Beyond GDP: Wellbeing Metrics for Malta

The Malta Wellbeing INDEX Project

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Executive Summary

This report forms part of the Wellbeing INDEX project (*Wellbeing INDEX – Wellbeing in Malta*, n.d.) being undertaken by the Malta Foundation for Wellbeing of Society (MFWS) in collaboration with the University of Malta. It is intended to help pave the way towards appropriate mechanisms to measure wellbeing in Malta and its aim is to help policy- and decision-makers, journalists, researchers and other readers by curating existing metrics that measure progress, and critically evaluate their ability to shed light on wellbeing.

The main metrics reviewed are Gross Domestic Product (GDP) per capita, the Human Development Index (HDI), the European versions of the Sustainable Development Goals – the index by the Sustainable Development Solutions Network (EUSDGI) and the dashboard by Eurostat (EUSDG), the European Union Quality of Life Indicators (EUQOLI), and the Better Life Index (BLI), developed by the Organisation for Cooperation and Economic Development (OECD). Although not a metric per se, the World Happiness Report (WHR) is also reviewed, as it is an annual report which draws on data from several sources, chiefly the Gallup World Poll, giving a useful overview of life evaluation in almost all countries around the world.

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. Besides the unidimensional GDP, the metrics contain indicators spanning various dimensions, with health, education and material wellbeing featuring throughout. The HDI is the most limited in its indicator range, while the WHR employs a slightly higher number of indicators more pertinent to wellbeing. The EUSDG and the EUSDGI are the strongest composites in terms of environmental and economic indicators, while the EUQOLI, which adopts a dashboard approach, is substantially more comprehensive on the social dimension. The BLI, having been developed purposely to measure wellbeing, combines subjective and objective indicators into a single index.

The data gathered for Malta reveals that, in terms of material wellbeing, Malta has recorded year-on-year growth in per capita GDP in recent years. Indeed, globally, Malta ranked within the top 25% of countries in 2023, while it reports average performance by EU standards, ranking 14th out of 27 in 2022. On the HDI, which incorporates health and education, Malta ranks even better – it ranked in the top 13% globally in 2022, out-performing the EU average, mainly due to a high life expectancy. Malta also ranks in the top 25% of countries on the Global SDG index, comparable to other high-income countries around the world, but among the last compared to its European peers - in 2022, in fact, Malta ranked 28th out of 34 countries on the European SDG Index (EUSDGI). Meanwhile, according to data from the EU Quality of Life dashboard, Malta scores higher than the EU average on health, social support, housing, safety, trust, employment, financial equivalised income and life satisfaction itself, but below the EU in education attainment, equivalised income and satisfaction with time use. On the latter, the Maltese have higher than average working hours. In the WHR (where data on Malta is available from 2012), Malta typically ranks in the top 25%-30% and even higher in GDP, social support, healthy life expectancy, freedom to make choices and generosity, although it tends to rank less well on perceptions of corruption. Despite the high life-evaluation scores, the Maltese rank fairly low on positive affect (emotion) - bottom 40% - and high on negative

affect - top 30%. There is a need to examine which conditions of life cause the Maltese to fare poorly in this regard.

Together with the detailed data emerging from Malta's annual collection of wellbeing data through the Survey of Income and Living Conditions, this data already offers considerable insights on the status of wellbeing in Malta as well as its determinants. The report concludes with a critical discussion of the indicators. Existing metrics offer methodologically reliable, annual data on wellbeing and its determinants, within which Malta can be compared to other countries. Ongoing developments at the global and European Union level are likely to yield an internationally comparable and compelling wellbeing metric in the near future. Furthermore, Malta is also likely to commence wellbeing measurement using the BLI, having embarked on the process of joining the OECD. On the other hand, there is also the need to focus on issues specific to Malta and to generate regular and robust wellbeing data for vulnerable minorities, institutionalised individuals and children, among others.

The following recommendations emerge:
   i.   To undertake further research to examine the conditions of life which are resulting in low positive and high negative affect in Malta. While Malta is doing well on various counts, as indicated by global progress indicators, areas which merit investigation include work-life balance, educational outcomes and aspects of environmental quality.
   ii. To curate data on wellbeing in a single (virtual) space, together with relevant meta-data and communication materials, as a "one-stop-shop" that continues to expand as more data becomes available.
   iii. To include subjective wellbeing indicators, capable of disaggregation alongside objective indicators.
   iv. To supplement existing data-collection efforts with comparable data collection among children and minorities in Malta.
   v.   To monitor and participate in the international debate on the creation of wellbeing indices (at UN, EU and OECD level) and to consider joining global wellbeing data collection exercises in which Malta is currently absent.
   vi. To regularly prioritise headline indicators in consultation with experts and stakeholders. These can be selected from the existing suite of indicators for which data is already collected and reported annually in aggregate and disaggregated form.