

POVERTY WATCH REPORT 2/2025

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CONTENTS

I - National Strategy For Poverty - Principles	3
Thriving Together	3
Empowerment	4
Opportunity	4
Solidarity	5
Dignity	5
II –Challenges Related to Poverty.....	6
1. Value Systems	6
2. Education	7
3. Household Economic Wellbeing	8
4. Changing Family Structures	9
5. Families with members who have a disability	10
6. Ageing	11
III - Commentary	11

I - NATIONAL STRATEGY FOR POVERTY - PRINCIPLES

In October 2024, the Ministry for Social Policy and Children's Rights launched a public consultation regarding the National Strategy for Poverty Reduction and Social Inclusion – 2025 - 2035ⁱ. The aim of this strategy is to introduce measures and social policies aimed to reduce poverty and social exclusion through a collaboration with various ministries and government bodies, such as the Ministry for Education, Sport, Youth, Research and Innovation and the Ministry for the Economy, Enterprise and Strategic Projects, amongst others.

The National Strategy aims to reduce the “at risk of poverty and social exclusion” (AROPE) rate by 3.1% and the percentage of children who are at risk of poverty (ARP) by 6%. In 2024, the total AROPE rate was 19.7% (108,406 individuals), while the percentage of children and young persons (under 18 years old) who were ARP was 24.1%, which amounts to 19,640 childrenⁱⁱ. Therefore, this strategy aims to bring down the total AROPE rate to around 16.6% and the ARP rate for children and young persons down to around 18.1%. In terms of number of individuals, this strategy aims to bring approximately 17,060 people and 4,890 children and young persons out of poverty.

This strategy considers other measures of poverty which do not solely focus on the gross domestic product (GDP) growth and the state of the national economy. It focuses on wellbeing, accessibility to essential resources, wealth distribution and income disparities. It is based on five main principles, and, under each principle, a number of recommendations have been outlined. These principles are: (1) Thriving together, (2) Empowerment, (3) Opportunity, (4) Solidarity and (5) Dignity. These principles and their respective recommendations will be listed below and briefly summarised according to how they are outlined in the National Strategy reportⁱ.

THRIVING TOGETHER

Through the principle *thriving together* the National Strategy aims to utilise Malta's economic wealth to reduce poverty and create a strong and dynamic community, in which its members develop a sense of belonging and strong social connections. This is proposed to be carried out through the development of a shared value system which promotes understanding, cooperation, respect and inclusivity. To foster this principle, the strategy aims to incorporate the shared value system within

ⁱ Ministry for Social Policy and Children's Rights (2024) – Poverty - [National strategy for poverty reduction and social inclusion](#)

ⁱⁱ NSO (2024) – Economy - [EU SILC-2024 - Salient Indicators](#)

formal education; bring together NGOs, the Church and other community groups within local councils; and encourage voluntary community services through policies and fixed incentives.

EMPOWERMENT

The aim of the principle of *empowerment*, as presented in the National Strategy, is to provide individuals the tools, skills, competencies and opportunities which can help them become more self-sufficient and obtain a better quality of life through personal growth and development, therefore preventing the development of a culture of dependency on social support and services. To implement this principle, the National Strategy aims to improve the education system through a more student-centred approach, as opposed to a one-size-fits-all model. Additionally, curricula are set to be modified in schools and school programmes and to focus on developing proficiency in literacy, numerical and digital skills as well as transversal skills such as communication, emotional intelligence and teamwork. The strategy is also set to monitor personal alert indicators (such as absenteeism and poor grades on basic skills) in schools to identify students who are at risk of educational disengagement. Outside the schools, the strategy is set to improve on or provide opportunities to individuals who experience discriminatory or unequal treatment in the employment and entrepreneurial sector, such as women, people with disabilities, people with mental illnesses and third country nationals (TCNs). Lastly, the strategy aims to introduce measures to retain older people in employment.

OPPORTUNITY

Through the principle of *opportunity*, the National Strategy aims to ensure equal access to essential and basic resources such as healthcare, education, employment and childcare. Therefore, it aims to introduce measures to aid people with addictions, ex-offenders, people who experienced domestic violence, youths and women to participate in the community and its development. This will be carried out by improving existing services, such as increased coordination between healthcare and social services for those dealing with addiction, intensifying measures to combat gender-based violence and extending childcare services to cover atypical work hours. It also proposes the introduction of new services such as specialised childcare services for children with disabilities and engaging workplaces in the identification and support of workers with mental health issues. Lastly it intends to introduce educational campaigns on sexual education, gender equality and mental health. With regards to foreigners, the strategy intends to introduce measures to help them integrate into our society and provide them with tailored social support. It also aims to introduce a regulatory framework to ensure

the protection, privacy and non-discrimination of individuals which may result from the use of AI and high-tech business model operations.

SOLIDARITY

Through the principle of *solidarity*, this National Strategy aims to foster a sense of mutual support and shared responsibility to prevent the exclusion of disadvantaged members of society, therefore developing a caring society which supports and protects them. Recommendations surrounding this principle include a study which will review the current social benefits provided, by assessing who utilises them, their effectiveness and accessibility. The findings will give indications on how these can be improved and made more accessible to reflect today's realities and challenges. A recommendation to introduce an official definition of homelessness, so as to start compiling statistics and data which can inform future service provision, was also included. It also proposes the introduction of social support and measures which target specific disadvantaged groups such as single parents, pensioners, low-income families with children, families with children with disabilities, separated or divorced families and victims of domestic violence. Additionally, it aims to provide early intervention for children and youths who are at risk of developing mental health issues. The National Strategy also aims to improve and make health services more accessible via digitalisation, increasing primary healthcare clinics, introducing new equipment, extending services to meet demands, reducing waiting times and promoting preventive care.

DIGNITY

The final principle presented by the National Strategy, *dignity*, aims to consider other measurements of progress which go over and above the GDP rate and work towards an equal distribution of wealth, resources and development. Additionally, it aims to ensure that individuals have access to basic needs and opportunities which promote growth and development without economic pressure or overwhelming challenges. Through this principle the National Strategy aims to continue reviewing the minimum wage and establishing only one minimum wage for employees above and below the age of 17. It also aims to introduce outreach efforts to reach disadvantaged groups within established community settings and locations in which they are likely to seek assistance.

II –CHALLENGES RELATED TO POVERTY

The formulation of the National Poverty Strategy included a number of consultations and discussions with stakeholders, who highlighted several challenges in 18 different areas which Malta is currently, or will be, facing in relation to poverty. These 18 areas are listed in Table 1 below. For this Poverty Watch report, only 6 of these challenges (highlighted in orange) will be included due to their length. The other challenges will be discussed in the next report which will be published later this year. Apart from listing these challenges, relevant statistics will also be included to provide further insight into, and context to, the issue.

Table 1: Challenges that Malta faces (or will face) in relation to poverty		
Value Systems	Education	Household Economic Wellbeing
Changing Family Structures	Families with members who have a disability	Ageing
Health	Mental Health	Housing and Accommodation
Financial Capability	Gender	Migration
Criminality and Justice	Digital Divide	Artificial Intelligence
Substance Abuse and Addictions	Environment	Climate Change

1. VALUE SYSTEMS

The first challenge pointed out by stakeholders is related to Malta's value system where community-oriented and shared values need to be fostered in society for it to become more inclusive and, as a result, cases of exclusion and isolation can be reduced. A similar point was also made during the conference organised by the Anti-Poverty Forum (APF) last October in which speakers highlighted that the issue of poverty and social exclusion is not the sole responsibility of the government or state but also of other entities, including unions, employers, the civil society and our local communities, therefore bringing to the fore the idea that poverty is an issue which pertains to all of us and which we

can all help to alleviate. The study on the State of the Nationⁱⁱⁱ carried out in 2024 gave some insight on the values which the Maltese prioritise and their levels of trust. With regards to values, the Maltese gave the least importance to the value of solidarity compared to other values such as justice, freedom and equality. Similar results were also obtained in previous versions of the study between 2021 and 2024ⁱⁱⁱ. While all these values are important and needed for a fair society, the reduced importance given to solidarity highlights the importance of teaching and modelling this value, not just to children in formal education but also to adults, with special attention to parents as they are tasked with handing down values and morals to the next generation. This study also indicates that the level of trust amongst Maltese has also been on a decline in the past years. When asked how likely they are to trust another Maltese person from a scale of 1 to 5, (from least to most trusting) on average, the respondents indicated a low level of trust (2.76) in 2024, compared to the average measured in 2021 (3.31)ⁱⁱⁱ.

2. EDUCATION

With regards to education, the stakeholders involved in the consultation process indicated that in a child's early years, child-care centres need to include a focus on the socio-emotional development of children. They suggested that the centres should also be utilised to build stronger connections with the community and families, including those with a disadvantaged background. When it comes to formal education, there should be a shift from a sole focus on academic learning to one which also focuses on the life-skills necessary to navigate today's world, such as media literacy, financial and cognitive skills amongst others.

Statistics by Eurostat indicate that the level and quality of education within state schools needs to be improved, not only with regards to a more holistic education, but also in academic subjects which are currently being taught. In 2022, Malta had a higher percentage of 15-year-old students who underachieved in mathematics, reading and science when compared to the EU average^{iv}. (See Table 2 below).

ⁱⁱⁱ Office of the President of Malta (2024) – Community Values - [L-Istat tan-Nazzjon](#)

^{iv} Eurostat (2023) – Education - [Low achieving 15-year-olds in reading, mathematics or science](#)

Table 2: Percentage of under-achieving 15-year-old students in three basic subjects.			
	Mathematics	Reading	Science
Malta	32.6%	36.3%	30.3%
EU	29.5%	26.2%	24.2%

Additionally, Malta needs to work on reducing the percentage of students who are early school leavers, which is still higher than the EU average (9.6% compared to 9.3% in 2024)^v. It is worth noting that throughout the past decade the number of early school leavers has continued to fall (from 16.3% in 2015). Therefore, ongoing improvements are being made in this aspect and they are encouraged to continue.

3. HOUSEHOLD ECONOMIC WELLBEING

Another challenge mentioned by the stakeholders in the consultation process is related to the households' economic wellbeing. The stakeholders stated that, with the country's strong economic performance, the State needs to ensure that economic gains are distributed fairly. In fact, in 2023 and 2024 Malta recorded the highest GDP growth rate (6.7% and 6% respectively), in the EU, with the latter having a comparably low growth rate (0.4% and 1% respectively)^{vi}. Despite this, income inequality in Malta has increased in the past decade. In 2015, the Gini coefficient^{vii} in Malta was of 28.1^{viii}, but in 2024 this increased to 30.8^{ix}. In-work poverty has also increased in the past decade. In 2023 the poverty rate of people in full-time employment was of 6.9%, which amounts to around 18,536 full-time employees. This percentage increased from 4.8% in 2015^x.

The stakeholders also pointed out that this imbalanced distribution and gap in economic and social well-being is evident in the growing demand for soup kitchens and food aid services. In fact, between 2023 and 2024, the number of people who turned to the Soup Kitchen OFM in Valletta for meals

^v Eurostat (2023) – Education - [Early leavers from education and training](#)

^{vi} Eurostat (2023) – Economy - [Real GDP growth rate](#)

^{vii} The Gini coefficient ranges between 0 to 100. A larger Gini coefficient indicates a greater inequality between the poorest and the richest.

^{viii} Eurostat (2023) – Financial Inequalities - [Gini coefficient of equivalised disposable income](#)

^{ix} NSO (2024) – Economy - [EU SILC-2024 - Salient Indicators](#)

^x Eurostat (2023) – Poverty Rates - [In-work poverty](#)

increased by 2,500^{xi}. Therefore, they suggest that, apart from using economic measures, such as the GDP, social indicators also need to be used as a measure of a good economy. This is a similar suggestion made by the Justice and Peace Commission, mainly in their report, *Beyond GDP*^{xii}. This report explained that because a high GDP rate indicates increased monetary wealth, it is assumed that it also indicates an increase in well-being. However, with money as the sole measure, the GDP rate cannot fully capture quality of life. In fact, the report also pointed out that economic growth can also result in unwanted, negative consequences, such as environmental degradation, high housing prices, increased waste and higher levels of pollution. Therefore, the Commission emphasised the need to consider factors such as income, housing, education and skills, jobs, health and lifestyle and environmental quality, to better encapsulate well-being and quality of life. A recent document, titled Malta Vision 2050,^{xiii} published by the Ministry for the Economy, Enterprise and Strategic Projects, aims to provide a vision for Malta's future in the next 25 years. This report indicates that the GDP will not be used as the sole measure of success, but that 3 other metrics will be utilised. These are: (1) the UN Human Development Index (HDI), which measures life expectancy, education and income, (2) the median disposable income and (3) life satisfaction^{xiv}. With regards to the HDI, Malta currently ranks in 25th place among 193 countries and is marked as having very high development^{xv}. In 2023, Malta had a median disposable income of €18,940, below the average of countries in the Euro zone, which is of €22,570^{xvi}. Lastly, in 2023, Malta also scored well in terms of life satisfaction, with a score of 7.4, on par with the rest of the EU which scores at 7.3^{xvii}.

4. CHANGING FAMILY STRUCTURES

Another factor pointed out by stakeholders during the consultation process relates to the changing family structures in our society. The rise of non-traditional family structures, such as separated and divorced families, impacts the financial situation and socio-emotional wellbeing of parents and children. The division of assets and resources after a divorce or separation weaken financial stability and have a negative impact on the psychological and emotional wellbeing of children, as do legal battles over custody and irregular or non-payment of child maintenance. Similar struggles are also experienced by single-parent families. In fact, in 2024, according to the NSO^{xviii}, single-parent

^{xi} Newsbook (2024) – Church Services - [Valletta soup kitchen served 29,500 guests last year](#)

^{xii} Justice and Peace Commission (2020) – Economy - [Beyond GDP](#)

^{xiii} Ministry for the Economy, Enterprise and Strategic Projects (2024) – Economy - [Malta Vision 2050](#)

^{xiv} Times of Malta (2024) – Economy - [What Malta plans to measure instead of GDP to track success](#)

^{xv} United Nations (2022) – Economy - The human development index

^{xvi} Eurostat (2023) – Average Income - [Mean and median income by age and sex](#)

^{xvii} Eurostat (2023) – Quality of Life - [Overall life satisfaction by sex, age and educational attainment](#)

^{xviii} NSO (2024) – Economy - [EU SILC-2024 - Salient Indicators](#)

households are the household type which has the highest percentage ARP rate (43.8%). For the year 2023, the Eurostat^{xix} indicated that, in Malta, households with one adult (with an undefined marital status and no dependent children) have a higher AROPE rate (32.8%) when compared to households with two (21.9%) or three or more (7.5%) adults. This indicates that fragmented or smaller households, are more likely to be AROPE, due to a reduction in income, but also due to reduced economic and social support. In the latest census, the NSO^{xx} indicated that single-member households are on the rise and in 2021 they made up one-third (or 70,123 households) of the total main residential dwellings. Considering this high and increasing number of individuals who live on their own, the authorities need to consider how to support these individuals by encouraging social connections and ties with the community so that they do not become isolated. Additionally, it would be interesting to know what are the demographic characteristics of these individuals, so as to be better informed on how to integrate them in their community.

5. FAMILIES WITH MEMBERS WHO HAVE A DISABILITY

The stakeholders involved in the consultation pointed out the number of financial, emotional and logistical struggles that families with members who have a disability face when it comes to caring for them. Carers face a reduction in finances because they often have to reduce work hours or leave the workforce entirely. These families are also faced with complex bureaucracy when attempting to access services. Therefore, they require further support to navigate the care system and to ease accessibility of existing services.

Children with disabilities, especially those with challenging behaviour, also risk experiencing exclusion within schools, therefore impacting their educational opportunities and consequentially their prospects for employment. Recent complaints made to the Commissioner for Education reflect such an exclusion^{xxi}. Societal attitudes towards people with disabilities, particularly less identifiable ones such as some forms of ADHD and autism, also further prevent these individuals from being included in society and employment and from accessing support and services. Therefore, there is a need for more accessible public spaces and transportation systems and for tailored educational opportunities for people with disabilities.

^{xix} Eurostat (2023) – Poverty Rates - [AROPE rate by income quantile and household composition](#)

^{xx} NSO (2021) – Households - [Census of population and Housing Vol 2](#)

^{xxi} Office of the Ombudsman (2025) – Disabilities - [Commissioner for Education urges action to safeguard right to education for LSE-supported and CCP Students during MATSEC period](#)

These difficulties are also reflected in statistics presented by the Eurostat in 2023^{xxii} which indicated that among people who report having some or severe limitations in their daily activities due to a disability there is a higher AROPE rate (33.3%) when compared to those who report having no limitations (16.6%). A similar pattern was observed regarding in-work poverty among those who have some or severe limitations in their daily activities (9.3%) and those who do not (7.5%)^{xxiii}.

6. AGEING

A rapidly ageing population due to a low birth rate, may also increase the issue of poverty in Malta, due to more people entering retirement age but with fewer workers being able to sustain their pensions. In fact, the NSO^{xxiv} indicated that, in Malta, 31.7% of individuals who are 65 years or older were at risk of poverty, which amounts to around 30,745 elderly people. The NSO also indicated that households without dependent children who are at greater risk of poverty are those with a single person aged 65 years or older (40% or 12,509 individuals) and households with two adults where one individual is aged 65 years or older (34%, or 16,518 individuals).

III - COMMENTARY

To reach the aims set by the National Strategy for Poverty Reduction and Social Inclusion by 2035, it needs to impact thousands of people and children who are currently at risk of poverty. Therefore, great efforts are needed to implement the initiatives which have been outlined in the report. The idea and intention to no longer rely on GDP as a sole measurement for the economy is a step in the right direction. This idea is also in line with what Church entities such as Caritas and the Justice and Peace Commission have been recommending, as other measures can help indicate important factors such as wellbeing and quality of life.

The principles mentioned above, which will be used to guide the National Strategy are positive and they need to be ingrained in our society to reduce poverty and social exclusion and improve cooperation and care within local communities. Strengthening the community through strong ties is an important step to provide people who are AROPE with support networks in their surrounding localities. The work of local councils, NGOs, the Church and other groups would also help to

^{xxii} Eurostat (2023) – Poverty Rates - [AROPE rate by level of disability \(activity limitation\), sex and age](#)

^{xxiii} Eurostat (2023) – In-work poverty rates - [In-work at-risk-of-poverty rate by level of disability \(activity limitation\), sex and age](#)

^{xxiv} NSO (2024) – Economy - [EU SILC-2024 - Salient Indicators](#)

provide structure to such networks while also making them more accessible and available to vulnerable individuals.

Its widespread presence and reach in the community, (especially with those who experience social and financial difficulties) through the parishes, schools, numerous organisations, volunteers and members and its media, positions the Church as a key player in strengthening community ties, not only through the services it provides, but also by reaching out to the communities and becoming an initial point of contact through which excluded individuals can find a support network. Here, the importance of house blessings, home visits and other outreach activities carried out by the parish become essential in identifying and reaching out to those who are isolated in their community or lack the resources or ability to find help for themselves. The Church could also have a central and prominent role in modelling, promoting and encouraging the practice of community-oriented values, such as solidarity, inclusion, respect, understanding and cooperation.

However, support networks and cohesive communities require stability within localities, which is often disrupted by short-term residencies, either by tourists or third country nationals (TCNs) which the country fails to retain. Therefore, the impact of economic activity, whereby brought about by tourist accommodation or the introduction of more short-term workers also needs to be considered when aiming for a more cohesive community. Additionally, the increased gentrification and commercial activity of numerous localities also risks increasing property prices which drive out established locals, therefore risking the loss of their character, stability and cohesion.

While the National Strategy promotes the importance of principles and values which can help contribute to a fairer society, issues of governance such as impunity, nepotism, corruption and fraud are not currently being appropriately addressed, whether in this or other national strategies or in reforms. Such lack of governance can mitigate against societal values such as solidarity and respect. Additionally, lack of appropriate governance could lead to the misuse of funds which are meant to be utilised in providing services to disadvantaged groups. Therefore, the National Strategy should also include the principle of *justice*, which would ensure governance and timely redress of any issues. The value of justice was also given the biggest priority in the State of the Nation study by the Maltese respondents^{xxv}. Therefore, this principle should also be encouraged through fair and robust legislation and policies which truly protect the most vulnerable (such as exploited workers) and where these are already present, more enforcement and safeguards are needed to ensure that these are being upheld.

^{xxv} Office of the President of Malta (2024) – Community Values - [L-Istat tan-Nazzjon](#)

The use of our country's economic wealth to reduce poverty indicates that there needs to be a more equal distribution of wealth which takes from the rich and gives to the poor. However, throughout this national policy document there was no mention of a wealth tax which could help with such an aim. This point also needs to be considered due to the strategy's plans to increase the number of social services, benefits and policies, all which will come at a greater expense for the State. Therefore, the introduction of a wealth tax, or higher taxation rates for those within the highest tax bracket are needed to maintain these important expenses. Additionally, such taxes could help achieve a more just and fair society, therefore promoting the principles mentioned in this very National Strategy.

The statistics presented above indicate that the level of education in Malta requires a change in the current teaching methods, despite Government expenditure on education being almost double the EU average, 4.1% of the GDP compared to 2.3%^{xxvi}. The proposal for a more student-centred approach to education is a welcomed one, as it recognises that not all children learn at the same pace and in the same manner. Therefore, the welcomed initiatives to teach students everyday life skills, such as digital, numerical and interpersonal skills should also be taught in a manner which is accessible to all children of different learning styles and paces. Therefore, learning aids and resources dedicated to these students should also be extended to when such skills are being taught, since these skills are important to all children, but especially those who have learning difficulties and/or social challenges, who need the tools to shape a better future for themselves. There should also be a push for the education system to promote activities beyond academic work, such as physical activities, as these can also contribute to better academic achievement. This is highlighted in a recent study^{xxvii} published in the Malta review of educational research where it was found that students who frequently participate in sports obtained better grades in their MATSEC examinations compared to those who did not. The use of personal alert indicators is also important to help identify children who either have learning difficulties or come from a poor or difficult family background. Other indicators, such as aggressive or worrying behaviour should also be considered. These preventative measures are commendable and recommended and, if they are followed up with the proper support for the children and their families, these can help prevent issues from escalating over time and into adulthood.

Apart from students and youths, efforts to educate and empower workers, regardless of nationality, is needed, to keep them informed about their rights as employees. This should especially be

^{xxvi} Eurostat (2023) – Education - [General government expenditure by function](#)

^{xxvii} Malta Review of Educational Research (2024) – Education - [The impact of sport participation on academic performance among Maltese secondary school students](#)

provided to workers who are employed in sectors where wages are low and exploitation is high, such as the construction sector and accommodation and catering services sector.

The recommendations and initiatives outlined within the National Strategy are commendable and need to be introduced, especially when it comes to changes that are related to the education system and to the improved accessibility of social services.

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