MODERN EMIGRATION FROM MALTA: A LIABILITY?

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Emigration featured prominently for more than a century as one solution to the demographic and economic problems of the Maltese Islands. Yet it was only after the end of World War II that Maltese governments encouraged, organised and even subsidised emigration. The policies on migration pursued since 1945 proved to be in part the cause, and in part they were themselves an effect, of the fairly rapid changes that took place in the Maltese Islands over the period.

In some important aspects, Malta of 1945 showed little difference from Malta of fifty years earlier. It was without a constitution, directly ruled from Westminster, while its primary means of livelihood and employment outlets continued to rely heavily on Britain's expenditure on military bases on the Islands. The prevailing way of life and security of employment had their roots in a century-old tradition.

Over the three decades that followed, however, the Maltese Islands experienced a rather radical break with their past. Politically, they became first independent and then free from foreign military bases; economically, they succeeded to a notable degree in transforming the production base from one geared to defence facilities to one directed for commercial use; socially, the attitudes of the Maltese have changed towards the family, factory work and female employment in manufacturing and tourism.

Any serious evaluation of the role of modern emigration from Malta has to analyze the movement within the constraints imposed by the underlying political, social and economic forces. In this paper, we limit ourselves to one important consideration of Maltese emigration: was emigration a liability for Malta in the sense that it merely induced a skill drain, and added a financial burden on local resources which could have been better employed in directly productive investment? Was emigration a factor which impeded economic development by creating 'supply gaps' in manpower? This 'liability tag' is common in studies on international emigration; it was popular in Malta in the nineteenth century and is still heard today.

In this paper we are limiting our arguments to what may be termed the 'indirect' contribution of emigration; we analyse the situation in terms of the population growth, the manpower and capital needs that emigration helped reduce. But no reference is made to the direct

positive contribution of emigration on income and wages through the avoidance of wage-wars in the labour market, and the capital-labour relationships in production which emerged as a result of the wage structure that developed. These positive contributions of emigration may be profitably discussed in a future paper.

The present study first submits a brief comment on the skill of Maltese emigrants and constructs the behavioural characteristics of the "representative" emigrant. The contribution of emigration towards population control, reduction of unemployment and the saving-up of capital resources is then evaluated. A comment on the possibility of a skill/brain drain in the eighties concludes the paper.

I EMIGRATION: GENERAL TRENDS AND SKILL COMPOSITION

Maltese emigration after the war is marked by three cycles, of ten years duration, with the peaks reached in 1954, 1964 and 1974 along a long-term declining trend with 11,447, 8,987, and 4,189 emigrants respectively. These three years of relatively heavy emigration fall during three particular periods in Malta's politico-economic history, namely, the unstable political situation of the early fifties with three general elections in four years and the absence of any comprehensive economic programme aimed at generating new employment on a large scale; the first run down from the U.K. Defence Establishments in 1962; and the realisation, in the seventies, that despite the expansion of output and employment in the sixties new jobs can be created at the desired rate only with difficulty. The 1974 peak preceded the emigration restrictions introduced by the countries receiving Maltese, especially Australia.

An estimated 140,150 emigrants registered with the Department of Emigration between 1946 and 1975. Of these less than one-half, about 46%, were gainfully occupied before leaving Malta, if housewives are excluded.[1] The proportion of skilled emigrants in the gainfully occupied migrant population may be observed in Table 1. The 'unskilled' category includes those emigrants who presently fall under the categories: Unskilled, Agriculture, Fishing, Personal Services (Manual), and Sales and Clerical. Under 'Skilled' category' are included emigrants

1. During the quinquennium 1975-79, the proportion of gainfully occupied emigrants fell to 36.4%. Careful interpretation of recent emigration statistics is imperative for reasons given in Section VI below.
It is useful to point out that data on Maltese emigrants who declared to be 'unemployed' before departure were first introduced in 1967. Between 1967 and 1976, only 704 male emigrants and 79 females declared themselves unemployed. If we account only for those emigrants who would be eligible to be represented in the labour force, the unemployed represented 5% of male, and 0.8% of female, migrants; that is 704 out of 13,425 males, and 79 out of 9,437 females.

classified as: Skilled, Semi-Skilled, Administrative, Supervisory and Personal, and Service (Non-Manual).

Table 1

Distribution of the Gainfully Occupied Emigrants by Skill (Percent) 1946 — 1979

Period	Skilled	Unskilled
1946 — 50	59.97	40.03
1951 — 54	48.36	51.64
1955 — 59	58.15	41.85
1960 — 64	58.16	41.84
1965 — 69	50.74	49.26
1970 — 74	48.57	51.43
1975 — 79	58.94	41.06

The proportion described as 'Skilled' in the official classification amounts to 35% of the total gainfully occupied emigrants over the period 1965 — 79; this was lower than the 42% obtained in the decade 1955 — 1964. These ratios suggest that the countries receiving Maltese emigrants, especially Australia, implemented a liberal immigration policy towards Malta by allowing a large number of dependents — wives and children amounted to about 64% — and unskilled workers; such a policy has now been suspended. Contrary to international migration flows, Maltese emigration cannot be considered unduly skill selective.

II BEHAVIOURAL PATTERN OF MALTESE EMIGRANTS

The main behavioural characteristics of Maltese emigrants may be elicited from the few studies carried out by academics since 1959. These case studies refer to the aspirations and achievements of Maltese emigrants in London[2] and Australia;[3] experiences of Maltese emigrants as recorded by their relatives in Malta,[4] and the motivations and activities of return emigrants.[5] The observations made by the authors of

2. Edward Zammit, 'The Economic Orientation of Maltese in London: Work, Money and Social Status'. *Economic and Social Studies* III (1974), Malta, University of Malta, pp. 17-39.
   Geoff Dench, *Maltese in London* (Routledge and Kegan Paul, 1975).
3. Joe Inguanez, 'The Maltese in a Melbourne Suburb: A Case Study'. Paper presented at a Conference on the Design and Analysis of Current Social Science Research in the Central Mediterranean, University of Malta, April 1978.
4. R. Cirillo, *Social Aspects of Maltese Migration*, (Malta, The Royal University of Malta, 1959) stencilled report.
5. Russell King, *The Maltese Migration Cycle: Perspectives on Return* (Oxford, Oxford Polytechnic Discussion Papers in Geography, No. 13, 1980). *Idem.* "Postwar Migration Policies in Malta with special reference to return migration", Paper presented at the IGB Population Geography Study Group Conference on Population Policies. Durham 1978.

these studies may be synthesised and an impression of the 'representative' Maltese emigrant thus derived.

The Maltese emigrant adapts himself to the new way of life in the country of adoption.[6] He is a fairly steady employee, happy about his work and income.[7] However, his education, particularly his technical training, often falls short of the requirements expected in the country of adoption. Yet the Maltese emigrant seems to be better off than other migrants in terms of the industries he works in, at least in the London area.[8]

But adaptation does not imply assimilation. In fact, the Maltese emigrant generally fails to assimilate with the community of adoption. Moreover, he generally lacks entrepreneurial initiative. He may be a steady worker but not a promising entrepreneur. In addition, although the migrant is occupationally mobile, the occupational distribution of Maltese workers abroad bears a striking similarity with the distribution of their occupations in Malta prior to emigration. In the case of London Maltese, the larger proportion of workers remained in their respective work category in Britain.[9] The age of the migrant and the length of his stay abroad are important factors for employment and, consequently, for earnings. Most young Maltese in London, for example, work in unskilled occupations; but as they grow older they acquire better jobs.[10]

The Maltese emigrant evaluates his ranking in society through his financial achievement. On account of his superior income abroad the emigrant is convinced that he had registered a significant progress along the social scale. However, if the emigrant were to be assessed according to objective criteria, such as educational and cultural characteristics, few Maltese would be placed above the lower social position.[11]

The Maltese emigrant often cuts himself off from other communities and as a result he fails to participate in the life of the country of adoption. Such behaviour even precludes him from embarking on big business enterprises for which other emigrants are noted.[12] Indeed those emigrants who intend to return to Malta show very little interest in improving their skills let alone in setting business ventures.[13] The failure to assimilate adequately is the outcome of several factors including an insufficient command of spoken English,[14] ignorance of the

6. R. Cirillo, *op. cit.*, p. 4.
7. J. Inguanez, *op. cit.*
8. G. Dench, *op. cit.*, p. 40.
9. E. Zammit, *op. cit.* pp. 18 and 19.
10. *Ibid.*, p. 22.
G. Dench, *op. cit.*. p. 39.
11. E. Zammit, 'Economic Orientation of Maltese in London', p. 38. R. King, *The Maltese Migration Cycle*, pp. 42 to 48.
12. R. Cirillo, *op. cit.*, p. 6.
13. R. King, 'Postwar Migration Policies', p. 26.
14. R. Cirillo, *op. cit.* p. 6. J. Inguanez, *op. cit.*, p. 10. But see R. King, *The Maltese Migration Cycle*, p. 40.

traditions and the customs of the adopted countries; and the absence of social organisations. Maltese lack clubs and social centres;[15] with a few exceptions they have no publications of their own. The Maltese emigrant hardly joins any social institution; he is generally not interested in politics and, if interested in sports, he is really more keen on betting. However, the outlook of the young, second generation emigrants is changing fast, for the better.[16]

Paradoxically, Maltese migrants do not find it difficult to intermarry but intermarriages were not uncommon in Malta where Maltese girls married British servicemen. And, the more the young Maltese male integrates within the social structure of the country of adoption, the more 'Maltese' and conservative he becomes, especially in terms of managing his income. The profligate spender turns into the ardent saver.[17]

The primary motive of the emigrant who intends returning to Malta is to save enough in order to be able to retire without being compelled to take a regular job.[18] A gain in social prestige and a reward through an easy life for the hard work undertaken abroad rather than active life as an entrepreneur is the desired life pattern of returnees. Savings are either spent on the construction of a comfortable home or deposited in banks, very often abroad.[19] When they invest at all, returnees sink part of their savings in small one-man businesses such as car-repair or carpentry.

The feature that emerges from this impression of the 'typical' Maltese emigrant, which is relevant to the issue we are considering, is that the Maltese migrant is a steady worker but not an enterpreneur. He needs somebody to inspire him and to coordinate his activities. It is precisely this entrepreneurial quality that was essential for economic diversification and growth in postwar Malta; this point is further developed in Section IV below.

III MIGRATION AND POPULATION CONTROL

The primary impact of the massive emigration of the postwar years fell on the size of the population. The fears of an imminent population explosion expressed by many in Malta in the immediate postwar years did not materialise mainly because of large-scale emigration. To appreciate the contribution of migration to the containment

15. This is not the case in Canada. George Bonavia, *Maltese in Canada,* (Canada, Multiculturism Directorate, Department of the Secretary of State, 1980).
16. J. Inguanez, *op. cit.*
17. E. Zammit, *op. cit.*, p. 36.
18. One in every three emigrants may be expected to resettle in Malta. See E.P. Delia, 'Return Migration to the Maltese Islands in the Postwar Years', *Hyphen* III, No. 1 (1981), pp. 1-8.
19. Russell King (1978), 'Postwar Migration Policies', p. 28. *Idem,* (1980) *The Maltese Migration Cycle,* pp. 62, 63.

of a population "boom", it is necessary to refer to the embedded demographic factors that conditioned the growth of the Maltese population in the past and to the slow, but conspicuous, changes induced in these factors that emerged in the past thirty years.

The population of the Maltese Island increased from 114,499 in 1842, the first census year, to 184,742 in 1901 and 241,621 in 1931. By 1948 the population was 305,991. This means that the Maltese population increased by 1,171 persons per annum during the sixty years between 1842 and 1901; by 1896 persons yearly for the thirty years up to 1931; and by an annual average of 3,576 persons for the eighteen years preceding the 1948 census.

The pattern of population change described was the outcome of a series of socio-demographic factors, namely, the persistance of early marriage throughout the period; a relatively stable and high birth rate for the century 1850 — 1950; a declining death rate in this century following the improvement of sanitary and medical facilities; and a migration movement that responded to the economic and political conditions throughout the Mediterranean region and, increasingly more so in the inter-war years, to the demand for labour in North America and Australia. With the exception of the death rate and return migration, the demographic factors that determine the rate of growth and the age structure of the Maltese population remained unaltered for a century until the 1940s.

Thus, the marriage rate, defined as the number of marriages per thousand population, which had averaged 6.8 per thousand in the second half of the nineteenth century, remained 6.0 per thousand in the postwar years except for 1945 — 48 when it averaged 13.9 per thousand. Marriage before reaching twenty-one years also remained common: 26% of females and 4% of males in the late nineteen forties compared to 29.2% of females and 7.5% of males in the late eighteen hundred.[20]

The birth rate averaged 35 per thousand population annually over the second half of the nineteenth century, while the death rate was 26 per thousand. These trends yielded a rate of natural increase of about 0.9% yearly.[21] In the first five years after the war, 1946 — 50, the mean birth rate was 36 per thousand, but the death rate had fallen to 12 per thousand, giving a rate of natural increase of 2.4% per annum.

Of course, the rate of natural increase is not identical with the rate of population growth. Population changes depend also on migration. The indigeneous population increases, remains constant or declines as net migration is greater than, equal to, or less than the natural increase. It is estimated that between 1842 and 1890 about 63,500 Maltese emig-

20. Charles A. Price, *Malta and the Maltese: A Study in 19th Century Migration*, (Melbourne, Georgian House, 1954), Appendix B, Sections 18 and 19.
21. *Ibid.*, pp. 227 and 228.

rated but 50,600 of them returned.[22] This meant that the high rate of return migration over the period virtually neutralised the contribution that emigration could have made to checking the growth of Maltese population especially during a period when the rate of natural increase was relatively low.

A similar situation emerged in the difficult economic times of the 1930s and during the War. Emigration from Malta declined until it stopped completely with the beginning of war hostilities. Notwithstanding the war casualties, the Maltese population kept growing as a result of the dual push of a positive natural increase and zero emigration.

The high population density recorded in 1948, 969.6 per Km. sq., seemed destined to increase even further in the following years unless it was effectively checked by policies aimed at reducing population in the immediate future and at controlling population expansion in the long run through changes in social attitudes towards family size and the wider acceptance of family planning. The Malta government, elected under the 1947 constitution, opted to promote and finance large scale emigration in an attempt to contain population growth and possibly reduce the Maltese population to a quarter of a million. But it made no deliberate effort to modify the persisting social attitudes towards age at marriage, family size or birth control. Any interference with the formation of a family would have been opposed by the Catholic Church Authorities in Malta. The Maltese clergy had consistently argued that the decision to marry and plan one's family was the responsibility of the couple; any interference, beyond advice, was unacceptable to the Catholic Church.[23] Consequently, social attitudes had to be modified from below rather than imposed from above.

If emigration were to successfully contain population growth it had to result in a high level of settlement abroad. The high proportion of returnees registered in the nineteenth century or in the inter-war period was not to be repeated.[24] For this reason family emigration was advocated as the best means of population control. Family migration made settlement abroad possible through the moral support that one member got from the others. But such a policy was more expensive than one limited to unmarried males, and it could lead to distortions in the future age structure of the population.

The longer term objective of a non-coerced reduction in the size

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22. *Ibid.*, p. 221. Returnees amounted to 80% of total emigrants.
23. This view was adamantly professed way back in the 19th century when the British government suggested that the Maltese clergy should encourage young men and women to postpone marriage. See C.A. Price, op. *cit.*, *pp.* 32 and 185.
24. During the three years of relatively heavy transoceanic migration, 1918-21, 5,444 Maltese emigrants returned out of a total of 11,187. This meant a loss of 64% within a short time.

of the family was apparently achieved by 1967. Maltese families were getting smaller. The mean family size fell from 7.7 for women married before 1900 to 1.72 for those who married in 1964. Of course, the family of the women who married in 1964 would be incomplete by 1967, the year of the census. But the declining trend in the number of children per complete family can be observed throughout all age brackets.[25]

Further evidence on declining family size is obtained from the falling trend in fertility rates over the postwar period for married women aged 15 — 44; the rate fell from 314.5 per thousand in 1948 to 154 per thousand in 1967.

Moreover the rate of natural increase fell from an annual 2.4% in 1945 to a low 0.6% in 1969; it is presently about 0.9%. The decline in the rate of natural increase was primarily the result of a fall in the birth rate which from 38.4 per thousand fell to a low 15.8 per thousand in 1969 rising again to 19 per thousand in the mid-seventies. The death rate was reduced from 14 per thousand in 1945 to an average 9.5 per thousand.

But the incidence of early marriages has remained high. Indeed, the sixties registered an increase in marriage of persons under 21 years whereas in the fifties about 24% of females and 3% of males married before twenty one, in the sixties the average was 39% for females and 10% for males. About 70% of the brides and 47% of the bridegrooms are younger than 24 years.

So any change in the social attitudes towards the family did not influence the established custom of early marriages. Rather they were related to the number of births per family. And, therefore, independent of any contribution made by other factors, such as migration, the growth of the Maltese population would have slowed down as a result of a modified outlook on family formation and the upbringing of children.[26] But the population would have increased fairly rapidly just the same.

In fact, if the same natural rate of population increase would have prevailed in the absence of any migration, the Maltese population would have been 425,000 by 1976. Of course, such a hypothetical statistic should be carefully interpreted for it implies a population density of 1,346 per Km. sq. It can be argued that the Maltese Islands would not have sustained such a large population. Food and water would be scarce; unemployment would be high, as shall be illustrated further below; and so would poverty. Under such conditions, the mortality rate, especially infant mortality, would have been higher than

25. *Annual Abstract of Statistics* (Malta, Central Office of Statistics), 1972, Table 15, p. 35.

26. See Sybil O'Reilly Mizzi, 'The Changing Status of Women in Malta', in Mario Vassallo, editor, *Contributions to Mediterranean Studies* (Malta, Malta University Press, 1977) pp. 253-263.

those attained.[27] And the suggested estimate would not have been obtained.

Any projection of the Maltese population based on the assumption of zero migration would reflect a wild guess. For it would have to account for such factors as the expected standard of life in Malta, the financial resources that Malta could earn from abroad in order to feed its people, and the distribution of real income on the Islands. A population estimate would in turn depend on the values allotted to such parameters. However, there is no need to undertake such an intricate exercise. A simple population projection based solely on the rate of natural increase obtained during the postwar years, P(O), is a useful device for identifying the relative contribution of Maltese migration towards the control of population over the period. Such a comparison is restricted to the efforts of migration on the population stock and does not account for the equally important issue of changes in population structure. The estimated projections of the Maltese population, P(O); population less emigration, P(E); and actual population, P(A); are presented in Table 2.

Table 2

Maltese Population, by selected years

Year	P(O)	dP(O)	P(E)	dP(E)	P(A)	dP(A)
1945	285284		285284		285284	
1955	351170	+65886	292402	+7118	313955	+28671
1965	399151	+49981	298050	+5648	316440	+2485
1975	423991	+24840	293577	−4473	319885	+3445

The hypothetical increase in population of 138,707 given under P(O) over the period 1945 — 1975 is reduced through emigration to only 8,293. However, P(A) increased by an estimated 34,601 as a result of returned migrants.

P(A) is based on the data for passenger movements; it includes those Maltese who emigrate but who are not officially registered as emigrants, and also those emigrants who return to Malta after two years of departure and who, up to 1974, used to be omitted from data on migrant returnees. P(A), compared to P(E), gives an indication of the offsetting effects that return migration can produce on a policy aimed at controlling population. This writer has demonstrated that the rate of emigration loss in the postwar period has been between a quarter and a third of the registered emigration flow.[28] Such a loss is much lower than the 80% and 46% obtained for the 19th Century and the early inter-war years. But it points at the fact that the propensity of Maltese

27. The infant mortality rate fell from 144 per thousand of live births in 1945 to 19 per thousand in 1976. Infants are the first to suffer from malnutrition and unhealthy surroundings.
28. E.P. Delia, "Return Migration to the Maltese Islands".

emigrants to resettle for good in Malta and Gozo is still relatively high and has to be accounted for in any policy on population.

In summary, the average size of the complete family in Malta fell since the war. The factor marks a positive step towards the containment of population growth, but, alone, it would have been inadequate and too slow to check population expansion at the desired rate. The main offsetting factor to population increase was net emigration, which resulted in a settlement rate abroad of about 70% of the registered emigrants; these numbered 140,000 for the three decades 1945 — 1975. This drastic curtailment of population represents one positive contribution of Maltese emigration.

IV MIGRATION AND UNEMPLOYMENT

Just as it is arbitrary estimating the size of Maltese population under the assumption of zero migration, so it is hard speculating on the employment situation in Malta if the large scale emigration after the war did not take place. Malta was a fortress economy and a colony. The private, profit-motivated sector was fragmented into small units of production directed towards the satisfaction of domestic demand for goods and services. It could not be expected to act as a catalyst for economic expansion and the creation of new employment on a large scale. Moreover, it had no incentive to expand unless the primary expenditure — the funds spent on consumption and investment by the British and Maltese governments — increased. Besides, the absence of a sector of export-oriented industries of any significance impeded the possibility of economic growth that was not internally generated.

Massive unemployment would have resulted under such conditions. Such a situation would have induced social and political unrest, but it would have left the unemployment problem unresolved.[29] The contribution of migration to raising unemployment may be gauged from a comparison of the cumulative number of emigrants seeking employment with the economy's ability to generate new employment. Consider the decade before the first development plan. 20,560 *male* emigrants aged 15 to 40 left the Maltese Islands between 1951 and 1959. Assuming an emigration loss of one third, we are left with 13,700 men of working age who settled abroad over the fifties. At the end of 1959 there were 2,135 men registering for work. So with zero migration, about 15,800 men, representing 17.9% of the total male labour force in 1959, would have been in search of work.

The first development plan aimed to create 5,000 new jobs by 1964. But it succeeded in generating only 1,760. With zero emigration the projected target of 5,000 would have looked grossly inadequate. And a different political and economic strategy would have been needed

29. This is exactly what happened in 1958. Social unrest led to an eventual revocation of the constitution but solved nothing else!

changing the future course of Malta's role in international politics and in the international division of production.[30] Net emigration, as officially defined, in any one year during the decade 1950 — 1959 reduced the demand for new jobs by the equivalent of the total net addition to the gainfully occupied population over the first five years of economic planning.

If we consider the period 1951 — 1976, the results become even more striking. Male emigrants aged 15 to 29, who therefore would have formed part of the labour force throughout the entire period analysed, numbered 39,740. Again assuming an emigration loss of one third, we obtain an estimated 26,000 Maltese male settlers abroad. Providing employment for an *additional* 26,000 men would have been an impossible task not only because experience has shown that it could not be achieved, but mainly because employment in the new industries oriented towards foreign markets was biased towards female employment. Even if the total net employment generated for female workers — about 15,000 jobs — were to be allocated to male workers, a further 11,000 jobs would still have been required.[31] If the female participation rate were to increase, as it had actually done; and if account is also taken of the migrants younger than 14 years who would have reached working age during the period, then the number of new jobs needed would have been much greater.

By the mid-seventies, male unemployment could have reached a level as high as 27% of the male labour force. If the members of the Pioneer Corps[32] were to be considered as potentially unemployed, then male unemployment would have been around 30%. This hypothetical unemployment rate could in fact be an underestimate for the Maltese economy could undergo the transformation process it experienced since 1959 only because the pressure on successive administrations to generate new employment was drastically reduced through migration, the social unrest that was avoided created an environment of relative political and labour market stability which helped attract foreign investment. If private foreign investment were not forthcoming, the rates attained in

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30. One political argument in the debate on Maltese emigration expressed the view that the British government encouraged emigration in order to shirk off its responsibilities towards the Maltese. There may be some truth in such a proposition; yet the primary obstacle to Malta's development was not so much financial and technical aid but, rather, the small size of the domestic market and, consequently, the heavy reliance on export markets as a drive to economic development. Aid was a necessary but **not a sufficient condition** for a successful transformation of the Maltese economy and the inducement of new employment at a rate needed to absorb the growing labour supply.
31. This implies a strong discrimination against females; it also assumes that male workers would have been prepared to take the jobs.
32. The 'Pioneer Corps' were first set up in 1973 to engage, on a temporary basis, the unemployed. Under one name or another, these corps are still in existence in 1982.

economic expansion and the concomitant employment opportunities would have been lower than those actually achieved.

By no stretch of the imagination can it be assumed that a fall in wages in the private sector could have generated employment to any but a minor fraction of the emigrants. Additional employment would not have arisen simply because the incentive to expand production did not exist, and the infrastructural facilities upon which economic expansion on a large scale so critically depended were grossly inadequate. Employment in the non-profit-making sectors — the U.K. Defence Establishments and the Malta Government — would have expanded, while underemployment in certain sectors, such as agriculture or retailing, would have grown and the continuation of traditional production techniques extended unnecessarily to the detriment of future economic diversification and growth. Such measures would have merely served to postpone rather than do away with the production changes that had to be introduced if Malta were to terminate its 'fortress role'.

Emigration facilitated the diversification of human and capital resources in a manner that was conducive to long run growth in income and output. For example, it made possible reductions in the agricultural labour force without impairing output; more capital-intensive, time saving machinery substituted labour in the performance of certain operations, such as ploughing. Labour mobility was made possible through the direct emigration of some of the surplus labour in the rural areas and through the emigration of non-agricultural workers from the Harbour Conurbtion which opened outlets of employment in tourism, industry and the services sectors for newcomers to the labour market coming from outside the Harbour Conurbation. Emigration must be regarded as a factor that induced and made possible intersectoral mobility of labour. The fear that it was the primary cause depleting the agricultural labour force turned out to be unfounded.[33]

Yet, a different view of emigration may be taken. It may be argued that employment opportunities and the output of goods and services would have been higher if emigration had not taken place or if emigration had been significantly lower. Smaller emigration would have meant increased demand for goods and services. It may also be maintained that migration could have slowed down the rate of economic diversification and growth by being selective of the young, the adaptable, the enterprising and the skilled workers. It therefore could be seen as a factor reducing the stock of human capital and the 'pool' of entrepreneurship, possibly creating a skill shortage, thereby stemming output growth and employment.

To the extent that such employment and output effects did materialise and were significant, then the employment rates estimated above tend to overstate the dimension of the employment problem and

33. R. Cirillo, *op. cit.*, p. 5.

emigration would not have been the efficient solution, both in the short and in the long run, that it appears to have been. However, for various reasons it is highly unlikely that Maltese emigration restricted economic development or affected adversely the supply of skills and entrepreneurship.

In order to evaluate the contribution that emigrants could have made to Malta's economic development we have to consider the migrants' skill characteristics before departure, their achievements abroad and the economic behaviour of those emigrants who resettle in Malta after having been exposed to technologically more advanced economies. Secondly, we have to account for the capital resources that would have been available for the emigrants had they remained in Malta. Human capital alone does not increase output; it needs to be complemented by physical capital. Since Maltese migration was voluntary, undertaken in what was considered the best interests of the migrant and his family, a worker would migrate if the means of production at his (her) disposal could only guarantee low income or long hours of work. Unemployment may stimulate emigration; but so do poor prospects for real income growth and unattractive conditions of work. In the rest of this section we consider the aptitudes of the emigrants before and after migration; an evaluation on the capital requirements issue is presented in Section V.

It is observed that, since the War, the number of self-employed has been gradually, but steadily, declining; wage-earners have increased.[34] The financial rewards were not sufficiently attractive for many self-employed; hence the shift towards wage employment. Such behaviour is economically rational and, in theory, should lead to a better utilisation of existing and of expanding resources. However, this kind of mobility needs to be carefully interpreted in the context of the labour market in Malta. In the past, wage employment was synonymous with job security as most of wage earners were employed with the British or Maltese government sectors. Self-employment meant the bearing of risks and continuous planning; wage employment in the fifties signified the relative absence of risk and freedom from 'production planning'.

The mentality of preferring the security of wage income to self-employment had prevailed among the majority of Maltese for more than a century.[35] The emigrants after the war where no exception; they were representative of the population. They would have been successfully employed *only* if the organisation for production, the provision of the complementary capital, and the markets for finished goods existed. In the absence of such organisation, the skill potential of the emigrants would have remained untapped.

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34. E.P. Delia, *Taxation: An Evaluation* (Malta, Chamber of Commerce et al., 1981). pp. 17 to 22. See also Table 4 below.
35. C.A. Price reviews the situation in the labour market in 19th century Malta. See *Malta and the Maltese*, pp. 22 to 26.

The skill content of the migrant population has already been observed to be relatively fairly low.[36] The similarities between the skill distribution of the emigrants in their countries of adoption and the gainfully occupied population in Malta may be identified in Tables 3 and 4.[37]

Table 3

The Distribution of the Gainfully Occupied Population and Emigrants by Skill for selected years (Percent)

Skill Category	Population census		Emigrants			
	1957	1967	1955-59	1960-64	1965-69	1970-74
I	16.6(a)	19.23	5.09	4.45	6.41	4.71
II	12.6(b)	12.40	9.63	8.25	8.46	12.76
III	12.9(c)	18.67	8.82	8.44	7.97	14.93
IV	42.7(d)	41.93(e)	48.89	50.91	40.87	35.51
V	10.3	7.77	6.55	8.33	6.29	3.15
VII	4.9	–	–	–	–	–
Total Gainfully occupied	94589	94367	9572	12301	9477	8471
Total Pop.	319580	315806				
Gainfully occupied as % of population or emigrants	29.6	29.9	41.26	46.20	43.00	50.11

Notes to Table 3

The Classification of Skills in the census data is as follows:

I Higher and Intermediate Administrative, Professional and Managerial
II Shop and Clerical workers
III Personal Services; Manual and Non-Manual
IV Skilled and Semi-Skilled Operatives
V Farmers and Fishermen
VI Unskilled
VII Miscellaneous

(a) Professional, Technical and Related; Managerial and Administrative
(b) Clerical and Related Occupations; Sales and Related Occupations
(c) Public and Personal Services
(d) Mining and Quarrying; Operating Transport Equipment; Crafts, Production Processes and Related Occupations
(e) Mining and Quarrying; Garment, textile and leather workers; electricians, printers, metalworkers, jewellers; Construction Workers; other Industrial Workers.
(f) Members of the Armed Forces and Not Specified.

Source: *Census of the Maltese Islands.* 1957 and 1967
Annual Abstract of Statistics, Section on Migration

36. Section 1 above.
37. See also R. King, *The Maltese Migration Cycle,* pp. 43 to 46, and E. Zammit, 'The Economic Orientation of Maltese in London'.

Table 3 compares the characteristics of the gainfully-occupied emigrants with the distribution of skills in Malta for census years 1957 and 1967. Table 4 compares the employment statuses of the gainfully-occupied Maltese in Malta and Australia as recorded in censuses held in the two countries after the war.

Table 4

The distribution of the gainfully occupied Maltese in Malta and Australia by employment status: Census Years

MALTA

Census		Emp.	O.A.W.	W.E.	U.H.	Total
1948	Male	892 (1.1)	23561 (29.9)	50995 (64.7)	3418 (4.3)	78866
	Female	56 (0.4)	5685 (40.4)	6891 (48.9)	1458 (10.3)	14090
	Total	948 (1.0)	29246 (31.5)	57886 (62.3)	4876 (5.2)	92956
1957(a)	Male	2062 (2.7)	15851 (20.9)	54729 (72.1)	2057 (2.7)	75940
	Female	114 (0.6)	5352 (28.7)	11113 (59.6)	1911 (10.3)	18649
	Total	2176 (2.3)	2203 (22.4)	65842 (69.6)	3968 (4.2)	94589
1967	Male	1508 (2.0)	14666 (19.9)	55611 (75.4)	1994 (2.7)	73779
	Female	87 (0.4)	1526 (21.9)	15187 (73.8)	788 (3.8)	20588
	Total	1595 (1.7)	19192 (20.3)	70798 (75.0)	2782 (3.0)	94367

Note: Emp. Employers O.A.W. Own-Account Workers
W.E. Wage Earners U.H . Unpaid Helpers

(a) There were 1241 Males (1.6), 159 Females (0.8) and 1400 persons (1.5) who did not specify their employment status in 1957.
Figures in parenthesis are percentages

AUSTRALIA

Census		Emp.	S.E.	W.E.	H.	Total
1947	Male	187 (8. 8)	556 (26.12)	1380 (64.82)	6 (0.28)	2129
	Female	4 (5.48)	23 (31.51)	46 (63.01)	0	73
	Total	191 (8.68)	579 (26.29)	1426 (64.76)	6 (0.72)	2202
1954	Male	276 (3.12)	637 (7.20)	1909 (89.45)	20 (0.23)	8842
	Female	17 (1.16)	113 (7.73)	1321 (80.36)	11 (0.75)	1462
	Total	293 (2.84)	750 (7.28)	9230 (89.58)	31 (0.3)	10304
1961	Male	308 (1.93)	852 (5.33)	14769 (92.43)	49 (0.31)	15976
	Female	30 (0.68)	185 (4.20)	4151 (94.30)	36 (0.82)	4402
	Total	338 (1.66)	1037 (5.09)	18918 (92.84)	85 (0.41)	20378
1966	Male	532 (2.18)	938 (3.85)	22832 (93.70)	66 (0.27)	24368
	Female	60 (0.71)	109 (1.29)	8157 (95.84)	97 (1.15)	8423
	Total	592 (1.81)	1047 (3.19)	30989 (94.51)	163 (0.49)	32791

Note: Emp. = Employer S.E. = Self-Employed
W.E. = Wage earner H. = Helper

Sources: (i) Census of the Maltese Islands, 1948, 1957, 1967. Volume on Population (1957, 1967)

Sources: (ii) Censuses of Australia 1947 — 1966 Volume on Population. Table on Sex, Birthplace and Occupational Status of Population

Two important observations emerge in Table 3. First, despite the fact that the proportion of gainfully occupied emigrants in the migrant population was higher than the national average, emigration did not affect adversely the dependency ratio between 1957 and 1967, nor the relative distribution of work categories. Secondly, skilled and semi-skilled workers were 'overrepresented' in the emigration flow until 1961, while the workers in the first three categories were underrepresented.[38] This fact has led to the claim that the overrepresentation of skilled labour in the migration flow was detrimental to economic development in Malta.[39]

In principle, loss in the pool of skills in an economy can be generally considered harmful for development. However, the relative importance of any skill category for development depends upon the path followed by the economic diversification process and upon the quantity of skills available. For example, the classification in Table 3 covers two categories of administrative and managerial skills. In 1957, it refers to employees with Government, the U.K. Defence Departments, and in firms catering for the local market. In 1967, however, the same nomenclature includes another category of managerial staff, namely those employed in export-oriented manufacturing firms and in tourism. The aptitudes, trading experience and vision of managers in the Civil Service are different from those of managers supplying goods in markets geared to world-wide competition in price, quality and delivery. It was in such expertise — the management of industries producing for export — that Malta was lacking. Top managerial staff in the new industries that boosted output and created a demand for labour were generally expatriate; for all practical purposes, these skills were non-existent among Maltese. So, although skills are indispensable for economic growth, they have to be related, or adapted, to the demand for them.

The distribution of employment by status (Table 4), highlights the shift towards wage employment. The number of employers increased, but the change was relatively small. The Australian data indicate that postwar Maltese emigrants were almost exclusively wage earners. In 1947, male wage earners amounted to 64.8% of the employed Maltese in Australia; by coincidence, the ratio was identical with that for Malta.

But by 1966, male wage earners represented 93.7% of the Maltese at work in Australia compared to 75.4% in Malta. This difference

38. Russell King in 'Postwar Migration Policies', points out that "amongst the non-migrant population interviewed, possession of a reasonable job (45% had skilled or professional posts) was the main reason for justifying staying. Possession of land or house property was much higher among the non-migrant group; this has an obvious tying effect". (p. 23). King's observation and the data in Table 3 suggest that high wage earners in Malta showed a lower propensity to emigrate than low wage earners.
39. Thomas Balogh and Dudley Seers, *Economic Problems of Malta* (Malta, Government Printing Office, 1955) p. vi.

emerged as a result of the relative importance of self-employment in the two economies; 3.85% in Australia and 19.9% in Malta.

Table 4 could be interpreted to suggest that emigration must have had a comparatively insignificant effect on the pool of local entrepreneurship. As it is observed in Section II above, the Maltese emigrants were steady workers but not entreprenuers. This behaviour is recorded for Australia, and it reflected the situation in Malta of the fifties. In so far as migrants would not have changed their attitudes towards risk and work had they remained in Malta — and there is no reason whatsoever to assume that such a change would have materialised — emigration cannot be considered to have been detrimental for growth in the two decades after the war.

Moreover, skills required in certain sectors, such as construction, though essential for the development of infrastructural facilities, may be only in demand for a short time. After a period of brisk activity, redundancies could be expected to follow unless retraining programmes are undertaken. In an economy undergoing a radical change in its production base, certain skills do not command a market, or are in demand for a short while only.

Employment, however, has to be regenerated continuously. The setting up of new industries in Malta which required new skills generated a demand for labour that was 'biased' towards *female* employment. Between 1950 and 1975, out of a net employment increase of 31,000, female workers obtained 14,467 jobs. Surely emigration did not hinder the formation of female-oriented employment outlets; the demand for female labour tapped a source that was grossly underutilised and one that was the least susceptible to emigration.

Not even at the return stage do Maltese emigrants assume entrepreneurial responsibilities to any great extent. As observed in Section II, returnees are not inclined to risk their savings. Whenever they invest, they usually go for small one man businesses which cannot be expected to generate employment on a scale adequate to absorb the newcomers on the labour market. This conclusion may sound highly speculative. Yet the results of the research on this subject by Russell King, limited in coverage though it may be, suggests that not even on return can Maltese emigrants be expected to contribute to incremental output and new employment except in the capacity of wage earners.

To sum up, emigration reduced the demand for *male* employment by at least 26,000 between 1951 and 1976, if account is taken only of male emigrants between 15 and 29 years; the actual demand for total employment, by males and females, would evidently have been higher. The Maltese economy was not in a position to absorb such a high number of unemployed. Emigration did not 'drain' Malta of its 'entreprenuerial' skills. Maltese emigrants turned out to be steady workers but not risk-takers even in their countries of adoption; they demonstrated these same

patterns of behaviour on resettling in Malta. Administrative skills were in short supply, or even non-existent; these manpower shortages, so critically necessary for export-oriented production, were made good by the pursuit of an active policy which attracted foreign investment and expertise.

V MIGRATION AND CAPITAL REQUIREMENTS

Additional employment would have generated the need for more capital. Any estimate of the additional capital requirement in the absence of emigration is bound to be conjectural in the sense that by deriving estimates from the available statistical information, the researcher is evaluating the capital needs as these emerge from the economic process that actually took place. Several estimates of capital needs can be made by assuming different paths of economic and political development.

The First Development Plan projected capital needs on the assumption of a capital-output ratio of 2:1.[40] Apparently this ratio continued to be the operative base for capital needs in the economic plans that followed. The ratio referred to investment in the private sector and did not account for the capital-output relationships for the economy as a whole.

Our estimates on capital requirement are based on the average capital-per-man as set in the development plans. The analysis therefore is critically dependent upon this basic assumption. Despite limitations, such cost estimates may be used to evaluate the contribution of emigration to capital needs if the same capital-per-man were to be maintained; or to obtain an estimate of the change in capital-per-job if a fi-

Table 5

Unqualified Estimates of Capital Requirement with zero migration

Development Plan	Estimated Number of Employable Emigrants	Projected Emigration	Cost per Job (M)	Total Capital for Emigrants (£M mill)	Projected Capital (£M mill)	Estimated New Jobs
1959-1964	10,000	24000	2000	20	10	5000
1964-1969	16.000	37500	4286	70.3	17.5	4000
1969-1974	5,400	12500	4600	24.8	25.4	5500
1973-1980	7,000	16500	4637	32.9	57.5	12400

Note:

i) Column 3 = Column 5 /6.

ii) Data on Projected Capital and Estimated New Jobs derived from the respective Development Programmes.

40. *First Development Plan for Malta 1959-1964* (Malta, Government Printing Office. 1959) p. 6.

nancial constraint were introduced. The unqualified estimates of additional capital with zero male migration, at the cost-per-new job as laid down in the Plans, are submitted in Table 5.

An additional £M148 million (Col. 4) would have been required to employ 38,000 migrants; this outlay should be compared to the £M110.4 million (Col. 5) allocated to generate employment for 26,900 workers.

Such estimates, however, need to be qualified. The value of capital requirement is based on the assumption that every additional employment demands a constant amount of capital; this implies a capital-widening solution to unemployment. However, capital needs vary from a high in the ship-repair industry, for example, to zero for certain personal services. Therefore if it is assumed that for every new job in manufacturing and tourism another is created in the ancillary services, the need for additional directly productive capital would be approximately halved; between 1959 and 1980 about £M74 million would have had to be invested.[41]

Although we are referring to capital needs, we are abstaining from identifying the form such capital should take. We are therefore implicity assuming that the motivation to invest existed and that capital constraints would not limit plans for economic expansion. Capital supply was not unlimited in Malta, but it was fairly elastic. The main limitation on expansion of the industrial and services sectors was the identification of markets abroad and the production set-up geared to supply efficiently and competitively the identified commodities. The above estimates do not account for the incremental investment in social capital stock and in the provision of essential services, especially the supply of adequate housing and water to satisfy the demand of a large population. The estimated £M74 million refer solely to directly productive investment.

An alternative estimate for capital requirement was made by F. Camilleri.[42] He suggests that only £M11.7 million would have been required to employ an estimated 50,000 unemployed if the 1971 capital-labour ratio and output per worker were to be maintained. He explains.

> The amount of increase in gross domestic fixed investment needed to employ the additional 49,900 in order to maintain the capital-labour ratio and output per worker ratio would have been an additional £M11,676,000 or 11 per cent of gross national output in 1971. To maintain the 1960 capital-labour ratio and output per worker ratio would have required £M4,990,000 additional capital or 11 per cent of GNP in 1960 (Chapter 4, page XII)

Surely, the investment outlay suggested by Mr. Camilleri could have readily been undertaken! Five million pounds, to employ 50,000

41. The assumption of one ancillary job for every new job in manufacturing and the tourist sectors is similar to that made in the first development plan.
42. F. Camilleri, *Some Demographic and Economic Aspects of Maltese Migration*, M.A. Thesis, University of East Anglia, 1973.

people, was not a large sum to pay for an economy which in 1963 was estimated to have between £M60 million and £M100 million invested abroad. The cost-per-job envisaged in Mr. Camilleri's estimate is £100 (at 1960 ratios) and £234 (at 1971 ratios).[43] These estimates bear no relationship to the marginal cost estimates in the development plans nor to the asset/labour ratios which are estimated from the annual Censuses of Production. Mr. Camilleri's estimates of capital requirement make this issue look trivial and they could be used as an argument to understate grossly the significant contribution of Maltese emigration to economic planning and actual development.

Our estimates were based on the identified supply for new jobs, and the cost per head, as established at the beginning of a development plan. They are independent of the number of emigrants who departed before 1959 and, from the second development plan onwards, every plan assumed that emigration took place in the preceding years. An estimated 13,700 males, aged 15 to 49, settled abroad between 1951 and 1959 while the male settlers, aged 15 to 29, totalled 26,000 between 1951 and 1976. If we assume, very realistically, that female employment would have been adversely affected if emigration had not taken place, or that under-employment in agriculture and in the retail trade would have risen as a consequence of workers being discouraged from seeking jobs, the social pressure on the government would have been such as to dictate policies leading to lower capital-labour ratios in an attempt to accomodate a larger number of job seekers.[44]

The contribution of emigration to capital per head, and hence output per head and income, may be observed from another view, by introducing a financial constraint. If capital resources remained as projected in the successive development programmes; and if aggregate unemployment were to be reduced by the *male* emigrants aged 15 to 29, the maximum cost-per-job would have been set at £M666, £M857,

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43. Mr. Camilleri uses the official data on Gross Fixed Capital Formation to derive his estimates for capital requirement. This variable includes the expenditure on housing, which is irrelevant for directly productive investment. If investment in housing is excluded from the basic data, the capital requirement per new worker would be lower than that indicated by Camilleri!

44. With zero male emigration, male wages in the private sector would have been lower than those registerd in the past thirty years. Hence the lower capital-labour ratios would have been in principle economically justified. Whether the capital-labour ratios would have *actually* been lower than those that are observed is a moot point. Data for industries that employ mainly female workers suggest that the capital-labour ratios are higher than those for certain male-oriented industries, but the share of wages in net output in the former sectors is lower.

Significantly lower wages for male workers in the private sector would have been untenable in modern Malta. Given the duality of wage determination and the spread of trade unions, great wage disparities would have instigated social conflicts.

£M2,330 and £M2,949 in the 1959, 1964, 1968 and 1973 development plans. Production would have had to meet these cost specifications which are much lower that those actually projected, reproduced in Table 5.

However, if an efficient production system were to be created with a longer-term security of employment and social stability in view, a system conducive to a steady improvement in real earnings, then it is highly probable that relatively labour-intensive industries would still have been attracted but the same techniques, as those that in fact were introduced, would have been operated. Emigration would not have affected significantly the production techniques but rather employment. Emigration therefore, has to be seen as a factor which reduced the degree of urgency in project selection on the part of Public Corporations and the Government — avoiding adverse experiences similar to those of several state owned firms set up during the seventies — and a factor which facilitated the implementation of a longer-term strategy aimed at wider employment and higher earnings.

The Malta government spent £M6.4 million between 1948 and 1977 on financing emigration of which £M3.6 million were post 1959. At an estimated £4,500 per new job,[45] this capital outlay would have provididid work for an additional 800 persons after 1959.[46] Instead, the outlay of £M6.4 million led to a direct reduction in demand for work by males by a minimum 26,000, and yielded an estimated flow of remittances and goods valued £M52 million between 1954 and 1977. Of course, the total expense on subsidising Maltese emigration exceeded the £M6.4 million by the funds allocated for such purposes by the British and Australian Governments. Yet the opportunity cost of these resources to the Maltese economy is zero. Surely the Australian contribution would not have been forthcoming unless it was specifically utilised for the assistance of emigrants. The Maltese economy would not have benefited otherwise from such aid, as experience showed in the few years that the Australian Government suspended the assistance programme.

It is therefore hard to endorse the view that Maltese emigration was expensive and a direct heavy financial burden on the Maltese economy.[47] Equally hard to accept is the view that had the funds spent on emigration been channelled into productive investment these would have created the basis for the economic transformation of the Islands: the funds involved were comparatively small in relation to the task they were supposed to accomplish. Suffice to point out that by 1955, when Balogh and Seers enunciated their views, about £M2 million had been spent on financing emigration, of which only one million represented

45. This estimate is a 'rounded' cost-per-job, as may be observed from Table 5 above.

46. £M3.6 million/£M4,500 = 800 jobs.

47. T. Balogh and D. Seers, *op cit.*, pp. vi and vii.

Malta's share. The capital expenditure projected in the First Development Plan was £M33 million; surely an additional million would not have increased capital supply dramatically!

Besides, investment can be an effective alternative for emigration only when it is forthcoming on the desired scale and, more important, when it is integrated into a coherent framework for development and is accompanied by appropriate technical assistance. Technology, as well as techniques, has to be transferred in order for an economy to become resilient in production and marketing. Emigration assisted the orderly introduction of the much needed mentality change in the labour market and in production techniques.

Moreover, though the flow of remittances in any one year may be relatively low, and although it may be comparatively small in relation to aggregate personal income or saving, yet it may represent a substantial return over time for a small economy like Malta. Since comparisons on costs are usually made on a cumulative basis, it is reasonable to quantify remittances also cumulatively. Past emigration from Malta has been financially rewarding for the economy when judged in terms of expenditure on assistance to migrants and in terms of migrants' remittances.

The argument that the emigration assistance programme was an avoidable financial burden fails to consider realistically the social, political and economic environment of the Maltese Islands in postwar years, particularly until the sixties. We maintain that emigration in the past was a positive factor that contributed directly to the economic well-being of the migrant and the non-migrant populations alike and, to the extent that Maltese governments avail themselves of the leeway thus gained for planning, emigration facilitated the setting up of a base for long-term economic growth. This observation refers to the past; emigration policies may have to be re-evaluated in the eighties for the environments within which prospective Maltese migrants decide on their future have presently changed in Malta and abroad.

VI AN UNDETECTED BRAIN DRAIN IN THE EIGHTIES?

Countries that receive Maltese are currently implementing a selective control system of identifying potential immigrants. At the same time, the policy of financially assisting only the unskilled, introduced by the Malta government in 1980, is having the undesirable bye-effect of rendering the data on *emigration* unreliable. In the past, it was the information on return migration that was deficient. These two unrelated policies may result in a brain drain from Malta taking place without being detected. We examine briefly this situation.

Australia, the country that may be considered the most 'liberal' towards Maltese emigrants, is selecting migrants by means of a 'points' system. Priority is given to those who are highly skilled, academically

trained and those who own capital; that is those persons who, ideally, would remain in their country of origin to contribute in the socio-economic process of development. At the same time, the generous definition of the term 'relative' given in the past is no longer operational with the result that fewer migrants could hope to benefit from this 'humanitarian' migration clause. Such a policy hits hard on the unskilled, the lowly skilled and 'dependants', precisely those categories that benefited in the past.

People with the right academic qualifications and experience in management would evidently score highly on a migration-points-schedule. A nucleus of such personnel has developed in Malta over the past two decades. These may be tempted to emigrate unless the right conditions — in terms of post-tax pay and work environment — are forthcoming locally. If, in addition, foreign private investment and expertise is not attracted, or, worse still, if foreign firms close down their plants in Malta, the exodus of managerial know-how would more than outweigh any immigration of skills, with the result that the pool of foreign and local managerial expertise — always in short supply locally — would be reduced even further.

But whereas in the past it was possible to trace the outflow of skilled people, as most of these gained by registering with the Emigration Department, under the present emigration rules they have no financial incentive to register and their emigration goes by unrecorded. One example will suffice to illustrate this point. Official data record ten medical doctors and surgeons who emigrated to the United Kingdom (4), Canada (1), Australia (4), and the United States (1) between 1977 and 1979. But it is known that, if student-doctors are excluded, more than seventy doctors left the Islands since 1977. Such gross under-recordings may be relevant for other skilled categories of migrants.[48] The monitoring of the flow of emigrants is becoming deficient at a time when, because of changing circumstances, correct information is highly desirable.

VII SUMMARY

In this paper we have argued that emigration in the three decades after the war was not a liability for Malta. It was demonstrated that Maltese emigration was not unduly skill selective; rather it benefitted greatly from the liberal policies followed by receiving countries which encouraged family migration, as distinct from labour migration. De-

48. It is estimated that about 200 doctors, including 42 specialists, 30 general practitioners, and the rest student doctors left the Island to settle or to continue their studies abroad in 1978 and 1979. This "mass" emigration of the medical profession came in the wake of a dispute between the Government and the doctors in public hospitals and clinics, in particular, and the medical profession in general. In this case emigration was an effect rather than a cause of a gap in the provision of medical services. More than 100 foreign doctors were 'immigrated' by government in an attempt to close the 'gap'!

pendants represented more than 60% of total emigrants.

Emigration successfully controlled population growth while it facilitated the gradual, but steady, change in social attitudes towards family size and family planning. Migration reduced population increase from a hypothetical 138,707 persons between 1945 and 1975 to a manageable 34,601, after account is taken of return migrants. Emigration reduced *male* unemployment by an estimated 26,000. The relative labour market stability and socio-political calm that were characteristic of the sixties facilitated the rapid foreign inflow of capital and knowhow which supplied the much-needed entrepreneurial and administrative skills — always in short supply in Malta — and helped diversify the economy. It was shown that while Maltese emigrants are steady workers, they appear to lack entrepreneurial qualities while in their country of adoption and on resettling in Malta.

It was estimated that emigration reduced the need for directly productive capital requirements by £M74 million, while it generated about £M52 million between 1954 and 1977 in remittance and goods. These flows compare very favourably with the £M6.4 million spent by the Malta government over three decades (1948 — 1977) in financial assistance to emigrants.

Definitely, emigration cannot be considered to have been a liability for Malta in the past. Close monitoring of the emigration movement in the eighties is, however, essential; while countries are selecting highly skilled workers, local data on emigrants have become deficient as a result of the policy which restricts financial aid to the unskilled.

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