



I focus

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Budgetary logic

On the one hand, Budget 2023 follows a logic of relative stability, in the context of the various global crises through which Malta is navigating. On the other hand, the budget does not give sufficient importance to urgent matters which go beyond the short-term. Here, the budget follows a logic of electoral cycles.

In this budget, the Labour government is to provide a myriad of social initiatives so as to help assist both the various needs of particular groups, but also the immediate needs of the Maltese population in general, especially through energy and fuel subsidies. The sustainability of these measures could, however, be questioned, particularly as in relation to Malta's public debt and yearly deficits which no longer depend on windfalls from the sale of passports, and which are impacted by external factors such as Covid-19 and Russia's war on Ukraine. At the same time, it is very easy to criticise these measures from a position of relative privilege: For many people, the social measures and subsidies of this year's budget are a main reason as to why they are not in a crisis situation, as is being experienced by others in different countries around the world. Not to mention that such Keynesian investment can help fuel Malta's economic model.

Still, some elephants in the budgetary room keep growing. The housing issue, for example, is becoming ever-more problematic on so many fronts. On the one hand, both the buying and the renting of properties is becoming a distant dream for so many people. On the other hand, Malta has a relatively high home ownership rate, and we are becoming increasingly dependent on a treadmill of development: one where people from different social classes, besides the big business elites, make money from the property market - as in terms of



income generated from sales, rent, holiday letting, works, maintenance, administration and so forth. The longer that we take to realise that the dependency on the property market is nearing addition, the worse things may become in the future, particularly if the market of foreign cus-

tomers shrinks. Not to mention that our development model, which is so dependent on population growth through importation of workers, is leaving quite significant impacts as at various levels. In this situation, the Government is caught between the interests of property owners, and

those who cannot afford to buy or rent. Economic diversification does not seem to be given as much priority as the dishing out of permits for property development on Malta's limited land.

Then there is climate change. Here, the Government has promised various initiatives to help improve our environment and reduce emissions. But the basic fact is that Malta is mostly dependent on dirty energy in order to fuel various economic sectors, and has apparently not yet come to terms with the fact that we are a small island in the middle of the Mediterranean Sea. Our impact on climate change, in absolute terms, is close to insignificant, yet, paradoxically, we are likely to face disproportionate environmental threats to our economy and society as due to this global crisis.

In view of its overdetermining and plural impacts, climate change needs to be mainstreamed in all policy discourse, and not just treated as 'another' issue amongst many others. Maybe we are already too late for this, but if we are not, our procrastination does not seem to help. A climate pact is calling, but who's listening?



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