



## Policy Brief: Wellbeing in Malta - Insights from Global Indicators

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1. Various measures of social progress are capable of shedding light on wellbeing. Assessing Malta's performance across each of these indicators over time and in relation to other countries globally, provides a useful contextual background against which to understand the wellbeing of people in Malta. This review forms part of the Wellbeing INDEX project developed by the Malta Foundation for the Wellbeing of Society and the University of Malta.

2. Gross Domestic Product (GDP) per capita measures the value of goods and services produced within a country in any given year, divided by the number of inhabitants. It is a common metric used to approximate average income per head, and serves as an indicator of both the level of development as well as its general standard of living. Though it does not include other important facets of wellbeing like the environment or governance, it is widely-available across the world over long spans of time, with international comparability ensured via reputable data sources like the World Bank and Eurostat which adjust GDP per capita for inflation and exchange rates. Eurostat data for Malta is available from the year 2000 while the National Statistics Office of Malta has it for longer time-spans. In recent years, Malta recorded growth in per capita GDP, fuelled by growth in key sectors like ICT, gaming, financial services, professional services and tourism, with only the agricultural sector recording a decline. Globally, Malta ranks within the top 25%, while it reports average performance by EU standards.

3. The Human Development Index (HDI) is a composite index developed by the United Nations Development Programme (UNDP), measuring average achievement in three basic dimensions of human development: life expectancy, access to knowledge (measured by the mean years of schooling and expected years of schooling) and the standard of living (measured by GNI per capita). There are also variations of the HDI, adjusted for inequality and gender. HDI data is available since 1990 for some 190 countries around the world, including Malta, on UNDP portals. Malta ranks in the top 12% globally and out-performs the EU average.

4. The Sustainable Development Goals (SDG) Index is a quantitative dashboard to keep track of individual country progress towards the 17 sustainable development goals (SDGs) adopted in 2015 by the United Nations. Collated by the Sustainable Development Solutions Network (SDSN), the index includes 170 quantitative targets across each of the SDGs, spanning a wide variety of topics like no poverty, climate action, gender equality and decent work and economic growth in almost 200 countries around the world. The data set commences in 2015, and Malta's commences from 2016. It is likely to be extended retrospectively to 2000 for all countries. Malta ranks in the top 25% of countries on the Global index, comparable to other high-income countries around the world.

5. The European version of the SDG Index was specifically developed by the Sustainable Development Solutions Network (SDSN), in collaboration with other institutions in order to capture progress of European countries (primarily EU member states) towards their SDG goals. Based on recommendations by the EU's Joint Research Centre, it captures 113 indicators using data primarily from Eurostat and the

European Environment Agency, among others. It is of greater relevance for European countries like Malta. The time series starts from 2020. Malta ranks among the last (27) out of 34 countries among its European peers scoring relatively poorly in areas like education, climate action, innovation and sustainable cities and communities (European Environment Agency, 2020).

6. The EU Quality of Life Indicators (EUQOLI) are a set of metrics related to quality of life and its various dimensions. The indicators cover overall life satisfaction, material living conditions, housing conditions, employment, time use, education, health, social relations, safety, governance, and environment. Each theme includes a number of statistics drawn from a mixture of data sources, notably from standard data routinely reported to Eurostat by EU member states. The EUQOLI does not include a single overall summary index for each EU member state. According to data used on this dashboard, life satisfaction in Malta has seen yearly increases until the outbreak of COVID-19. It has been in decline since then, although it remains slightly higher than the EU average. Malta scores higher than the EU on health, social support, housing, safety, and trust but below the EU in education attainment. Despite having a lower than EU mean equivalized income, the Maltese have a high satisfaction with finance. The Maltese have a higher employment rate and a higher than EU average level of job satisfaction but longer hours and a lower average satisfaction with time use. Malta data on the environment is missing from this dashboard at the time of writing.

7. Subjective wellbeing data on life-evaluation is collected by Gallup using nationally representative samples in around 140 countries (varies by year). It is reported in the World Happiness Report, an annual publication of the Sustainable Development Solutions Network, together with GDP per capita (Purchasing Power Parity adjusted to constant dollars based on the World Bank), healthy life expectancy at birth (based on data from the World Health Organization Global Health Observatory data repository), as well as social support, freedom to make life choices, generosity and perceptions of corruption (based on the Gallup World Poll questions). Data for Malta is available from 2009 and Malta typically ranks in the top 25%-30%. Malta does even better in GDP, social support, healthy life expectancy, freedom to make choices and generosity, although it tends to rank less well on perceptions of corruption. Notwithstanding these relatively good ratings on the conditions that generate wellbeing, Malta ranks fairly low on positive affect (bottom 40%) and high on negative affect (top 30%). Gallup's emotions report confirms that the Maltese tend to worry more and enjoy themselves less than world averages.

9. These readily available indicators shed light on the conditions that can create wellbeing for people living in Malta, as well as on subjective wellbeing itself. These measures are all used internationally and therefore offer considerable methodological benefits over a new metric designed to gather objective data for wellbeing. As Malta has signalled its intent to join the Organization for Economic Co-operation and Development (OECD), it is likely to embark on wellbeing measurement using The Better Life Index (BLI). This consists of a set of 11 indicators which include housing, income, jobs, community, education, environment, governance, health, safety, and work-life balance, as well as life-satisfaction - covering 35 countries. The dataset was launched in 2011.

10. Despite the significant differences across the individual metrics used, Malta's performance is consistent across most indicators, with the country generally ranking being among the top 15%-25% of countries worldwide in terms of objective measures of progress. However, it merits investigation why the people of Malta do relatively worse when judged by *subjective* wellbeing measures (their life evaluation, stress and than they do when judged by *objective* indicators that measure the conditions of the lives they live).

The Wellbeing INDEX project is a strategic initiative, led by the Malta Foundation for the Wellbeing of Society in collaboration with the University of Malta. The name "INDEX" summarizes the project's scope (Indicators, Networking, Data, Exploration and exchange). The project, launched in Parliament on the 10<sup>th</sup> December 2020, will pave the way for the measurement of wellbeing in Malta and evidence-based policy.