



THE MALTA CHAMBER

**A Smart, Sustainable Island and the National Strategy for the
Environment 2050**

An Initiative led by:

The Malta Chamber of Commerce, Enterprise and Industry



Content

Introduction	3
1. What, besides that which is already mentioned in the Vision document, would you equate with ‘Wellbeing’?	4
How is the wellbeing of the community affected in terms of its mental health?	4
How is the wellbeing of the community affected as regards its social cohesion?	4
How is wellbeing influenced by culture?	5
How can we protect people’s sense of place, purpose and connection?	5
How can we understand the relationship between people and their environment?	6
2. What actions should the National Strategy for the Environment prioritise till 2050 to see Malta achieve a Wellbeing Vision that propels us to measure progress ‘beyond GDP’?	7
a. Enforcement	7
b. Integrated Governance	7
c. Quality over Quantity	8
d. Sustainable Mobility	8
e. Greener Construction	9
f. Taking stock of existing resources which greatly contribute to wellbeing	9
g. Education	10
h. Sustainable Finance/Green Auditing	10
3. Who do you envisage is an essential stakeholder to contribute to achieving this Wellbeing 2050 Vision?	11
4. Can you suggest ways in which you can make a difference, or aspects which will positively influence your behaviour to support achieving this Wellbeing Vision for 2050?	12



Introduction

The pursuit of wellbeing as a pillar of political policy is gaining ground, though it is not a new concept. As far back as 1998, the Prime Minister of Bhutan introduced the idea of Gross National Happiness to the United Nations. Countries like the United Kingdom have begun attempting to measure wellbeing as a national objective, while last year, New Zealand released the world's first "wellbeing budget". The Malta Chamber therefore welcomes the government's recognition that quality of life is dependent on our environment, and recognises the economic reality underpinning the concept, as it brings Malta up to speed with an approach now being taken around the world.

In its "Economic Vision for Malta 2020-2025", the Malta Chamber declares its intention to achieve a "smart, sustainable island", and it is stated that "The concept of a smart Malta economy brings with it a new perspective on economic growth: one that seeks constant improvement in the living conditions and the quality of people's lives, including the surrounding environment and its sustainability. Importantly, the two are not mutually exclusive. On the contrary, a smart Malta economy departs from the traditional economic development approach. It is one that integrates sustainable economic development. The state of the environment makes a significant contribution to every citizen's quality of life. Securing sustainable economic development is no less critical than the constant endeavour to achieve increased competitiveness. Driving economic growth while neglecting the environment is short-sighted and counterproductive. An important economic sector that may pay the cost of such an approach is tourism."

Perit David Xuereb, President of the Malta Chamber, says of this vision "In this day and age, the objective of individuals – both in the Government and of the nation at large – should project beyond just the economic, and go that step further. It must focus on sustainability and respect for our resources, the environment, and quality of life for all."

It is in this spirit that the Malta Chamber is making its submissions towards the National Strategy for the Environment 2050.



1. What, besides that which is already mentioned in the Vision document, would you equate with 'Wellbeing'?

The Malta Chamber recognises that the economy, the mental and physical health of the nation as well as its environment and culture are all interrelated and must thus be addressed in a holistic fashion. At present, Malta's resources are valued inconsistently across fragmented authorities and regulations. Policy silos prevent effective action, and political interference may undo years of investment and progress in any one area overnight. Similarly, potential sources of wellbeing which could provide immense value to the achievement of the goals of the National Strategy for the Environment (NSE) are lost for lack of forward thinking, such as the remaining green spaces in our towns and villages.

The Malta Chamber therefore believes that the country must take a proactive rather than a reactive approach to protecting our environment; one which realistically addresses the factors leading to a decline in wellbeing in many areas, while reassuring citizens that there is a future worth looking forward to. In this regard, there is no use taking cosmetic measures in favour of the environment if, for example, the problems of the construction industry and in the Planning Authority are not seriously addressed, as otherwise a lot of hard work in other sectors will quickly be outdone.

To take stock of the resources the country has and maximize the value they provide to wellbeing depends on a multifaceted definition which opens the door for the topic to be looked at through new lenses and frameworks.

Therefore, a more standardised approach is required across the board. When policy makers and board members, they should be referencing indexes which answer the following questions:

How is the wellbeing of the community affected in terms of its mental health?

The Mental Health Strategy for Malta points out that according to the Organisation for Economic Cooperation and Development, it is predicted that the **"direct and indirect costs of mental health can amount to over four per cent of GDP"** for the world's economies. Therefore, a healthy economy is intrinsically interconnected with a healthy, happy population. In its recommendations for the budget, in its document "A Smart Sustainable Island", the Malta Chamber states that "it is the wellbeing of our people that drives the economy, and economic growth must respect the country's sustainability goals and the physical and mental wellness of citizens".

Efforts should be made to establish the links between the state of Malta's environment and heritage and how this affects the mental health of Malta's communities. Similarly, the overdevelopment of the country should be assessed in terms of the hidden economic impact it has as a result of mental health factors as well as the impact on physical health.

How is the wellbeing of the community affected as regards its social cohesion?

In its **"Economic Vision for Malta 2020-2025"**, the Malta Chamber has also earmarked "Social Cohesion" as one of its key principles, recognising also that a strong economy must be underpinned by a strong community. The importance of the social dimension will therefore to be explored. Although social factors were taken into consideration through the multi-criteria decision analysis (MCDA), the Malta Chamber believes that the elevation of the social



environment as a more central pillar of the NSE might be the next step towards a more holistic approach. While social factors are transposed from tools provided by the European Commission in the course of studies and surveys carried out locally, there seems to be little research into the way these social factors actually link to natural systems in Malta.

There is scope to explore the relationship between individuals and their environment. **More importance must be given to the social impact of any decision, and in turn, social impact assessments should be conducted more frequently and with far greater scope, rather than as cosmetic exercises with pre-determined outcomes.**

How is wellbeing influenced by culture?

The social criteria chosen for the MCDA were those used by the European Commission for policy impact assessments. One of these factors in particular is "**Culture**", which is likewise one of the points taken into consideration in New Zealand's 'wellbeing' budget. The Malta Chamber's recommendations for the budget featured in its document "A Smart Sustainable Island", call for inspiration to be taken from the New Zealand model, stating that "the Government should embark on a national discussion on citizen wellbeing in society which should be the primary focus of government spending."

If culture is therefore to be taken as a resource, we must find where it tangibly offers wellbeing to the people of Malta. In doing so we adopt the additional tool and analytical perspective of **cultural economics** into our strategy to achieve wellbeing. In generally adopting these social and cultural dimensions, the expectation is that increased scope and importance is given to many of the ERA's current objectives and key challenges as well.

For example, one can ask what the relationship is between traditional Maltese agricultural products and the wellbeing of the population. What value do these products add to the wider Maltese experience? In this regard, while agriculture is addressed by the Environment and Resources Authority (ERA) as a challenge, this challenge stands to benefit from being addressed from many different directions, to avoid policy fragmentation and to avoid getting stuck in policy silos. A more integrated approach is more likely to provide holistic or unexpected solutions which add value across the board.

How can we protect people's sense of place, purpose and connection?

The ERA adopts Eurostat's definition of Quality of Life, which includes "**Overall experience of life**" as one of its points. This more generally asks how life satisfaction (cognitive appreciation), can affect a person's feelings or emotional states, both positive and negative, typically measured with reference to a particular point in time.

It also refers to **eudaemonics** (a sense of having meaning and purpose in one's life, or good psychological functioning).

This once again ties back to the importance of cultural resources, from agriculture to architecture, which aside from offering a sense of wellbeing, place and purpose, also ultimately contribute to Malta's larger tourism product and thus to the financial and economic wellbeing of its people over the longer term through quality over quantity.



Malta's cultural resources therefore need to be given the appropriate value, lest they be squandered, and a hidden cost paid by the country which is greater than the cost of taking action today.

For example, the remaining gardens, fields and green enclaves within our towns and villages provide hidden value not only in terms of ecology and air quality to the locality, but also in terms of overall life experience. **The challenge is to draw the connection between wellbeing and the aesthetic and ambient experience of a community.**

How can we understand the relationship between people and their environment?

In stepping beyond the approach of policy silos and fragmented short-term policy interventions, it would be useful to explore the definition of wellbeing from the most holistic possible angle, and to therefore adopt a **social-ecological systems discourse (SES)**. This would prevent viewing the natural environment as something separate from us, to be preserved against the megatrends and critical drivers identified by the NSE. Instead one may find ways to tackle problems at their root cause, on the level of institutions, culture and habits.

Eurostat further identifies "**Governance and basic rights**" as a wellbeing principle, which includes trust in institutions. The SES approach recognises **the place of institutions as fundamental to the relationship between society and nature**. Ultimately, it is our institutions which have the most power over our shaping our local environment, and failure to address institutional problems condemns the NSE to changes in the political winds. A holistic approach recognises that a lack of good governance does not only directly affect wellbeing, but it does so indirectly also.

Therefore, the Malta Chamber proposes that as regards the definition of wellbeing, attention is given not only to the state of the environment, but the relationship with it.

In this sense, the Chamber's Economic Vision identifies the 'uglification' of Malta as one of the main challenges facing the country, with far reaching consequences. Putting people's interpretation and experience of their environment means recognising the value of the collective memory, anecdotes, experiences and emotions connected to places, buildings, landmarks and other identifiable objects that form a part of the landscape. In turn, the aesthetics that go into modern building projects clearly elicit a negative public reaction, and there is an easily measured impact on the country's tourism product, beyond the direct impact on the wellbeing of society.



2. What actions should the National Strategy for the Environment prioritise till 2050 to see Malta achieve a Wellbeing Vision that propels us to measure progress ‘beyond GDP’?

a. Enforcement

In its document, “Ethical Business Calls for Change – a manifesto for Good Governance”, the Malta Chamber recognises that Malta has a long-standing problem with enforcement. A lack of enforcement, and abuse of our rules and regulations for political gain, runs the risk of any policy or political vision amounting to hot air.

The Malta Chamber's good governance document calls for the introduction of **"measures to eliminate nepotism and clientelism"**. Enforcers and decision makers should be held accountable for their judgements, including board members on the Planning Authority. In its electoral manifesto, the government promised the setting up of an Environmental Court, whose remit should not only include combating environmental crimes committed by private citizens but should allow penalisation where public servants clearly violate policy.

In its good governance document, the Malta Chamber calls for the introduction of **"integrity certification for key positions, whereby such persons undergo yearly training and examination"**. The Malta Chamber's good governance document further calls for **"competency certification"** for such chairpersons and board members. Certain professions rely on a warrant to practice, and malpractice is punished through the removal of such a warrant. Along with fundamental organisational reform, a similar system should exist for individuals such as board members in the Planning Authority who vote on developments, as their decisions have a national impact, and a lack of accountability could otherwise jeopardize the NSE overnight at any point over the next few decades. A track record of abuses and exploitation of loopholes running back decades attests to this.

Similarly, the manner of appointment of board members should be changed to remove unwelcome political influence and to ensure the highest standards of accountability and professional excellence.

b. Integrated Governance

Action must also be coordinated across sectors and Ministries for the success of the NSE to be possible. It is no use having a push for wellbeing from one authority, only to have it undermined by the decisions taken in another. To this end, the Malta Chamber supports the *Kamra Tal-Periti's* comments on the NSE which calls for the establishment of a Policy Coordination Unit in the Office of the Prime Minister. In turn, the relevant authorities should have the power to actually implement the NSE, and the ERA needs to **"adequately resourced and be further strengthened on a par of the Planning Authority"**, as per the Malta Chamber's good governance document.

The Malta Chamber also believes that the *Kamra Tal-Periti's* comments from May 2019 during a previous consultation period on the vision have not yet been fully addressed. There remains a strong need to offer reassurance that the NSE's targets will be tied to solid, clear deliverables and Key Performance Indicators, backed by continuous studies and bottom-up feedback from the community. In turn, one should be able to measure progress towards the vision's objectives transparently, and progress tracked in a publicly



available manner that stretches out across successive administrations. Furthermore, in pursuit of holistic application of policy, attention should be drawn to the *Kamra Tal-Periti's* document, "A Modern Building and Construction Regulation Framework", which calls for the 22 institutions regulating building and construction to be brought together under more unitary administration and legislation.

It is essential if the "Wellbeing First" vision is to succeed that destructive actions are not taken unilaterally elsewhere, **such as the push to create a concrete pier in Comino's Blue Lagoon** to cater towards greater tourist numbers and the excessive commercialisation of a fragile space. If Malta's natural capital is not defended while efforts are made to push sustainability elsewhere, then it will be a case of one step forward and two steps back.

c. Quality over Quantity

In its "Economic Vision for Malta 2020-2025", the Malta Chamber recognises the value of intangible aspects of Malta's patrimony. It sees these as being under threat if the country does not ably navigate the challenges of limited "carrying capacity". The need to adhere to Malta's limitations underpins the drive for quality over quantity across sectors, from tourism to construction. It is crucial, therefore, to prioritize quality over quantity in the development of policies and in their implementation and enforcement.

It is quality which evokes a sense of wellbeing. Respecting Malta's carrying capacity, however, must also uphold the principle of social cohesion, respecting foreign residents in the country, who form an integral part of our society. A call to sustainability is in the interests of all living in our archipelago.

Further stretching Malta's carrying capacity runs the risk of permanent damage, which would include Gozo becoming a replica of Malta, as it would inherit all its problems and lose its own charms. In this sense, the Malta Chamber recognises that there are resources which the country possesses which have not been properly recognised or valued. Amongst these resources are characteristics which make Gozo special and allow it to offer a sense of wellbeing to its residents and to those who visit the island. **Gozo requires special protection in line with its character and identity, and the planning regime cannot apply the same standards to Gozo as it does to Malta.**

d. Sustainable Mobility

Gozo's special significance in our country also means that the government should reconsider its decision to build a tunnel between Malta and Gozo. The consideration should be for studies in the direction of a mass transit system, not a car tunnel.

As more than 500 people every year die prematurely due to air pollution in Malta, it is crucial that mobility and traffic shifts away from the use of fossil fuel cars, instead towards mass mobility, electric transport and other sustainable mobility solutions. A matter of particular importance that the policy should address is the **"infrastructure needed for charging vehicles, be it at fuel stations, in towns, home garages, car parks, and so forth. The policy should also seek to establish Malta as a test bed for hydrogen powered vehicles."** Public transport systems in the country in turn need to evolve. Technical and financial feasibility studies should therefore take place on **rapid transit solutions between towns and villages.**

The Malta Chamber's recommendations for the budget featured in its document "A Smart Sustainable Island" call for a shift towards teleworking, which would in turn reduce traffic congestion & increase road safety.



Flexible Working Patterns have been proven to increase worker productivity, increase job satisfaction and lead to a better quality of life - though this is dependent upon the manner of implementation of such schemes, which is paramount.

e. Greener Construction

The construction sector must be greened through "**sustainable construction codes and guidelines**", and the introduction **of green certification**. It should be the case that "**all new construction consist of positive green energy buildings**." Application of global best practices and taking advantage of new technologies should be complemented by further investment "**in Research and Innovation specifically within the Construction sector, to ensure an improved sustainable built environment with the use of better and improved technology**", as per the document "A Smart Sustainable Island". This will require extensive studies to provide benchmarks and the necessary data on the current situation.

There should be continuous and more far reaching "**incentives for the Regeneration of Dilapidated Areas**" and a "**Review of Local Plans: with respect to the natural environment as the top priority, aiming for quality, high standards and improved quality of life while raising the bar in outdoor living concepts by embellishing public spaces, all encouraged by the introduction of focused masterplans**."

The government must also incentivize "**a Circular Economy and promote the use of recycled material especially in the construction industry**." This would include the incentivization of reuse of materials resulting from demolition and the inclusion of recycled plastics in construction.

As the ERA itself notes, the country's globigerina limestone has been designated as a **Global Heritage Stone Resource (GHSR)**, and its sustained presence in the aesthetics of Malta's buildings remains an important factor in the maintenance of a sense of place, purpose, quality and wellbeing. Its continued use, reuse and recycling should take place in a wider context of a push to protect Maltese image, such as through the reintroduction **of a fully-fledged aesthetics board**. Maintaining the appropriate use of limestone, and ensuring its successful place in a circular economy, should not only be motivated by environmental concerns, but factors relating to the cultural economy should be at play as well.

f. Taking stock of existing resources which greatly contribute to wellbeing

Malta's inventory of environmental and heritage resources essential for the wellbeing of our country is **incomplete**. For example, most buildings are only assessed for whether they should be Scheduled or not on an ad hoc basis. Many heritage buildings of value to the community are therefore left unacknowledged. They are never assessed through the lens of whether they deserve to be Scheduled or not on time, before permission is given for them to be torn down on the basis of one policy or another, without ever taking into account the holistic picture.

A case in point is the recent Scheduling of the **Nicholas Monsarrat's former residence in San Lawrenz, Gozo**. A protracted battle was fought between residents and developers, as the context of the famous author of *The Kappillan of Malta* came under threat.

Many heritage resources are left unprotected, despite clearly deserving protection, which can only be achieved in a tug of war with short-term economic interests. Likewise, the protected status of many heritage buildings is threatened when developers repeatedly file to have those protections removed, until



at last, a sympathetic board takes its seat and allows for the demolishing of the location in question. This back and forth must stop.

Similarly, **the remaining fields, gardens and green lungs in our towns and villages** are rapidly being built up. Each one provides value to the locality's ecology, aesthetics, and air quality, providing much greater value to the entire community and country in that form than as poorly constructed apartment blocks, themselves a result of policy loopholes. These green enclaves require the highest levels of protection, and possible incorporation into public projects, such as conversion into public spaces. This could be achieved through **public-private partnerships**, whereby businesses join government in buying these remaining green spaces and embellishing them as a form of **Corporate Social Responsibility (CSR)**. Areas such as the last green space in Fgura (ir-Razzett ta' Spiru), Villa Bonici in Sliema or Villa Golcher in Mosta all boast large open spaces in the hearts of their respective communities which add tremendous unappreciated value to their respective locations, and could offer much more under such schemes.

Therefore, we must make a greater proactive effort to take stock of what the country possesses. We must then study the value of these places to their respective communities and streetscapes, rather than study each one in isolation. We are losing resources without ever recognising the value they contribute to the wellbeing of the community. We are firefighting, when we should be working on fire prevention and the retention of what we already have.

g. Education

In the budget proposals, it is further expressed that achieving a sustainable tomorrow is heavily dependent on education. To reach a Zero Carbon Economy we must incentivise "Training and Education in Sustainability in the widest context, including but not limited to, buildings and transport." The document also states that "additionally, the Government should Remove VAT on the development of **LEED Platinum Certified Buildings**."

A holistic approach would encourage Malta to acquire the knowledge and experience amongst our workforce to actually work in future with green certification such as LEED. At present, aside from lacking the data, we also lack the human resources to fully adopt frameworks which allow for sustainable development abroad.

h. Sustainable Finance/Green Auditing

The government must work hand in hand with banks and financial institutions to encourage a market shift towards sustainable practices. This can be achieved through **the incentivization of all things sustainable** – such as recycling of construction waste. Furthermore, the government should embark on **green procurement** on all levels. Furthermore, banks may be encouraged to collaborate in Corporate Social Responsibility projects by rewarding enterprises which assist the government in meeting its "Wellbeing First" goals, and favourable treatment should in general be given towards all actions which promote a sustainable future. In turn, the construction industry may be drawn towards quality over quantity in this fashion, and heritage and environment conservation given greater priority.

Green auditing should be introduced, whereby compliance with environmental standards and legislation is sought, helping Malta to keep to its international targets and commitments, and where the carbon footprint of our government and businesses are measured and then followed up with solutions in hand



3. Who do you envisage is an essential stakeholder to contribute to achieving this Wellbeing 2050 Vision?

The Malta Chamber welcomes that in the NSE, it is stated that **"the business community is recognised as an important component that can affect Malta's environment and can action measures that will be integral to the NSE."** Private enterprise in Malta has already established its interest in a **"smart, sustainable island"**, running parallel to the government's vision for "Wellbeing First".

For a strategy which actually delivers on happiness, wellbeing and quality of life, it is essential that these otherwise intangible concepts are linked to constant engagement of society at large. While in Malta's political system, citizens are never far from their politicians and decision makers, this usually only takes place in a strictly partisan context, where the dialogue is framed by tribal conflict. In this sense, public engagement should shift from being about what the individual can extract from the state as a result of clientelism, and should shift towards what the entire community stands to benefit by overcoming superficial differences, following the **social cohesion** principle. **NGOs, residents' associations, and local councils** may act as interlocutors in this regard, facilitating a bottom-up approach to the implementation of the NSE and allowing continuous fine tuning and adjustments, so as to meet people's needs within their own context.

So as to address the 'uglification' of Malta, the **artistic community** should be engaged so as to work hand in hand with developers, contractors and architects, so as to innovate ways to beautify projects and indeed the country as a whole. Private enterprise, co-operatives, NGOs, and all of the above identified stakeholders should sit around the table and cross-pollinate ideas, searching for areas to collaborate to **produce value for society, innovate and come up with new enterprises and projects** which are both environmentally and financially sustainable. There should be solid communication channels created to bind stakeholders for the duration of the NSE's implementation, to resolve fragmentation and the inability of expertise, knowledge, and best practices to reach decision makers.

Finally, Malta stands to benefit from realising how it is affected by environmental events abroad. The recent examples of forest fires across the globe and intentional deforestation of the Amazon have a direct impact on our health and wellbeing. The country's efforts to reduce its carbon footprint are in vain, if, for example, the Amazon reaches a tipping point and the investment of the Green New Deal proves futile. In this regard, stakeholders in Malta's "Wellbeing First" vision may be interpreted **as the country's European colleagues, as partners in taking concerted action at home and abroad. A sense of wellbeing must surely arise from a sense of confidence in the future, tied integrally to tackling the question of climate change, as climate anxiety becomes another wellbeing challenge in society today.**

Malta may punch above its weight in this regard, thanks to its position on the European Council, its MEPs in the European Parliament and its voice within the European Commission. On all levels, Malta is able to exert influence on key issues above and beyond our population or the size of the country. Just as Malta made a great impact on maritime regulations through Arivid Pardo and the Law of the Sea, so too can Malta leverage its influence inside the European Union to take a leading position in holding the continent's partners to account and take a leading position on environmental issues, crucial to Malta's health in every respect in – from the economic to the physical – in the years to come.



4. Can you suggest ways in which you can make a difference, or aspects which will positively influence your behaviour to support achieving this Wellbeing Vision for 2050?

The Malta Chamber may facilitate a roundtable discussion between its members and government so as to identify the best practices, policies and actions necessary for the NSE to succeed. In doing so, the strategy may result in the best possible outcomes for both private enterprise and society on the whole.

In turn, the Malta Chamber may encourage its members to take the necessary steps and actions to keep them in line with the NSE and seek out new synergies with stakeholders as the process unfolds.

There is also scope to develop Corporate Social Responsibility projects whereby businesses mutually invest in greening projects, such as to acquire Malta's remaining green spaces in our towns and villages, and proactively protect them or certain heritage developments in partnership with government.

Should the government engage the Malta Chamber adequately and hold an ongoing discussion on its policy recommendations, then in turn it will be easier for the Malta Chamber to encourage its members to engage with and pursue the "Wellbeing First" vision. Therefore, it is imperative that the government involves the Malta Chamber in the various stages of the process and its implementation, as in doing so, it will create a vested interest on the part of private enterprise to see the strategy succeed, and adjustments which may be necessary can be made in an agile, efficient and fast way.