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The budget in context

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Last Monday's budgetary package consisted of measures designed to kickstart the economy.

The government's €900 million package includes various incentives and forms of assistance, mainly in order to cushion the impact of the Covid-19 crisis on businesses. These measures will contribute towards reducing operational costs, extending in-work benefits, and temporarily maintaining work open ements to selected groups and in reduced amounts. One would hope that the governm

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One of the measures introduced is a temporary capped discount on utility bills for those businesses which were forced to shut down due to the Covid-19 crisis. Other businesses will not benefit from this. Social groups - such as the unemployed, those living in rented accommodation, farmers, epidemic frontline workers, the elderly, and otherwise vulnerable persons - were not subject to beneficial budgetary measures, but all individuals will benefit from a decrease in fuel prices and a 100 euro voucher given to all those over 16.

The latter initiative, born out of a proposal by the opposition, is a commendable measure which is very much needed, considering that Malta's number of consumers has been reduced due to the impact of the pandemic on various sectors such as tourism.

At the same time, the budget is anchored within the government's policy orientation. This includes the sale of passports, which is not only questionable in terms of good governance and transparency but is also resulting in excessive dependency on the sector, elbowing out more sustainable and reputable forms of investment.

Whilst it is positive that the government adopted proposals suggested by the opposition and social partners, I would advise that in the run up to the next budget the government adopts a more holistic approach to a social pact that faces the economic and social challenges related to the Covid-19 situation. This could include a national think-tank comprising of government and opposition representatives, social partners, civil society, and academia.

Such a process could also mainstream the practice of social impact assessments to analyse the open d needs of different social groups, including those which may be less vociferous in terms of social media presence. Examples which come to mind include the elderly, non-unionised

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Beyond short-term measures which are nevertheless important to help kickstart the economy, the government can also look further ahead, for example in the move towards a green economy. In Monday's budgetary package the government missed an opportunity to create incentives and policy shifts in areas such as renewable energy, alternative transport, and sustainable planning. The pandemic also increased awareness of the importance of Malta being as self-sufficient as possible in the production of food, highlighting the strategic value of agriculture, an industry which as things stand is under siege by current planning regulations. The government should also mainstream telework where possible, provided that it does not undermine workers' rights, job conditions, and work-life balance. Malta also requires a stronger commitment to combat money laundering and other illegal and dodgy practices as well as giving more priority to upskilling, research and innovation. The need for stronger commitment in these areas, among others, is also being emphasised by the European Commission and social partners.

On another note, during Monday's delivery, the Prime Minister informed journalists that there will be no tax increases. Yet the government is committed to borrow 2 billion euro towards its economic recovery package, and as things stand, is eligible for €650 million in low-interest loans and €350 million in grants from the EU. The government must now provide the public with detailed information on how the borrowing components will be financed, and more pertinently, who will be paying for this. One hopes that this question is not being postponed for electoral reasons. This takes us back to the need for an open, honest and broad process comprising the various political, economic and social actors that I referred to above. A national round table process to articulate a deliberative way forward in economic, social and environmental challenges.

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