

High-Level Conference on the European Social Charter, Turin Synopsis of Speech by Minister for the Family and Social Solidarity Michael Farrugia – 18th October 2014

The European Social Charter may be viewed as the backbone of the European system for the protection of fundamental social rights in Europe. It also underpins our commitment to have a balanced socio-economic policy with a rights-based approach. It is very easy for me to continue on the same lines taken by the previous speakers, so I opt to speak from a different perspective

The social consequences of the crisis, manifested by rising unemployment and higher poverty levels across Europe, will require much time and effort to resolve. As yet, it is important to turn the post crisis period into an opportunity for enhancing social cohesion and social justice through the creation of more inclusive labour markets and through investment in people's skills and employability.

Indeed, Europe's social vision needs to be complemented by innovative answers to social challenges by the promotion and development of measures that aim to reduce and prevent poverty, whilst ensuring greater equality of opportunity, social justice and social mobility, as well as through measures which aim to mainstream social inclusion issues and objectives across different policy areas.

Malta reiterates its support for the Council of Europe's legal instruments for social rights, since these not only provide valid instruments for promoting social cohesion and well-being across the EU, but also for ensuring greater equality of opportunity and combating discriminatory practices.

In the measurement of poverty, Eurostat methodology does not allow the inclusion of social benefits in kind, such as free child care centres, provision of free health services, medicines for chronic illnesses or below a set income, social housing with heavily subsidised rents, free education, stipends to post secondary and tertiary students amongst other benefits in kind which are available in Malta amongst other benefits in kind.

For this reason, Eurostat statistics are flawed as the *one size fits all* model does not give a clear picture of the at-risk-of-poverty and social exclusion level as the main indicator to monitor the Europe 2020 Strategy.

My government elected just over 18 months ago has introduced the Civil Union Act, because we believe in civil rights. Introduction of free Child-Care Centres to encourage both parents or single parents to work. And presently, is working hard on the issue of Youth Guarantee so that all school leavers are either in work, post secondary education or in training.

This year we focused on those registering for over two years. Once gaining employment they continue to receive a Tapering of Benefits which amount to 65% on the first year, 45% on the second year and 25% on the third year of their benefit while the employer will receive 25% of the benefit as an incentive. Further initiatives are going to be taken in this direction in the coming months. Coming budget is going to also include a number of initiatives aimed at persons with disabilities.

We are working on a number of incentives in order to increase the number of persons at

work, especially female participation. It is important to fight both undeclared work and precarious work. Educating the people and informing them that benefits are there as a safety net for a period of time to avoid people falling in absolute poverty, and at the same time showing the people that work-pays.

This year, 2014, households had a reduction of 25% in their energy tariffs and 5% in the water rates, and up to 35% to those consuming less electricity and low income families – this should help decrease the number of persons at risk of poverty. As of March next, businesses are going to have a 25% decrease in their electricity bills.

During the past eighteen months we managed to push down unemployment at 6%, attract more investment to our country and see our GDP increase between 3 to 3.5%. Next year we plan a deficit of about 1.6% and also decrease the national debt as a percentage of the GDP. My ministry is also working hard to see that we reform our pensions and benefits in order to secure the future of our society.

We are proud that the crises that hit almost all the countries was not that bad for us thanks to our local banks that are strong and were always responsible by opting to follow our strict regulations. Politicians can easily say that we saved the banks, saved the Euro, and so let us follow the Social Charter and save the people.