



Beyond economic theory in Hamrun



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Notwithstanding that economics is a normative theory, I always observed that anthropology is closely associated to it, and certainly economic theory shapes people's behaviour, lives, livelihoods, as well as their culture

Indeed, last week's article was not meant to outline the cultural differences that exist or rather coexist in the town of Hamrun. However, the article was meant to shed light on Malta's neoliberal economic model, the importation of labour supply from third countries, as well as the refugees living and working within the town's perimeter.

When I was studying for my postgraduate degree at the University of York in the UK, over a decade ago, experimental economics was quite topical, and eventually it evolved into behavioural economics. One of my favourite topics that is widely used by contemporary economists is nudge economics, which is also a branch of behavioural economics. The idea of the topic is to primarily attain positive results for specific policy decision-making, especially when it comes to direct expenditure to a particular targeted group. These kinds of policy tools go beyond mere accounting exercises and clearly their economic effects shape and influence people's behaviour including consumption patterns. When taking important economic decisions deep knowledge and understanding of anthro-

pology needs to be factored in to lessen social tensions. Undoubtedly, the appreciation of a country's culture, arts, natural capital and national heritage are a necessity when blending these components with economic policies. Certainly, the *raison d'être* of economic theory exists to aid policymakers when taking important decisions. However, such decisions must be taken in the best interest of the collective and not of the individual, especially in a society with limited land and finite resources.

Indeed, economic theory and modelling is crucial to use finite resources efficiently and in turn foster peaceful economic progress in a restricted territory. However, if in a limited territory policymakers decide that *laissez faire* economics is supreme and that the markets regulate on their own the cohesion and social fabric of a nation is lost. Also, if market failure is rewarded by sanctioning irregularities guided by the profit motive, the strengthening of the authori-

ties' management to take decisions and regulate economic misdeeds is moreover weakened.

Truly, Malta is in crossroads, and I believe that we must decide on the sustainability of our long-term economic model. Undoubtedly, I saw a lot of improvement in the past two years despite the economic effects of the pandemic. However, we ought to protect our own identity first to be able to progress culturally and economically beyond GDP numbers. Surely, in a limited territory like ours, it is not easy to strike a balance between the urban and the rural areas of Malta, especially if third country nationals are imported to service our economic model. The crux of the argument remains whether we are addressing the shortage of labour supply with the right policy tools. It remains to be seen whether labour productivity in some sectors can be improved. Also, we must take a stock and retrain the local idle labour supply to limit, as much as possible, the importation of

supplementary labour from third countries. The increase in labour productivity and the retraining of idle labour are partial tools that aid in reducing the need for additional importation of labour. However, increase in labour productivity must be accompanied by proper wages paid to employees that reflect the nature of employment, especially in the retail sector.

Notwithstanding that politically I am an advocate of liberalism, economically I pertain to another school of thought and I truly believe that economic models must induce positive externalities on society at large that go beyond GDP numbers, if we are to coexist with other cultures. Surely, behind the GDP figures there are several appalling stories of exploited labour and short-term economic gains do not necessarily reflect a better quality of life, especially for the citizens living in highly urbanised areas. When I lived in Brussels and had some free time at my disposal, I enjoyed wandering through different neighbourhoods; obviously not wearing business attire. Some areas around the perimeter of the Basilique were not pleasant, and some others like Molenbeek were even dodgy. However, I wanted to experience the different cultures in the different areas of Europe's capital, as much as a flaneur would do. Frankly, I saw some resemblance to Malta.

Brussels is quite small and several subcultures, mostly from third countries, are not integrated with the locals. When you talk to them, they explicitly tell you that they do not feel part of Belgium to the extent of feeling unwelcomed. Unlike Malta though, the advantage with Brussels is that Belgium is not an island, and the majority of third country nationals speak French because they were either colonised by France or Belgium. However, those that do not speak one of Belgium's official languages find it even more difficult to survive the public sector's bureaucracy. Indeed, many of them end up without social or legal support and protection. For them, the state is absent, and I hasten to add that Belgium is at times seen to have lost control over the unaccounted migrants and refugees living

and working precariously in Brussels.

For instance, in Malta we have a situation where some economic migrants do not even speak one of Malta's official languages properly. This is already a barrier to understand the Maltese culture. In my opinion, if we carry on importing labour unsustainably, without setting any targeted figures, we are risking losing our own culture and identity. To make matters worse, the mistakes committed by our former coloniser in South Asia, including the decades of divide and conquer servitude and the geographical splits of massive territories coupled by the cultural and religious divisions are resurfacing here in Malta. We need to be careful who and from where we are importing labour. We cannot have a situation where third country nationals that despise each other politically and culturally in their own territory, are imported here in Malta and expect them to coexist on our islands with our own nationals. That is not possible, and it would never happen. If the cultural differences of some third country nationals were never reconciled by their own political leaders, certainly they will not be resolved by our own politicians, when we have not even managed to reconcile our own political differences. Also, we must pay attention to the fact that some migrants are not even cognisant of our progressive laws including civil right laws and we are also risking the progress that we made in the past years.

Given the current global economic and energy turmoil, the unprecedented surge in inflation, the shrinking pockets and social tensions in Europe, Malta must take stock of the current situation and consider developing its labour risk taxonomy and factor in anthropology and economic theory before deciding to import supplementary third country nationals. And research outlining the cultural differences and understanding of the Maltese culture among migrants and refugees would be highly welcomed to be used as a benchmark for future economic policy decisions.

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