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### **Media Release**

# **Social Policy Measures for a Decent Living – A Response by the Malta Employers' Association to the Caritas study**

The Malta Employers Association has issued an official reaction to the report by Caritas about social policy measures that are required to ensure a decent living to Maltese families.

The MEA acknowledges the findings of the Caritas report that families with children need a certain amount of income to be able to afford basic needs. The MEA finds that the most salient point of the Caritas report is that, whereas among families with two parents and two children, only 3% are unable to afford the essential basket of goods and services, this figure shoots up to 53% for single parent families. The implications are that such families are clearly in greater risk of poverty than others. The MEA finds that a two income family, even if both parents earn a minimum wage, would be in a position to earn more than the €200 which, according to the Caritas report, is necessary for a decent living.

The MEA document also looks into the pros and cons of raising the minimum wage. It points out that for a family with two children, the minimum wage, plus bonuses plus children's allowances is close to €200 a week. The MEA also concludes that the determination of wages is linked to productivity and should not be linked to a basket of goods. Simply raising the minimum wage carries the risks that the labour market will be destabilised, that it could lead to a loss of jobs and could work against the interests of the vulnerable groups which the measure will be supposed to help. The MEA document proposes a set of eleven social policy measures through which the social partners can make a concerted effort to minimise the number of families living in relative poverty in society. These measures compliment many of those proposed by Caritas and focus on enabling vulnerable families to be able to increase the family income.