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## The deficit in flesh and blood

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The public finance deficit is not a vague figure. It is a main indicator of our wellbeing as a nation. For if it becomes unsustainable, it could result in a collapse of essential services and needs.

The forecasted deficit for 2021 reads 12.1%, while Malta's Minister for Finance Clyde Caruana is predicting that Malta will have the highest GDP growth in the EU during 2022. Government debt, which currently stands at 54.3% of GDP is predicted to go up to 66.5% in 2023 before decreasing.

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I have no reason to doubt Minister Caruana's methodology, particularly since he happens to be an expert in the field. However, I am sure that he would be the first to agree that there are many unknowns in the global situation characterised by Covid-19, as well as various other risks and opportunities, such as climate change. This does not mean that Malta should stand helpless and complacent at this situation. The government of Malta did well to introduce the wage supplement to assist workers but at the same time this put a lot of pressure on government finance.

In the coming weeks and months Malta will have to keep balancing opportunities and risks in the fields of economy, health, and social well-being. For example, the opening of our doors to tourism is both a major contributor to our economy and a possible source of further Covid infection.

In this regard, it is important that when we discuss the economy, we do keep in mind that this is not simply a question of abstract numbers, but that the economy sustains our families and households in our everyday life. There is no doubt that economic development considerations are important for social well-being

Saying that, however, we should not look at the economy in isolation, but give due consideration to the intersection of various factors such as the social, cultural, medical, environmental, and political matters. For example, from the political aspect, I believe that one factor that contributes to Malta's successful vaccination rates is that despite Malta's political antagonism, there is broad political consensus that vaccination is essential. Imagine the dissonance that would have developed in the country had a major political party adopted an anti-vaxx narrative.

open d, an unintended consequence of Covid-19 was that it showed us that despite our different  
movement, the opposition, and broad civil society have an important role to play both in

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does not mean that everyone should agree with the government's policies in all fields. In many instances, our judgement of government policies should be guided by their proper understanding, and not simply by partisan and sectarian opinions. For example, there are various views on Malta's sale of passports. Some say that this practice should be removed in principle; others agree with such a policy if it has proper safeguards and is not characterised by corrupt practice; others value its financial input to Malta's economy which helped the country cushion the Covid crisis; and then there are those who note the nuances of this policy, including the risk of becoming too dependent on it.

Some challenges on which I think we need to deliberate more deeply as a nation include how we can ensure that wage supplements and other financial assistance do not foster dependency at the expense of innovation and flexibility. At the same time, it must be ensured that the eventual withdrawal of wage supplements does not result in massive shocks among workers and businesses. We should consider the lessons learned from the Covid situation for example with regards to work practices, such as the various positive impacts and challenges of remote working.

In adopting economic and social measures we need to consider which policies can help achieve this, and what their possible consequences, whether intended or unintended, could be. These can include, for example, consequences on Malta's reputation, environmental impacts, and social integration - or the lack of it. Also, we need to use various indicators in addition to GDP to help measure such variables. Indicators can be both quantitative and qualitative in nature and require the input of various disciplines.

When I walk around my hometown of Sliema, I get a sense of eeriness noting that various shops have closed, but at the same time I feel hopeful when I notice new ones being designed and established. Along these lines, it is important that whilst our economic and social policies keep assisting people who are bearing the brunt of economic downturn amid the global pandemic, such policies also act as a trampoline which equips us, amid our diversities and through deliberation, to encounter the risks and opportunities ahead.

**Dr Michael Briguglio is a sociologist and senior lecturer at the University of Malta**

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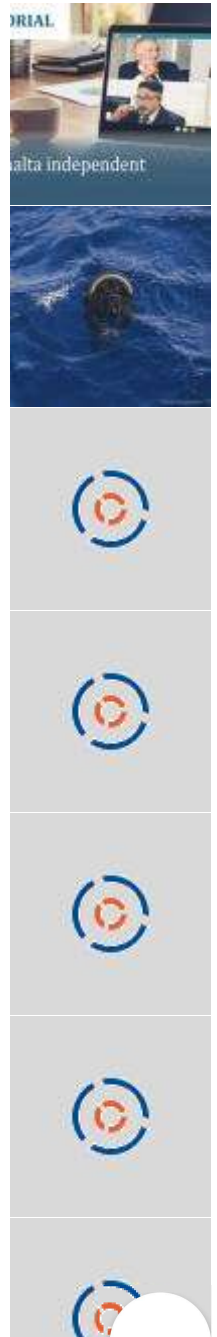
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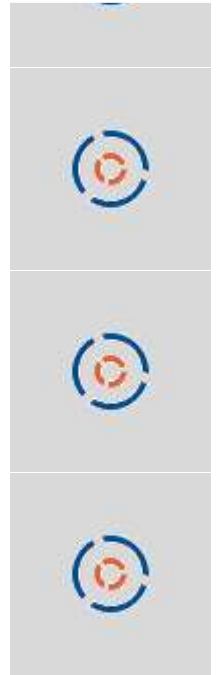
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