

Maltese Migration: A Critique of two views

by E. P. Delia

The year 1984 may have started a new phase in the international migration movement of Maltese. It registered the lowest number of emigrants and return migrants in a year - 629 and 654 respectively - for the past forty years and thus yielded, practically, a net emigration of zero. This latter result rendered operative one of the basic assumptions underlying population projections in the Maltese Islands introduced by government economic planners in 1977¹. If this condition persists throughout the eighties, the Maltese population will grow at about 0.9% annually, that is, at the average rate of natural increase for the past years.

The implications of the emerging demographic tendencies for economic growth and social welfare could be far reaching. The present generation of Maltese has been brought up in a socio-economic environment which permitted international migration to developed countries with relative ease. Insularity did not deter the programmed search for employment abroad. Consequently, the tight restrictions on the international mobility of Maltese could be expected to induce different social and economic reactions to local conditions, particularly in the labour market, from those observed to date. Hence, it is opportune to evaluate the present popular views of migration and to assess critically past migration policies. This exercise need, in turn, be followed up by the identification and, possibly, the quantification of the effects of the prevailing demographic changes on the size and the composition of the population, economic activity and human welfare in the Maltese Islands.

Discussion on migration in Malta has generally focused on the relative merits of emigration. Return migration has, until recently, been neglected in public debates and in academic research². Quite expectedly, opinions on migration's role change with the times. Yet it seems that a core of views presently attracts a wide consensus. These views have been synthesised in a recent study as follows:³

“Emigration, of course, is another form of conditional retreat which at one time had become institutionalized. However, as a potential threat to the maintenance of the social structure it has never been unequivocally accepted as a solution to the chronic problems of overpopulation and unemployment. Emigration - though widespread - was at best regarded as a necessary evil and is now rejected by local political leaders. It is equated with exile from the Maltese way of life.”

Such views on emigration give rise to, at least, three observations. First, there may exist the illusion in Malta that emigration is subject to local controls. This may be true in the sense that if the domestic socio-economic environment is judged relatively attractive, few Maltese would consider emigration. *Actual* emigration, however, is beyond the control of the Maltese government unless the passports of Maltese nationals are withdrawn. In the case of legal, voluntary, international migration it is the recipient country which stipulates the conditions for entry and settlement of migrants and not the sending country. Three decades of successful emigration on a fairly large scale could have led many to downplay this critical factor, although the restraints and selectivity introduced in the mid-seventies by the recipient countries have once more brought this factor to the fore⁴.

Secondly, it seems that the views of Maltese society on migration are based on criteria which fail to distinguish clearly between the welfare of the migrant and the welfare of the non-migrant populations. To regard emigration as a 'conditional retreat' or as 'an exile from the Maltese way of life', for example, implies that the focus of attention is the migrants' welfare. On the other hand, to regard emigration as a solution to unemployment or as a means of controlling overpopulation implies, primarily, an aggregate approach with the maximisation of social welfare as the objective. Since the interests of migrants may differ from those of the non-migrant population, conclusions reached on the relative effectiveness and utility of emigration become dependent on the analysis carried out. Official documents on migration in Malta are generally economy-oriented; they assess the effects of emigration on the aggregate supply of skills, unemployment and foreign exchange earnings.

Thirdly, it is claimed that 'emigration is now rejected by local political leaders' and that emigration 'is equated with exile from the Maltese way of life'. The first assertion is factual; its veracity can be established after account is taken of the present state of international permanent migration movements. The second statement is normative and demands close consideration. Local politicians occasionally accuse their political opponents of sending Maltese 'in exile' as a result of 'bad political decisions', and, thereby, they encourage people to regard emigration in this perspective⁵. However, it is important for the analyst to distinguish between critical appraisals of past policies and pronouncements aimed at strengthening the political base of a party. Of course, the identification of the 'beliefs' of policy makers constitutes an important object of analysis in itself, but, perhaps, it is more rewarding to evaluate the logical consistency of an argument whether it is upheld by policy makers or not. In the case in question, it is interesting to assess the rationale for claiming that emigration is an 'exile'.

In this paper we analyse these two propositions, namely, that emigration has been rejected by Maltese political leaders and that emigration is an 'exile'. It will be argued, in the first section, that within the present international set-up controlling immigration into the 'traditional' recipient countries, Maltese governments are barred from relying on emigration from these Islands to check unemployment or population growth. It will be further argued, in part two, that emigration should be regarded as a decision by the migrant to invest in his future and in the future of his family. Emigration enhances the migrant's bargaining powers in the labour market and in society, and, therefore, it is incorrect to correlate it with 'exile'.

Migration Policies in Malta: Past and Present

Only one main strategy relating emigration to population control, political stability and economic diversification may be identified in Malta since 1945. Its purpose was to minimise social tension and, thereby, reduce pressure on political leaders who would as a result be in a better position to plan and execute programmes aimed at the diversification of the production base in Malta.

Differences, however, arose in establishing the volume of emigration consonant with these objectives. One policy option was a relatively high emigration, organized and subsidised by the Maltese government backed by active representations with friendly governments to accept Maltese emigrants for long term, possibly permanent, settlement. An alternative option was to aim for a lower emigration, preferably a selective emigration which primarily suited Malta's needs, complemented by an investment programme on a wider front and implemented at a faster rate than that envisaged under the first option. The capital requirement would, of course, be greater under this second proposal. Both options anticipated changes in the traditional social perceptions of the family, female work outside the home, and international trade earnings.

The first policy option was implemented in the forties, the early fifties and the first half of the sixties. The second was effected in the mid-fifties, the late sixties and in the early seventies. The switching of the two policy variants reflected, in part, differences in economic thinking and, partly, changes in the socio-economic conditions in the Islands. After 1975, political leaders in Malta had really no option at all; emigration especially family migration, was constrained by the tightening up of immigration rules in the traditional recipient countries particularly the United Kingdom and Australia⁶. Instead, politicians turned attention to return migration.

Emigration Policies

The 1948 Census registered a Maltese population of 306000 which was growing at a rate exceeding 2% annually. The political leaders of the time shared the view, later on expressed by Sir George Schuster in 1950⁷, that it was desirable to contain population, possibly even reducing population to 250000, and, under existing socio-demographic conditions a high annual emigration was necessary, though not sufficient, to avoid high unemployment over the years in which the economy switched over from a state of war to peacetime production.

Political leaders agreed on three issues, namely, (i) that emigration could be an effective tool to countervail structural unemployment and to induce the formation of gradual social changes related to family size and planning; (ii) that emigration had to result in a high level of settlement abroad and, therefore family migration, rather than the emigration of single males, was to be encouraged while foreign governments were to be exhorted to sponsor this type of migration⁸; and, (iii) that emigration had to be subsidised from public funds if it were to be nondiscriminatory towards low income groups and to attain its objectives. Emigration subsidies could be justified on the grounds that social benefits exceeded private benefits; in their absence, the 'demand' for emigration would be lower than that considered socially optimal.

The political parties in government in the decade after 1945 -the Malta Labour Party (1948-50), and the Nationalist Party in coalition with Malta Workers' Party (1951-55) - acted on these beliefs and succeeded in assisting 46000 persons to try settling abroad despite the transport shortages faced in the late forties and despite the setbacks to emigration to the United States following the enactment of the McCarren-Walter Bill in 1951 which restricted the annual entry of Maltese to one hundred. The Malta Labour Party in opposition between 1950 and 1955 adhered to these views at least until 1953⁹.

The economic effects of migration were regarded beneficial for the migrant and the non-migrant populations provided that technical education was introduced so that the skills which were in demand and which might be adversely affected through emigration would be replaced.

Similar views were expressed by a United Nations Mission, headed by W. F. Stolper, which visited Malta in 1963¹⁰. The Mission maintained that emigration did not represent a loss to Malta at the time or in the foreseeable future. The alternative to emigration was unemployment, shown in a redundancy of skilled as well as unskilled labour. Besides, emigration created better opportunities for the young people entering the markets for new skills demanded by a developing Malta, while

emigrants' remittances would partly offset Malta's visible trade deficit and would ease pressure on government's expenditure on social welfare.

The Nationalist Party in government after 1962 adopted the emigration strategy proposed by the U.N. Mission, which reflected the policies and the stance implemented in the forties and the fifties. They also tried, without success, to revive emigration to European countries which were at the time demanding contract workers from the Mediterranean. In the 1964-69 Development Plan, drawn up during the implementation of the discharges of Maltese from the British Defence Establishments, emigration was set at 37500 for the quinquennium. However, this projection was revised drastically downwards following the rapid generation of new employment in Manufacturing, Tourism and Construction; net emigration was set at 2400 for the late sixties and for the five year period covered by the Third Development Plan (1969-74), thereby switching over to the second policy of lower emigration and higher investment. By that time, the rate of natural increase had declined from the high of 2.4% yearly of the late forties to 0.7% in the sixties.

This policy option had been initially forwarded and emphasised by Thomas Balogh and Dudley Seers in their capacity of advisers to the Labour Government in 1955¹¹. They argued for a lower emigration - 5000¹² instead of 10000 - on the grounds that emigration was an expensive and inappropriate solution to Malta's problems. They insisted that emigration reduced the supply of skills, meant the loss of the more venturesome and adaptable persons and resulted in an inadequate flow of remittances. In their view, the Maltese economy would have benefited more through investment than through emigration¹³.

However, though *conceptually* differing in emphasis from the then-orthodox vision of emigration, the alternative view proposed by Balogh and Seers could not be tangibly translated into a positive plan of action at the time. For these economists realised immediately that instead of formulating clear policy guidelines they had only identified and spelled out a dilemma: should emigration decline considerably, population would expand rapidly and, at the rates of natural growth then prevailing, it would double in 25 years. To provide jobs, houses, social capital and water would demand "a scale of investment quite impracticable at the time". Balogh and Seers had to conclude that there was "no obvious solution within the present day political or social realities in Malta"¹⁴.

Yet, despite these admonishings about the 'emigration dilemma' their thesis was adopted by the Malta Labour Party after 1955, perhaps in anticipation of an eventual political and economic integration of the Maltese Islands with Britain. Sympathisers with this view, however, apparently underestimated the critical importance of a prerequisite for

the success of this policy option: the rate of investment would have to be sufficiently high in order to generate a demand for labour to absorb a rising labour supply as emigration declined. Investment could, therefore, be at a historically high level, yet comparatively low to the supply of labour on the market in a society which was presuming to induce a change in female perceptions for work and an increase in the female activity rate simultaneously with a transformation of its production base. The Balogh-Seers 'prescription' remained silent on the alternative options to be pursued should the actual investment rate fall consistently below the desired. It would be meaningless to assert, as Seers did recently¹⁵, that emigration can be effectively replaced by a 'dynamic strategy'. All strategies are dubbed 'dynamic', in advance, by the governments who intend to implement them; but it is only 'ex post' that strategies may be critically assessed for their effectiveness through the results they achieve. It need hardly be observed that often attainments differ, at times substantially, from the projected targets.

On its reelection to government in 1971, the Labour Party continued with the 'low emigration policy' implemented in the late sixties. In the Seven Year Development Plan (1973-80), drawn up with the assistance of Balogh, among others, the Labour Government projected for an annual net emigration of 2500 except in 1974 and 1975 when net emigration was expected to be 3500 and 3000 respectively. *In addition to emigration*, and not in lieu of it as it is sometimes claimed¹⁶, the Labour Government set up the first in a series of short-term employment corps with the aim of mopping up part of the excess labour supply. These labour corps were apparently the missing 'prescription' should the economic dynamism envisaged by Seers and Balogh be found wanting.

Labour corps are adequate to deal with short-term, cyclical, unemployment whereas emigration was principally effective against massive structural unemployment. Labour corps and emigration are not substitutes; at best, under certain conditions, they may be complementary and mutually supporting to check rising unemployment as they did in Malta between 1972 and 1974. But labour corps are not the appropriate solution when employment problems emanate from a chronic shortfall of investment.

Following the first international oil price increase in 1973, and the difficulties which it compounded in many economies, Britain and Australia, the two countries which offered settlement to the majority of Maltese emigrants, introduced tighter immigration controls. As a result, emigration, which had exceeded projections for 1972 and 1973, slumped well below the targets for the years after 1974, as may be observed from Table 1, and triggered the process outlined by Balogh and Seers in 1955:

the population and the labour force start to expand and the scale of investment would have to be scaled up accordingly. Fortunately, the annual population growth is 0.9% at present and not 1.9% as in 1955; at the current rate population doubles every 77 years instead of in 39 years at the 1955 rate of increase.

Table 1

Year	Emigration	Return Migration	Plan Targets for Net Emigration
1971	2798	143	2400
1972	3163	202	2400
1973	4059	230	2400
1974	4189	535	3500
1975	1624	2957	3000
1976	1107	2472	2500
1977	1237	2261	2500

Source: *Demographic Review of the Maltese Islands and Development Plans (1969-74)*, and (1973-80).

Policies on Return Migration

Government economic documents after 1974 practically ignore emigration. However, they demonstrate a greater sensitivity to return migration. Indeed, this factor is cited as one cause inducing the high level of unemployment of the eighties. Interest in return migration is officially attributed to a phenomenon supposedly identified from Table 1: return migrants increased from a few hundreds to well over 2000 after 1974.

This sudden shift in inward migration after 1974 is, however, primarily a statistical illusion. It resulted from the way in which the Office of Statistics in Malta defined migrant returnees. Up to 1974 only those emigrants *who returned within two years of departure* were counted in migration statistics; since 1975 all returning migrants irrespective of their length of settlement abroad are recorded as returnees¹⁷.

After 1977, the Labour Government introduced restrictions on the search for employment and on the freedom to purchase *property in Malta* for returning migrants, in an attempt to discourage return migration¹⁸. These regulations prompted a declaration by the Nationalist Party in its *electoral manifesto* that "there will be no discrimination between Maltese citizens, irrespective of whether they are returned migrants or not"¹⁹.

With emigration blocked²⁰, it was, perhaps, a short-term effective decision by Maltese politicians to turn attention to return migration. This transfer of interest, however, could not be interpreted as signifying a radical change with the past regarding emigration. Emigration is presently a latent policy tool which Maltese politicians would exploit to the advantage of economic planning whenever an opportunity arises. The recent exhortations to Maltese youth by a senior government minister to seek employment opportunities in Libya²¹, "until government succeeded in surmounting the current difficulties", reflect the underlying political thinking. Libya encourages temporary migration, on a contractual basis²²; and the Maltese government can only plan for the temporary settlement abroad of male workers. But that is emigration just the same. The only difference would be in the return period: under the former type of migration it was up to the emigrant to decide when to resettle in Malta, if at all; under contractual migration the return is stipulated in advance.

Emigration would not be obstructed from Malta should the traditional recipient countries liberalise their immigration rules and Malta would be facing relatively high unemployment. Under the existing systems of entry, preference is awarded to immigrants with selected skills and to those who possess financial assets, the categories of emigrants who, preferably, would remain in Malta. Perhaps it was for this reason that financial assistance to emigrants, introduced in 1948, was restricted to the unskilled after 1980: the social benefits accruing from the emigration of professional and highly skilled personnel were considered by government to be just equal to the private benefits arising to the migrants who were made to bear the entire expense of travel to their country of adoption. Since such costs would not deter highly skilled people from emigrating, the financial gains from pursuing such a policy would be minimal; they would be restricted to the value of the grant saved by the government.

In sum, Maltese political leaders have responded pragmatically to the demographic and economic conditions in the Islands. Migration was strategically used by all political parties to regulate population growth and facilitate the steady diversification of the economy. Views on the emigration-investment trade-off expressed by Balogh and Seers in the mid-fifties proved to be impracticable at the time but become implementable in the late sixties when the rate of natural increase had declined from a high 2.4% to 0.7%. The recent interest by local politicians in return migration, and the apparent silence on emigration, does not reflect a change of views but rather reflects a change in the international environment to permanent settlement abroad.

Emigration: An Investment in a Migrant's Future

The claim that Maltese emigrants are 'exiles abroad' rests on the assumption that people prefer to live and work in 'their native country rather than elsewhere. It is argued that because of this 'natural' desire, the failure of economic policy makers to generate full employment is tantamount to the exile of emigrants who are compelled to seek work elsewhere.

This interpretation of the relationship between economic activity and emigration is at once simplistic and narrow. First of all, it fails to place the emigration movement within its relevant historical context so as to identify the factors which gave rise to emigration. Besides, it ignores the fact that some individuals who are adventurous by nature are cosmopolitan in their attitude towards life; they would desire emigration for itself²³. However, even for the non-adventurous, the decision to emigrate with a view of maximising welfare over a time period is multifaceted and should not, therefore, be constrained to only one factor, in this case, the desire to remain in one's native country.

Furthermore, the above interpretation endows local policymakers with powers which they do not possess. Economic policymakers may fail to generate domestic full-employment at a set of socially acceptable wage levels, but they cannot force people to emigrate nor can they induce them to leave, through heavy subsidies on travel costs, for example, unless the recipient countries permit them and are willing to accept the emigrants. Personal dissatisfaction with the domestic situation may be a necessary requisite to encourage a man to emigrate; but it is not sufficient to turn him into an emigrant.

A man decides to emigrate after he evaluates the projected comparative financial and psychic gains and costs in the countries of origin and of possible adoption over a time period. Through emigration, a migrant increases the range of investment possibilities for his future; the search for work and alternative life styles is extended beyond the political boundaries of the nation-state. Therefore, emigration would condition personal aspirations for standards of life and work and, in turn, 'determines' the configuration of a worker's schedule of the supply of effort. It may even affect significantly the overall elasticity of the aggregate labour supply function if it is carried out on a large scale.

If the expectations for improved conditions of life and work vary directly with the probability to emigrate, then those sub-groups in a population which qualify for emigration would enjoy better living conditions in the domestic economy. By providing them with an alternative source of employment and income, emigration strengthens their bargaining power in the labour market and renders their supply of effort schedule elastic.

Public policy makers in Malta tend to disregard completely this aspect of migration. They consider emigration as a shift parameter which merely reduces the volume of a *given* labour supply. Economic planners apparently assumed that the Maltese labour force would be willing to work in Malta irrespective of wages paid and the conditions of employment offered; in other words, they assumed a perfectly inelastic labour supply schedule with earnings representing economic rent. They seem to have placed a heavy weight on the 'innate' desire to work 'at home' with the result that the migration elasticity of the Maltese labour force with respect to local socio-economic conditions was assumed to be very low, tending to zero²⁴. This assumption is bound to be unrealistic in a society with a relatively long exposure to migration; but it is an implicit axiom on which policy makers construct their approach to emigration despite the fact that policies have been lately introduced to induce a restriction in the flow of migrant returnees²⁵.

For an individual, emigration acts as a countervailing force to social pressure and to unemployment. A high level of unemployment, for example, weakens the bargaining power of a worker and impairs the collective strength of a trade union during the negotiations with employers. Emigration removes this weakness; it assumes a role similar to that which the ownership of property would have on the bargaining power of labour²⁶. Emigration enables the worker to be selective and, by reducing the general level of unemployment, it minimises tension for trade union negotiators.

Wages and the conditions of employment for workers eligible to emigrate would be better than those obtained by workers not considered for emigration. Thus, if only male, skilled workers are allowed to settle abroad, their rates of remuneration in the country of origin would have to improve otherwise they would leave the country. Conversely, female or unskilled workers could be forced to accept wages lower than economically justified, especially if the industries in which they work are characterised by a 'collusive monopsony' among employers, because alternative employment opportunities would be restricted to those obtainable in the domestic economy. For them the supply of effort schedule is rendered relatively inelastic, if not totally inelastic, because of the absence of alternative employment.

In a survey on Maltese emigration, R. Cirillo²⁷ reports that 44.71% of the emigrants interviewed had left the Islands because "they were dissatisfied with the economic situation in Malta" while 40.36% had been "attracted by the economic situation elsewhere". These emigrants had been gainfully occupied before departure. It may be presumed, therefore, they would still had been 'dissatisfied' with the situation or, at least, 'indifferent' were it not possible for them to emigrate, but they would not

had voluntarily withdrawn their labour services from the domestic market. Their supply of effort schedule would have been fairly inelastic over the wage range obtained in Malta; and they would have been compelled to accept the terms of employment offered on the domestic market. But the possibility of becoming internationally mobile removed this constraint and enabled them to dictate the norms for pay and work conditions against which those forthcoming locally could be compared²⁸.

It is relevant to emphasise that such comparisons are not drawn in a vacuum; rather they are related to a specific period. Space does not permit a discussion on the demographic and economic conditions which prevailed in the Maltese Islands over the past forty years, but it is that socio-economic background which was the scenario for the decision-making of more than one hundred and thirty thousand Maltese emigrants²⁹. Such a large number of Maltese, representing almost a half of the present population in Malta, by itself is an indication of the problem which the Maltese would have had to face in the absence of emigration.

It is against problems of such a dimension that the validity of references to 'exile' has to be assessed. Indeed, it would be useful to analyse, in brief, those factors which enter into the decision making process of a prospective Maltese emigrant; recourse is made to the human capital approach to investment since it can be handled to 'explain' the behaviour of both the permanent settler and the temporary migrant. Maltese emigration was generally non-contractual. Emigrants were free, indeed encouraged, to settle down in the country of their choice; a decision to return was theirs alone and, generally, they were not prohibited from resettling in the Islands.

To make a rational decision, the prospective emigrant must evaluate the information he obtains on the employment opportunities in Malta and in the countries considered for adoption and on the respective costs of living. He must also consider the net financial effects of the tax and social welfare systems in the several countries as well as his capabilities to cope with the life style at home and abroad. Such information on earnings, employment prospects and national customs were provided free to the Maltese emigrant by government agencies, friends and relatives already settled abroad and by voluntary organisations set up for such a purpose. The sponsorship system of migrant selection, implemented for thirty years by the governments of Australia, Canada and the United States, ensured the free flow of information besides contributing to the minimisation of the negative psychic effects which the transfer of the emigrant between the two countries might induce. Most emigrants took a fairly long time before they made up their mind³⁰, and many changed their decision after having registered with the appropriate government

agency and after having undergone the routine procedure of interviews, medical check-ups and the acquisition of a work permit³¹.

Given this information, the prospective emigrant would decide to leave Malta if the net sum of the discounted flow of monetary and subjective gains and costs is positive. By applying this criterion to several countries, the emigrant would select his future country of adoption. For any one country, and for a single person, the decision making criterion may be represented by the following relationship:

$$V(S) = \left(\int_d^T e^{-r't} (EY(F) - EY(O)) dt - (C+K) \right) + \left(\int_d^T e^{-r't} (Y_{ps} - C_{ps}) dt \right) \geq 0 \quad \dots (1)$$

- subject to: (i) the individual qualifies for entry, if quotas are applied;
(ii) there are no political or health objections to emigration from his country to the desired country of adoption;
(iii) return migrants are welcome in their country of origin
(iv) transport is available

where: (V)S = the Present Value of the net "welfare flow" for a migrant

Y = Net Disposable Income

E = A probability coefficient for employment and earnings

O = Country of Origin

F = Country of Adoption

C = Costs of Passage

K = Costs of training undertaken with the specific intent of qualifying for a work permit abroad.

Y_{ps} = Net Psychic Income i.e. the satisfaction of living a life of one's choice at home and abroad

C_{ps} = Net Psychic Costs i.e. the strain and tension arising from living in the home country and abroad.

r, r' = discount rates

d = Time of departure

T = Retirement age or some other arbitrary date which could even be that given by life expectancy.

The individual would decide in favour of emigration if V(S) > 0. The fact that costs of passage amounted to only LM10 per person, since they were subsidised, and the free provision of crash preparation courses by government and private organisations, reduced the monetary cost component, (C+K), to practically zero. Monetary considerations, therefore, focused solely on the probability of being employed at given wages in Malta and on the probability of finding work abroad.

Eq. (1) implies that even if the monetary gain is nil, emigration would still be favoured if the second term is positive, that is, if net psychic income exceeds net psychic costs. This would be the case of the "escapee migrant", a person who is dissatisfied with the socio-political environment in which he lives.

Eq. (1) establishes the criteria which guide a person to decide whether to emigrate; but it does not determine the *timing* of departure. Departure depends on administrative procedures which would reflect, in part, the policies regulating recruitment implemented at the time. Hence the significance of the four constraints to which eq.(1) is subjected. They identify the factors which make effective a migrant's decision to leave his country; they turn desired emigration into actual emigration, the one recorded in official migration statistics. Emigration data record departures and not the volume of designated emigrants; therefore, analysis of emigration trends based on official data cannot be **meaningfully** undertaken unless additional information on the policies pursued by recipient countries and on transport availability is obtained and accounted for in any 'explanation'.

Eq.(1) may be adapted to render the 'family' as the basic decision-making unit. For a parent, the motive to emigrate may not be solely better prospects of employment abroad. The present job and income may be satisfactory, given the earnings levels and distribution in the country of origin. Yet, if the anticipated employment conditions in the medium run appear adverse to the children's interest, emigration by the family would be seriously considered. In this case, eq(1) could be modified to include other considerations such as the possible monetary income arising from the productive employment outside the home of the wife or a child and account for the possible additional strain on family cohesion which the family could be expected to experience abroad. The four constraints introduced above assume greater relevance in the emigration of the family, particularly the application of quotas by the recipient countries, which may induce a short-term separation of some members from the family. Generally, however, traditional settlement countries, chosen by Maltese, accorded priority to close family members under a specific policy of uniting families abroad. Transport is no longer a problem for Maltese emigrants, although it used to be in the forties and early fifties.

Problems of adjustment, represented by psychic cost, Cps, in eq.(1), should not in any way be minimised. Problems of adaptation are associated with most 'movements', be they inter-regional, inter-groups, and, evidently, international. They tend to generate, in this last instance, the return flow of emigrants registered in official migration statistics in Malta as migrant returnees up to 1974. The 'uprooting' of an individual from a given environment is a characteristic of mobility; indeed in many

instances, public policy deliberately aims at inducing or, at times, forcing people to change their work and living environment by rendering them industrially and socially mobile. Such moves could be considered 'exiles' from a given way of life: from a rural to an urban environment; from self-employment to wage employment; from a service industry to manufacturing, and so on. All such changes involve adaptation and some persons find it very difficult to adapt. The 'exile' characteristic of emigration from 'the Maltese way of life' is, therefore, a reflection of the general characteristic of any mobility; any differences between various types of mobility become ones of degree rather than substance.

The argument supporting the 'exile hypothesis of emigration' is apparently based entirely on the problems faced by emigrants to adapt themselves to the conditions abroad. But this factor is only one in a series of important parameters which have to be considered by prospective emigrants; hence, our observation that the 'exile hypothesis' oversimplifies the decision-making process leading to emigration.

"Short-term failures", those emigrants who return within a few months of departure, should be distinguished from the emigrants who intended at the outset to resettle in their native country after working for some years abroad, and, also distinguished from those emigrants who may be compelled to return home for family reasons. For temporary migrants, emigration is the means through which they expect to improve their social standing in their society by accumulating savings abroad³². Although no specific time limit need be determined in advance by the migrant an array of time options can be derived by solving an equation similar to eq.(2). The present value of planned savings depend on the expected income and costs abroad, foreign currency exchange movements, passage costs and a discount factor. So if the emigrant has a specific quantum of savings in mind, eq.(2) may be solved accordingly for t , given SP , r , the exchange rate, and the flow of annual savings. Information on these parameters would be available to the emigrant.

$$SP = \int_0^T e^{-rt} \frac{(EY(F) - EP(F))t dt}{(c_i/c_j)} - (C+K) \quad \dots (2)$$

where:

SP = Planned Savings

$EP(F)$ = Costs of living abroad

(c_i/c_j) = Rate of exchange

$EY(F)$, C and K as defined in eq.(1)

C and K tended to zero under the Passage Assistance Scheme while the fixed parity of the Maltese Lira and the Australian dollar to the £

Sterling³³, up to the sixties eliminated capital losses or gains, and related worries, which arise from exchange rate fluctuations. This factor become important in the seventies while, in the eighties, transport costs would have to be incorporated by some categories of emigrants. The net result of changes in the Passage Assistance Scheme and the fluctuating exchange rates could affect the time required to attain a savings target. If a time limit is set in advance, then the emigrant would have to operate on the income and cost parameters: increase income through secondary employment or reduce consumption.

A decision to emigrate is taken in the best interest of the emigrant. Whether it benefits the non-migrant population, and should therefore be subsidised from public funds, is another matter. But it is important to consider the two issues separately if constructive policies on migration are to be devised.

Summary

Public policy makers in Malta, irrespective of their political beliefs, have adopted emigration as a supporting strategy to ease social tension and assist in the diversification process of the Maltese economy. Any disagreements among economic advisers and, in turn, among economic planners did not refer to the strategy as such but to the volume of emigration. However, in legal, international migration aimed at permanent settlement, it is the recipient country which specifies the terms of entry and nor the country of origin. After 1975, the immigration rules of the countries which received Maltese emigrants constrained emigration from Malta forcing local policy makers to turn their attention to return migration. However, emigration would not be impeded if the conditions for entry are relaxed by the recipient countries and if the expansion rate of the Maltese economy remains below that required to absorb a growing labour force.

Emigration should be considered as an adjustment mechanism through which the migrant, and his family, maximise welfare over a period. This view is valid for the permanent settler and for the temporary migrant. The correlation of emigration with exile distorts the nature of the emigration process, and fails to recognise that adaptation is related to all types of mobility and not just emigration. Besides it totally ignores the historical background to Maltese emigration of the past forty years.

E.P. Delia is a Lecturer in Economics at the University of Malta.

NOTES:

1. *Development Plan for Malta 1973-80; Supplement*, Malta, Office of the Prime Minister, October 1977, page 51.
2. See King (1980) and Delia (1981).
3. Zammit (1983), p.9.
4. Delia (1982a).
5. A local politician recently accused his political adversaries of sending 40000 Maltese in 'exile' as a result of "bad decisions when in Government". However, a few weeks before he was exhorting Maltese youths to emigrate to Libya to enable Government to succeed in surmounting current difficulties. See: *The Times*, Malta, Friday June 1, 1984, p. 20. and *The Times*, Malta, Friday December 7, 1984, p.24.
6. Dudley Seers, who was a proponent of the second option in the fifties, recently observed that "Anyway, the opportunities for large scale migration have mostly disappeared, through tightening of controls in the recipient countries, except for temporary labour permits in countries of the Middle East... (and even these governments are increasingly apprehensive about their heavy dependence on foreign labour)". Seers (1982), p. 77.
7. Schuster (1950), p. xiv and p.xvi.
8. Family migration was also encouraged by the Catholic Church Authorities in Malta in order to safeguard the unity of the migrant's family.
9. M.L.P., *Malta l-Ewwel u Qabel Kollox*, 1953.
10. Stolper et. al (1964).
11. Balogh and Seers (1955), par. 10 to 21. The arguments for a lower emigration were not in any way new for Malta. Similar arguments had been used by opponents of emigration in the nineteenth century. See Price (1954), Chapter 3.
12. *Report of the Department of Labour, Social Welfare and Emigration*, Malta, 1957, p.10.
13. An evaluation of the Balogh-Seers hypothesis on the relevance of emigration for the Maltese economy is given in Delia (1982b) and (1984).
14. Balogh and Seers (1955), par. 20.
15. Seers (1982), p. 77.
16. *Development Plan for Malta 1973-1980*, p. 109.
17. An estimate of return migration before 1975 is given in Delia (1981). Refer to *Demographic Review of the Maltese Islands*, T. 32, for the criteria applied to enumerate return migrants.
18. Similar attempts to discourage return migration were made by the Labour government in 1957. The Minister for Emigration had admonished the relatives of emigrant in Malta not to encourage them to come back "by painting a too rosy picture of the conditions over here." *Report of the Department of Labour, Social Welfare and Emigration*, 1957, p. 10.
19. *Ripe for Change: Nationalist Government Programme for the Eighties*, Malta, Nationalist Party, 1981, p. 28.
20. A world survey of present policies on permanent migration is published in United Nations: Department of International and Social Affairs (1982).
21. *The Times*, Malta, June 1, 1984, p. 20.
22. United Nations, (1982), p. 45.
23. Cirillo (1960), page 60, reports that 7% of the interviewees in his survey had emigrated "J in search of adventure". Dench (1975) p. 260, points out that he found 26% of the London Maltese who claimed to have left Malta for the same reason and in order to escape.
24. A government minister was reported to have said that he preferred the Maltese to be unemployed in Malta than to emigrate "so that they would be at hand when the economy starts growing again". *The Times*, Malta, March 30, 1983, p.3.
25. It seems that policy makers in Malta may be against the 'exile' of the first-time emigrants; but once emigrants are 'in exile', they ought to remain there!
26. Preiser (1952).
27. Cirillo (1959). Table 6, p. 60.

28. Without emigration, a simple labour supply function would represent labour supply as a function of real wage and unemployment: $S(L) = f(w/p; U)$
Emigration modifies this function by reducing unemployment and introducing the possibility of work, and income, abroad.

$$S(L) = g(w/p; U; M) \\ = h\left(\frac{(w/p)F}{(w/p)O}; U\right)$$

Where F = abroad; O = country of origin; U = post migration unemployment rates.

29. See Delia (1982b) for an analysis of the demographic and economic background.
30. Cirillo (1959), p.5.
31. Report of the Department of Labour, Emigration and Social Welfare, Malta, 1970, p.31.
32. If emigrants believe that social classes are determined by wealth and conspicuous consumption, then financial gains will represent a rise along the social ladder. Zammit (1974) p. 38.
33. Australia was the first priority of Maltese families England was generally the choice of young, single, males.

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