. A primary base close to the hospital has been identified to coordinate these services. In 2022, the Crisis Resolution Home Treatment (CRHT) service was initiated both in this centre and at the patient's home, depending on the nature of care required.

The CRHT service is a specialist mental health team that provides timely and compassionate psychiatric care to individuals experiencing a mental health crisis. The team's philosophy is to empower service users to address their mental health crises and reinforce their resilience through evidence-based interventions and psychoeducation. The team also liaises with caregivers and other stakeholders to facilitate the resolution of the mental health crisis and ensures a smooth, professional, and non-traumatic transition to other services. Ultimately, service users are encouraged to foster adaptive coping abilities to avoid or reduce the severity of future crises and achieve a fulfilling and good-quality life while decreasing the need for psychiatric hospitalization.

2.6 Systemic reforms to resolve challenges such as out-of-stock medicine, long waiting lists and hospital over-crowding

2.6.1 An Investment in IT Infrastructure

Several projects were undertaken at Mater Dei to improve its IT infrastructure, with the aims of facilitating medicine procurement and administration, introducing new medications, and addressing issues with overcrowding. Despite being put on hold and resumed at a later stage due to the emergence of the COVID-19 pandemic, all phases of passive fibre optic cable installation were completed and the hub rooms tested in 2022. The equipment required for the data centres/hub rooms has also been purchased and installed. By the end of 2022, the equipment and network in the first hub room were launched without negatively impacting the hospital's operations.

Furthermore, in 2021, a project was launched to introduce an Artificial Intelligence system to provide doctors with detailed information about medication interactions when they are electronically prescribing free medicines to their patients. This system, which is free of charge to doctors, will contribute to improve patient safety by reducing the risk of adverse drug reactions caused by drug interactions.

2.6.2 Remote Monitoring Systems

The programme for Remote Patient Monitoring targeting Type 1 Diabetes children under the age of 16 years was implemented at the beginning of 2021. Through this project, patients are given a sugar glucose monitor and transmitter enabling them to be under 24/7 surveillance from

professionals. In 2022, this service was extended to young people aged between 17 and 21 years and who suffer from the same condition.

Additionally, the introduction of new systems at the Telemedicine Client Support Centre in 2021 was another measure that facilitated communication between GPs and patients at their homes. These new telemedicine support systems have been particularly valuable during the COVID-19 pandemic when patients were unable to attend in-person primary care clinics.

2.7 Consolidation of primary care services

The modernization project of Gzira Health Centre was completed in 2021, which included renovation, installation of a lift, new furniture, and an X-ray machine. In addition, a modernization program was initiated in 2021 to upgrade several community centres (Bereġ) in Gudja, Santa Luċija, Tarxien, Kalkara, Gozo, St. Julian's and Paceville, Valletta and Marsaxlokk, Hamrun, and the Health Centres in Rabat and Birkirkara, including the purchase of new medical equipment. By end 2022, refurbishment works were completed in most of these centres, including Gudja, Santa Luċija, Valletta, Tarxien, Għarb, Marsaxlokk and Kalkara.

2.8. Fast-track the diagnosis of head and neck cancer

In an effort to revolutionize patient care, the Allied Health Services Directorate took proactive measures in March 2022 by bringing together esteemed experts from various fields, including consultants, doctors, dentists, and surgeons. The aim of these meetings was to collectively address the pressing issue of promptly diagnosing individuals exhibiting symptoms of head and neck cancer. As a result, a new electronic referral system tailored specifically for doctors and dentists in the community to refer suspected head and neck cancer cases was implemented at the end of 2022 to address the need for seamless communication and streamlined processes. The development of this innovative electronic referral system paved the way for doctors and dentists to embrace the potential of this state-of-the-art platform.

3. Ensure ongoing research to provide evidence-based care

3.1. Health Information and Research

Health information and research are crucial, particularly in the context of poverty, as they provide invaluable insights and strategies to tackle health disparities, improve access to affordable healthcare, and break the cycle of poverty by empowering individuals with knowledge to make informed decisions about their wellbeing.

- A project which is under the responsibility of MITA has been implemented regarding the use of Artificial Intelligence in the processing of the European Union insurance card. The equipment for this project was distributed by end 2022, making the process a more efficient one.
- The second European Health Interview Survey (EHIS) data collection was initiated by the Directorate for Health Information & Research (DHIR) in collaboration with the National Statistics Office in 2020. The EHIS is a study that systematically collects information on health-related issues, providing a comprehensive picture of the health of the population of Malta and Gozo and allowing the identification of current health priority areas. Despite the pandemic, data collection from persons aged 15 years and over continued, which included more than 4,000 individuals. The EHIS provides policymakers with relevant information allowing them to make more evidence-based

policy decisions in the field of public health. Furthermore, the results can be compared with those of other countries which are also carrying out the survey¹⁵³, thus identifying potential issues which may be particular for Malta. The initial draft report was compiled and was uploaded on www.healthsurveys.gov.mt.

3.2. Innovative investments at Mater Dei Hospital

A number of projects were initiated at Mater Dei in 2022 to oversee investment in the infrastructure of the Accident and Emergency Department, particularly in relation to investing in the infrastructure of the Medical Imaging Department, the third Cardiac Catheterisation Suite and an investment in a Magnetic Resonance Imaging Guided Linear Accelerator (MRI-LINAC)¹⁵⁴. By end 2022, works on the infrastructure of the Medical Imaging Department was completed and the MRI-LINAC at Mater Dei Hospital started offering patients advanced treatment options for certain types of treatments as well as shorter care treatments for certain cancer types.

The Cancer Pathways Directorate within the Ministry for Health has taken a significant step forward by initiating the establishment of a Holistic Needs Assessment (HNA) clinic dedicated to cancer treatment patients. HNA is a service that assesses the holistic needs of the person in relation to their cancer diagnosis and treatment as a 'whole' person, not just their illness. Professionals at the HNA clinic identify the concerns that the patient may have - emotional, spiritual, social, family and relationships; physical and practical; and financial - in order to address them through a care plan and service referrals. The HNA clinic was officially launched in December 2022, catering for patients who have completed treatment for breast, gynaecology, or urology cancer¹⁵⁵.

The measures discussed within this section demonstrate Malta's commitment to targeting the poverty-health cycle and improving the overall health of the whole population. Through the promotion of healthy behaviour as well as highly accessible and innovative healthcare, Malta aims not only to limit the incidence of disease but to achieve wellbeing for all together with opportunities to form part of a healthy and productive society.

2.2.5 SOCIAL SERVICES

Through the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024*, Malta is dedicated to maintain and enhance social cohesion. Actions are thus taken to guarantee the welfare of all persons and lessen the possibility of socio-economic inequalities and differences for vulnerable individuals or groups of people. Hence, it is critical for the provision of proper social services to address everyone's needs. As a result, the provision of legislative amendments, policies and services aims to empower people to actively participate in society and

¹⁵³ The EHIS is carried out in all EU Member States every five to six years, making it possible to monitor the changes in the health status of the Maltese population and the effect of health programmes and policies.

¹⁵⁴ The MRI-Linac uses magnetic resonance imaging together with radiotherapy to treat cancers throughout the body, with specific advantages for soft-tissue tumours.

¹⁵⁵ This effective and sustainable model was put forward by Oncology Consultants and Charge Nurses. Urology cancer navigators and respective doctors joined the initiative and began referring their patients to the HNA clinic.

improve their quality of life. In this sense, this section describes the actions taken in recent years to enhance social services by emphasizing a number of initiatives that focus on:

- 1) social welfare services for families and children at risk of poverty or social exclusion, the elderly and persons with disability; and
- 2) housing.

2.2.5.1 SOCIAL WELFARE SERVICES

During 2020-2022, interventions in the field of social welfare were particularly focused on developing, evaluating, and implementing 63 services that addressed: i) families and children at risk of poverty and social exclusion; and ii) the older persons and persons with disability.

This specific focus ensured that the strategic policy actions under this sub-dimension of social welfare services as well as the main target groups of *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024*, continued to be addressed.

Families and children at risk of poverty or social exclusion

With a focus on families and children at risk of poverty and social exclusion, research and evaluation on laws, policies, and services for children and their families resulted in the establishment or enhancement of: a) policies, strategies and action plans; b) community services; and c) enforcement and procedures.

Policies, Strategies and Action Plans

New policies, strategies and action plans have been published and began to be implemented, while other such documents have continued to be implemented through various innovative initiatives.

New policies, strategies and action plans

Child Guarantee

In line with the Council Recommendation for a European Child Guarantee, MSPC developed a *National Action Plan for a Child Guarantee 2022-2030* to support vulnerable children and reduce the number of children at risk of poverty or social exclusion by approximately 6% by 2030. The National Action Plan (NAP) builds upon existing policy frameworks aimed at strengthening social inclusion and breaking the cycle of inter-generational poverty.

Malta's Child Guarantee targets all children aged 0-17 years with a special emphasis on those who are vulnerable due to risk of poverty and social exclusion (ARPE), particularly those facing precarious family situations¹⁵⁶. The NAP encompasses various ongoing and planned measures designed to further guarantee the effective and non-discriminatory access for vulnerable children and their families to a set of key services, namely:

- social protection (i.e. social benefits and social welfare services and programmes);
- education (i.e. early childhood education and care, inclusive education and school-based activities, including a healthy meal each school day);

¹⁵⁶ For the purpose of the Child Guarantee, children in 'precarious family situations (economic fragility)' will refer to all those families who have children under the age of 18 years and whose income does not exceed the National Minimum Wage.

- healthcare (i.e. screening, vaccinations, medicines and feeds, inpatient, outpatient, emergency and specialized physical and mental health assessment and treatment, rehabilitation and habilitation services for children with disabilities, health promotion and disease prevention programmes);
- healthy nutrition; and
- adequate housing (priority towards families with children, families of children with disabilities and community homes for children in out-of-home care).

Within this action plan, a focus on outreach ensures that there are little-to-no barriers to access the key services. Furthermore, through the NAP, Government committed to an investment of €145 million in initiatives to ensure that every child is supported and included.

The biannual monitoring and biennial reporting will be facilitated by the Child Guarantee Coordinator appointed as a centralized contact point that will:

- liaise with the relevant entities for the collation of the aforementioned information; and
- be responsible for the overall implementation of the European Child Guarantee across Government.

Social Vision for Malta 2035

A framework aimed at addressing current and future societal challenges in Malta and Gozo entitled *A Social Vision for Malta 2035: Shaping the future of our society*¹⁵⁷ was published at the end of 2022 by MSPC. This vision seeks to empower society and enhance resilience, particularly among vulnerable groups. For this to be accomplished, guidance is provided for the development or renewal of national policies and strategies, considering the ever-changing socio-economic landscape and emerging trends. The vision covers eleven themes encompassing i) Poverty and Social Exclusion; ii) Families; iii) Childhood; iv) Youth; v) Ageing; vi) Addictions; vii) Re-integration of Ex-offenders; viii) Persons with Disability; ix) Persons Identifying as LGBTIQ; x) Violence, Abuse and Exploitation; and xi) Migration. Developed collaboratively with input from stakeholders, the vision aligns with sustainable development principles and commits to citizen-centred policy making, reflecting the UN Sustainable Development Goals 2030.

FSWS Strategic Objectives

The Foundation for Social Welfare Services (FSWS) is the primary government entity in the social field, committed to providing high-quality social services to individuals and families in need. Through the document *FSWS Strategic Objectives 2021-2031*¹⁵⁸, FSWS aims to be a central hub for all social matters through its focus on a client-centred approach. The aim is that of amplifying the client's voice and fostering an environment where the client consistently plays an active role and contributes to society. This approach can be achieved by recognizing the most valuable resource, which are the employees of FSWS. Resultantly, the document outlines FSWS' 10-year commitment for the employees' growth by providing ongoing training, career advancement opportunities, support, and other incentives, with the aim of becoming the best employer in the social field. Consequently, FSWS' strategic objectives encompass several facets, including

¹⁵⁷ A Social Vision for Malta 2035 accessed at: <https://familja.gov.mt/wp-content/uploads/2023/04/Social-Vision-for-Malta-2035-Policy-Documents-EN.pdf>

¹⁵⁸ FSWS Strategic Objectives 2021-2031 accessed at: <https://familja.gov.mt/wp-content/uploads/2023/04/FSWS-Strategic-Objectives-2021-2031-1.pdf>

promoting good governance, adapting to societal changes, fostering innovation, facilitating collaboration, promoting evidence-based practices, emphasizing preventative efforts, adopting multi-disciplinary approaches, investing in capacity building, and enhancing its media presence.

Youth Policy

The policy entitled "*Towards 2030 - Reaching out to, working with, and supporting young people*"¹⁵⁹ was launched covering the span from 2021 to 2030. The aim of the policy is to assist all individuals between the ages of 13 to 30 years within the national policy fields that influence young people's lives like education, employment, justice, and health. The policy supports and motivates young people both as individuals and as citizens, in schools, work, communities, and through social media.

The policy's central vision is to empower young people through effective youth work practices, including the digitalization of youth work, regional and locally based centres and supports, national programs, projects, as well as cross-sectoral initiatives with the voluntary, state, and private sectors.

The Parliamentary Secretariat for Youth, Research and Innovation under the Ministry for Education, Sport, Youth, Research and Innovation will be primarily responsible for implementing the six strategic goals and accompanying actions that are outlined in the policy. The National Youth Agency Aġenzija Żgħażaġh will be responsible for strategic planning and the implementation of daily operations. Indeed, the budget dedicated to the implementation of the National Youth Policy is the budget of the National Youth Agency, which in 2021 was that of €560,000 and in 2022 was €785,000¹⁶⁰. Furthermore, the policy aims to ensure that all individuals, groups, and organizations working with and for young people have the opportunity to actively participate and contribute to its development and implementation.

The flexible and innovative design of this policy covers local, national, European and global levels, to continue the successes achieved in previous years while addressing the challenges and opportunities that lie ahead. In fact, the policy is closely aligned with related national policies as well as European and international youth policies. The *Towards 2030 National Youth Policy* is indeed closely linked to the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* and aims to enhance the social inclusion prospects of children and young people in Malta by:

- early identification and intervention of high-risk children and youth, in particular through the consolidation of outreach and preventative services and the establishment of crisis residential centres;
- consolidating community-based placements for children in out of home care, in particular through facilitating adoption, fostering and other community-based settings, as well as supporting youth leaving residential care;
- expanding the setting-up of Youth Hubs to promote social participation and voluntary work among young people and ease their transition from education to the labour market; and

¹⁵⁹ Accessed at: <https://youth.gov.mt/wp-content/uploads/2022/10/National-Youth-Policy-2021-30.pdf>

¹⁶⁰ This data was provided by MEYR.

- pushing the continuous monitoring and assessment necessary for the strengthening of the Youth Guarantee Scheme¹⁶¹.

Continuation of policies, strategies and action plans

While the National Strategic Policy for Positive Parenting (2016 – 2024)¹⁶² continued to be implemented through FSWS, other main relevant policies that also addressed welfare services for families¹⁶³ sustained their implementation through legislation and operational practices with a range of stakeholders. These other main relevant policies include:

Children's Policy

In 2020, the Office of the Commissioner for Children published An Interim Report (2018-2020) on the Implementation of the National Children's Policy¹⁶⁴.

The implementation report is a tool for inviting stakeholders to reflect critically on their work in terms of how they can make it more effective for children, for encouraging children to expect and demand more and better from persons in authority, and for rekindling that vital hope dimmed by the pandemic in the fundamental beauty and power of universal children's rights.

The report presents the output from the monitoring and evaluating activity. The monitoring relied on:

- budgetary measures by analysing their content in relation to the objectives of the Policy and then tracking their implementation;
- feedback received from children themselves and other key stakeholders.

Adoption Strategy

During the period under review, the SCSA contributed towards the coordination and implementation of the various measures outlined in the *National Adoption Strategy for Children and their Families 2019-2022*¹⁶⁵, including:

- reviewing and proposing amendments to the Adoption Administration Act (2008);
- developing policies based on the enactment of the Minor Protection (Alternative Care) Act 2020;
- conducting research through the Research Advisory Group on the local adoption of children;
- consulting with adoption agencies through collaborative platforms to establish adoption

¹⁶¹ This scheme offers all young people opportunities of good quality employment, continued education, and an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education.

¹⁶² Accessed at: <https://familja.gov.mt/wp-content/uploads/2023/04/National-Parenting-Policy-EN-8.02.17.pdf>

¹⁶³ In particular, the main vulnerable groups mentioned in the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024*.

¹⁶⁴ Accessed at: [Childrens-Policy-Report-2020-online-copy.pdf \(gov.mt\)](https://familja.gov.mt/wp-content/uploads/2020/04/Childrens-Policy-Report-2020-online-copy.pdf)

¹⁶⁵ Accessed at: <https://scsa.gov.mt/en/Documents/Publications/Adoptions/SCSA%20Adoption%20ENG.pdf>

services fees¹⁶⁶ and obtain feedback on agencies' implementation of Standards and recommendations;

- collaborating with central authorities of sending countries to determine costs of adoptions overseas;
- proposing amendments to the Adoption Administration Act (2008) in relation to search of origin;
- providing training sessions to promote the professional development of adoption agencies and staff working with adopted children and their families;
- developing frameworks to assist adoption agencies to develop policies and procedures that meet or exceed the requirements set in the Social Regulatory Standards; and
- collaborating with central authorities of established countries to enhance adoption services.

Alcohol Policy

During March 2021, MSPC, in collaboration with the Parliamentary Secretariat for Citizenship and Communities within the Ministry for Home Affairs, launched the Just Facts Malta campaign, with an investment of €90,000. The campaign is aimed to be a reliable source of factual information for young people about substance use and their potential consequences through:

- an interactive, informative website about substance use justfacts.gov.mt;
- social media material aimed specifically at adolescents,
- television and radio coverage; and
- a handbook and informative adverts on the use of substances and alcohol.

A non-judgemental stance is taken to encourage young people with substance use problems to seek support. This campaign is in line with the ongoing implementation of Actions 5, 8 and 9 of the National Alcohol Policy and compliments the ongoing efforts of the responsible agencies involved in prevention of substance use such as SEDQA, CARITAS MALTA and OASI.

Community Services

Further to the Community Services under the FSWS Agency for Community and Therapeutic Services (ACTS) already established in various regions, the Southern Community Services began operating in 2021 to cater to the needs of families within the localities of Kirkop, Safi, Żurrieq, Mqabba, Qrendi, Luqa, Gudja, Għaxaq, Żejtun, Marsascala, Marsaxlokk and Birżebbugia. Throughout the year, the Southern Community Services hosted several fun, engaging and educational events that were well-received by the community. During 2021 and 2022, sessions and hands-on workshops at various locations focused on recycling, permaculture and sustainable living, and provided a platform for families to come together and get creative. Families also had the opportunity to meet and celebrate the carnival season while also learning about local history and culture in an initiative organised in collaboration with the Safi Local Council. The Southern Community Services also collaborated with Safi Local Council and Safi Library to

¹⁶⁶ In 2020, a Social Intelligence project on adoption services was completed. The aim of this study was to analyse the financial aspects related to the adoption process and the quality of service offered by adoption services in Malta. Semi-structured questionnaires were used to analyse these aspects of adoption. The general results were then presented to the adoption agencies through a collaborative platform and specific issues discussed with each agency separately.

provide a safe and healthy space for parents and children to play. Overall, Southern Community Services played a significant role in promoting sustainability, community engagement, and cultural awareness through its range of events.

Furthermore, a number of community projects have been introduced during 2020-2022 by the already established FSWS Community Services to cater for the existing and emerging needs of the communities. Around 100 families at risk of poverty or social exclusion within communities were reached yearly through targeted projects according to geographical need:

- The Cottonera Community Services ran the project *Employable Me* from November 2020 till end 2021, aimed at supporting participants who have experienced prolonged unemployment by providing them with job-seeking skills and interview preparation assistance. The initiative was designed to aid these individuals in becoming more competitive in the job market.
- The Xgħajra/Żabbar Community Services introduced the project *Me Tween* in October 2020 - an innovative virtual project for 11- to 16-year-old youths residing in the Żabbar and Xgħajra communities. Through one-hour weekly fun activities and guest speakers, youths were enabled to explore relevant and engaging themes related to self-awareness, others and their surroundings. From the outset, a helpful journal that includes handouts or reflection spaces for each session in a fillable format was sent via email to provide a paperless option. The project was designed to be entirely virtual right from the outset and has been operational till end 2022 with possibilities to continue during 2023.
- The Msida/Birkirkara Community Services introduced four projects centered around the needs of the elderly, in collaboration with young people and adults within the community:
 - a short 2 month intergeneration and intercollaborative¹⁶⁷ project in December 2020 entitled 'YOUTH: Intergeneration Celebration' where young people had the opportunity to understand community needs while learning how to create, coordinate and participate in hands-on activities. The purpose of the project was of bringing young people together with the elderly population to address community needs. The primary objective was to connect with the vulnerable, lonely, and isolated elderly people in the community and provide them with heart-warming and entertaining experiences. A hands-on activity performed by the young participants were street shows, including carol singing, in five selected roads in Msida and Birkirkara.
 - the project 'WENS', an ongoing project aimed at elderly persons who were experiencing solitude, loneliness, were socially excluded and house bound. The main aim was to offer companionship and moral support to referred elderly persons by trained volunteers. During these quality time 1.5 hours weekly sessions, volunteers encouraged service users to carry out some type of hobby that the participant enjoyed doing and to learn new things.
 - engaging more volunteers to support Msida Djakonija in collaboration with Msida Parish Church.
 - the Msida Elderly Group, meeting twice a month for information sessions and workshops on holistic wellbeing.
- The Valletta Community Services introduced two projects aimed at the adult population and another project aimed at all residents within the community:
 - Kafe` Hop was a project held in 2020 to reach out to as much residents as possible, connecting, listen to their concerns, and direct them to the relevant resources to address their issues. The monthly initiatives held as part of the project also aimed to motivate residents to participate in a program that would allow them to socialize with others and feel

¹⁶⁷ The project was a joint effort between St. Aloysius College students and chaplain, St Joseph the Worker Parish Birkirkara, Birkirkara Local Council, Msida Local Council, laypersons from both localities, and a sponsor.

more connected to the community. Additionally, the project intended to generate new ideas for future initiatives that would fulfil the needs of the community.

- The Mental Health Support Group is a monthly support group introduced in 2021 for individuals who are 18 years and above, to provide them with both emotional and educational assistance. It is not a requirement for participants to have a mental illness diagnosis. Those who feel lonely, overwhelmed by their thoughts, or sad are also welcome to attend.
- Sagħtejn Malti is a weekly initiative introduced in 2021, offering fundamental courses for those seeking to enhance their Maltese reading and writing abilities. This initiative enables the community to obtain education, find better job opportunities, and establish social connections to provide mutual support.
- The Qawra Community Services introduced two projects in 2021:
 - The project entitled 'Positive Mental Health and Well Being' aimed for both individuals that are diagnosed with mental health conditions and their care givers or relatives that support them. During 2022, meetings as part of this project took place in collaboration with the Home Based Therapeutic Services (HBTS).
 - The project 'Separation Support Group: Getting through it together' entailed a support group for individuals that previously went through marital separation or that were going through relationship problems.

Enforcement and Procedures

Services for families and children were also enriched through enforcement in child protection and improved social care standards for multiple groups, as well as procedures concerning homeless persons.

The Minor Protection (Alternative Care) Act

The Minor Protection (Alternative Care) Act (Cap. 602 of the Laws of Malta)¹⁶⁸, has been officially established on the 1st of July 2020, to substitute the Child Protection (Alternative Care) Act (Cap. 569 of the Laws of Malta). The Act is partially in force, with ongoing and proposed legislative amendments lasting beyond 2022 aiming at implementing the rest of the Act. These amendments are perceived to be a crucial turning point in the operations of this Act.

As part of the Act, mandatory reporting is a legal obligation for individuals, especially professionals working with children. This is where one must report any knowledge or strong suspicions of child maltreatment, which is a serious violation of children's rights and wellbeing. Child protection is a shared responsibility, and all institutions dealing with children must ensure their welfare. For this purpose, the *Mandatory Reporting Guidelines for Professionals in Terms of the Minor Protection (Alternative Care) Act*¹⁶⁹ were published in September 2020 by the Technical Committee. These *Mandatory Reporting Guidelines* aim to provide a guidance system for professionals to assess the need for child protection inquiries, offering a structured approach that: i) first includes an eligibility section; ii) followed by a risk positioning section; and iii) finally a series of questions supporting the professional to determine the level of risk a child may be facing.

¹⁶⁸ Accessed at: <https://legislation.mt/eli/cap/602/eng>

¹⁶⁹ Mandatory Reporting Guidelines for Professionals in Terms of the Minor Protection (Alternative Care) Act, Cap. 602 of the laws of Malta accessed at: <https://familja.gov.mt/wp-content/uploads/2023/04/Mandatory-Reporting-Guideline-Alternative-Care-Act-Document-13.04.21.pdf>

Social Care Standards

The Social Care Standards Authority Act (Cap. 582 / Act XV of 2018) provides for the regulation of social welfare offered by any entity or person and for the Social Care Standards Authority's (SCSA) functions¹⁷⁰. During the period under review, SCSA continued to improve and expand its functions as follows:

- Between January 2020 and December 2022, the SCSA conducted a total of 6,570 visits¹⁷¹. Visits usually fall under one of three categories: Monitoring, Licensing, or Feedback visits. During 2020, the SCSA also introduced a fourth type of visit, the Infection Control visit.
- In 2020, through its Licensing Office¹⁷², the SCSA issued a total of 240 licenses and accreditation to the different social welfare services within the different sectors falling under the Authority's remit. As at end 2021, the Licensing Office had a total of 316 licensed services, followed by 327 licensed services in 2022¹⁷³. Through the same Office, the SCSA also issued the necessary recommendations for improvements in the service provision offered to the different target groups.
- During 2020 and 2021, the SCSA launched the Social Regulatory Standards for:
 - Residential Services for Children in Alternative Care¹⁷⁴;
 - Office Based Services for Children in Alternative Care¹⁷⁵;
 - High Dependency Chronic Care Services for Older Persons¹⁷⁶;
 - Domestic Violence Residential Services¹⁷⁷;
 - Domestic Violence Community-Based Services¹⁷⁸;
 - Community-Based and Outreach Services¹⁷⁹;

¹⁷⁰ The main functions of SCSA are:

- issuing licences for social welfare providers;
- setting social regulatory standards for different areas of social welfare services;
- investigating complaints against service providers;
- monitoring and inspecting service provision; and
- assisting service providers to achieve a greater quality of social wellbeing.

¹⁷¹ SCSA data.

¹⁷² The Licensing Office is responsible for issuing, revoking, or refusing the granting of a licence for a social welfare service. This assessment is based upon inspection visits carried out and evidence gathered by the Inspectorate Office in accordance with the Social Regulatory Standards set out by the Authority's Standards Office.

¹⁷³ SCSA data.

¹⁷⁴ Legal Notice 33 of 2020. Available online via: <https://legislation.mt/eli/sl/582.7/eng>

¹⁷⁵ Legal Notice 34 of 2020. Available online via: <https://legislation.mt/eli/sl/582.8/eng>

¹⁷⁶ Legal Notice 36 of 2020. Available online via: <https://legislation.mt/eli/sl/582.9/eng>

¹⁷⁷ Launched for public consultation in July 2020. Available online via: https://meae.gov.mt/en/Public_Consultations/MFSS/Pages/Consultations/SocialRegulatoryStandardsforDomesticViolenceResidentialServices.aspx

¹⁷⁸ Launched for public consultation in July 2020. Available online via: https://meae.gov.mt/mt/Public_Consultations/MFSS/Pages/CONSULTATIONS/SocialRegulatoryStandardsforDomesticViolenceCommunityBasedServices.aspx

¹⁷⁹ Legal Notice 281 of 2020. Available online via: <https://legislation.mt/eli/sl/582.13/eng>

- Residential Services for Senior Citizens¹⁸⁰; and
- Residential Services for Persons living with Dementia in Homes for Senior Citizens¹⁸¹.
- In December 2020, the SCSA launched its Strategic Vision 2020-2027, *Striving for Excellence: Driving Social Innovation through Regulation*¹⁸². This document has 4 distinct Strategic Objectives. These Objectives cover 21 Initiatives and 84 Measures dealing with Finance, Customers, Learning and Growth, and Internal Business. Through its 4 Strategic Objectives, the SCSA aims to:
 - act as a catalyst in the promotion of a value for money perspective within the social welfare section;
 - reinforce dialogue and consultation with service users, service providers and other stakeholders;
 - consolidate a culture that will enable the Authority to regulate and lead transformational changes in social welfare service in Malta; and
 - establish a person-centred integrated system maximising the use of technology.
- During 2020 and 2021, the SCSA was entrusted additional responsibilities to support the Public Health's efforts to contain the COVID-19 pandemic in the facilities providing social welfare services that are licensed by the Authority. The SCSA took on the responsibility for:
 - distributing swab kits to all licensed residential services¹⁸³;
 - assisting the Public Health Authorities by coordinating and distributing the COVID-19 vaccinations and booster doses to residential services¹⁸⁴;
 - assisting service providers to manage and contain the spread of the virus in residential care homes; and
 - assisting Public Health Authorities in the vaccination process for the general public¹⁸⁵.
- The SCSA also continued its work through dialogue and collaboration with service providers to set in place the necessary preventative measures, training needs, protocols, and procedures. The Authority published Legal Notice 149/2020¹⁸⁶ to ensure the continuous provision of the required services, namely:
 - services offered to individuals with problems related to substance abuse and other dependencies, adults, children in alternative care, persons with disability, older persons;

¹⁸⁰ Legal Notice 322 of 2021. Available online via: <https://legislation.mt/eli/sl/582.15/eng>

¹⁸¹ Legal Notice 375 of 2021. Available online via: <https://legislation.mt/eli/sl/582.16/eng>

¹⁸² Available online via: https://scsa.gov.mt/en/Documents/Publications/SCSA_Vision_ENG.pdf

¹⁸³ By the end of 2020, a total of 55,000 swabs were distributed to the different social welfare services. As part of this process, the SCSA's staff members conducted the necessary administrative inputting, distribution, confirmation of results as well as the necessary contact tracing.

¹⁸⁴ In total, the SCSA coordinated the dissemination of 20,560 vaccines by the end of 2021.

¹⁸⁵ During the first six months of 2021, the SCSA's premises served as a Vaccination Hub to assist the Public Health Authorities in the vaccination process for the general public. Between April and June 2021, the Vaccination Hub administered 26,255 vaccine doses.

¹⁸⁶ Continuation of Essential Social Welfare Services in Exceptional Circumstances Regulations, 2020. Available online via: <https://legislation.mt/eli/sl/582.11/eng>

- respite services for persons with disability; and
- shelter and temporary accommodation for adults, older persons living with dementia, and residential services for domestic violence.

Moreover, SCSA enacted a Legal Notice whereby it could grant an emergency license to services in view of the extraordinary circumstances brought forth by the pandemic¹⁸⁷.

Procedure to assist Homeless Persons

As from November 2021, persons who do not have a fixed address, and are being professionally assisted by the Foundation for Social Welfare Services (FSWS), are entitled for Social Assistance. This is a new procedure whereby such entitlement is under continuous scrutiny with a view to assess homeless persons with their needs until they enter into the labour market and have a place to reside in. As from its introduction in 2021 till the end of 2022, this measure benefitted 6 people.

The elderly and persons with disability

Several improvements in legislation, policies, schemes and measures were implemented to address the requirements of older persons, people with disabilities, and the respective caregivers.

Legislation

In respect of adults in situations of vulnerability, the Convention on the International Protection of Adults (Ratification) Act (Cap. 633/ Act III of 2023) was adopted by Parliament, in virtue of which Malta ratified the 2000 Hague Convention on the International Protection of Adults on 8 March 2023, having signed this Convention on 11 November 2022. This allows for mutual recognition of measures relating to the exercise of an adult's legal capacity, across States parties to the Convention, minimizing relevant bureaucracy through simplified procedures channelled via Central Authorities in said States. It additionally clarifies jurisdictional rules to be applied, in matters of a cross-border nature.

This legislation is being complemented by another legislation to create new domestic structures, and strengthen existing ones, in respect of abuse, harm and neglect that could be experienced by such persons, and to ensure further safeguards to their legal capacity by introducing the concept of supported decision-making. In the fourth quarter of 2020, the 1578 helpline for people with disabilities and their relatives was piloted to serve as a means of contact and help as well as to receive complaints and reports of abuse. The public awareness campaign on this new service was also launched on social media, TV, and newspapers. In 2021, the government expenditure for this helpline was of around €4,850.

Access to justice for persons with disability is further guaranteed by the United Nations Convention on the Rights of Persons with Disabilities Act (Cap. 627/ Act LIX of 2021), and amendments to the Equal Opportunities (Persons with Disability) Act (Cap. 413/ Act I of 2000), introducing the concept of Redress Panels as an alternative to court action that boosts accessibility, including in financial terms to this demographic. Furthermore, amendments to the latter Act, strengthening the enforcement capacity of the Commission for the Rights of Persons with Disability (CRPD), is an added measure to fight social exclusion for disabled people additionally at risk of poverty.

¹⁸⁷ Legal Notice 74 of 2020: Granting of an Emergency Licence in Exceptional Circumstances Regulations, 2020 as amended by Legal Notice 127 of 2021. Available online via: <https://legislation.mt/eli/sl/582.10/eng>

Policies

The twin documents *Freedom to Live: Malta's 2021-2030 National Strategy on the Rights of Disabled People* and *Respecting Diversity - Safeguarding Equality: Malta's 2021-2030 National Autism Strategy*¹⁸⁸, both additionally address the themes of poverty and social exclusion, in respect of disabled and autistic people specifically. Measures such as those addressing appropriate and accessible social services, and access to meaningful employment and employment retention, link to the issue of alleviating the risk of poverty. A mainstreamed human rights model in line with the social model of disability, in both documents, also factoring in intersectional aspects, and inclusion and empowerment over mere integration, link to the aim of combatting social exclusion. Measures also contribute to the fulfilment of specific UN Sustainable Development Goals (SDGs).

Schemes and Measures

Various schemes and measures were specifically targeted to address the needs of elderly persons and persons with disability, as well as their respective carers. These included the following:

Schemes and services by Aġenzija Sapport¹⁸⁹:

- In January 2020, Aġenzija Sapport opened its 11th day centre, situated in Baħar iċ-Ċagħaq, supporting around 25 persons yearly.
- In 2020, a new initiative was introduced with the purpose of enlisting and enhancing the skills of employees within Aġenzija Sapport, particularly those engaged in assisting individuals with disabilities. Comprehensive training was given to these professionals to attain a higher level of awareness that would better equip them to handle challenging or severe behaviour. Consequently, this approach is aimed to mitigate the likelihood of injuries and accidents occurring as a result of interactions with the individuals they support, thus fostering a safer environment for both the workers themselves and the individuals under their care.
- The consolidation of the Independent Community Living Monitoring (ICLM) services¹⁹⁰ in 2022 encompassing the: Direct Payment Scheme (DPS); Independent Community Living Scheme (ICL); and Personal Assistant Fund (PAF), within Aġenzija Sapport¹⁹¹. The integration of the three schemes under one unified Board has resulted in smoother transitions for service users requiring to access various schemes. Additionally, individuals with disabilities who receive funding for over 30 hours of weekly support are subject to annual re-evaluation by the Board, while other situations undergo review every two years. This ensures the continuous re-assessment of situations and fair distribution of funds. In 2022, there were 124 and 88 beneficiaries of DPS and ICL schemes respectively¹⁹², amounting to an expenditure of around €1.3 million¹⁹³. Furthermore, there were also 99

¹⁸⁸ Both documents, including in easy-read versions, can be accessed at: <https://inclusion.gov.mt/resources/>.

¹⁸⁹ Unless otherwise stated, data pertaining to numbers of beneficiaries and expenditure has been obtained through the Aġenzija Sapport, Malta available online via: https://sapport.gov.mt/wp-content/uploads/2023/07/Annual_R22_web.pdf

¹⁹⁰ These services focus resources to aid and follow up on individuals with disability and their families across Malta and Gozo. These individuals benefit from a financial subsidy to acquire personal assistance through a carer of their preference. As a result, the person with disability is assisted to lead an independent life within their community whilst having access to services tailored to their specific needs.

¹⁹¹ The three schemes falling under the ICLM are a form of subsidy aimed at aiding individuals with disabilities in managing their chosen services. Access to services to the DPS is applicable when service requests total less than 13 hours per week. When requests exceed 13 hours, the ICL scheme comes into play. If the requested service hours surpass 30 hours, they fall under the jurisdiction of the PAF.

¹⁹² This data was provided by MIVC.

¹⁹³ Information accessed at: https://sapport.gov.mt/wp-content/uploads/2023/07/Annual_R22_web.pdf

individuals¹⁹⁴ who made use of the Personal Assistance Fund amounting to an expenditure of around €1.4 million¹⁹⁵.

- Around 1,3000 persons with disability have benefitted from the People Assistance Schemes (PAS)¹⁹⁶, some of whom were elderly persons who were mostly provided with equipment such as specialised beds and hearing aids. The PAS was introduced in 2016 and in 2022, all schemes were made further accessible and user friendly through e-forms, digitally secured through E-ID. Furthermore, as of January 2022, the schemes concerning vehicles were amended.
- In 2022, a new initiative entitled *Way to Work* by Aġenzija Sapport and co-funded by the European Union through the Project INK provided individual or group training opportunities to around 45 persons with disability. The initiative aims for persons with disabilities to enter and retain employment, thereby encouraging independent living and reducing the likelihood of falling below the poverty line or being socially excluded.
- Aġenzija Sapport concluded a Memorandum of Understanding (MoU) with the Housing Authority at the end of 2022, allowing access to social accommodation within the community for persons with disability, while ensuring necessary service provision through the Agency.
- The Family Support Unit was set up at the end of 2022 to offer support to relatives of persons with disabilities and includes three support groups for parents and persons who have siblings with disability¹⁹⁷.
- A reform in respect of Personal Budgets was planned for the period 2022-2027.

Additional services, research and regulatory functions:

- As part of the Project *ESF 2.063: Knowledge, Training, Communications and Support Measures in support of Vulnerable Groups*, a number of activities for persons with disability have been implemented in 2020 and 2021:
 - The provision of the Therapeutic Intervention Programme (TIP) to students with disabilities in 2020 consisting of Creative Movement, Art Creative Expression, Drama Creative Expression, Occupational Therapy and Equine Assisted Therapy at the Maria Regina College Dun Manwel Attard Resource Centre in Wardija¹⁹⁸. In 2021, an evaluation was also

¹⁹⁴ This data was provided by MIVC.

¹⁹⁵ Information accessed at: https://sapport.gov.mt/wp-content/uploads/2023/07/Annual_R22_web.pdf

¹⁹⁶ The People Assistance Schemes (PAS) incorporates three main schemes, which are: 1. The Empowerment Scheme 2. Vehicle Road Licence Exemption Scheme 3. Vehicle Registration Tax Exemption Scheme.

¹⁹⁷ The "Super Sibs" summer program is tailored for children with siblings who have a disability. Through engaging group sessions featuring age-appropriate play and activities, these children get the opportunity to share their unique experiences, encompassing both the positive moments and the challenges they face, fostering a sense of understanding and appreciation within a safe, supportive environment. The Super Sibs program not only allows these children to connect with peers in similar circumstances but also ensures that they feel heard and valued while enjoying the activities. Professional guidance is also provided, encouraging them to seek assistance when needed. Additionally, the Family Support Unit extends its support by offering groups for adults who have siblings with disabilities as well. These sessions also provide a space for sharing experiences and emotions while delivering valuable insights on disability-related topics through guest speakers and discussions. The overarching goal of this group is to help adult siblings learn from each other's experiences and address a wide array of important subjects. The Family Support Unit at Sapport also offers workshops and support groups for parents of children with disabilities. These sessions address a wide array of topics relevant to these families' unique needs, including self-care, inclusion, education, and future planning. It acts as a comprehensive and free support system for families navigating the challenges and opportunities presented by disabilities. All these groups are led by professionals and provided free of charge, reflecting Aġenzija Sapport's commitment to supporting and empowering these communities. Resultantly, these initiatives aim to enhance the overall wellbeing, knowledge, and resilience of individuals and families facing disabilities, ensuring no one feels alone or misunderstood.

¹⁹⁸ In 2021, there were 107 students attending this school on a full-time basis.

completed on this programme. Students with disability were negatively impacted by the closure of education institutions which influenced the continuation and nature of the above-mentioned sessions as part of the TIP programme.

- Two types of research by CRPD in 2020 on: i) the current situation of disabled people and employment in Malta as well as drawing up of guidelines; and ii) awareness of disability issues among professionals.
- Starting from January 2022, the subsidy rate for the Home Helper of Your Choice programme underwent an increase, transitioning from its existing rate of €5.50 per hour to €7 per hour. This adjustment was strategically implemented to instil greater motivation among Home Helpers, consequently prompting a higher number of elderly individuals to select their preferred helpers for assistance. By March 2022, the program had benefited 103 individuals, which saw an increase in June 2022, reaching 172 beneficiaries, and further expanding to 217 beneficiaries by December 2022. Due to the subsidy rate increase and the rapid increase in take-up in 2022, the expenditure for this programme increased from €19,360 in 2021 to €74,075 in 2022. This reflects the growing utilization of the subsidy and its contributions to enhancing assistance and support for senior citizens.
- 17 PSP agreements with NGO service providers continued to be renewed every 3 years, increasing availability of services for persons with disabilities in respect of supported and transitional living arrangements, and community services.
- In 2022, more psychologists were engaged for people with disabilities and their relatives to continue to facilitate help in a timely manner and with the least possible delay.
- Awareness raising efforts and constant consultation with various stakeholders by the Commission for the Rights of Persons with Disability (CRPD), promote more inclusive policy measures, by keeping in mind not just one's disability but also other intersecting aspects including socio-economic background, sexual orientation and gender identity, age, etc.

2.2.5.2 HOUSING

The Housing Authority (HA), in collaboration with other entities under the lead of the Ministry for Social and Affordable Accommodation, has executed several housing measures to embellish, restore, increase and upgrade existing social accommodation units. These measures aim to make homeownership more accessible and create affordable accommodation pathways for cohorts of the Maltese and Gozitan population who find themselves at the fringes of the housing market for various socio-economic reasons. The measures implemented include:

- The regeneration process of existing social accommodation blocks started to develop in March 2020, and a programme of maintenance was completed by end 2022 on another fifty (50) blocks of social accommodation that form part of Housing Estates in different localities around Malta and Gozo, including Rabat, Zejtun, Cospicua (Bormla), Siggiewi, San Giljan (Ta' Giorni), Santa Lucija, Vittoriosa (Birgu), San Gwann, Luqa, Birkirkara, Pembroke, and Valletta.
- The regeneration of dilapidated properties also continued in the period between 2020 and 2022, with five non-governmental entities being assigned tailor-made financing to rehabilitate dilapidated properties. The specialized accommodation program (Sustainable Communities: Housing for Tomorrow) and the intergenerational living project continued throughout this period. The former program continued expanding with various organizations operating in the third sector benefiting from financing and the design competition organized in collaboration with the Chamber of

Architects. Until September 2022, more than 145 individuals and 2 families with two children or more were benefiting from this initiative and were allocated flatlets with shared amenities as per the intergenerational principle.

- The 2020 Budget also saw the strengthening of the Private Rent Housing Benefit Scheme (HBS) in light of affordable accommodation principles that limit housing expenditure to the maximum ceiling of 25% of one's disposable income. The HBS was amended to take into account the applicant's income, the rental value, and the size of the property, and would therefore be unique to each and every valid application instead of a fixed subsidy. In January 2020, the maximum income brackets of the Scheme increased, while in the 2023 budget, the internal ceilings related to the number of bedrooms in the property were also increased by €100 each. By the end of 2022, over 4,100 families were receiving the improved and strengthened rental benefit.
- Since the commencement of the *SKP pre-1995 rent subsidy scheme*¹⁹⁹ in July 2021 until the end of December 2022, 486 families benefited from this subsidy. In addition, the 2022 Budget saw the introduction of a care plan for social accommodation beneficiaries and applicants following the conclusion of a study in collaboration with the Faculty for Social Wellbeing at the University of Malta. The HA published an expression of interest for social work professionals who could operate the various facets of the plan, and a pilot project was initiated with 15 families. The pilot project is set to conclude in July 2023.

Other measures which were crucial for increasing access to adequate accommodation and to combat housing exclusion include:

- The promulgation of the Private Residential Leases Act (Cap. 604 of the Laws of Malta) came into effect on the 1st of January 2020, based on recommendations and the results of the consultation which commenced on the White Paper entitled Renting as a Housing Alternative, published in October 2018. This act introduced articles to ensure standards of fairness, clarity and predictability in contractual relations between lessors and lessees, as well as to protect the right to adequate accommodation²⁰⁰. The law was accompanied by fiscal measures that promote longer rental durations and the sale of residential properties to the same tenant or third parties²⁰¹.
- The Equity Sharing Scheme was initially launched in 2018 and was further extended in the 2022 Budget through a measure which lowered the applicability of the scheme to include applicants who have turned 30 years old. From the launch of the extension on the 12th of January 2022 to the end of December 2022, the HA received 135 applications from persons between 30 to 39 years old. In total, by the end of 2022, the HA had received 667 applications, of which 168 resulted in a successful final deed of sale.
- On the 5th of June 2020, the government announced the launch of the Deposit Payment Scheme, a home-ownership scheme aimed at bridging the gap between the savings of prospective first-time buyers and the 10% deposit requested at the promise of sale stage of the property purchase. This scheme provides an interest-free loan to eligible applicants. By the end of 2022, 207 beneficiaries became homeowners for the first time through this initiative.
- The Ministry for Social and Affordable Accommodation also launched the Sens-Ability scheme on the 1st of September 2020. The scheme is aimed at financing the purchase and installation of

¹⁹⁹ Skema ta' Sussidju tal-Kera ta' Residenzi Privati Mikrija Qabel I-1 ta' Ġunju 1995.

²⁰⁰ The 2020 Act introduced regulations that set the minimum standards for short-term residential leases (6 months), long-term residential leases (a minimum of 1 year), a number of formalities which are mandatory for private residential lease contracts (including the inventory), made registration of such contracts mandatory with the Rent Registration Unit within the Housing Authority, set a limit to annual increases in long-term rent agreements (tied to Property Price Index but in no case may exceed 5%), introduced the concept of Shared Residential Spaces, equipped the Housing Authority with function of monitoring and enforcement, and created an Adjudicating Panel to settle disputes related to rental relationships that do not exceed €5,000.

²⁰¹ Section 32G of Cap. 364 of the Laws of Malta introduced by virtue of Act No. VII of 2022 (Budget Measures Implementation Act, 2022).

sensory equipment in residential properties housing individuals on the autism spectrum. By the end of 2022, around 49 families have benefitted or are in the process of benefiting from this financial aid.

- Lastly, the Ministry also launched the New Hope: Guarantee Scheme, which provides a viable alternative to life insurance products for prospective homeowners who have been denied life insurance coverage by private-sector providers due to past and present medical conditions and disabilities. By the end of 2022, the HA issued 9 guarantees covering the property purchases of 9 individuals who became homeowners for the first time.

As it can be noted from the aforementioned measures, a diverse set of legislative and policy initiatives were crucial to keep the commitment of providing adequate housing to persons who need it. The more targeted actions taken in both the housing and social welfare sectors served to reach out to an increasing number of vulnerable persons and considerably improving their lives.

2.2.6 CULTURE

One of the defining features of the cultural sector is its continuous pursuit of ways to promote social cohesion and inclusion. Cultural activities provide a platform for people from different backgrounds to come together, share their experiences, and engage in meaningful conversations. In so doing, culture has the potential to celebrate diversity and promote cultural exchange that create a sense of belonging and strengthens social cohesion.

Launched in September 2021, the current **National Cultural Policy 2021**²⁰² sets out social inclusion as an overarching priority with the aim of increasing access and widen cultural participation. To foster social inclusion, this Policy seeks to reach more organisations working with vulnerable and disadvantaged groups in order to engage these target groups in cultural activities and improve their overall wellbeing.

The National Cultural Policy 2021 was designed to prepare the cultural sector to counteract the effects of unforeseen crises, primarily the COVID-19 pandemic which restricted mass gatherings and physical activities in adherence to Ministry of Health guidelines. In these circumstances, the additional investment in digital technology facilitated online interactive cultural initiatives and helped to maintain a sense of cohesion in Malta during this trying period. As the health situation improved in 2022, a sense of normalcy began to return, and new initiatives were implemented to revive the cultural sector. These initiatives included the resumption of live performances, the launch of new art exhibitions, and the introduction of innovative cultural programs to engage audiences.

This Chapter highlights the main initiatives that gave more equal opportunities for people to enjoy cultural events while contributing towards their social inclusion, particularly in the instable and continuously changing context of the pandemic period.

During 2020-2022, **Heritage Malta** expanded several successful initiatives aimed at: encouraging attendance to heritage sites; and increasing cultural learning. These initiatives included the: i) reopening of heritage sites and museums; ii) the introduction of interactive guided tours; iii) the development of

²⁰² Accessed at: [artscouncilmalta.gov.mt/files/uploads/misc/National_Cultural_Policy_2021_ENG_V9_\(F\)_compressed.pdf](https://artscouncilmalta.gov.mt/files/uploads/misc/National_Cultural_Policy_2021_ENG_V9_(F)_compressed.pdf)

educational programs for schools, and; iv) the implementation of accessible features for visitors with disabilities – as follows:

- Both Heritage Malta Passport Schemes for Students²⁰³ and Senior Citizens²⁰⁴ continued to be provided. The usage of the passport schemes was encouraged by the reopening of Heritage sites and museums in 2020 and 2021. Efforts were made to at first reopen with a specific schedule and precautionary measures. Through an expenditure for both schemes of over €3,500 in 2021 and over €2,200 in 2022, people continued to benefit from free unlimited access amounting to:
 - over 165,000 student beneficiaries since the scheme's inception in 2018, with over 21,000 of these beneficiaries being recorded from the resumption of in-person activities as per usual schedule in 2022.
 - 47,000 older persons beneficiaries that utilised this scheme from its launch in 2019, out of which over 5,400 older persons benefitted in 2022.
- Following the closure of most Heritage Malta sites and museums in 2020 and 2021, Heritage Malta made it a priority to organize open days at locations that are typically not accessible to the public. Between January 2020 and the end of March 2022, over 12,139 individuals benefited from this initiative. Furthermore, Heritage Malta has provided local groups and local councils with a special reduced rate of €1 per person for tickets and has also granted free access to the carer accompanying a person with a disability, as well as a reduced fee for individuals with disabilities. In 2022, more than 515 visitors benefitted from the €1 scheme.
- In 2020, Heritage Malta initially intended to organise special tours for individuals with hearing impairments. However, due to the COVID-19 pandemic, the plans had to be altered. Instead of tours, Heritage Malta shifted its focus to creating 15 sign language visuals, audio-descriptive texts, and hosting activities to enhance the experience of the National Museum of Archaeology for the hearing-impaired audience.
- The restrictions imposed by the COVID-19 pandemic in 2020 meant that individuals could not visit Heritage Malta sites and museums. However, Heritage Malta prioritised digital investment by providing virtual tours, information, and photos of museums and sites, allowing people to explore and learn about the rich heritage of Malta and Gozo from the comfort of their homes. During the pandemic in 2020, more than 951,424 individuals visited and made use of Heritage Malta's digital services. The number of visitors continued to increase in the past two years, reaching over 1,105,336 in 2022.

Despite the challenges posed by the pandemic, **Arts Council Malta** undertook additional initiatives to continue promoting arts at the local level. The organisation intensified its support for the cultural sector and actively promoted various community-oriented projects, including:

- The *Kreattiv Fund*²⁰⁵, a funding program launched in October 2020, has awarded funds to ten projects across ten educational institutions. These projects encompassed various educational settings, including four learning support centres, an induction hub, a public school, a church school, and others. Unfortunately, this program was suspended in early 2021. To continue supporting creative projects within formal and informal education, Arts Council Malta introduced the Arts Education Scheme as a substitute initiative. This scheme aimed to provide similar opportunities and financial support for

²⁰³ The Heritage Malta Passport for Students initiative was launched in November 2018 for all students attending primary or secondary level education in Malta and Gozo to benefit from free unlimited access to all Heritage Malta sites and museums. Any two adults would also benefit from the offer when accompanying a student.

²⁰⁴ The Heritage Malta Passport for Senior Citizens was launched in April 2019 for all senior citizens over 60 years residing in Malta and Gozo, to benefit from free unlimited access to Heritage Malta sites and museums. Any two youths would also benefit from the offer when accompanying a senior citizen.

²⁰⁵ *Kreattiv* is a fund managed by Arts Council Malta, which aims at creating collaborations between creative practitioners, teachers and students across schools in Malta and Gozo.

creative endeavours in educational settings. In 2021 and 2022, Arts Council Malta issued three calls for proposals through the Arts Education Scheme. From these calls, 21 projects were selected and granted funding.

- The Cultural Rights Project²⁰⁶ was launched in early 2020 and started off with multiple focus groups and interviews with youths, children, and ambassadors to promote cultural rights and diversity within the cultural and creative sectors. In October 2020, a working group was set up for the drawing up of guidelines and compiling of the resource kit 'Dritt għall-Kultura | Right to Culture', which was consolidated in December 2021 and later finalized and launched during a panel discussion in March 2022. That very month, Arts Council Malta started working on an audio version of this resource pack and is predicted to be launched in 2023.
- The Culture Pass²⁰⁷ initiative was expanded to include post-secondary students in October 2020 and is now available for students from early years education to MQF Level 4. In August 2020, the programme of events for the scholastic year 2020/2021 was launched, featuring 30 selected productions. However, these productions were temporarily halted in March 2020 due to school closures caused by the pandemic. In January 2021, an online programme was introduced, allowing these productions to be digitally accessed by schools, benefiting over 51,444 students through the Culture Pass. Furthermore, a total of 38 productions were approved for the scholastic year 2022/2023.

Teatru Manoel remains a prominent hub for the performing arts in Malta, actively collaborating with various cultural entities to promote social inclusion and poverty reduction. Prior to the pandemic restrictions, students from multiple schools were invited to attend dress rehearsals of the opera '*Othello*' and other theatrical productions, offering them a behind-the-scenes experience free of charge. Unfortunately, these visits had to be suspended, but they were later replaced by the 'Teatru Manoel Concert Streaming Series.' This digital initiative streams past and recent performances on their official Facebook page for free. Furthermore, Teatru Manoel implemented a special Covid Programme from October 2020 to March 2021, specifically designed to adhere to social distancing measures. The programme included 64 performances of 23 different productions, available both digitally and physically. Discounted tickets were also offered to senior citizens and students who were unable to attend the theatre in person.

The Valletta Cultural Agency (VCA) continues to play a crucial role in sustaining and strengthening the cultural life of the capital. The VCA remains committed to fostering projects that aim to enhance inclusivity, participation, and capacity-building in the sector.

- One such project, InnovAiR²⁰⁸, was initially implemented in 2020 but had to be put on hold due to the COVID-19 pandemic. However, a new format for InnovAiR was created under the title of *Artist@Home*, offering artists the opportunity to work from the comfort of their homes and share their creations with an online audience. In 2020, five artists were selected, and in early 2021, at least two more artists were chosen to participate. In 2022, InnovAiR was renamed InnovAiR at the Valletta Design Cluster, and the program currently benefits two artists who are taking part in this initiative.

Through various cultural initiatives, Malta is consistently promoting social inclusion among people from all walks of life. This is achieved through a combination of longstanding measures that offer opportunities

²⁰⁶ The Cultural Rights Project consists of a research process that will culminate in a Cultural Rights Resource Kit informed by a series of focus groups and interviews with a diverse range of stakeholder groups representing local communities.

²⁰⁷ The Culture Pass provides students with a valuable opportunity to engage in at least one cultural activity or event during the academic year. This initiative offers a wide range of cultural productions that are not only enjoyable but also relevant to their learning experience.

²⁰⁸ InnovAiR is the Valletta Cultural Agency's artist-in-residence programme which aims to bring closer together artists and communities in Valletta and beyond by facilitating contact and encouraging networking.

for diverse groups to engage with Malta's rich heritage and culture, actively participating in its various aspects. By encouraging greater participation in Malta's cultural activities, a stronger, more united, and inclusive society is being cultivated. This collective strength enables the nation to effectively tackle present and future challenges, channelling its energy towards progress at an individual and societal level.

Chapter 3: EVALUATION - MEASURING PROGRESS

Poverty and social exclusion have become more complex, in a constantly changing socio-economic, labour market, educational, cultural, environmental, and technological environment. To effectively analyse and evaluate these causes, it is important to use robust and credible indicators. To get a comprehensive understanding of this complex issue, the headline indicators used to monitor progress must be accompanied by a range of contextual indicators. Such an approach will provide a complete analysis of poverty and social exclusion.

In addition to the main headline indicators, such as the AROPE indicator (At-Risk-of-Poverty or Social Exclusion Rate), other indicators that help reduce poverty and promote social inclusion were also studied. These indicators which were developed in cooperation with the National Statistics Office (NSO) and are comparable at an EU level, offer valuable insight into the main strategic policy goals and support the *EU 2020 Strategy* as well as the *European Pillar of Social Rights Action Plan by 2030*.

3.1 GENERAL POPULATION

The National Strategic Policy for Poverty Reduction and for Social Inclusion addresses poverty and social exclusion among the population in general and the four target groups namely:

- children and young people;
- elderly persons;
- unemployed persons; and
- the working poor.

In this regard, this section provides an overview of the main headline indicator in poverty reduction - the At-Risk-of-Poverty or Social Exclusion Rate (AROPE), as well as other related indicators including:

- At-Risk-of-Poverty Rate (ARP);
- Material and Social Deprivation (MSD) and Severe Material and Social Deprivation Rate (SMSD);
- Very Low Work Intensity (VLWI) indicator;
- Persons aged 65 years or over At-Risk-of-Poverty living in households by type of deprivation
- S80/S20 Income Quintile Share Ratio
- At-Risk-of-Poverty Rate (ARP) Before Social Transfers
- Housing Cost Overburden Rate by Poverty Status
- Distribution of population by tenure status, type of household and income group
- Persons at risk of poverty or social exclusion by tenure status
- Unemployment Rate
- Long-Term Unemployment Rate (LTU)
- Number of Absences in State Schools
- Early School Leavers (ESL) Rate
- NEET Rate (Share of young people Neither in Employment nor in Education and Training)
- Persons Registering for Work in Malta and Gozo (including data for persons with a disability)
- Share of Total Population (25-64 years) Participating in Non-Formal Education
- Share of Total Population (25-64) Participating in Formal Education Activities
- Share of Children Attending Formal Childcare (including data for children living in low-income households).

AT-RISK-OF-POVERTY OR SOCIAL EXCLUSION (AROPE)

The EU 2020 Strategy is monitored by the AROPE indicator²⁰⁹. Table 7 below reveals a significant decrease in the AROPE rate for Malta from 2015 (22.2%) to 2022 (20.1%) by 4.5 pp (percentage points). Numerous factors led to decrease in the AROPE rate including lower unemployment rates; improved economic performance; and improved social benefits. The AROPE rate for Malta, both for the total population as well as disaggregated by gender, has typically performed better than the EU average. Despite the declining trend seen for females (both at the EU and MT levels), it is important to note that the AROPE rate for females is still higher than that of males. This may be due to several variables, including the lower participation rate of women in the labour force.

The number of persons AROPE increased by 7,000 from 2015 till 2022. These trends may reflect the impact of the Covid-19 pandemic. It is important to also take into consideration the increase in the Maltese population that may have had an impact on the AROPE population as well as the number of people not AROPE which have increased from 2013 (344,000) to 2022 (418,000) by 74,000.

Table 7: At-Risk-of-Poverty or Social Exclusion in Malta and EU by Sex, 2015-2022²¹⁰

At-Risk-of-Poverty or Social Exclusion	2015	2019	2020	2021	2022
EU: %	24.0%	21.1%	21.6%	21.7%	21.6%
Malta: %	22.2%	20.7%	19.9%	20.3%	20.1%
Malta: At-Risk-of-Poverty or Social Exclusion in Thousands	96,000	100,000	101,000	103,000	103,000
EU: % Males	23.1%	20.0%	20.5%	20.8%	20.4%
Malta: % Males	21.3%	19.0%	18.3%	18.9%	18.9%
Malta: Males in Thousands	46,000	47,000	48,000	50,000	50,000
EU: % Females	24.9%	22.1%	22.6%	22.7%	22.7%
Malta: % Females	23.2%	22.6%	21.8%	21.9%	21.3%

²⁰⁹ The AROPE indicator refers to people in a household who are either at risk of poverty, are severely materially and socially deprived or in a household with a very low work intensity.

²¹⁰ Persons at risk of poverty or social exclusion by age and sex. Eurostat online data code: [ILC_PEPS01N](#). As from 2020, this indicator of AROPE is being used instead of the previous indicator for which data was reported within the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* and its first two Implementation and Evaluation Reports. The new AROPE indicator uses a new definition of AROPE which data is available from 2015 onwards, and thus data will be compared to the first available data of this indicator - that of 2015 - instead of 2013.

Note: Total Population in '000s may not tally due to rounding up.

Malta: Females in Thousands	50,000	53,000	53,000	53,000	52,000
Malta: Not At-Risk-of-Poverty or Social Exclusion in Thousands²¹¹	344,000	394,000	414,000	413,000	418,000

AT-RISK-OF-POVERTY RATE (ARP)

Malta had an ARP rate of 16.7% just 2 pp above the EU average of 16.5% in 2022. When looking at the base year 2013, Malta has registered a slight increase in people who are at risk of poverty (ARP), with a slight decrease as from 2019 (from 15.8% in 2013 to 17.1% in 2019 to 16.7% in 2022)²¹². From 2013 to 2022, while the number of persons ARP increased by 21,000, the number of those not ARP increased by 78,000 persons.

Changes in the ARP rate may be due to the significant increase in the disposable income enjoyed by Maltese households over the past years, despite the Covid-19 pandemic. The average household disposable income went up by €11,000 or by 48% from 2013 (standing at €23,500)²¹³ to 2022 (standing at €34,800)²¹⁴. As a result, the at-risk-of-poverty threshold (60% of the median equivalised disposable income) rose by 50.1% from €7,256 in 2013 to €10,893 in 2022. At the same time, the cost of living decreased by 57.1% from 2013 to 2022²¹⁵.

Comparing data disaggregated by gender for 2013 (males: 15.4%; females: 16.1%) and 2022 (males: 15.8%; females: 17.8%) shows that the female rate has experienced a higher increase. Likewise to EU developments, Maltese females experience a higher ARP when compared to Maltese males due to a lower female employment rate²¹⁶.

The ARP indicator should not be used arbitrarily and requires careful interpretation. Primarily, the ARP indicator measures the relationship between disposable household income and the rest of the population rather than the ability to afford basic requirements (unlike other indicators concerning material deprivation that will be analysed further on). Furthermore, the ARP rate alone does not capture social inclusion and was thus included as part of a combination of three indicators to monitor the progress of social inclusion.

²¹¹ Represents the difference between the total Maltese population in that year and the number of persons in AROPE, which yields the estimated number of persons not in AROPE. Population on 1 January by age and sex. Eurostat online data code: [DEMO_PJAN](#)

²¹² [At-risk-of-poverty rate by poverty threshold, age and sex - EU-SILC and ECHP surveys. Eurostat online data code: ILC_LI02](#)

²¹³ NSO. News Release 164/2014: Statistics on Income and Living Conditions 2013: Salient Indicators. Accessed at: https://nso.gov.mt/wp-content/uploads/News2014_164.pdf

²¹⁴ NSO. News Release 103/2023: EU-SILC 2022: Salient Indicators. Accessed at: <https://nso.gov.mt/eu-silc-2022-salient-indicators/>

²¹⁵ Ministry for Finance. November 2013. Economic Survey 2013. Accessed at: https://financecms.gov.mt/en/The-Budget/Documents/The_Budget_2014/Economic_Survey_2013.pdf

Ministry for Finance. October 2021. Budget Speech 2022. Accessed at: https://finance.gov.mt/wp-content/uploads/2023/04/Budget_Speech_2022.pdf

²¹⁶ Employment rate by sex. Eurostat online data code: [TESEM010](#).

Table 8: At-Risk-of-Poverty Rate in Malta and EU by Sex, 2013-2022²¹⁷

At-Risk-of-Poverty	2013	2019	2020	2021	2022
EU	16.8%	16.5%	16.7%	16.8%	16.5%
Malta	15.8%	17.1%	16.9%	16.9%	16.7%
Malta: At-Risk-of-Poverty in Thousands	65,000	83,000	85,000	86,000	86,000
EU: % Males	16.2%	15.8%	15.9%	16.1%	15.6%
Malta: % Males	15.4%	16.1%	15.6%	15.8%	15.8%
Malta: Males in Thousands	32,000	40,000	41,000	42,000	42,000
EU: % Females	17.3%	17.1%	17.5%	17.5%	17.3%
Malta: % Females	16.1%	18.1%	18.3%	18.0%	17.8%
Malta: Females in Thousands	33,000	43,000	45,000	44,000	44,000
Malta: Not At-Risk-of-Poverty in Thousands²¹⁸	357,000	411,000	430,000	430,000	435,000

In this context, it is worth noting that the ARP rate anchored in 2008 (rate based on the ARP threshold adjusted for inflation) has improved by 10.1 pp over the same period as shown in Table 9 below.

Table 9: At-Risk-of-Poverty in Malta and EU (ANCHORED IN 2008) 2013-2022²¹⁹

At-Risk-of-Poverty Rate (anchored in 2008)	2013	2019	2020	2021	2022
EU: %	18.7%	14.1%	12.9%	13.0%	12.4%

²¹⁷ At-risk-of-poverty rate by poverty threshold, age and sex - EU-SILC and ECHP surveys. Eurostat online data code: [ILC_LI02](#)

²¹⁸ Represents the difference between the total Maltese population in that year and the number of persons in ARP, which yields the estimated number of persons not in ARP. Population on 1 January by age and sex. Eurostat online data code: [DEMO_PJAN](#)

²¹⁹ At-risk-of-poverty rate anchored at a fixed moment in time (2008) by age and sex - EU-SILC survey. Eurostat online data code:

[ILC_LI22B](#)

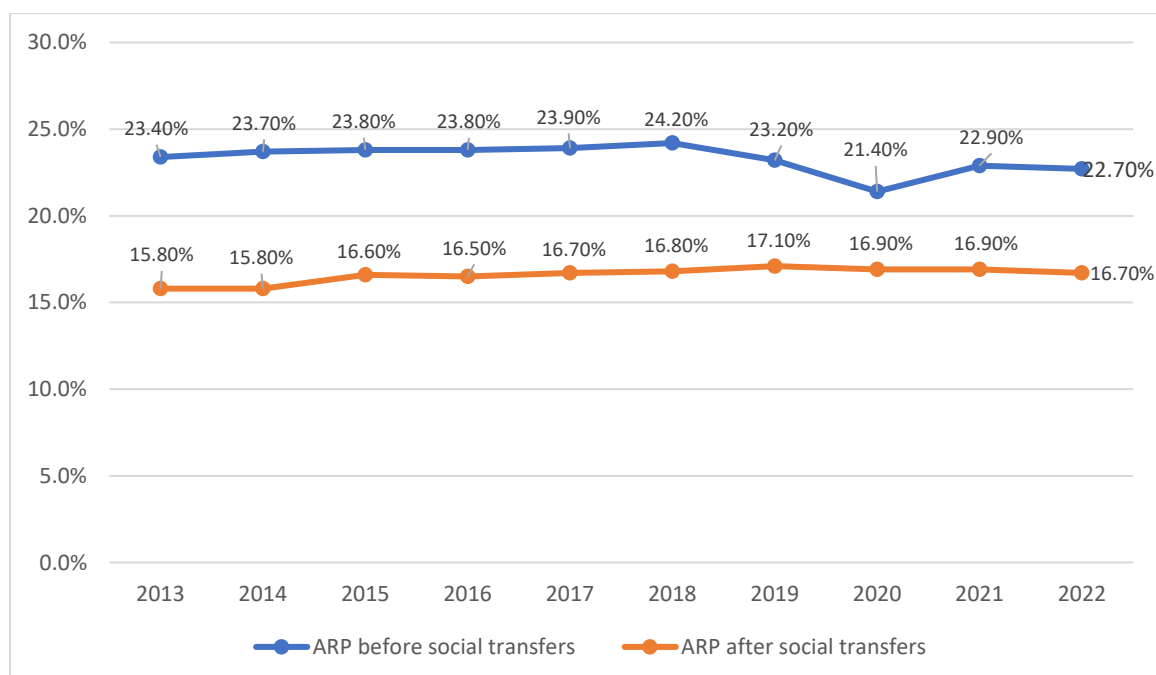
Malta: %	14.4%	7.3%	6.4%	6.0%	4.3%
EU: % Males	18.1%	13.7%	12.5%	12.7%	11.9%
Malta: % Males	14.2%	7.2%	6.1%	5.7%	4.1%
EU: % Females	19.3%	14.5%	13.3%	13.4%	12.9%
Malta: % Females	14.7%	7.5%	6.7%	6.2%	4.6%

THE IMPACT OF SOCIAL TRANSFERS ON THE ARP RATE

To fight poverty and social exclusion, social transfers are essential tools. The impact of social transfers on the quality of life²²⁰ of people as seen in Figure 1, shows the effectiveness in decreasing the ARP rate for Malta after social benefits. In 2022, the contribution of social transfers reduced the ARP rate by 6% from 22.7% (before social transfers) to 16.7% (after social transfers).

It is noteworthy to mention that the social transfers exclude the consideration of free education, healthcare and social services provided by Government. Social transfers in kind affect both the level and the distribution of income. Furthermore, although these social payments are available to everyone, they benefit people in lower income deciles the most.

Figure 1: ARP Rate Before and After Social transfers 2013-2022



²²⁰ By contrasting the income poverty rate prior to social transfers with the income poverty rate subsequent to social transfers, the effect of social transfers on the ARP rate is determined. This indicator enables evaluation of how social payments affect monetary poverty.

SEVERE MATERIAL AND SOCIAL DEPRIVATION (SMSD) AND MATERIAL AND SOCIAL DEPRIVATION (MSD)

The material and social deprivation indicators offer a more complex picture of how poverty affects people's quality of life and living decisions. These indicators reflect households' inability to pay for some items that majority of people would find desirable or even necessary for a fulfilling existence. While material and social deprivation rates show how much households could not afford at least five items, severe material and social deprivation rates gauge the percentage of the population that cannot afford at least seven of thirteen deprivation items.

In parallel to the EU, Malta has seen a significant decline in SMSD from 2015 as per Table 10 below, including a slight decrease from 2021 to 2022. Between the base year 2015 and 2022, SMSD registered a significant reduction of 3.3 pp from 8.2% in 2015 to 4.9% in 2022, meaning a drop of 17,000 persons. A decrease was registered for males, while females experienced a slight increase between 2019 and 2022²²¹. The robust economic performance of the Maltese economy, which led to higher employment opportunities as well as various measures, such as the reduction in the tax burden and utility bills leading to higher disposable incomes, are all responsible contributors for this reduction.

Malta's population increased by 81,000 from 2015 to 2022²²². With this in consideration, the actual decline in SMSD population over the following years would have been much higher had Malta's population remained fixed at the levels of 2015 when it was 440,000. Figures show a clear illustration of the number of people who were not SMSD, which increased by 91,000 from 2015 to 2022.

Table 10: Severe Material and Social Deprivation in Malta and EU by Sex, 2015-2022²²³

Severe and Material Social Deprivation	2015	2019	2020	2021	2022
EU: %	9.7%	6.7%	6.8%	6.3%	6.7%
Malta: %	8.2%	5.0%	5.1%	5.4%	4.9%
Malta: Severe Material and Social Deprivation in Thousands	35,000	24,000	25,000	27,000	25,000
EU: % Males	9.1%	6.2%	6.5%	6.0%	6.4%

²²¹ It is worth noting that the MSD and SMSD rates are usually related to the demographic characteristics and reflect the proportion and growth rate of these demographic groups compared with the growth in the total population.

²²² Population on 1 January by age and sex. Eurostat online data code: [DEMO_PJAN](#)

²²³ Severe material and social deprivation rate by age and sex. Eurostat online data code: [ILC_MDSD11](#). As from 2020, this indicator of SMSD is being used instead of the previous indicator for which data was reported within the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024 and its first two Implementation and Evaluation Reports. The new SMSD indicator uses a new definition of SMSD which data is available from 2015 onwards, and thus data will be compared to the first available data of this indicator - that of 2015 - instead of 2013.

Malta: % Males	8.1%	4.1%	4.2%	5.1%	4.3%
Malta: Males in Thousands	17,000	10,000	11,000	13,000	11,000
EU: % Females	10.2%	7.1%	7.1%	6.6%	7.0%
Malta: % Females	8.3%	5.9%	6.0%	5.7%	5.7%
Malta: Females in Thousands	18,000	14,000	14,000	14,000	14,000
Malta: Not in Severe and Social Deprivation in Thousands²²⁴	405,000	470,000	490,000	489,000	496,000

Despite a significant rise in the overall population, the annual material and social deprivation rate decreased significantly from 16% in 2015 to 9.6% in 2022, which translates to a decrease of around 14,000 people who are materially and socially deprived, as shown in Table 11 below.

Table 11: Material and Social Deprivation in Malta and EU by Sex, 2015-2022²²⁵

Material and Social Deprivation	2015	2019	2020	2021	2022
EU: %	17.9%	12.5%	12.7%	11.9%	12.7%
Malta: %	16.0%	9.9%	9.4%	9.8%	9.6%
Malta: Material and Social Deprivation in Thousands²²⁶	64,000	49,000	48,000	51,000	50,000
EU: % Males	16.9%	11.7%	12.0%	11.4%	12.0%

²²⁴ Represents the difference between the total Maltese population in that year and the number of persons in SMSD, which yields the estimated number of persons not in SMSD. Population on 1 January by age and sex. Eurostat online data code: [DEMO PJAN](#)

²²⁵ Material and social deprivation rate by age and sex. Eurostat online data code: [ILC_MDSD07](#). As from 2020, this indicator of MSD is being used instead of the previous indicator for which data was reported within the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024 and its first two Implementation and Evaluation Reports. The new MSD indicator uses a new definition of MSD which data is available from 2015 onwards, and thus data will be compared to the first available data of this indicator - that of 2015 - instead of 2013.

²²⁶ Material and social deprivation in thousands. NSO: https://nso.gov.mt/wp-content/uploads/News2016_152.pdf

Malta: % Males	15.5%	8.9%	8.3%	9.4%	8.0%
Malta: Males in Thousands	41,000	22,000	22,000	25,000	22,000
EU: % Females	18.7%	13.3%	13.3%	12.4%	13.3%
Malta: % Females	16.5%	11.0%	10.7%	10.3%	11.4%
Malta: Females in Thousands	43,000	27,000	26,000	26,000	29,000
Malta: Population Not in Material and Social Deprivation in Thousands²²⁷	376,000	445,000	467,000	465,000	471,000

MATERIALLY DEPRIVED PERSONS BY TYPE OF DEPRIVATION

TION

Table 12 provides a summary of the top five categories by which people at risk of poverty are the most deprived of in Malta. Since 2013, there has been a noticeable decline in the number of people who experience these deprivations, with the biggest drops occurring among people who cannot manage to pay for a one-week vacation away from home and people who cannot keep their homes warm enough.

Other notable decreases were noted in the other major categories of material deprivation, including the inability to pay for unforeseen expenses, the inability to afford a meal that included meat, chicken, or fish (or a vegetarian alternative), and the inability to pay mortgage, rent, utility, or hire purchase instalments that are past due.

Table 12: Main Items of Deprivation of Persons living in Malta 2013-2022

Item	2013 % population ²²⁸	2019 % population ²²⁹	2020 % population ²³⁰	2021 % population ²³¹	2022 % population ²³²	2013 - 2022 Difference

²²⁷ Represents the difference between the total Maltese population in that year and the number of persons in MSD, which yields the estimated number of persons not in MSD.

²²⁸ NSO. 3 September 2014. News Release: 164/2014: Statistics on Income and Living Conditions 2013: Salient Indicators. Accessed at: [News2014_164.indd \(gov.mt\)](https://nso.gov.mt/News2014_164.indd)

²²⁹ NSO. 20 August 2020. News Release: 135/2020: EU-SILC 2019: Salient Indicators. Accessed at: https://nso.gov.mt/wp-content/uploads/News2020_135.pdf

²³⁰ NSO. 29 September 2021. News Release: 175/2021: EU-SILC 2020: Salient Indicators. Accessed at: [News2021_175.pdf \(gov.mt\)](https://nso.gov.mt/News2021_175.pdf)

²³¹ NSO. 13 June 2023. News Release 103/2023: EU-SILC 2022: Salient Indicators. Accessed at: [NSO Malta | EU-SILC 2022: Salient Indicators - NSO Malta \(gov.mt\)](https://nso.gov.mt/News2023_103.pdf)

²³² Ibid.

Inability to afford paying for one-week annual holiday away from home: %	55.5%	30.8%	32.9%	33.1%	33.3%	-22.2 pp
Inability to keep home adequately warm: %	23.3%	7.8%	7.2%	7.8%	7.6%	-15.7 pp
Inability to face unexpected financial expenses (amount change every year): %	22.8%	15.1%	16.3%	15.7%	15.4%	-14.9 pp
Inability to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day: %	14.9%	5.8%	6.0%	6.2%	7.5%	-7.4 pp
Inability to avoid arrears (in mortgage or rent, utility bills or hire	11.6%	7.8%	7.0%	7.8%	6.1%	-5.5 pp

purchase instalment s): %						
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SHARE OF POPULATION IN VERY LOW WORK INTENSNSITY (VLWI)

The percentage of residents in households with VLWI²³³ is shown in Table 13 below. VLWI would display the percentage of people in a household who work less than 8 hours per week, averaged out over a year, in relation to the total number of household members in the Maltese labour market of a 40-hour week. This is done to account for seasonal employment, in which some adults in a household may work for a brief time and then not work at all the rest of the year.

As a result of active labour market initiatives such as the in-work benefit and tapering of benefits, there was an increase in the employment rate²³⁴ which in 2022 stood at 81.1%. Due to new work opportunities, Malta has also experienced a decrease of 2.8 pp in its unemployment rate (20-64 years)²³⁵ from 5.5% in 2013 to 2.7% in 2022. In parallel with these positive trends, the share of people in VLWI has also decreased by 5.4 pp from 9.1% in 2013 to 3.7% in 2022 - which figures have been significantly lower than the EU average.

Following decreases from 2013 to 2019, there were slight increases in the percentage of individuals who qualify as VLWI during 2020 and 2021, probably attributed to situation of the Covid-19 pandemic since a drastic decrease and a record low was then recorded in 2022.

Additionally, a gender analysis of this indicator reveals that Maltese women have a higher rate of VLWI than Maltese men.

Table 13: Share of Population in Very Low Work Intensity (VLWI) in Malta and EU by Sex, 2013-2022²³⁶

Share of Population (aged less than 60 years) in Very Low Work Intensity (VLWI)	2013	2019	2020	2021	2022
EU: %	11.0%	7.6%	7.9%	8.6%	7.9%
Malta: %	9.1%	4.6%	5.2%	5.0%	3.7%
Malta: Very Low Work Intensity in Thousands	18,000	18,000	21,000	21,000	15,000
EU: % Males	10.5%	7.2%	7.6%	8.3%	7.6%

²³³ VLWI is defined as those households where the adults worked 20% or less of their total work potential during the past year.

²³⁴ Employment rate by age. [TEPSR_WC110](#)

²³⁵ Unemployment rate by age. Eurostat online data code: [TEPSR_WC170](#)

²³⁶ Persons living in households with very low work intensity by age and sex (population aged 0 to 64 years). Eurostat online data code: [ILC_LVHL11N](#)

Note: Total Population in '000s may not tally due to rounding up.

Malta: % Males	7.8%	3.9%	4.6%	4.5%	3.5%
Malta: Males in Thousands	13,000	7,500	9,300	9,200	7,100
EU: % Females	11.5%	7.9%	8.2%	8.9%	8.2%
Malta: % Females	10.4%	5.4%	5.8%	5.6%	4.0%
Malta: Females in Thousands	16,000	9,400	10,400	10,100	7,100

INCOME INEQUALITY (S80/20 INCOME QUINTILE SHARE RATIO)

The S80/S20 ratio²³⁷, also referred to as the income quintile share ratio, is a measurement of income inequality within a population. Table 14 demonstrates how Malta's income inequality is equal to the EU norm (Malta: 4.75%, EU: 4.74% in 2022). The ratio was generally stable till 2019 and the Covid-19 impact was noted throughout the increases experienced during 2020 and 2021, followed by a decrease in 2022. The income disparity between the wealthiest and poorest 20% of households in Malta decreased from 5.03 in 2021 to 4.75 in 2022.

Moreover, Malta enjoys stable industrial workforce relations and has not experienced significant macroeconomic instability. However, it is important to note Malta's gender disparity in the S80/S20 Ratio where both male and female inequality indicators have experienced increases in 2020 and 2021. In 2022, both indicators have reported a decrease coming back to a similar ratio as in 2020. Throughout the years, both Maltese male and female ratios were less than the EU ratio, although in 2021 and 2022, for the first time the ratio for females surpassed the EU ratio.

The gender gap may be a contributing factor to this increasing trend. Despite an increase in female participation in the labour force, women continue to face structural barriers once entering the workforce, adding to this inequality.

Table 14: Income Quintile Share Ratio (S80/20) in Malta and EU by Sex, 2013-2022²³⁸

Income Quintile Share Ratio (S80/20)	2013	2019	2020	2021	2022
EU: Ratio	5.05	4.99	4.89	4.97	4.74
Malta: Ratio	4.14	4.18	4.69	5.03	4.75
EU: Ratio Males	5.13	4.98	4.93	5.02	4.76
Malta: Ratio Males	4.26	4.21	4.59	5.04	4.58

²³⁷ The S80/S20 ratio is calculated as the ratio of total income received by the 20% of the population with the highest income (the top quintile) to that received by the 20% of the population with the lowest income (the bottom quintile).

²³⁸ Income quintile share ratio (S80/S20) by sex. Eurostat online data code: [TESSI180](#)

EU: Ratio Females	4.98	5.00	4.85	4.92	4.71
Malta: Ratio Females	4.01	4.15	4.79	5.08	4.90

HOUSING COST OVERBURDEN RATE BY POVERTY AND TENURE STATUS

A fundamental need that affects people's quality of living is shelter. Malta has seen rises in the cost of properties in recent years, both for purchases and rentals²³⁹. This could be ascribed to a variety of reasons, such as higher demands of property due to the rising population.

Budgetary incentives that were first announced in 2013 and recently included provisions for second-time buyers served to further stimulate demand. Demand was also increased by inward migration, a thriving tourism sector, and a rise in the proportion of visitors living in privately rented housing.

The cost of housing is naturally relative to the financial resources of the household. The wide discrepancy in the housing overburden rate²⁴⁰ between households above and below the poverty line is self-evident in Figure X below. The housing cost overburden rate for those households above the poverty line has decreased during the period under review from 2020 by 0.3 pp to 1.0% in 2022.

On the other hand, the overburden rate for households below the poverty line (60% of the median equivalised income) registered a steep increase, specifically between 2018 and 2021 - standing at 12.2% in 2021, with a decrease of 0.1% in the following year.

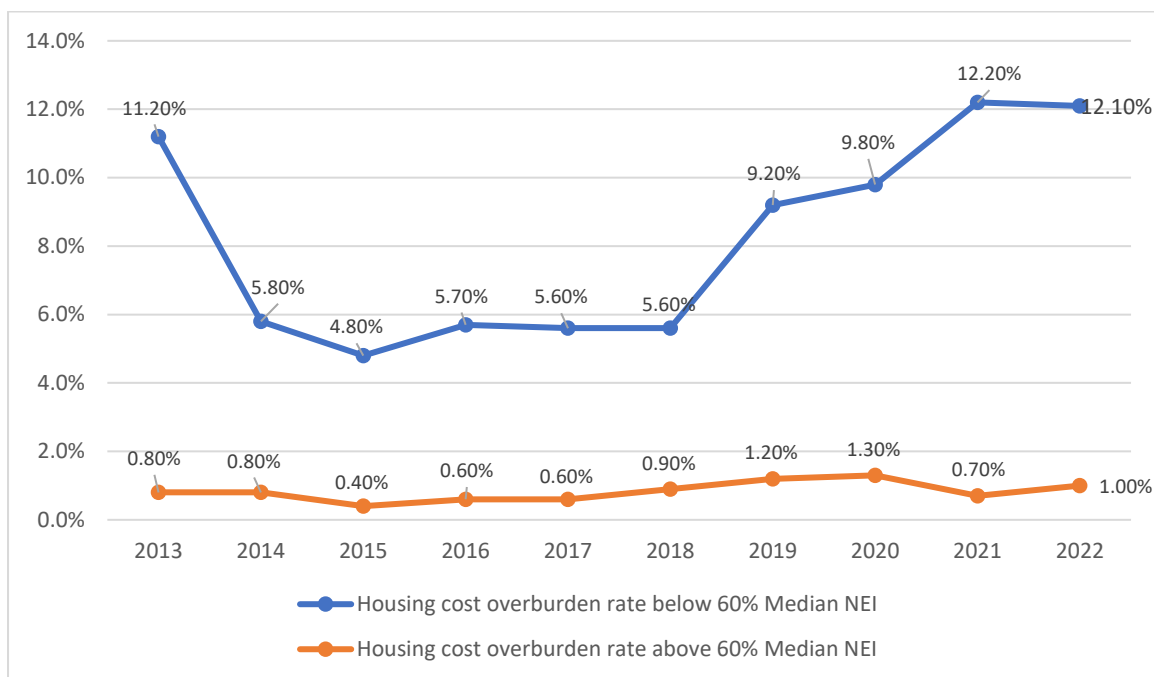
Figure 2: Housing Cost Overburden by Poverty status, 2013-2022²⁴¹

²³⁹ House price index - annual data. Eurostat online data code: [TIPSHO20](#).

Grant Thornton & Dhalia. 2022/2023. The Malta Property Landscape - A true picture. Accessed at: <https://www.grantthornton.com.mt/malta-property-landscape/>

²⁴⁰ The Housing Cost Overburden Rate is defined as the percentage of the population living in a household where the total housing costs represent more than 40% of the total disposable household income. This indicator also factors in any housing allowances that the household receives.

²⁴¹ Housing cost overburden rate by poverty status. Eurostat online data code: [SDG_01_50](#)



This data on housing cost overburden is to be read with caution, since it is also worth considering that Malta significantly fares relatively well when compared to the EU average at both homeowners' and tenants' rates (Table 15 below). In 2022, 82.6% of people resident in Malta were homeowners (EU: 69.1%); 59.2% were owners with no outstanding mortgage or housing loan (EU: 44.4%), and 23.4% were owners with mortgage or a loan (EU: 24.7%). Furthermore, in 2022, 17.4% of people resident in Malta were tenants (EU: 30.9%); while 9.9% were tenants renting at a reduced price or had free accommodation (EU: 10.7%), 7.5% were tenants renting at market rates (EU: 20.2%)²⁴².

Table 15 below also shows that although there were increases in property and rental costs in recent years, persons AROPE by tenure status decreased by 0.6 pp from 2019 (20.7%) to 2022 (20.1%) - which rate is slightly below the EU average²⁴³. After gradual increases till 2020 (10.8%) and a stable rate in 2021 (10.7%), the rate of AROPE persons in Malta who were owners with a mortgage or a loan decreased considerably in 2022 (8.8%) - leading Malta to shift below EU average. At the same time, in 2022, 19.1% of AROPE residents in Malta were owners with no outstanding mortgage or housing loan. Furthermore, while 35.1% were tenants renting at a reduced price or had free accommodation, 42.4% were tenants renting at market rates in 2022. As a result, the rate of tenants in Malta renting at a reduced price or had free accommodation is below EU average, and the rate of tenants renting at market price stands significantly higher than the EU average.

²⁴² Distribution of population by tenure status, type of household and income group - EU-SILC survey. Eurostat online data code: [ILC_LVHO02_custom_6883465](#).

²⁴³ Persons at risk of poverty or social exclusion by tenure status. Eurostat online data code: [ILC_PEPS07N_custom_6537637](#).

Table 15: Population by tenure status, including persons at risk of poverty or social exclusion 2013-2022²⁴⁴

Indicator	Malta										EU	
	2013		2019		2020		2021		2022		2022	
	Total	AROPE	Total	AROPE	Total	AROPE	Total	AROPE	Total	AROPE	Total	AROPE
Persons AROPE by Tenure Status	N/A	:	N/A	20.7%	N/A	19.9%	N/A	20.3%	N/A	20.1%	N/A	21.6%
Owner	80.5%	N/A	79.8%	N/A	81.9%	N/A	81.9%	N/A	82.6%	N/A	69.1%	N/A
Owner, with mortgage or loan	18.4%	:	21.3%	9.7%	23.1%	10.8%	23.2%	10.7%	23.4%	8.8%	24.7%	9.5%
Owner, no outstanding mortgage or housing loan	62.1%	:	58.4%	18.9%	58.8%	18.1%	58.7%	18.8%	59.2%	19.1%	44.4%	19.5%
Tenant	19.5%	N/A	20.2%	N/A	18.1%	N/A	18.1%	N/A	17.4%	N/A	30.9%	N/A
Tenant, rent at market price	1.7%	:	8.7%	34.5%	8.9%	35.6%	8.7%	37.8%	7.5%	42.4%	20.2%	31.4%
Tenant, rent at reduced price or free	17.8%	:	11.5%	39.8%	9.2%	39.3%	9.4%	37.6%	9.9%	35.1%	10.7%	39.9%

²⁴⁴ Distribution of population by tenure status, type of household and income group - EU-SILC survey. Eurostat online data code: [ILC_LVHO02_custom_6883465](#).

Persons at risk of poverty or social exclusion by tenure status. Eurostat online data code: [ILC_PEPS07N_custom_6537637](#).

3.2 MAIN VULNERABLE GROUPS

The central focus of the National Strategic Policy for Poverty Reduction and Social Inclusion is on addressing the distinct vulnerabilities faced by four key groups: children and youth, the older persons, unemployed individuals, and those classified as the working poor. In addition to catering to the broader societal needs, this segment offers an insight into the wellbeing and societal standing of these susceptible groups. This is achieved through a comprehensive examination of various indicators encompassing poverty, employment, and education.

3.2.1 CHILDREN AND YOUNG PEOPLE

CHILDREN AT-RISK-OF-POVERTY OR SOCIAL EXCLUSION

Childhood poverty and social exclusion have long-lasting impacts on a child's life, causing poor physical and mental health, limited access to education and healthcare, and social and emotional developmental issues. These challenges can persist into adulthood, leading to unemployment, poor health, and limited life opportunities. Table 16 shows that the percentage of children in Malta who are considered at-risk of poverty or social exclusion (AROPE) and are under the age of 18 has significantly decreased from 27.8% in 2015 to 23.1% in 2022.

The COVID-19 pandemic has led to a rise in the average AROPE rate of the EU from 22.8% in 2019 to 24.7% in 2022, indicating a significant increase in poverty. This increase highlights the pandemic's profound impact on global poverty reduction efforts, resulting in some of the most significant setbacks in decades. Despite this trend, the situation in Malta stands in stark contrast to the EU average, as the child poverty rate in the country has remained relatively low, indicating that the government was able to maintain its efforts in reducing poverty, even in the face of the pandemic. In fact, from 2019 to 2022, the child poverty rate in Malta decreased by 0.6%.

From 2015 to 2019, the number of children considered at risk of poverty or social exclusion (AROPE) has decreased by around 3,000, and remained stable at 19,000 till 2022. On the other hand, from 2015 to 2022, the number of children who do not fall under the AROPE category has increased by 10,000. In 2022, child poverty or social exclusion rates in Malta were below the EU average and relatively evenly distributed between males (24%) and females (22.2%). Children from single-parent households (50.1% in 2020)²⁴⁵ and low-skilled households²⁴⁶ (50.2% in 2022)²⁴⁷ were more likely to experience poverty and social exclusion.

245 Persons at risk of poverty or social exclusion by income quantile and household composition. Eurostat online data code: ILC_PEPS03.

246 This refers to parents having low educational attainment levels, i.e. less than primary, primary and lower secondary education (levels 0-2 of the International Standard Classification of Education 2011).

247 Children at risk of poverty or social exclusion by educational attainment level of their parents (population aged 0 to 17 years). Eurostat online data code: ILC_PEPS60N.

Table 16: Children At-Risk-of-Poverty or Social Exclusion in Malta and EU by Sex, 2015-2022²⁴⁸

Children (under 18 years) AROPE	2015	2019	2020	2021	2022
EU: %	27.4%	22.8%	24%	24.4%	24.7%
Malta: %	27.8%	23.7%	22.6%	23.2%	23.1%
Malta: Children At-Risk-of Poverty or Social Exclusion in Thousands	22,000	19,000	19,000	19,000	19,000
Malta: No. of Children NOT At-Risk of Poverty or Social Exclusion in Thousands²⁴⁹	54,000	61,000	63,000	63,000	64,000
EU: % Males	27.5%	22.8%	24.2%	24.6%	24.6%
Malta: % Males	28.3%	24.7%	21.3%	23.8%	24%
Malta: Males in Thousands	11,000	10,000	9,000	10,000	11,000
EU: % Females	27.3%	22.7%	23.8%	24.3%	24.8%
Malta: % Females	27.2%	22.6%	24.1%	22.6%	22.2%
Malta: Females in Thousands	10,000	9,000	10,000	9,000	9,000

ABSENTEEISM RATE

Primary schools typically have lower absences compared to secondary schools. However, between scholastic year 2017/18 and 2021/22, secondary schools (including year 11) recorded the most significant decrease in school absences, with a reduction of 32,316 absences, as shown in Table 17 below.

Amidst the COVID-19 pandemic, many local schools shut down as a measure to mitigate the transmission of the virus. Consequently, school attendance was widely disrupted, and both teachers and students had to adjust to remote learning and other substitute modes of instruction. In 2020, the physical number of absences in state schools saw an increase of 18.7% when compared to absences statistics of the previous year.

To address this increase following the tense periods of the Covid-19 pandemic, in September 2021, the Government announced that fines for student absenteeism would increase significantly from €2 per day

²⁴⁸ Persons at risk of poverty or social exclusion by age and sex. Eurostat online data code: [ILC_PEPS01N](#). As from 2020, this indicator of AROPE is being used instead of the previous indicator for which data was reported within the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* and its first two Implementation and Evaluation Reports. The new AROPE indicator uses a new definition of AROPE which data is available from 2015 onwards, and thus data will be compared to the first available data of this indicator - that of 2015 - instead of 2013.

²⁴⁹ Represents the difference between the total number of children under 18 living in Malta in that year and the number of children AROPE, which yields the estimated number of children not AROPE.

to a range of €100 to €500. Following this, a budget of over €250,000 was allocated to introduce summer classes, specifically aimed at helping students whose education had been adversely affected by the pandemic to catch up on missed classes.

Table 17: Number of Unauthorised Absences in Primary and Secondary State Schools for the Last Five Scholastic Years²⁵⁰

	2017/18	2018/19	2019/20	2020/21	2021/22
KG	72,443	90,583	63,514	81,642	58,568
Primary	64,118	77,658	15,617	124,956	54,848
Secondary	105,412	121,530	93,333	170,523	73,096
Secondary excl. Y11	82,413	91,134	67,410	128,071	52,332
Y11	22,999	30,396	25,923	42,452	20,764
Total KG, Primary and Secondary	241,973	289,771	172,464	377,121	186,512

SHARE OF CHILDREN ATTENDING FORMAL CHILDCARE

Early childhood education plays a pivotal role in the development of children, laying a strong foundation for their future learning and success. Access to well-structured educational programs during this phase is instrumental in fostering essential skills such as communication, problem-solving, and social interaction, all of which are crucial for their overall growth and future academic achievements.

Table 18 depicts the percentage of children aged 0-2 years who have participated in formal childcare since the implementation of the Free Childcare Scheme in 2013 until 2022.

In 2022, there was a significant increase replicating the increase recorded in 2019, with 43.1% of children under 3 years attending formal childcare. However, there was a sharp decline of 8.6% in 2020, followed by an additional decrease of 5.7% in 2021. These reductions were primarily influenced by the health restrictions imposed to mitigate the transmission of the COVID-19 virus.

Table 18: Children Attending Formal Childcare, 2013-2021²⁵¹

Age Group	2013	2019	2020	2021	2022
0-2 years	20%	38.3%	29.7%	24%	43.1%

Children (0-3) living in households with low-income earning less than €10,000 yearly are also eligible for the free childcare service, even if both parents are unemployed. Table 19 reveals that the number of children from low-income families attending free childcare decreased by half from 44 in 2019 to 22 in

²⁵⁰ This data was provided by MEYR. Unlike the previous report, the Number of Unauthorised Absences in Primary and Secondary State Schools is being presented here. The Rate of Unauthorised Absences was suspended by NSO due to situational issues emanating from the pandemic.

²⁵¹ Children aged less than 3 years in formal childcare. Eurostat online data code: [ILC_CAINDFORMAL](#).

2022. This outcome was influenced by the decrease in reliance on benefits and the rise in household income discussed previously in this report.

Table 19: Children from Low-Income Families Attending Free Childcare 2013-2019²⁵²

Children from Low-Income Families Attending Free Childcare	2013	2019	2020	2021	2022
Number of Children	279	44	28	36	22

YOUNG PEOPLE AT-RISK-OF-POVERTY OR SOCIAL EXCLUSION

In contrast to EU trends, young people in Malta are significantly less likely to be at risk of poverty or social exclusion (11.4% in 2022) compared to 26.5% of the general population. In 2022, the AROPE rate for young people in Malta was 15.1 pp lower than the EU average, compared to 13.1 pp lower than the EU average in 2015. A main driver behind this positive trend is the low rate of unemployment for Maltese youth compared to their EU counterparts.

As outlined in Table 20 below, following the trends registered for the child poverty rate in Malta, youth poverty in 2022 exhibited a decline of 5 pp from 2019, affecting a reduction in the number of young persons AROPE by 2,000 persons. Additionally, a drastic decrease in AROPE was experienced by both youth males (by 4.2pp) and females (by 5.7 pp). However, counter wise to the trend of the EU average, the number of young males in Malta who are AROPE remain slightly higher than that of females in Malta as it has been for the past four years.

Table 20: Young Persons At-Risk-of-Poverty or Social Exclusion in Malta and EU by Sex, 2015-2022²⁵³

Young Persons (18-24 years) At-Risk-of- Poverty or Social Exclusion	2015	2019	2020	2021	2022
EU: %	29.7%	26.5%	27.8%	27.3%	26.5%
Malta: %	16.6%	16.4%	14.7%	14.5%	11.4%
Malta: No of Young Persons At-Risk-of- Poverty or Social Exclusion in Thousands	7,000	6,000	6,000	5,000	4,000

²⁵² Data was provided by MEYR. This data only considers childcare centres that fall under FES.

²⁵³ Persons at risk of poverty or social exclusion by age and sex. Eurostat online data code: [ILC_PEPS01N_custom_7077797](#). As from 2020, this indicator of AROPE is being used instead of the previous indicator for which data was reported within the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* and its first two Implementation and Evaluation Reports. The new AROPE indicator uses a new definition of AROPE which data is available from 2015 onwards, and thus data will be compared to the first available data of this indicator - that of 2015 - instead of 2013.

No. of Young Persons NOT At-Risk of Poverty or Social Exclusion in Thousands²⁵⁴	34,000	36,000	36,000	34,000	33,000
EU: % Males	28.8%	25.7%	26.2%	26%	25.6%
Malta: % Males	17.8%	16.5%	15%	14.6%	12.3%
Malta: Males in Thousands	4,000	3,000	3,000	3,000	2,000
EU: % Females	30.7%	27.4%	29.4%	28.8%	27.5%
Malta: % Females	15.3%	16.2%	14.3%	14.5%	10.5%
Malta: Females in Thousands	3,000	3,000	3,000	3,000	2,000

EARLY SCHOOL LEAVERS (ESL) RATE

In 2013, Malta had a relatively higher rate of ESL than the EU average (5.2 pp), but as shown in *Table 17*, the gap has been narrowing over the years (0.5 pp in 2022). The overall EU average ESL rate declined from 11.9% in 2013 to 9.6% in 2022, while Malta's ESL rate also decreased significantly from 2013 to 2022, dropping by 17.1% to 10.1%. A broad analysis of ESL patterns by gender shows that both in Malta and across the entire EU, in 2022, the ESL rate for females (MT: 8.4%; EU: 8%) surpassed the rate for males (MT: 11.7%; EU: 11.1%) – for the first time after a number of years from 2013 to 2021. As a result, there has been a gradual improvement in Malta's male ESL rate, with a decrease from 14.4% in 2019 to 11.7% in 2022. Likewise, the rate of female ESL has dropped from 13.3% in 2019 to 8.4% in 2022.

During the 2020-2021 academic year, the number of students enrolled in sixth forms and other post-secondary institutions in Malta was 9,608, which marked a 0.1% decline from the previous academic year. Additionally, the number of students enrolled in tertiary-level courses increased by 5.2% from 2019-2020 to 2020-2021, to reach a total of 18,336²⁵⁵.

Table 21: ESL Rate by Sex, 2013-2022²⁵⁶

ESL Rate	2013	2019	2020	2021	2022
EU: %	11.9%	10.3%	9.9%	9.8%	9.6%
Malta: %	17.1%	13.9%	12.6%	10.7%	10.1%
EU: % Males	13.6%	11.9%	11.8%	11.5%	11.1%
Malta: % Males	19.6%	14.4%	14.7%	12%	11.7%

²⁵⁴ Represents the difference between the total Maltese population aged 18-24 years and the number of people of the same age in AROPE, which yields the estimated number of individuals not in AROPE.

²⁵⁵ NSO. News Release 198/2022: Students in Post-secondary and Tertiary Education (2020-2021). Accessed at: [NSO Malta | Students in Post-secondary and Tertiary Education: 2020/2021 - NSO Malta \(gov.mt\)](https://www.nso.gov.mt/en/news-releases/198-2022-students-in-post-secondary-and-tertiary-education-2020-2021)

²⁵⁶ Early leavers from education and training by sex. Eurostat online data code: [SDG_04_10](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1).

EU: % Females	10.2%	8.6%	8%	8%	8%
Malta: % Females	14.6%	13.3%	10.2%	9.3%	8.4%

NEET RATE

NEET (Not in Employment, Education, or Training) is a measure of the percentage of people aged 18-24 in an economy who are not engaged in work, formal education, or training. The NEET concept is often associated with its potential to address a range of challenges faced by young people, such as unemployment, early school leaving, and difficulties in the job market. These challenges are particularly pressing in advanced economies, where young people continue to feel the effects of the economic crisis.

In the EU, the average NEET rate increased by 1.2% between 2019 and 2020 but then decreased to 12.4% in 2022. Malta, however, experienced a significant decrease in its NEET rate from 7.8% in 2019 to 7.2% in 2022, whilst experiencing increases in 2020 and 2021. Table 22 shows that the NEET rate for both males and females in Malta has been significantly lower than the EU average.

Table 22: NEET rate by Sex, 2013-2022²⁵⁷

NEET Rate (18-24)	2013	2019	2020	2021	2022
EU: %	17.1%	13.2%	14.4%	13.8%	12.4%
Malta: %	10.1%	7.8%	9.6%	9.8%	7.2%
EU: % Males	16.9%	12.7%	14.2%	13.7%	12.3%
Malta: % Males	9.6%	7.3%	11%	10.6%	8.8%
EU: % Females	17.2%	13.8%	14.6%	13.9%	12.6%
Malta: % Females	10.6%	8.4%	8%	8.9%	5.5%

3.2.2 ELDERLY PERSONS

OLDER PERSONS AT-RISK-OF-POVERTY OR SOCIAL EXCLUSION

In Malta, the AROPE rate among individuals aged 65 years and above tends to exceed the EU average, with a record rate of 33.3% in 2022, in contrast to the EU average of 20.2% in the same year. The data

²⁵⁷ Young people neither in employment nor in education and training by sex, age and labour status (NEET rates). Eurostat online data code: [EDAT_LFSE_20](#).

presented in Table 23 reveals that between 2015 and 2022, the elderly AROPE rate in Malta rose by 8.7%, recording a 0.6% increase from 2019 to 2022, while the EU's average rate increased by only 2.2% and 0.8% during the same periods respectively.

Additionally, the comparison between Malta and the EU by household type of elderly AROPE yields an intriguing outcome. In 2022, in Malta, the rates of elderly AROPE for single-person households (44.2%) and of households in Malta consisting of two adults with at least one person over 65 years (34.5%) have been significantly above EU average (31.3% and 16.7% respectively)²⁵⁸.

Pensioners have been disproportionately affected by the economic impact of the pandemic in 2019, with many experiencing a significant decline in their retirement savings and investments. Additionally, those who rely on part-time work or other sources of income may have experienced unemployment or reduced working hours because of the pandemic. In 2022, the government announced that for the eighth consecutive year, there would be a pension increase. The objective of this increase is to keep pace with the rate of wage increases and prevent significant increases in the poverty threshold.

Furthermore, over the past few years, the Government has implemented several measures aimed at alleviating the strain imposed on pension systems by demographic shifts and economic uncertainties. In 2022, more than 95,000 pensioners and other non-contributory pension recipients, were granted a €5 increase in their weekly allowance. This increase comprises the €1.75 cost of living adjustment, resulting in an additional €3.75 per week for these pensioners. In addition, there has been an increase in the maximum allowable amount of pension income that is exempt, which now stands at €14,318. Furthermore, couples who receive a pension and choose to have their taxes calculated jointly are eligible for an additional tax-free amount of €3,600 for income from sources other than their pension.

Resultingly, it is worth noting that there has been a positive development, with an increase of 14,000 elderly people who are now considered to be not at risk of poverty or social exclusion compared to the data from 2015.

Table 23: Older Persons at risk of poverty or social exclusion by age and sex, 2015-2022²⁵⁹

Older Persons (65 years or over) At-Risk of-Poverty or Social Exclusion	2015	2019	2020	2021	2022
EU: %	18.0%	19.4%	20.1%	19.5%	20.2%
Malta: %	24.6%	30.7%	28.5%	29.9%	33.3%
Malta: No of Older Persons At-Risk-of-Poverty or Social Exclusion in Thousands	18,000	27,000	26,000	28,000	32,000
Malta: No of Older Persons NOT At-Risk-of-Poverty or Social Exclusion in Thousands²⁶⁰	54,000	65,000	69,000	69,000	68,000
EU: % Males	14.7%	16.2%	16.8%	16.3%	16.7%

²⁵⁸ Persons at risk of poverty or social exclusion by income quantile and household composition. Online data code: [ILC_PEPS03N](#).

²⁵⁹ Persons at risk of poverty or social exclusion by age and sex. Eurostat online data code: [ILC_PEPS01N](#). As from 2020, this indicator of AROPE is being used instead of the previous indicator for which data was reported within the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* and its first two Implementation and Evaluation Reports. The new AROPE indicator uses a new definition of AROPE which data is available from 2015 onwards, and thus data will be compared to the first available data of this indicator - that of 2015 - instead of 2013.

²⁶⁰ Represents the difference between the total number of elderly persons (65+ years) living in Malta in that year and the number of elderly persons AROPE, which yields the estimated number of elderly persons not AROPE.

Malta: % Males	23.6%	28.3%	26.9%	27.3%	29.8%
Malta: Males in Thousands	8,000	12,000	11,000	12,000	13,000
EU: % Females	20.6%	22%	22.6%	22.1%	22.9%
Malta: % Females	25.5%	32.8%	30%	32.3%	36.5%
Malta: Females in Thousands	10,000	15,000	14,000	16,000	18,000

A significant number of Maltese households adhere to the traditional family structure, where one spouse (typically the husband) is the sole breadwinner who works consistently to support the family financially. However, this model can disadvantage women who take on caregiving responsibilities and may have gaps in their employment history which can lead to lower contributions to pension schemes and result in lower pension entitlements. The significant difference in poverty or social exclusion among elderly women is thus largely due to the prevalence of those women without adequate pensions who are reliant on their husbands' pensions.

A gender analysis of elderly AROPE shows that in line with EU trends, Maltese females (36.5% in 2022) tend to exhibit a higher AROPE rate than Maltese males (29.8% in 2022). Furthermore, although the AROPE rate for elderly women declined from 2019 to 2020, it saw a slight uptick till 2022, which is comparable to the AROPE rate for men.

The gender pension gap can have a significant impact on the AROPE rate among elderly women. Since pensions are a vital source of income for older people, the gender pension gap can leave women more vulnerable to poverty and social exclusion in their later years. Women who have had career interruptions due to caregiving responsibilities or who have worked part-time or in lower-paid jobs are likely to have lower pension entitlements, which can result in a lower standard of living during retirement.

SEVERE MATERIAL AND SOCIAL DEPRIVATION (SMSD) OF OLDER PERSONS

The SMSD rate for the elderly is the percentage of Maltese elderly persons who experience severe material and social deprivation. A person is considered severely materially and socially deprived when he/she experiences an enforced lack of 7 or more of the 13 deprivation items in the list.

According to Table 24 presented below, the incidence of SMSD among individuals aged 65 years or above in Malta decreased by 0.4% from 2015, standing at 6.1% in 2022. Malta demonstrated relatively good performance compared to the EU average, except for the year 2022 where Malta's rate surpassed the EU average rate by 0.6 pp. Indeed, from 2019 to 2022, the rate for Malta increased by 1.2%.

The main driver behind this decrease in the SMSD rate was mainly due to the various measures introduced throughout the past few years to strengthen pension adequacy. However, in line with EU trends during the period under review, the SMSD rate for females in Malta remained relatively higher than that for males. This may be explained by the gender pensions gap which would result in lesser disposable income for females in Malta. Furthermore, the number of those aged 65 years or over who are not in SMSD retained a constant increasing trend, rising substantially by 26,000 from 2015 to 2022.

Table 24: Severe Material and Social Deprivation among Elderly Persons in Malta and EU by Sex, 2015-2022

Severe Material and Social Deprivation Rate for Elderly Persons (65 years or over)	2015	2019	2020	2021	2022
EU: %	7.4%	6.5%	5.6%	5.3%	5.5%
Malta: %	5.7%	4.9%	5%	4%	6.1%
No of Elderly Persons in Severe Material Deprivation in Thousands	4,000	4,000	4,000	4,000	6,000
Malta: No of Elderly Persons NOT in Severe Material Deprivation in Thousands²⁶²	68,000	91,000	91,000	93,000	94,000
EU: % Males	5.8%	5.1%	4.5%	4.5%	4.6%
Malta: % Males	5.0%	4.2%	4.4%	3.2%	5.2%
Malta: Males in Thousands	2,000	2,000	2,000	1,000	2,000
EU: % Females	8.6%	7.6%	6.4%	6%	6.2%
Malta: % Females	6.3%	5.6%	5.5%	4.7%	6.9%
Malta: Females in Thousands	2,000	3,000	3,000	2,000	3,000

MATERIALLY DEPRIVED PERSONS AGED 65 YEARS OR OVER BY TYPE OF DEPRIVATION

²⁶¹ Severe material and social deprivation rate by age and sex. Eurostat online data code: [ILC_MDSD11](#). As from 2020, this indicator of SMSD is being used instead of the previous indicator for which data was reported within the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* and its first two Implementation and Evaluation Reports. The new SMSD indicator uses a new definition of SMSD which data is available from 2015 onwards, and thus data will be compared to the first available data of this indicator - that of 2015 - instead of 2013.

²⁶² Represents the difference between the total number of elderly persons (65+ years) living in Malta in that year and the number of elderly persons in SMSD, which yields the estimated number of elderly persons not in SMSD.

In Table 25, you can find a summary of the top five areas of deprivation experienced by individuals aged 65 years and over during 2013-2021. Notably, two of these areas demonstrated significant improvement since 2013: the inability to afford a one-week vacation away from home decreased by 16.5 pp, and the inability to maintain a warm home decreased by 14 pp.

Out of all the deprivation items experienced by individuals aged 65 years and above, the ability to keep their home adequately warm was the only one that increased from 2020 (8.7%) to 2021 (9.6%). However, the other items showed a significant increase from 2019 to 2020, except for the inability to avoid arrears in a mortgage, rent, utility bills, or hire purchase instalments.

Table 25: Main Items of Deprivation of Persons aged 65 years and over, 2013-2021²⁶³

Item	2013 % population	2019 % population	2020 % population	2021 % population	2022 % population	2013- 2022 difference
Capacity to afford paying for one-week annual holiday away from home	52.6	31.5	37.0	36.1	39.3	-13.3pp
Ability to keep home adequately warm	23.6	9.8	8.7	9.6	8.6	-15pp
Capacity to face unexpected financial expenses	21.4	16.3	17.9	17.1	19.2	-2.2pp
Capacity to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day	10.6	5.5	7.4	6.1	9.7	-0.9pp
Household has been in arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments	6.1	4.3	4.0	3.7	4.2	-1.9pp

3.2.3 UNEMPLOYED PERSONS

Over the past several years, Malta's activation policies have integrated a variety of training and skill enhancement programs with measures aimed at motivating unemployed and inactive individuals to join

²⁶³ NSO. Items of Economic Strain by Deprivation of Persons Aged 65+ Living in Malta, EU-SILC 2013-2022.

the workforce. As a result, Malta's economic performance is a reflection of the fluctuating unemployment rate.

Following fluctuations in Malta's economic growth during the Covid-19 pandemic²⁶⁴, in 2022, the nation's gross domestic product (GDP) recorded a growth of 6.9% in comparison to 2021²⁶⁵, which was propelled by strong performances in tourism, construction, and finance. Malta achieved one of the highest economic growth rates among EU member states in recent years, despite the declining unemployment rate between 2013 and 2022. In 2022, the unemployment rate recorded an impressive rate of 2.9%, remaining among the EU's lowest. Malta has shown remarkable resilience and recovery following the unforeseen economic impact of the COVID-19 pandemic that led to a rise in the unemployment rate, from 3.6% in 2019 to 4.4% in 2020. This increase was primarily attributed to the significant decline in employment sources, especially in key sectors like tourism and hospitality, which were hit hard by the pandemic. The effectiveness of the measures taken to stimulate economic growth and create new job opportunities, thus reinforced Malta's positive economic position among EU counterparts.

Figure 3: Unemployment Rate, 2013-2022²⁶⁶

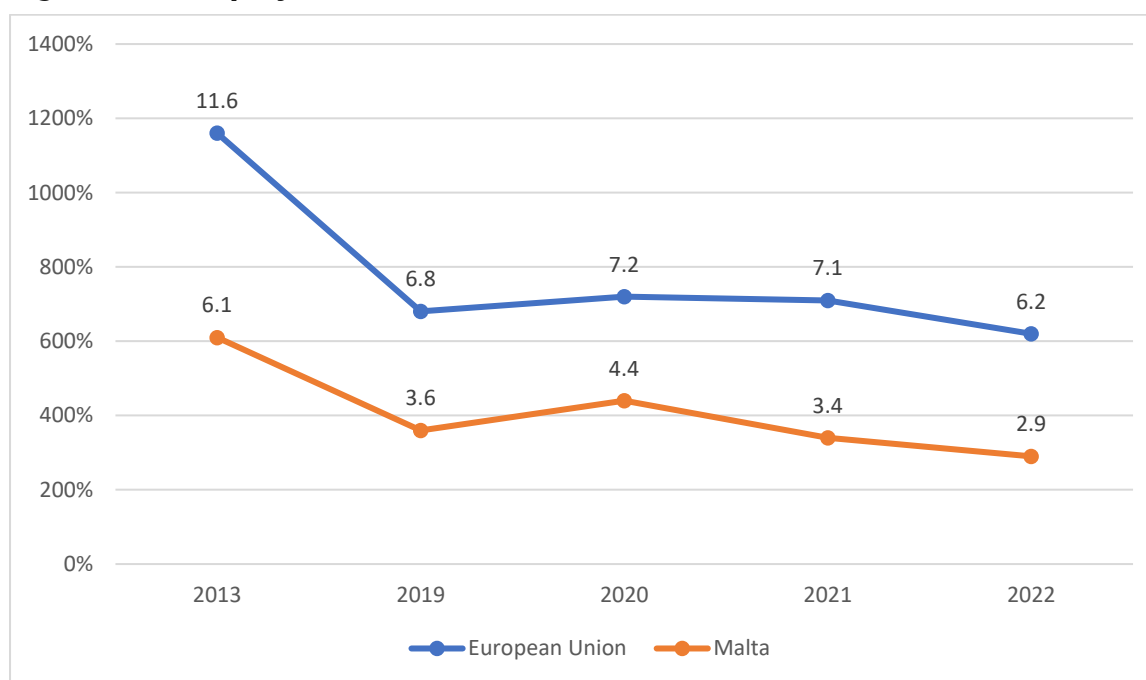


Table 26 demonstrates the notable impact of unemployment on AROPE, indicating that it plays a significant role in shaping an individual's financial stability and income. In 2019, the AROPE rate for unemployed individuals in Malta was 53.5%, which was lower than the EU average of 49.1%. Despite this, the AROPE rate for the unemployed in Malta has been subject to significant fluctuations, with a notable reduction of 3.8% observed between 2019 and 2020, followed by a further decline of 13.5% and 1.3% in 2021 and 2022 respectively. In 2021, there was a significant gap in the AROPE rate between unemployed Maltese men (38%) and unemployed women (33.1%). The gap was also present in 2022 with Maltese men

²⁶⁴ NSO. News Release 040/2021: Gross Domestic Product 2020. Accessed at: https://nso.gov.mt/wp-content/uploads/News2021_040.pdf

²⁶⁵ NSO. Gross Domestic Product: 2022. Accessed at: https://nso.gov.mt/themes_infographics/gross-domestic-product-2022/

²⁶⁶ Total unemployment rate. Eurostat dataset code: [TPS00203](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

at 37.1% and Maltese women at 31.7%. However, it's important to note that this indicator's reliability has been questioned due to low counts, so it should be interpreted with caution.

Table 26: Unemployed Persons At-Risk-of-Poverty or Social Exclusion (18-64 years) in Malta and EU by Sex, 2015-2022²⁶⁷

Unemployed Persons At-Risk-of-Poverty or Social Exclusion	2015	2019	2020	2021	2022
EU: %	47.5%	49.1%	47.2%	45.1%	46.1%
Malta: %	58.0%	53.5%	49.7%	36.2%	34.9%
EU: % Males	50.5%	54.4%	51.1%	48.7%	49.2%
Malta: % Males	61.0%	52.3% (u)	55.1% (u)	38%	37.1% (u)
EU: % Females	44.1%	43.8%	43.1%	41.2%	43.1%
Malta: % Females	44.5%	:	39.8% (u)	33.1% (u)	31.7% (u)

Malta has recorded a notably lower Long-Term Unemployment (LTU) rate (20-64 years) compared to the average LTU rate of the European Union. The LTU rate for Malta has shown a remarkable decline, dropping from 3.3% in 2013 to an impressively low 1% in 2022, as evidenced in Table 27. In 2022, the LTU rate for men is slightly higher at 1.0% when contrasted with the rate for women, which stands at 0.9%.

The continuation of the Tapering of Benefits scheme appears to have played a significant role in mitigating the prevalence of LTU. This innovative scheme facilitated a gradual transition for individuals who had been reliant on social welfare for a minimum of two years, enabling them to seamlessly enter the workforce while progressively reducing their benefits over a span of three years.

Table 27: Long-Term Unemployed Persons in Malta and EU by Sex (20-64 years), 2013-2022²⁶⁸

Long-Term Unemployment	2013	2019	2020	2021	2022
EU: %	5.5%	2.7%	2.5%	2.8%	2.4%
Malta: %	3.3%	0.9%	1.1%	0.9%	1.0%
Malta: Population in Thousands	6,000	2,000	3,000	2,000	3,000

²⁶⁷ At-risk-of-poverty rate by poverty threshold and most frequent activity in the previous year - EU-SILC and ECHP surveys. Eurostat online data code: [ILC_LI04](#). Note: (: = not available, u = low reliability). As from 2020, this indicator of AROPE is being used instead of the previous indicator for which data was reported within the *National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024* and its first two Implementation and Evaluation Reports. The new AROPE indicator uses a new definition of AROPE which data is available from 2015 onwards, and thus data will be compared to the first available data of this indicator - that of 2015 - instead of 2013.

²⁶⁸ Long-term unemployment by sex - annual data. Eurostat online data code: [UNE_LTU_A_custom_7089421](#).

EU: % Males	5.5%	2.6%	2.4%	2.6%	2.3%
Malta: % Males	3.5%	1.1%	1.3%	1.1%	1.0%
Malta: Males in Thousands	4,000	2,000	2,000	2,000	2,000
EU: % Females	5.5%	2.8%	2.6%	3.0%	2.6%
Malta: % Females	3.0%	0.5%	0.8%	0.6%	0.9%
Malta: Females in Thousands	2,000	1,000	1,000	1,000	1,000

PERSONS REGISTERING FOR WORK IN MALTA AND GOZO

The National Statistics Office (NSO) measures the number of individuals who register for employment under Part I and Part II of the unemployment register monthly using this indicator. The NSO reported a significant decrease between 2013 and 2022, including a declining trend during the period 2019 to 2022, excluding 2020 presenting a considerable rise. The number of job seekers in Malta and Gozo saw a significant rise from 1,642 (Males: 1,159; Females: 483) in December 2020 to 2,765 (Males: 1,794; Females: 971) in December 2021, primarily as a result of the COVID-19 pandemic-induced decline in economic activity and labour demand. In December 2022, the combined number of individuals in Malta and Gozo who registered for employment was 1,046, marking a decline of 121 when compared to the corresponding month in 2021. During this period, the rate of males registering for work showed a significant improvement in both Malta and Gozo, while the female rate slightly increased in Malta but decreased in Gozo.

Table 28: Persons Registering for Work under Part I and Part II of the Unemployment Register in Malta and Gozo by Sex as at December 2013-2022

Persons registering for work ²⁶⁹	Dec-13	Dec-19	Dec-20	Dec-21	Dec-22
Malta and Gozo: Total Number of Persons	7,382	1,642	2,765	1,167	1,046
Malta: Number of Males	5,122	1,046	1,678	760	673
Gozo: Number of Males	504	113	116	69	43
Malta: Number of Females	1,517	430	905	299	301

²⁶⁹ NSO. News Release 019/2021: Registered Unemployment: December 2020. Accessed at https://nso.gov.mt/wp-content/uploads/News2021_019.pdf

NSO. News Release 013/2022: Registered Unemployment: November-December 2021. Accessed at <https://nso.gov.mt/registered-unemployment-november-and-december-2021/>

NSO. News Release 014/2023: Registered Unemployment: November-December 2022. Accessed at <https://nso.gov.mt/registered-unemployment-november-december-2022/>

Gozo: Number of Females	239	53	66	39	29
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The number of persons with disabilities who registered for work increased by 28 from 2019 to 2020, reaching 254, with males comprising 72.4% of the total registrants. This number remained stable during 2021, showing that the impact of the Covid-19 pandemic on persons with a disability was still being experienced, particularly by males accounting for 73.7% of the total registrants with disabilities. Despite the existence of laws and regulations aimed at addressing disability discrimination in the workplace, people with disabilities continue to face various barriers to employment, which can lead to poverty and other forms of economic insecurity. To counteract these barriers, various measures are in place such as wage subsidies, weekly allowances, tax incentives and reimbursements to persons with disability, as well as exemptions and reimbursements to employers hiring persons with disability.

Table 29: Persons with a Disability Registering for Work under Part I and Part II of the Unemployment Register in Malta and Gozo as at December 2013-2022

Persons with a Disability Registering for Work ²⁷⁰	Dec-13	Dec-19	Dec-20	Dec-21	Dec-22
Malta and Gozo: Total Number of Persons	533	226	254	255	228
Malta and Gozo: Number of Males	444	161	184	188	175
Malta and Gozo: Number of Females	89	65	70	67	53

PARTICIPATION IN ADULT EDUCATION (25-64 YEARS)

The participation in informal education slightly decreased between 2019 and 2020, but there was a significant surge in both male and female ratings in the subsequent year as outlined in Table 30. Additionally, there was an increase in the proportion of individuals aged 25-64 years who participated in formal education between 2019 and 2020, particularly among females. However, in 2021 and 2022, the share of female participants, as well as the overall population, experienced a significant decline.

Table 30: Participation in Adult Formal and Non-Formal Education (25-64 years) in Malta by Sex, 2013-2022²⁷¹

Malta	2013	2019	2020	2021	2022
Share of total population (25-64 years) participating in non-formal education: %	5%	8.6%	7.3%	10.5%	10.0%

²⁷⁰ NSO. News Release 019/2021: Registered Unemployment: December 2020. Accessed at https://nso.gov.mt/wp-content/uploads/News2021_019.pdf

NSO. News Release 013/2022: Registered Unemployment: November-December 2021. Accessed at <https://nso.gov.mt/registered-unemployment-november-and-december-2021/>

NSO. News Release 014/2023: Registered Unemployment: November-December 2022. Accessed at <https://nso.gov.mt/registered-unemployment-november-december-2022/>

²⁷¹ NSO. Labour Force Survey Annual Datasets: Share of Total Population (25-64 years) Participating in Non-Formal Education 2013-2022.

% Males	5%	7.7%	6.6%	10.0%	9.7%
% Females	5.1%	9.5%	8.1%	11.0%	10.3%
Share of total population aged (25-64 years) participating in formal education: %	3.3%	4.4%	4.9%	4.6%	4.3%
% Males	3.1%	4%	3.7%	3.9%	3.4%
% Females	3.6%	5%	6.2%	5.3%	5.2%

3.2.4 PERSONS EXPERIENCING IN-WORK POVERTY

The In-Work At-Risk-of-Poverty (IWP) indicator²⁷² is a measure used by Eurostat to assess individuals who have an income that is below the poverty threshold, which is defined as 60% of the national median equivalized disposable income, even though they are employed. This indicator recognizes that despite having a job, an individual may still be living in poverty or experiencing social exclusion due to economic factors.

Table 31: In-Work At-Risk-of-Poverty in Malta and EU by Sex and Age (18-64 years), 2013-2022²⁷³

In-Work At-Risk-of-Poverty (18-64 years)	2013	2019	2020	2021	2022
EU: %	9.1%	9%	8.8%	8.9%	8.5%
Malta: %	5.8%	6.5%	7.4%	7.4%	7.2%
EU: % Males	9.5%	9.4%	9.6%	9.8%	9.4%
Malta: % Males	7.7%	7.8%	8.9%	8.9%	9.2%
EU: % Females	8.5%	8.5%	7.9%	7.8%	7.5%
Malta: % Females	2.5%	4.6%	5.3%	5%	4.1%

²⁷² This indicator is defined as the percentage of persons in the total population who declared to be at work [and] who are at-risk-of-poverty i.e. with an equivalised disposable income below the risk-of-poverty threshold.

²⁷³ In-work at-risk-of-poverty rate by age and sex - EU-SILC survey. Eurostat online data code: [ILC_IW01](#).

The table above shows that Malta's IWP rate increased significantly from 6.5% in 2019 to 7.2% in 2022, while the EU average rate decreased from 2020 until 2022. The IWP phenomenon affected a higher proportion of male workers in Malta, with 9.2% of male workers being impacted compared to 4.1% of female workers in 2022. This may be due to certain sectors, such as manufacturing and construction, which tend to have lower wages, and are typically male dominated. A natural correlation exists between IWP and work intensity, where households with low work intensity face a greater risk of IWP, because individuals who work fewer hours may be more susceptible to poverty despite being employed, as shown in *Figure 4*. In this regard, females are more likely to work on part-time or temporary positions²⁷⁴, thus having a higher risk of IWP.

Figure 4: IWP by work intensity of the household, 2013-2022²⁷⁵

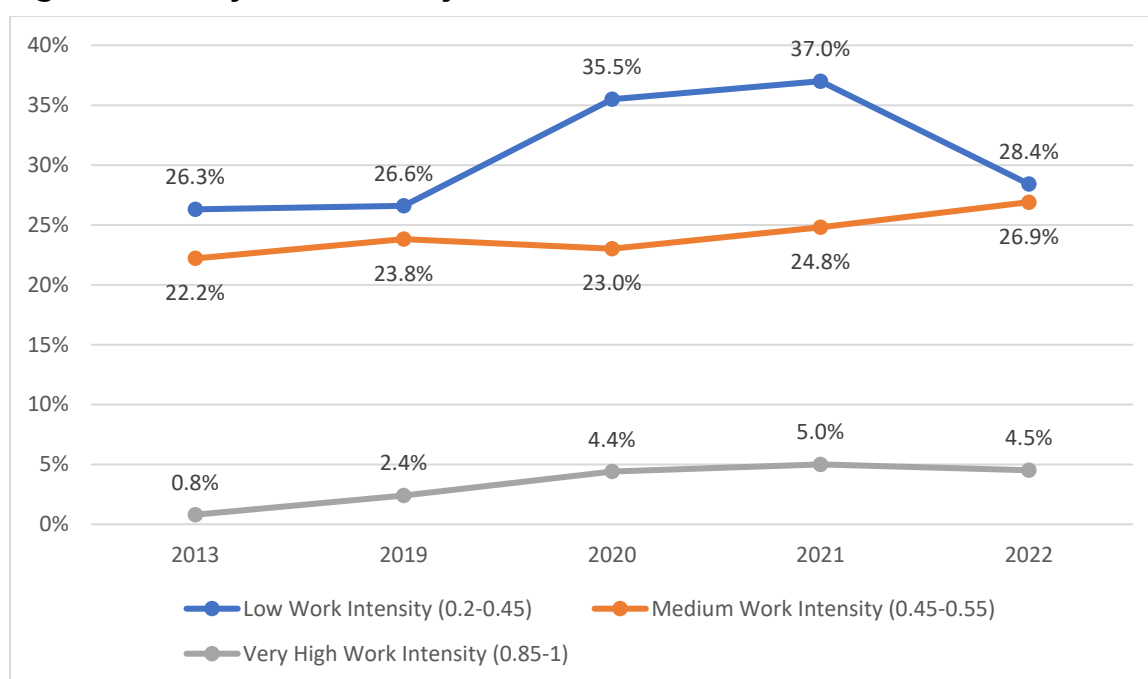


Figure 5 illustrates that there is a negative relationship between educational attainment and being in-work and at risk of poverty. This is because individuals in this group may encounter restricted career advancement opportunities or may work in industries characterized by low wages or unpredictable employment. Consequently, these factors can create obstacles that impede their ability to enhance their economic circumstances and pursue higher levels of education.

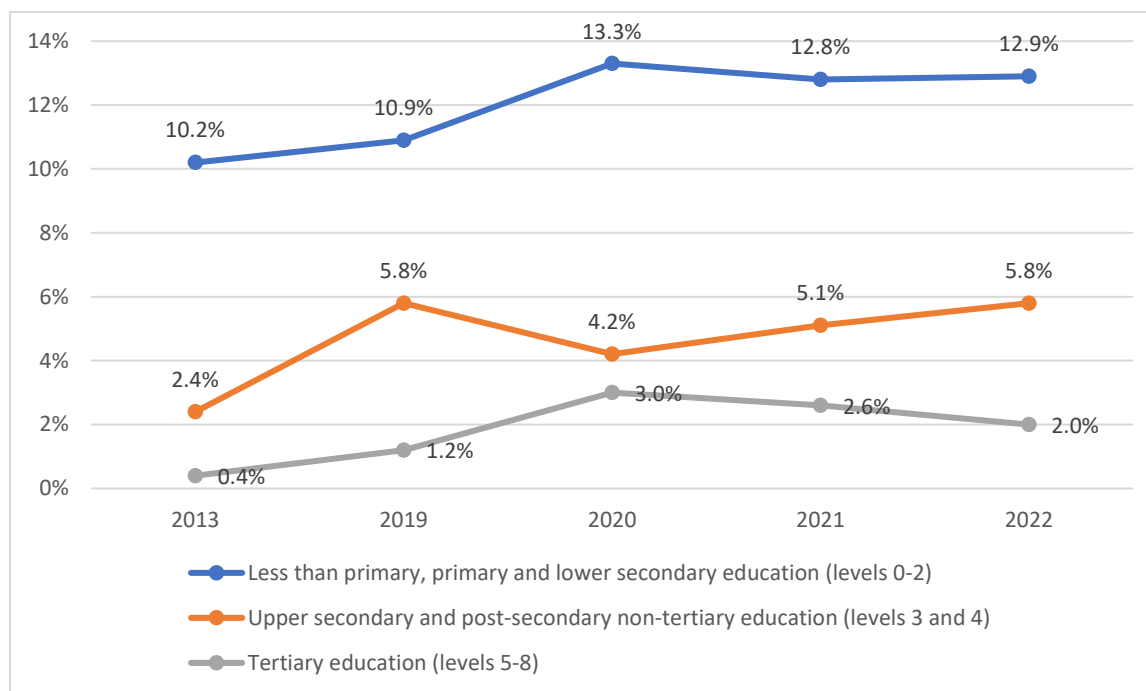
In 2019, the incidence of IWP among workers with tertiary education was almost non-existent. However, this figure rose to 3% in 2020 before decreasing again by 1% in 2022. Furthermore, workers with up to secondary education (ISCED level 3-4) also experienced a significant increase in IWP from 2020 to 2022. On the other hand, workers with up to lower secondary education (ISCED level 0-2), who had the highest IWP among the three groups, saw an increase in 2020 but a subsequent decrease in 2021 and 2022. A key contributing factor to this trend is that individuals with lower levels of education may not be able to

²⁷⁴ Part-time employment and temporary contracts - annual data. Eurostat online data code: [LFSI_PT_A_custom_7005237](#).

²⁷⁵ In-work at-risk-of-poverty rate by work intensity of the household (population aged 18 to 64 years) - EU-SILC survey. Eurostat online data code: [ILC_IW03](#).

fully take advantage of a robust economic environment due to a lack of necessary skills required for higher-paying jobs.

Figure 5: In-work at risk of poverty by educational attainment, 2013-2022²⁷⁶



²⁷⁶ In-work at-risk-of-poverty rate by educational attainment level - EU-SILC survey. Eurostat online data code: [ILC_IW04](#).

Chapter 4: THE IMPACT OF COVID-19 AND HIGHER INFLATION FROM ENERGY AND FOOD PRICES ON POVERTY & SOCIAL EXCLUSION

Locally, the high risk of the COVID-19 pandemic started in March 2020 and continued until 2021, in line with international trends. During the following years, the risk lessened as the majority of the population were vaccinated and other public health control measures continued to be enforced. The COVID-19 pandemic, later coupled with the Russo-Ukrainian War that began in early 2022, had a diversified impact on Maltese society, one of which is the direct impact on poverty and social exclusion. The exerted impact was felt by the entire population, however disadvantaged groups²⁷⁷ have been affected the most by this impact.

This section²⁷⁸ presents an overview of the impact of these two shocks on the national context during the period under review 2020-2022, which impact is documented from an analysis of:

- social benefits provided during 2020 and 2021 to counteract the impact of the Covid-19 pandemic on employment;
- the challenges and corresponding actions in service provision during the pandemic;
- 2022 figures of the economic impact (including amongst others food and energy prices, employment, wages and disposable income); and
- early 2023 figures of macroeconomic trends.

COVID-19 social benefits²⁷⁹

In 2022, the nation's gross domestic product (GDP) recorded a growth of 6.9% in comparison to 2021, which was propelled by impressive showings in tourism, construction, and finance. Nevertheless, the COVID-19 pandemic had a substantial effect on Malta's economy in 2020, leading to a volume decline of 7% in GDP relative to 2019, primarily due to reduced international travel and economic activity. In 2021, there were indications of economic recovery, with a predicted growth rate of 9.4% in volume after the previous year's decline caused by the pandemic. The recovery was primarily driven by the government's stimulus measures and the rebound in tourism, as Malta gradually reopened its borders to foreign visitors. Malta was able to maintain a relatively stable growth trajectory despite the pandemic's challenges, thanks to its diversified economy and sound fiscal policies.

The Maltese Government introduced financial assistance programs aimed at supporting individuals employed in the private sector who faced unemployment or were unable to work due to COVID-19-related medical or family reasons. In 2020, Government allocated €14.5 million towards these benefits, and in 2021, a total of €614,000 was spent.

The government's financial assistance has been crucial in helping the Maltese economy cope with the effects of the pandemic, particularly by easing the pressures faced by businesses and individuals who were most vulnerable. The investment in COVID-19 benefits has provided a lifeline to many who would have otherwise struggled to make ends meet, helping to prevent widespread economic hardship. Overall, these measures have been an essential component of the government's efforts to keep the Maltese economy afloat during the pandemic.

- **The Additional Unemployment Benefit** was awarded to persons who lost their job in the private sector after 8th March 2020 due to the impact of COVID-19. If they were also eligible for Contributory Unemployment Benefit, they received a direct payment of €166.15 (given that they were

²⁷⁷ Including persons experiencing poverty, the elderly, individuals with disabilities, migrants, children and youth.

²⁷⁸ This section was compiled and provided by the Economic Policy Department within the Ministry for Finance and Employment.

²⁷⁹ Source: NSO. News Release 056/2023: Government Expenditure on Social Security Benefits: January-December 2022. Accessed at: <https://nso.gov.mt/government-expenditure-on-social-security-benefits-january-december-2022/>

working full-time before becoming unemployed) or €103.85 (given that they were working part-time before becoming unemployed) per week. In addition to the direct payment, eligible individuals would have their Social Security Contribution paid, their future contributory pension rights safeguarded, and received adjustments to Children's Allowance, In-Work Benefit, and Supplementary Allowance rates. To qualify, they must have been working full-time or part-time in the private sector before 8th March 2020 and register for work under Part I with Jobsplus. In 2020, Government spent €2,133,000 on the Additional Unemployment Benefit for 2,156 beneficiaries.

- **The Disability Benefit** was available for individuals with a disability who worked in the private sector but cannot go to work on medical advice due to COVID-19 since 8th March 2020 and were unable to work from home. Eligible employees would receive a direct payment of €166.15 per week if they work full-time or €103.85 per week if they work part-time. In addition to the direct payment, eligible employees would have their Social Security Contribution paid, and their future contributory pension rights safeguarded. They also continued to receive any Disability Assistance without deductions. Eligible were employees registered with Jobsplus as a person with a disability and having a Special ID No or EU Disability Card issued by the Commission of the Rights of Persons with Disability, working full-time or part-time in the private sector, being medically advised to stay at home since March 8, 2020, and could not work from home. In 2020, the government spent €523,000 on the Disability Benefit for 380 beneficiaries.
- **The Medical Benefit** was awarded to people employed in the private sector, who after 27th March 2020, due to the impact of COVID-19 were not going to work because they were ordered by the Superintendent of Public Health not leave their home, were not able to work from home and were not being paid by their employer during their absence from work. Eligible employees would receive a weekly direct payment of €166.15 for full-time and €103.85 for part-time work. In addition, their Social Security Contribution would be covered, and their future pension rights safeguarded. Some of the beneficiaries of the Medical Benefit were also entitled to adjustments in Children's Allowance and Supplementary Allowance. To qualify, were individuals under segregation²⁸⁰, working in the private sector, being unable to work from home, not yet reached retirement age, and not receiving payment from their employer during their absence. In 2020, the government spent €2,505,000 on the Medical Benefit for 1,705 beneficiaries.
- **The Parent Benefit** was awarded to parents working in the private sector with children under 16 who cannot work from home due to the closure of schools between 15th March and 11th April 2021. It does not include those who work or provide services in a government department or entity. Benefits include a direct payment of €166.15 per week for full-time workers or €103.85 per week for part-time workers. Social Security Contributions will be paid, and future contributory pension rights will be safeguarded. Eligible parents also received an adjusted Children's Allowance rate of up to €24.08 per child per week, as well as continued to receive the In-Work Benefit and Tapering of Benefits without deductions. Eligibility criteria for the Parent Benefit were having children under 16 years, working in the private sector but not able to work from home, and being on unpaid leave to care for their children between 15th March and 11th April 2021. The benefit did not apply if the employer received the Wage Supplement on behalf of the employee. In 2020, Government spent around €9.4 million on the Parent Benefit for 4,601 beneficiaries and in 2021, the government spent €614,000 on the Parent Benefit for 1,163 beneficiaries.

²⁸⁰ Persons who have been ordered by the Superintendent of Public Health not to leave their homes because they are deemed as vulnerable persons.

Impact on services

In addition to the impact on the economy and employment, various services were impacted by the Covid-19 pandemic, particularly healthcare and education. Certain groups, such as persons with disability²⁸¹ and the elderly were specifically affected.

Mater Dei Hospital faced specific challenges in relation to increased demand for health facilities particularly due to:

- the emerging pandemic between 2020 and 2022;
- an ever-increasing elderly population; and
- Malta being the most densely populated country in the EU with 1,649 persons per square kilometre compared to almost 100 persons per square kilometre for the EU²⁸².

For such reasons, plans are underway to lease additional facilities so that the increase in demand for acute and elective care will be addressed in an efficient and effective way. A negotiated procedure was commenced according to the requirements laid down by the Department of Contracts to identify the facility. Arrangements are in place for the allocation of human resources to run this facility in 2023.

Furthermore, the Covid-19 pandemic halted the progress of remote monitoring systems and the implementation of public health strategies.

A significant impact was specifically exerted on measures for persons with disabilities and elderly persons. The pandemic has brought about panic and increased responsibility for health officials, and the disability sector. One of the main ways in which measures for persons with disabilities were affected by Covid-19 was the disruption of services. Many services were stopped or reduced, including healthcare, education, and employment services. This disruption had a significant impact on persons with disabilities, who rely on these services to maintain their health, wellbeing, and independence.

For instance, many persons with disabilities were unable to access healthcare services during the pandemic. This was due to a variety of factors, including the closure of healthcare facilities, the cancellation of appointments, and the redirection of resources to Covid-19 response efforts. Despite the challenges, services continued in various ways. For instance, some organizations have adopted new ways of providing services, such as online consultations and telemedicine. These measures have helped persons with disabilities continue to receive the necessary support and care. Similarly, many persons with disabilities were unable to access education services during the pandemic. This was due to the closure of schools and universities, as well as the lack of accessible online learning platforms. Some schools took some time to offer online platforms but did not offer tailored teaching for persons with disability.

Expectations were not for services to continue as before, but the sudden stop of services had severe consequences. During the initial restrictive measures, additional services were introduced for persons with disabilities. CRPD provided meal delivery services, and Agenzija Sapport conducted webinars on self-care, which saw strong attendance. Although these measures helped to ease the stress from persons with disability, they were not enough.

Specialized teaching on care for the elderly had to stop temporarily, and between March and June 2020, the Home Help service stopped in the private homes of the beneficiaries. Instead, three basic services were given to those elderly who needed help to buy groceries; have ready prepared meals delivered to

²⁸¹ Source: CRPD. September 2020. The Impact of Covid-19 on Persons with Disability. Accessed at: <https://www.crpdp.org/mt/wp-content/uploads/2021/09/0339-%E2%80%93-FSW-and-CRPD-The-Impact-of-Covid-19-on-Persons-with-Disability-Report.pdf>

²⁸² This factor was exacerbated by an importation of foreign workers with more than one in five persons being a foreigner.

their home; or have their medicines brought home. These services were accessible to the elderly through a COVID-19 Helpline that was introduced between March and June 2020.

Moreover, SCSA actively safeguarded the elderly community within residential homes during the covid period. This included, but was not limited to circulars, visits and follow-ups and support in containing the spread of the Covid-19 pandemic by distributing swab kits, coordinating vaccines and boosters and following up on cases and contacts. In addition to the measures implemented by SCSA in respect of the impact of Covid-19 on elderly persons (outlined under Section 2.2.5.1 Social Welfare Services), an emergency number was created by SCSA for service providers on 12th March 2020. SCSA also requested contingency plans from residential homes in case of positive cases. To ensure promotion of social inclusion, SCSA encouraged those residents and relatives and/or legal representatives to make use of social media for communication.

The Covid-19 pandemic had a significant impact on measures for persons at-risk-of poverty or social exclusion during 2020-2022. While services have continued in various ways, the pandemic has highlighted the need for more inclusive policies and practices that cater to the needs of the most vulnerable. More coordinated responses are required to prioritize the needs of the most vulnerable and ensure that they are not left behind.

Economic Impact of Covid-19 through 2022 figures

The Russia-Ukraine conflict together with the two-year Covid-19 pandemic have created worldwide price instability especially in food and energy prices. In response, the Government has introduced several policy measures that minimise the impact of imported inflation. In particular, the Maltese Government absorbed energy price increase through subsidies such that prices of gas, fuel and electricity were held fixed at pre-COVID levels. In addition, the Government launched a temporary price stabilisation subsidy scheme on imports of cereal, flour, and animal feed with the aim to provide food security and mitigate the increase in prices of food products triggered by the disruption of the global commodity market.

This section presents the simulated economic impacts in 2022 in the absence of Government support on electricity, fuel prices, and food prices. That is, it models what would have happened to the macro-sectoral economy in the absence of Government support, thereby implicitly showing the extent to which support measures have mitigated adverse economic impacts. This counterfactual is compared to a baseline scenario that incorporates Government intervention, which is in line with the current economic framework. The economic impacts were estimated using the SAMM (Structural Annualised Econometric Model for Malta) model, which is an in-house model developed in collaboration with Cambridge Econometrics. SAMM is a macro-sectoral model built around the Keynesian tradition of macroeconomic models, where output and employment are driven by the expenditure components of aggregate demand. The cut-off date of this exercise is September 2022. Holding the prices of other goods constant, the price increases in electricity, diesel, LPG, and food were assumed to persist throughout 2022.

The below table summarises the modelled increases in energy prices in the absence of Government intervention.

Table 32: Estimated Increase in Energy and Fuel Prices without Government Intervention

Categories:		Assumed Expected Price Increase (%)
Energy Prices	Gas	55.3%
	Diesel	47.9%
	Petrol	33.6%
	Electricity	130.2%
General Food Prices		1.5%

Source: Data from Energy Operators and MFE Own Calculations.

The table below summarises the main results.

Table 33: Main aggregate impacts on economic indicators in 2022 (percentage point change from baseline growth)

Economic Indicators	Percentage point change from baseline growth
HICP	7.1
GDP	-2.3
Wages	4.4
Real household disposable income	-1.6
Household consumption expenditure	-0.2
Employment	-0.3
Profits	-2.1
Investment	-1.1

Source: Data from Energy Operators and MFE Own Calculations.

An increase in food and energy costs has a substantial and direct effect on headline inflation. In our simulation, it would lead to an additional 7.1 pp increase in inflation, assuming constant weights in the consumption basket. This substantial rise in inflation, in turn, would exert downward pressure on aggregate demand, causing a 2.3 percentage point decrease in real GDP when compared to the baseline growth scenario.

In the simulated scenario, nominal wages are projected to exceed baseline growth by 4.4 pp. However, due to the short-term stickiness of nominal wages, they did not rise as much as the inflation rate. This is consistent with the anticipated absence of a wage-price spiral. As a result, households' purchasing power would be negatively impacted, experiencing a 1.6 pp decline relative to baseline growth. The decline in

real disposable income also reflects an expected decline in distributed earnings and slower growth in employment (0.3 pp lower than baseline growth).

Despite being price-inelastic, electricity demand would nevertheless decrease (16.1 pp) to reflect a shift in consumer behaviour brought about by a significant shock to electricity prices (a 130.2% increase). Due to the relatively smaller shock in fuel prices, the impact on the operation of personal transport equipment is significant but less magnified, at 3.2 pp. However, this impact is moderated since the operation of personal transport equipment consumption category encompasses purchases of parts and accessories, which offsets the effect on fuel demand for personal transport equipment.

On the other hand, food consumption would have exhibited a modest increase relative to the baseline (0.9 pp), reflecting a decrease in the relative cost of food products despite the simulated 1.5% increase. This indicates that households would have found it comparatively more economical to allocate their funds towards food products. However, this result should be interpreted with caution because in reality food prices could have risen by more than 1.5% over and above baseline growth, reflecting the ripple effect of heightened energy prices on food costs.

Demand for a number of non-energy products would also be expected to decline. In particular, the demand for water services, which is often a complement to electricity consumption, would decline by 3.9 pp relative to baseline growth. Households would also reduce their consumption of non-essential products, particularly accommodation services (6.5 pp) and restaurants (2.0 pp), as general affordability would deteriorate and prices for these products would rise. Overall, the erosion of household purchasing power would result in a 0.2 percentage point decrease in household consumption spending relative to the baseline.

Beyond lower consumer spending, higher fuel and electricity prices are a headwind for the broader economy as they entail an increase in the production costs of all sectors. Moreover, a higher cost of fuel, especially diesel, would mean that anything transported via land or water transport would be adversely affected. Over and above these effects, businesses would endure cost pressures owing to higher wages, higher intermediate prices, and an incomplete pass-through to final product prices. This would see aggregate profits decline by 2.1% and aggregate investment spending dropping by 1.1% relative to baseline growth.

In terms of nominal value added, manufacturing industries would be severely hit, especially Rubber and plastics (16.9 pp); Machinery and transport equipment (18.0 pp); Chemicals and chemical related products (10.3 pp); Furniture (10.2 pp); and Computer, electronic and optical products (7.0 pp). Transport industries would also be severely impacted: Water transport (42.7 pp); Air transport (27.1 pp); Land transport, post, and courier services (9.7 pp). Other critically affected industries would include Water, sewerage, and waste (31.7 pp); Fishing (14.8 pp), Food services activities (13.8 pp), Sporting services and amusement and recreation services (10.6 pp), and Repair and installation (8.3 pp).

First Quarter 2023: Key Highlights in Macroeconomic Trends

During the first quarter of 2023, the Maltese economy grew by 3.1% in real terms and by 9.1 %in nominal terms, when compared to the corresponding quarter in the previous year. This implies an increase in the

GDP deflator²⁸³ of 5.8%. Net exports emerged as the principal driver of growth, contributing 5.3 pp. Conversely, domestic demand posted a negative impact of 2.2 pp, while inventories made no tangible contribution to GDP growth.

During the same period, total gross value added increased by a remarkable growth rate of 9.3%. This growth was broad-based. The manufacturing sector exhibited the highest growth rate, surging by 19.7%. Other notable increases were recorded in the professional, scientific, and technical activities sector (14.4%); the financial and insurance sector (12.7%); the wholesale, retail, and hospitality sector (12.4%); the real estate sector (9.9%); and the information and communication sector (9.9%).

From the income side, compensation of employees experienced substantial growth, increasing by 8.3%. Additionally, profit growth moderated when compared to the exceptionally strong growth in the preceding quarters, recording an increase of 6.2% in the first quarter of 2023. Meanwhile, taxes less subsidies on production and imports demonstrated a significant surge, growing by 39.1%, which is reflective of the magnitude of the economic expansion despite continued Government support. Unemployment data covering the first three months of this year shows that Malta recorded one of the lowest unemployment rates among European Member States, at 2.9%, as the labour market remained tight.

The Update of the Stability Programme 2023-2026 published by the Ministry for Finance and Financial Services in April indicates that the Maltese economy is expected to grow by 4.1% in real terms during 2023. The external component is anticipated to be the main driver of economic growth in 2023. Indeed, net exports are expected to contribute 3.5 pp to growth, as exports are expected to be supported by the strong performance of the tourism sector and further gains in market shares. Domestic demand is projected to contribute 0.6 pp to growth in 2023. Sustained growth in private household consumption is expected to be partly outweighed by a decline in investment, in view of strong base effects from the prior year, tighter financing conditions and high uncertainty.

The aforementioned overview of the social benefits and services provided during 2020 and 2021 to counteract the challenges brought forward by the Covid-19 pandemic on employment and service provision in various sectors, catered in particular for the needs of parents, individuals under segregation by health authorities, elderly persons, persons with disability, and their relatives.

Next, the analysis pertaining to the situation during 2022 and early 2023 enabled a clearer analysis of the impact of the pandemic sustained during 2020-2022 than the analysis found in the previous Implementation and Evaluation Report. Furthermore, the situation was also described through the impact of the Russian-Ukrainian conflict that resulted in inflation.

The consequences brought forward by Covid-19 pandemic and international conflict appear to have slightly hindered the advancements achieved in recent years in addressing poverty and social exclusion. However, as highlighted in this section, innovative systems that continuously adapted to evolving societal realities played a significant role in safeguarding the population, particularly persons who were at-risk of poverty or social exclusion. Hence, despite the challenges brought forward by unforeseen shocks, mitigation measures lessened the negative impact as evidenced in the slightly reduced rate of people falling below the poverty threshold and other socio-economic indicators presented in the previous Chapter 3.

²⁸³ GDP deflator is commonly used to estimate the rate of inflation since it is a price index that shows how on average, prices for all goods and services produced in an economy change over time.

Chapter 5: CONCLUSION

Malta's steadfast dedication to alleviating poverty and social exclusion is clearly demonstrated through the extensive implementation of strategic policy measures, since the release of its National Strategic Policy for Poverty Reduction and for Social Inclusion 2014-2024.

The advancements made towards poverty reduction and social inclusion in line with this Strategic Policy have been elaborated in the preceding sections of this report. The evaluation of progress has been conducted through scrutinizing the implementation status of a number of measures across the six wellbeing dimensions, tracking changes in pertinent statistical indicators, and taking into consideration the external shocks that challenged the economy and service provision – particularly for persons at risk of poverty or social exclusion.

Various socio-economic improvements, evidenced by the statistical analysis in Chapter 3, have been achieved by the integrated endeavour detailed in Chapter 2. Measures taken during the assessed periods of 2014-2016, 2017-2019, and 2020-2022, effectively addressed 96.8% of the 94 identified policy actions. Chapter 2 presents information on a wide range of actions and initiatives that have successfully addressed most of the strategic policy actions, highlighting the continued commitment towards the objectives of the Strategic Policy.

Chapter 3 reported gradual reductions in dependency on social benefits, the AROPE rate (for various age groups), SMSD rate, MSD rate, VLWI, ESL rate, NEET rate, and LTU rate. Furthermore, while some indicators have remained stable or experienced slight increases since the publication of the National Strategic Policy, it is worth noting that, in general, Malta does not exceed the EU average for most of these indicators. Notable examples include the at-risk-of-poverty rate and the in-work at-risk-of-poverty rate. These figures illustrate consistent progress in Malta's efforts to lift its population out of poverty and social exclusion. Moreover, there has been a consistent rise in the average disposable income of Maltese households over the past nine years, resulting in substantial growth in the percentage and number of individuals who are no longer vulnerable to poverty or social exclusion and who do not endure severe material and social hardships.

However, challenges continue to exist in relation to elderly individuals at risk of poverty or social exclusion (ARPE). Even though there has been a decrease in the number of elderly individuals experiencing severe material and social deprivation (SMSD), and a noteworthy increase in the elderly population not at risk of poverty or social exclusion, the issue of elderly ARPE persists. This situation suggests that while the income of the elderly has not increased as substantially as that of those under 65 who are primarily employed, it has still improved enough to alleviate material deprivation for many elderly individuals.

Given the report's coverage until December 2022, an economic evaluation of the COVID-19 pandemic's and the Russo-Ukrainian War's impact on poverty and social exclusion within the Maltese Islands has been incorporated. Additional insights to the macroeconomic trends seen during the first quarter of 2023 further described the impact left from these shocks. Social benefits and services provided during 2020 and 2021 counteracted the impact on employment and service provision in various sectors. Particularly affected and catered for were the needs of parents, individuals under segregation by health authorities, elderly persons, persons with disability, and their relatives.

Within this framework, yielding endeavours will endure, with the goal of ensuring that the implemented actions produce tangible results for all citizens, especially those facing the greatest hardships. Continual tracking and assessment of the strategy are crucial for identifying gaps in services, addressing emerging requirements, and developing measures that effectively meet the evolving demands. As a result, the Inter-Ministerial Committee will continue to oversee the implementation of policies by examining pertinent indicators, taking into account Malta's distinct challenges and characteristics. This monitoring mechanism enables the Government to guarantee the achievement of the Strategy's desired outcomes and to adapt as required.

ANNEXES

