

Budget 2010 – Raise taxes or cut benefits?

In view of the fact that government's revenues have declined because of the economic crisis, resulting in an increase in the country's deficit, do you favour these measures? (%)

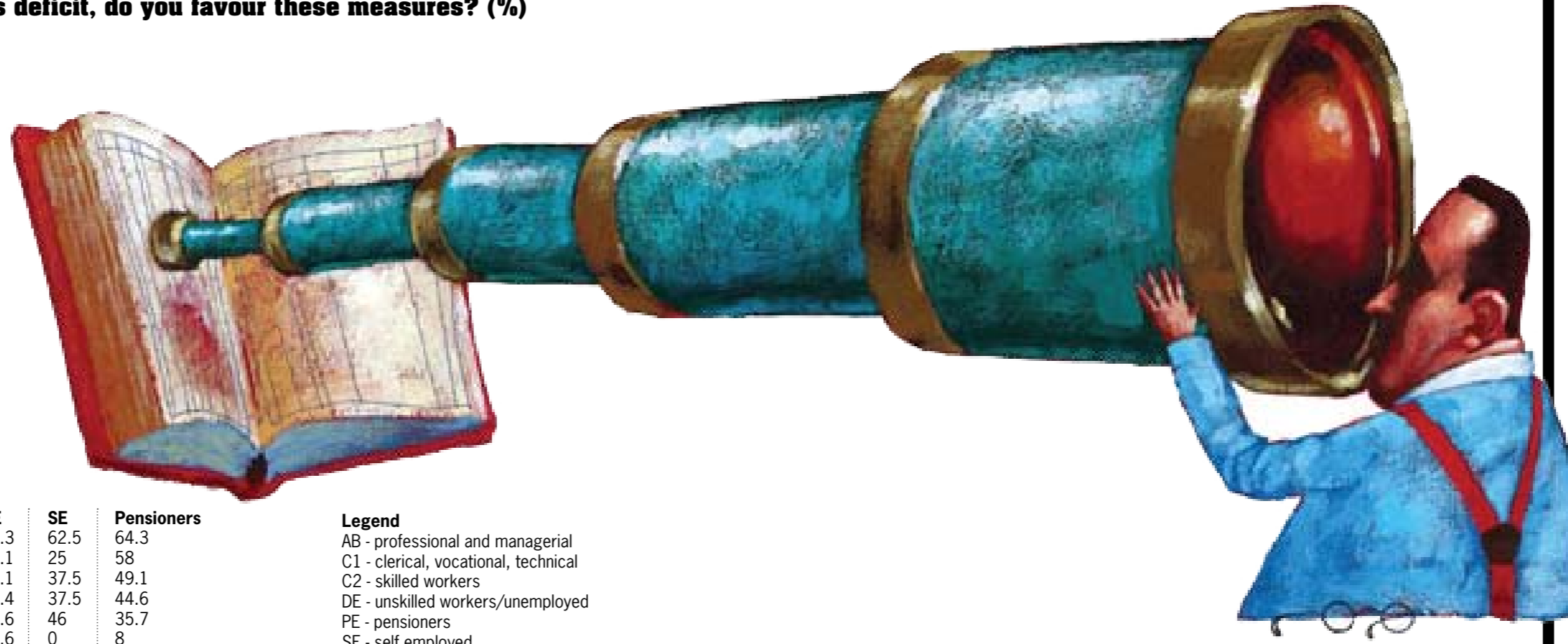
	Yes	No	Don't know
Decrease income tax rates	67.3	23.8	8.9
Increase income tax for those earning more than €35,000	55.6	28.1	16.3
Tax properties kept vacant for more than a year	47.3	35.9	16.4
Introduce health charges for the well off	42.6	47.8	9.6
Decrease single parent benefits	35.8	50.9	13.2
Cut university stipends	7.4	86.7	5.9

Agreement with measures according to present voting intentions:

	PN	PL
Decrease income tax	52.5	74.5
Increase income tax for those earning more than €35,000	60	54.1
Tax properties kept vacant for more than a year	57.5	44.4
Introduce health charges for the well off	40	45.5
Decrease single parent benefits	62.5	27.3
Cut university stipends	4.1	5

Agreement with measures according to social class:

	AB	C1	C2	DE	SE	Pensioners	Legend
Decrease income tax rates	52	74	77.8	77.3	62.5	64.3	AB - professional and managerial
Increase income tax for those earning more than €35,000	60	56	59.3	59.1	25	58	C1 - clerical, vocational, technical
Tax properties kept vacant for more than a year	48	54	40	49.1	37.5	49.1	C2 - skilled workers
Introduce health charges for the well off	40	40	48.1	45.4	37.5	44.6	DE - unskilled workers/unemployed
Decrease single parent benefits	40	44	25.9	13.6	46	35.7	PE - pensioners
Cut university stipends	12	6	7.4	13.6	0	8	SE - self employed



Women on the verge of popular disgruntlement

More favour cutting single mums' allowance than university stipends

Matthew Vella

MALTATODAY'S survey has revealed a telling feature of Maltese society (and perhaps of human nature in general) when it comes to our attitude to welfare.

Although the annual €8 million in welfare payments to single parents pales into insignificance when compared with the €21 million paid in post-secondary and university students' stipends, a whopping 36% would reduce the government's expenditure on single parents, but only 7% would do away with stipends.

So cutting university stipends emerges as the least popular of the measures proposed by the survey. This explains the strong political consensus surrounding this issue.

But we certainly cannot discount the bilious demonisation of single mums in modern, industrialised nations.

Portrayed as anonymous baby-mongers who sponge off our tax money, single mothers are easy targets. They are women first and foremost. And because the fathers of their children do not take responsibility for the child, they get unfairly depicted as being a notch below prostitutes.

That they have become the latest target of the Nationalist government, which seems to have taken a leaf out of right-wing loonies Azzjoni Nazzjonali, shows how economic crises always have their scapegoats.

The bare facts are that we have 3,650 single parent families with one or more dependent children – of these, a full 54% (a total of 5,450 persons) are at risk of poverty.

The maximum assistance is €363 a month (€4,357 yearly), increased by a further €32.60 a month for each additional child. If the mother pays rent, she gets an extra €4.64 a month.

If she is unemployed, she gets €12.48 added to her monthly social assistance and a bonus of €135 every six months.

If unmarried and living with her family, the single mum gets 75% of the maximum rate for beneficiaries. Single mums can do part-time work without losing their right to full assistance,

as long as total income does not exceed the national minimum wage of €138.90 a week. In other words, a single parent may earn up to €48.12 per week and still receive the full entitlement of Social Assistance.

On the other hand: there are 10,000 university students (and 3,000 at the Junior College) eligible to an €83 monthly stipend (from October to June), plus a yearly €465 grant and a one-time gift of €465. The stipend for particular degrees (sciences, IT, education, engineering) is €146 a month.

To parents of these mostly live-at-home and unemployed children, it is a total €21 million of pocket-money that is not being taken out of their pockets. It is a state subsidy for parents. Better to have your kids take the money, than an anonymous woman who should be out working rather than making kids, no?

Because other than that reason, the university stipend simply does not work. The European Commission's directorate on economic and financial affairs says Malta spends too much on univer-

sity students, without even getting enough university graduates in return. Their studies say Malta gets "far less efficient outcomes" because stipends are granted indiscriminately and not related to merit or success.

At 44% of present spending levels, the university would still have the same enrolment rates.

But it's examples like these that test the social bonds of welfare: the Maltese prefer to see their kids get paid for books, cigarettes and booze (and hopefully a degree for a better job), than aiding single mothers at risk of poverty.

Our survey shows the self-employed being the category most in favour of cutting down on single parents' assistance (46%) and the least in favour of cutting stipends (an anomalous zero per cent). For the most ideologically-devoid class, voting solely according to who taxes the lowest, the result is no surprise.



mt survey

James Debono

WITH government revenues down, income tax at 40% of its projected levels by end-July, and the pressure from Brussels to cut the deficit, the economic crisis has left government with little space for manoeuvre in its bid to get its act together for the next budget.

Judging by high support for tax cuts in MaltaToday's survey (which would further decrease government revenue) and low support for cuts on the social expenditure, the governments' options are further limited, in terms of popular demands.

Significantly, 67% of respondents in our latest survey would like the government to reduce income tax rates despite the prevailing economic situation. But despite favouring tax cuts in general, 56% would favour an increase in income tax af-

fecting those earning more than €35,000 a year.

Almost half (47%) of respondents would also favour the introduction of a new tax on properties kept vacant for more than a year. But 36% would oppose this measure, which would penalise property hoarders and encourage property owners to rent more properties.

On the other hand, the Maltese tend to oppose any cuts in social expenditure, with a majority opposing measures directed at cutting expenditure on welfare, stipends and health.

Of the three cost-cutting measures proposed in MaltaToday's survey, the one attracting the highest support was that of introducing charges in health-care for the well off. While 43% agreed with a degree of meanstesting in health services, 48% disagreed.

A matter of ideology?

Defying ideological stereotypes associating centre right parties with tax cuts, Nationalist Party supporters are more inclined to favour raising the tax rate for those earning more than €35,000, and to introduce a vacant property tax. PN voters are also more wary of tax cuts in the present economic situation.

On the other hand, 65% of PN favour cuts on benefits for single parents. Only 27% of Labour voters agree. But the ab-

solute majority in both parties supports the stipend system.

A question of class?

Surprisingly, the AB category – which includes professionals and managers, who generally pay more taxes than others – is

the least keen on tax cuts. Support for taxes on vacant properties is also higher among C1 respondents, who include workers in clerical, supervisory and vocational jobs.

On the other hand, working-class respondents are the least

keen on reducing benefits for single mothers. Among DEs, which include unskilled workers and recipients of welfare, only 14% agree with such cuts. On the other hand, 44% of C1s agree.

The self-employed (SE) are the most likely to favour a right-wing agenda of simultaneous tax and welfare cuts. While 63% of the self-employed favour tax cuts in general, only 25% favoured an increase of taxation for those earning more than €35,000. While the self-employed were the most likely to favour cuts in benefits for single parents, they were also the least likely to agree with means testing in health and with taxing vacant properties.

But none of the self-employed want to do away with the stipend system.

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Methodology:

The survey was conducted between Tuesday 29 September and Thursday 1 October. 438 respondents were chosen from the telephone directory. 300 accepted to be interviewed. The survey has a margin of error of +/-5.7%.



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Expressions of Interest

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The services comprise marketing campaigns, brand management, design, advertising, printing, production of audio-visual material, publications, and other related promotional matter.

Interested parties are invited to collect a copy of a Pre-Qualification Questionnaire from MIA Head Offices, against a fee of €50.

Closing date for the submission of the completed questionnaire is 11:00 hrs of November 13, 2009.

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