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The Maltese Agriculture and Fisheries Sector in the Local Political Economic Context

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Abstract. *The agriculture and fisheries development process has never featured dominantly in the Cabinet agenda of successive administrations especially since the achievement of Independence. This despite the central role the sector was given since 1959—the year when the first Maltese Development Plan was launched. The principal objectives since then have been the achievement of partial food self-sufficiency and a potential source of foreign exchange. On the eve of the year 2000 however, not only does Malta risk becoming a net importer of most agriculture-based products but the current agricultural policy and rural exodus will most probably result in further environmental degradation. The policy measures which need to be introduced as early as possible to contain such an eventuality will depend on the acceptance and determination of Maltese policy makers to give the sector its due importance in Malta's economic development process.*

Titre. Le secteur maltais de l'agriculture et de la pêche dans le contexte politico-économique local.

Résumé. Depuis l'indépendance de Malte, le processus de développement du secteur Agriculture et Pêches n'a jamais constitué le principal point à l'ordre du jour des administrations successives, en dépit de l'importance accordée à ce secteur depuis 1959 – année du premier Plan de développement maltais. Les objectifs recherchés depuis ont été une autosuffisance alimentaire partielle et une source potentielle d'échanges internationaux. Cependant, à la veille de l'an 2000, Malte risque non seulement de devenir un importateur net s'agissant de la plupart des produits agricoles, mais la politique agricole actuelle ainsi que l'exode rural entraîneront probablement une dégradation encore plus grande de l'environnement. Les mesures de politique économique qui devront être prises dès que possible, afin de parer à une telle éventualité, dépendront de l'acceptation et de la détermination des dirigeants maltais à accorder au secteur l'importance qui lui revient au sein du processus de développement économique du pays.

Keywords. Agricultural policy – Farm incomes – Rural employment – Investment policy – Development planning – Subsidies – Research – Fisheries – Pressure groups.

I. – Introduction

The significant economic and social changes which took place in Malta since the Second World War have strongly influenced the evolutionary process of the agriculture and fisheries sector. The gradual dismantling of the British military base as from the mid-1950s and the ensuing diversification efforts towards the target of self-reliance, confronted the agriculture and fisheries sector with a new set of challenges. Industrial development and urbanization as well as tourism development increasingly encroached upon the limited cultivable land area. Emigration and more attractive working conditions in non-primary sectors of the Maltese economy affected negatively agricultural output which was already constrained by unfavourable natural conditions.

Since Malta gained Independence in 1964, successive governments acknowledged the importance that the agriculture and fisheries sector had in the country's economic development process. There was some political will to promote the sector, but were the most important targets set in the six Development Plans

ever implemented or were they fragmented and disjointed from the overall development process? Which were the successes and weaknesses and the inherent constraints? What is the present state of affairs of the Maltese agriculture and fisheries sector and is it equipped to confront the challenges of the year 2000, full integration in the European Community (EC) and fierce competition from other Mediterranean countries? Are there any efforts at linking the traditional agriculture and fisheries policy with food and consumer policy and environmental considerations? These are some of the most important concerns which we shall seek to analyse.

In order to provide a “Mediterranean dimension” to this issue, we will also briefly compare and contrast the agriculture and fisheries policy-making in Malta with other Mediterranean countries, whether EC members, potential EC members or N. African states.

The article will be subdivided into **three** parts:

- i) a review of the role of the agriculture and fisheries sector within the six Development Plans,
- ii) agricultural policy-making in Malta and other Mediterranean countries,
- iii) the existing linkages (or non-linkages) between agriculture, food and environmental policy-making in Malta.

II. – The Role of Agriculture and Fisheries within Malta's Politico-Economic Development Process

With the gaining of Independence from Britain in 1964, the Maltese economy was confronted with a new set of responsibilities. After the First Development Plan (1959-64), which largely provided for the fundamental diversification of the existent economic structure, the Second Development Plan (1964-69) had as an overriding objective: the containment of the rundown of the British Military Services, which was creating significant problems with respect to output and employment. The main tactical aims of the Plan included (a) the conversion of the naval dockyard, the largest single service establishment, to commercial shiprepair work under private ownership, (b) the development of a competitive outward-looking manufacturing sector, (c) the development of the tourist industry and (d) further exploitation of the agricultural sector.

The Plan succeeded to reach more than the set objectives. The economy grew at an accelerating pace. Agricultural output grew by 18% in **constant** terms from 1964 to 1968.

Notwithstanding, increased opportunities for alternative employment in industry, tourism, construction and other services, and attractive conditions abroad, particularly in Australia, resulted in a contraction in the number of both full-time and part-time farmers. In addition, the gainfully occupied farming/fishing community aged 40+ already constituted some two-thirds of the total number of full-timers. Registered agricultural land fell from around 17,100 ha in 1964 to 15,852 ha in 1968. Most of this land continued to be encroached upon by industrial, residential and hotel use besides road building.

The 1960s were also characterised by a gradual trend towards the concentration on the intensive production of high-value commodities rather than lower-value products requiring relatively larger areas of land. Food production rose from £6.3 million to £8.1 million in the 1964–1968 period. In 1968 the rate of import cover for agricultural products stood at 16% compared to 8.3% in 1964.

In the fisheries subsector policymakers acknowledged that the industry had a dual role to play—to supply part of the country's food requirements and to provide to an increasing number of tourists a wider array of quality Mediterranean fish. The natural constraints of a “non-prolific” Mediterranean sea, coupled with the migration habits of certain pelagic fish, affected significantly fish catches. The annual catch of fresh fish fluctuated between 1,200 MT and 1,500 MT during 1964-68. Other inherent constraints included a fragmented fishing fleet constituted of a large number of small craft, often operated by one man, and a decline in the number of full-time fishermen.

Expenditure on fish and fish products increased by 38% over this period, largely as a result of a general rise in the prices of imported fish and a shift in consumers' preferences towards the more expensive varieties. A noticeable shift was discernible away from imported salted, dried and smoked fish towards chilled and frozen fish.

The Third Development Plan (1969-74) was suspended with the coming into power of a Socialist Administration in 1971. The Malta Labour Party (MLP) remained in power until 1987.

The plan targets for agriculture and fisheries during the 1969-74 period aimed at intensified agriculture through the introduction of higher-yielding varieties and the greater use of irrigation. The important role of part-time farming was also identified though this was to be supplemented by heavier investment outlays.

The main issue to tackle was not the supply of agricultural products *per se*, but meeting an increasing demand for higher quality food, in particular protein-rich foods, which emerged from the combined effect of a more "demanding" domestic population and an ever-increasing number of tourists.

However the economic planners outrightly rejected policies aimed at supporting heavily the agriculture and fisheries sector on the basis that *"it would be physically impossible as well as economically unsound to attempt to produce locally all Malta's food requirements"*.

The principal products identified for further development included small livestock and fruit and vegetables. Malta's natural advantages in warm climate and long periods of sunshine were already being exploited for potatoes, onions and wine products, products which were already penetrating European markets. Other products which seemed to provide a potential were cut flowers and cuttings, though a major limitation which persists to this very day was the prohibitive costs of transportation.

Amongst the main projects which provided the basis for the livestock industry in Malta was the Dairy Improvement Scheme (DIS) and the development of the pig breeding industry. The principal targets of the DIS was to increase the average milk yield per cow/goat and expand meat production from the dairy herd to meet an ever-increasing demand. The scheme, financed through proceeds made from food grains made available to the Maltese Government from the World Food Programme (WFP), envisaged essential dairy farm developments, the introduction of more efficient artificial insemination services, the establishment of a central feed-mixing plant and the introduction of a herd book.

The Fourth Development Plan (1973-80) once again emphasised that more intensive forms of agricultural production were particularly suitable due to the small size of local holdings. The principal policy aims for this timeframe included the reduction of Malta's dependence on imported food and agricultural produce, securing greater output and the improvement of the efficiency of agricultural and horticultural production especially high-value, out-of-season fruit and vegetables. In addition, agricultural practices were to be upgraded and Government was to supplement the efforts of local private farmers through increased production on the "experimental" farm.

Other major projects earmarked were land reclamation and afforestation, water catchment and conservation and the improvement of "off-the-farm facilities" besides the supporting and encouragement of agricultural cooperatives' development.

However, the progress reached can hardly be termed to be a success. The launching of a project known as *Izra' u Rabbi* (Sow and Rear) set up neither a strong, central economically viable cooperative society nor any framework for the provision of local and export marketing services. The policy adopted by Government to concentrate on production rather than research led to the Government Experimental Farm at Ghammieri, the only existing national agricultural research institute, to emerge as a competitor rather than a collaborator of the declining farming community. Furthermore, few concrete and effective efforts were made at ensuring an adequate supply of irrigation water.

The Fifth Development Plan (1981-85) was the most detailed of all the six plans in the delineation of measures which were to be introduced or strengthened to further develop the agriculture and fisheries sector. Amongst the measures which were to be undertaken in order to increase local food production were the strengthening of the farm support system and the more efficient and intensive use of available land, water and other related resources. It was still considered potentially possible to produce crops which secured access to export markets.

Water conservation schemes (mainly the *Risq il-Widien* project [a water catchment project]), improved irrigation practices and the introduction of drip irrigation techniques were earmarked to increase production per unit of land. However, the main project which was indeed a determining factor for higher crop yields in the S.E. part of the island was the coming into operation of the Sant' Antnin Sewage Treatment Plant (SASTP). It was forecasted that during the first stage of this project, 240 ha of dryland were to be irrigated, this increasing to 1,000 ha at a subsequent stage. However, the set targets never materialised. For a more exhaustive review of the sewage purification plant, see article by Gauci (pp. 83–91).

The plans in the spheres of the conservation and restoration of agricultural land were several—monitoring of urban sprawl, tree planting programmes, land reclamation programmes and an integrated rural development scheme to revive Comino's potential for agricultural production. The scheme was to include the construction of rubble walls and the addition of organic matter (namely pig manure from the Breeding Station located in Comino). The products earmarked for cultivation included vines, olives, barley and, at a later stage, tomatoes, fruit trees and strawberries. This project however never materialised.

Investigations carried out in 1978 showed that Maltese soil quality could be ameliorated through compost, which could be the end product of the pulverisation and composting of domestic refuse. But it was only after 15 years that an Integrated Wastes Recycling Scheme was set up to treat sewage effluent for irrigation as well as the production of compost from domestic refuse (Construction works on the Compost Plant have been completed but, as yet, production has not commenced).

Plans to revise the farm ownership system always failed and most of the agricultural holdings are still wholly rented by farmers, previously from the Church and now Government. It is in fact not at all surprising that farmers have been reluctant to undertake any long-term capital improvements in the holdings leased to them.

The Fifth Development Plan also set the targets for two major programmes of action—plant and animal health control and farmer education, complemented by the strengthening of extension and advisory services. Whereas some progress was registered in disease control, the Training and Visit (T & V) system of agricultural extension was never implemented and most of the technical knowhow was acquired by the farmers through their own personal initiative.

In the fisheries sector, the principal objective for the eighties was to meet fish demand to the fullest extent possible from local sources. However, after the unsuccessful plight of the Malta Libyan Arab Fishing Co. Ltd. (which was to operate a modern trawler fleet), the main efforts were concentrated at evening out seasonal fluctuations and introducing modern mechanical equipment and refrigeration facilities. Though a portion of local landings was (and still is) being exported, the Maltese fishing industry did not develop at a sufficient fast pace to venture into processing and canning of fish. Furthermore fish exports are having a negative effect on Maltese consumers who are now having to confront exorbitant prices for certain species, particularly swordfish and tuna.

The final Plan drawn by a Socialist Government was that covering the 1986–88 period. The policy planners openly accepted that manufacturing industry and tourism were the keystones for future growth but at the same time expected that agriculture and fisheries would continue playing an important role

within Malta's future national economic structure. The dual targets of import substitution and exports were still considered to be possible though a pre-condition to reach them was an optimum utilisation of all available resources.

This Plan designed a system of structural supports which would aim at preserving the relatively low domestic consumer price level on the one hand, and on the other seek to safeguard income through increased export earnings. Within this context, a more balanced relationship between the primary agricultural sector and the rest of the economy was to be established.

This however necessitated a strengthening of the education base of the rural community as well as the setting up or further strengthening of agricultural structures to compensate for the specific handicaps which Malta confronted as a small island economy. However no new projects were earmarked and once again the Plan laid importance on the Composting Plant, drip irrigation techniques and a wider application of treated sewage water for irrigation in the S.E. area of Malta.

Given the comparative advantage in the cultivation of horticultural products, a vast programme was to be launched involving the erection of glasshouses, the production of high-value horticulture crops, the allocation of financial assistance and technical support to individual farmers in other agricultural areas willing to undertake greenhouse production. But even in this area, no positive results were ever registered. The liquidation of the company Gozo Agricultural Products (GAP)—a parastatal company which was to be the lynchpin of the export-oriented horticulture industry—was a severe setback. The major weaknesses encountered by the Company included lack of management expertise, weak marketing strategies and the inexistence of support services.

The development planners also targeted Gozo as an agricultural zone specialising in the production of high quality crops. This was probably a strategy to complement Gozo as “an upmarket tourist resort”. Although efforts are still being made at projecting Gozo as a “quality site”, there is still the risk that this island ends up like Malta both in respect to the decline in agricultural land and the attraction of mass tourists.

Other policy measures which were to serve as a support base for agriculture and fisheries development included the setting up of an Advisory Group on Agriculture, an Agriculture Export Board and an agricultural insurance scheme. The integrated development scheme for Comino featured once again in the action programme.

In the case of fisheries, the problems of stock management and coastal pollution were to be prominently placed on the policy agenda of the Administration. In addition, the promotion of pilot projects on aquaculture and the launching of feasibility studies for fish farming were also considered to be priority objectives.

In May 1987, the Nationalist Party (NP) obtained an overall majority in Parliament and the targeted action programme drawn by the Socialist Administration in 1986 was set aside. No development plan was published (or will be published) by the new Administration as such documents have been considered by the party in power as being solely political documents.

However, it cannot be inferred that the inexistence of a Development Plan has ameliorated the sector's development process. The recommendations of FAO experts as endorsed by the 1988 document should provide the basis for the short-medium term strategy to be adopted but were there any fundamental policy changes since 1988?

If one were to evaluate whether successive Governments complied with their set targets as laid down in the Development Plans, which can be considered as formal/official presentations of sectoral strategies presented in the pre-election campaign (as outlined in the Electoral Manifesto), the crude reply would be “no” or “partially”.

In 1993, the Maltese agriculture and fisheries sector is still confronted by severe natural constraints

—land availability, lack of water resources—coupled with a declining labour force, weak agricultural policies and problems related to environmental degradation. Furthermore the Maltese Government is continuously striving for full membership in the EC, but it has to be accepted that not sufficient efforts are being made at aligning Malta's agricultural and fisheries policies with the “new” Common Agricultural Policy (CAP) and the agro-environmental measures.

On a general level, it can be safely inferred that despite the various targets set by development planners since the post-independence period, the Maltese agriculture and fisheries sector has ended as being the most marginalised of all economic sectors of the Maltese economy. A multitude of action programmes featured from one Development Plan to another, sometimes the same project or policy measure being presented, and although certain improvements and a degree of progress have been reached in increasing production, the most fundamental constraints have never been seriously tackled at a root level.

The next section will delve into the current agricultural policy-making process in Malta, the process of reconciling contrasting objectives in a very “difficult” milieu, and eventually contrast it with the agricultural policy-making processes in the Mediterranean basin—whether north or south bound.

III. – Agricultural Policy Making in Malta and in a Selected Group of Mediterranean Countries

Agricultural policies may be decomposed in two distinct parts—a **pricing** and a **structures** policy. More emphasis is normally given to the former but the neglect of the latter inhibits considerably growth and innovation within the particular subsector.

In developing countries, including island economies, the main objectives dominating **pricing** policies as outlined by FAO (1987) are:

- ❑ **Consumer food subsidies** (stabilisation, reduction, urban preference),
- ❑ **Food supply** (uninterrupted supply, food security),
- ❑ **Producer prices** (stabilisation, production incentives, relative commodity prices),
- ❑ **Agricultural trade** (increased exports, reduced food imports),
- ❑ **Revenue** (provision of Government revenue)
- ❑ **Industrialization** (provision of resources, favourable terms of trade for the manufacturing sector).

From what has already been described earlier on, it is immediately discernible that Maltese policy-makers have largely concentrated on ensuring a degree of food security, the stabilisation of producer prices and the control of consumer prices. At one point in time, until the latter part of the 70s, several commodities were rationed in Malta. This was largely due to the aftermath of the Second World War and the unstable international economic environment of the early 70s. The food items rationed were edible oil, pasta, flour, sugar and tinned milk.

Similar to the most advanced of the Newly Industrialising Countries (NICs) in S.E. Asia, the Maltese policy-makers' principal objective was minimising price fluctuations and providing greater assurance about future price levels. The policy measures introduced however differed according to the party which was in power—whether Socialist or Nationalist. Whereas the MLP adopted a price and wage freeze from 1982 until 1986 and sought to continuously monitor product prices which had an important weighting in the Retail Price Index (especially the “Vital Items Index”, which was largely constituted of food items), the NP, as from 1989, adopted a relatively more liberal pricing policy. Trade has been liberalised though most products—whether imported or domestically produced—are still controlled by “price orders” which

are maximum prices that can be charged by retail outlets. The only products which are not covered by these price orders are fresh fruit and vegetables. In the case of imported processed fruit and vegetables and imported fresh fruit, price orders also apply.¹

In the case of domestically-produced fruit and vegetables, Government sets “indicative price ceilings” every Monday and Thursday, which are diffused in the media.

However, notwithstanding price monitoring and the “indicative price ceilings”, consumer prices do vary from one retail outlet to another and from one town/village to another. This price variation does not necessarily reflect quality differences as there is no grading or standardisation regime for fresh fruit and vegetables on the same lines as the UN-ECE or OECD regime.

Normally, in areas considered as principal tourist centres or in “large” city centres (by Maltese standards this would constitute a population of + 13,000), the consumer prices of certain meat cuts, rabbit, fresh fish and fresh fruit and vegetables are higher than in the rest of the island.

FAO (1987) underlined that “despite the great diversity of country situations, commodity characteristics and the range of policy instruments, there tends to be a basic model for the commodity price intervention in developing market economy countries”.

A first mechanism is through the establishment of fixed or minimum producer prices for basic foods coupled with a production quota system (in Malta this exists for milk and pork, and until 1990 for broilers). On an international level, the most common form of intervention mechanisms, existing also in Malta, is the control of the volume and the domestic price of imports or exports. However given that the only products exported are potatoes (spring), cut flowers and horticultural plants, the policy intervention in Malta is limited to imports.

The most complex domestic intervention mechanism is that applied in the beef market, referred to as the Beef Intervention Scheme. The middlemen guarantee the minimum producer price set by Government and initially (in the late 1980s) there was also an agreement whereby the number of cattle for slaughter was to be increased. Government buys the forequarter of the carcasses and sells it as “manufacturing beef” to the meat processing industry. Government also binds each processor to participate in the scheme. When processors need to import “manufacturing beef”, local industry is committed to buy a proportion of the local cattle slaughtered (25%) depending on the market share of each particular enterprise. The costs of deboning and the loss in price encountered are covered by import levies (10c. per kg on catering cuts) on all imported frozen beef varying by cut. The Scheme was temporarily suspended in 1991 because local producer prices were hovering above the minimum set but had to be reintroduced during 1992. It has also to be highlighted that the Scheme was designed to contain any adverse effects that lower consumer demand for fresh beef would have on milk production.

Similar to several developing countries, the Maltese Government continues procuring directly certain commodities—frozen meat, tinned milk, sugar and grains—despite calls for the complete dismantling of the “Bulk-Buying Scheme”². In the case of grains a parastatal company—Medigrain—imports Malta's total requirements of wheat (hard and soft), barley and maize. A total of 150,000 MT were imported in 1991. Some 20,000 MT of soya are privately imported.

Two commodities which have a considerable degree of weighting in final animal production are barley and maize. The price of barley and maize (as well as wheat) is administratively set and currently stands at Lm 56 per MT but due to bulk purchase discounts for feed mills, the price is effectively nearer to Lm 54/MT. The difference between the world c.i.f. import prices and the “administered price” set by the Department of Trade is transferred to a Price Stabilisation Fund (PSF).

There have been calls to liberalize this monopolistic mechanism especially in the light of Malta's commitment to become a full EC member. But there seems to be some resistance on Government's part, especially since this Bulk-Buying Scheme has been an important source of revenue since the decline of international commodity prices.

The Maltese Government unlike most other countries—whether developing or developed—does not actively intervene in the pricing of production inputs beyond the feed grains, which are actually **taxed**. Farm inputs, like fertilizers or pesticides, are not subsidised though farmers benefit from some price reductions if purchases are made through cooperatives, which on their part provide certain advisory services.

Irrigation water from the SASTP is distributed at a nominal charge but most costs related to water development (of a capital nature) have to be incurred by the farmers themselves with minimum structural aid from the Government. There are **no** subsidies on the purchase of tractors, other machinery, fuel and seeds.

On the “structural” side of agricultural policy, it can be immediately inferred that this is probably one of the weakest within the whole Mediterranean area. “Real” capital expenditure (*i.e.*, excluding afforestation and farm access roads)—channelled to upgrade existing production structures, introduce the latest technologies, modernise equipment—has been extremely limited. R&D expenditure in agriculture, fisheries and aquaculture remains marginal and most of the investment outlays are forked out by the farmers/fishermen themselves.

Delia (1990) sustains that “this small percentage (of private investment in agriculture and fisheries) could be the outcome of several factors such as the age structure of the farming community, the expectations of such group and outsiders for future profits in agriculture, the lack of technical advisory assistance in the public sector or weak technical and financial expertise in farmers' cooperatives and the absence of a specialised credit institution or units within the commercial banks or long-term lending units which specialise in agricultural credit”. In effect, there is neither an Agricultural Bank nor credit or insurance facilities provided by financial institutions specifically to agriculture/fisheries-related activities, the only preferential treatment given being a reduced interest rate payable on loans and overdrafts of 6.5% instead of the standard 8%.

But a major cause of the limited structural support granted to farmers and fishermen and the lack of existing public advisory services (the sole exception being the Extension Service) resides in the limited political lobby of Maltese farmers' organisations, particularly fruit and vegetables cooperatives, which remain extremely fragmented.

Why have successive Governments in Malta decided on supporting heavily—either indirectly or directly through credit facilities, loan financing and other financial assistance—the ship-repair and shipbuilding industry rather than agriculture and fisheries? It all boils down to power politics, which becomes more determinant in a country wherein the gap between the NP and the MLP is not that significant (± 4 percentage points) and wherein the stake of winning or losing an election is considerably large.

At an EC level, the farm lobby has been considered as one of the most powerful and best organized groups in Europe and this is why the CAP continues to feature dominantly in the political debate and conflicts among the European states themselves and country groupings like US-Canada, CAIRNS, etc. However, as De Rouffignac (1991) rightly points out in his analysis on “Pressure Groups – Theory and Practice” ...“at the European level, too, many policies have been carried out in spite of pressure group opposition despite the contrary positions adopted by COPA/COGECA” (p.167). Nevertheless, it is also certain that had it not been for the position taken by these farmers' organisations, the CAP would have been fundamentally reformed long ago and consensus at the Uruguay Round would have been reached since 1990.

After reviewing the general agricultural policy-making process in Malta, we will describe the main typologies of Government intervention in certain Mediterranean countries. For the aim of this article, we will distinguish policy-making in two different area groupings—countries which are either already full EC members or potential members, and N. African countries whether in the Maghreb or Mashreq union. For the former group, we will take Portugal—the latest EC entrant (with Spain)—and Turkey whereas for the latter group we shall analyse the experience of Egypt and Morocco.

The brief overview of the political economy of agricultural pricing policy (we will not enter into the structures policy aspect) will be largely based on the comprehensive study published by the World Bank for Africa and the Mediterranean (1991).

The study for Portugal describes how this country controlled food marketing and trading to a much greater extent than most Western European countries. During the Salazar regime, the main objective was the provision of cheap food for consumers. During the revolution this was transformed into a production-oriented strategy while since 1980 particular attention was given to macroeconomic problems—control of national debt through subsidy reductions and a reduction of benefits channelled to consumers! From 1960 until 1986 “Portugal's agricultural policies changed in response to the shifting power base within Portuguese society”, namely between the small subsistence farmers of the north and the *latifundia* landholders of the south, industrialists and urban consumers. Since 1986 agricultural policy-making is decided upon by the 12 EC member states, with Portugal's bargaining position not being particularly strong. Many a time the country has to enter into an alliance/coalition with other stronger Mediterranean countries whether Spain, Italy or France against the “northern” EC area. Furthermore “preparations are being made to eventually dismantle the wide control that the Government has exercised during the past five decades” (Krueger, *et al.*, 1991, p. 198).

Turkey shares several common characteristics with Portugal but the different socio-economic set-up required specific policy measures. In Turkey, agricultural objectives shifted during the 1960-85 period from farmers' income, consumer welfare and price stability (1961-75) to increasing foreign exchange earnings, government budget and price stability (1980-85). These latter objectives were reached by “adopting a crawling peg for exchange rates, reducing fertilizer consumption subsidies and keeping support prices below the inflation rate so that transfers into agriculture through price supports gradually decreased” (Krueger *et al.*, p. 255).

Both government and the political parties are highly centralised in Turkey. Government responds to the demands of pressure groups, including farmers, who are organised in associations (*dernek*). Conversely consumers are not represented and have few avenues to exert pressure except during election time.

A major reform undertaken since 1980 has been in the production, distribution and pricing of seeds. “Government dismantled all controls on seed prices, liberalised seed imports, accelerated the process for obtaining permits for planting new varieties, established new criteria for certified seeds and gave registration rights to foreign seeds” (Krueger *et al.*, p. 263). In addition, fertilizer prices and foreign trade in fertilizers were liberalised together with the distribution process although the “number and volume of crops supported are still excessive” (Krueger *et al.*, p. 264).

If Turkey wants to enter the EC by the first decade of the next century, it needs to liberalise further its agricultural policies. Given the direction of the CAP reform, Turkish policy-makers are now cognizant of the extent of the sectoral reforms which need to be implemented. Turkey is a large agricultural producer and although an important part of its agricultural production is complementary to EC production, subsidy levels and intervention prices cannot remain high.

The dominant role of pressure groups in the agricultural pricing policies of N. Africa countries is also quite determining. It is noted that “since the turmoil of the early 1970s, the (Moroccan) government has

made several efforts to secure the support of the urban masses” (Krueger *et al.*, p. 164), especially in the light of the fragile balance between the urban populace and the local bourgeoisie. Even in the structures, policy funds were channelled to the benefit of the relatively better-off farmers in large-scale farms rather than small farmers in the traditional rainfed sector.

Disparities between rich and poor have widened. This state of affairs calls for a re-evaluation of the existing economic system—a system “wherein the fruits of its agricultural potential can be realised in as equitable a manner as possible”.

Like Morocco, Egypt agricultural pricing policies largely reflected the positioning of the different interest groups at a particular point in time. In the 1960s the objective of Egyptian food policy “was to ensure social equity by securing agricultural products for consumers from Egyptian farmers through a compulsory delivery and fixed price system” (Krueger *et al.*, p. 70). A decade later the objectives were insulating domestic consumers from worldwide inflation and reducing controls and stimulating the outward-oriented sector for the generation of foreign exchange earnings.

In 1980 “the food price and subsidy policy shows a rural bias”. In addition the “food security argument” has been quite diffused “because it has a wide constituency that includes Nasserists, fundamentalists, Wafd Nationalists and official party supporters”. Finally another commodity intervention, typical of several African countries, is food aid. Food aid flows, mainly originating from the US, have reduced considerably Egypt's international financial obligations.

The above comparative analysis demonstrates that notwithstanding that we are discussing agricultural policy-making in a specific geographical region—the Mediterranean—the pricing policies adopted vary from one country to another and do not depend only on the prevailing economic conditions but more particularly on the underlying socio-political pressures ensuing from specific interest groups.

This “lacuna” (of the inexistence of effective interest groups—whether on the demand [consumers' associations] or the supply-side) is probably one of the causes of Malta's weak agricultural policy-making framework. In addition, whilst most Mediterranean countries have sought to give attention to the links between the national level and the agricultural sector level of policy, Maltese policy-makers have completely overlooked, probably knowingly, macro-links hence resulting in policy fragmentation.

After having reviewed the role of agriculture and fisheries in Malta's development plans and the political economy of agricultural policy-making in Malta and a selected group of Mediterranean countries, we will conclude this review by identifying the linkages (and non-linkages) of agricultural policy-making with related sectoral policies—food and environment.

IV. – Malta: Linkages and Non-Linkages between Agricultural, Food and Environmental Policy-Making

Since March 1992, the Ministry responsible for Agriculture and Fisheries was also entrusted with monitoring issues relating to food policy and consumer protection. However, the first indications point towards a non-coordination of all policies related to agriculture and fisheries.

Though the Ministry is actively involved in the policy formulation and implementation of areas directly relating to agriculture, fisheries and aquaculture, it has a rather passive role in food policy. The provision

of the scientific basis for the food and nutrition policy, the evaluation of the progress of Malta's food and nutrition policy, the translation of the food and nutrition policy recommendations into specific sectoral objectives and implementation strategies and ensuring close collaboration and consistency of action regarding food and nutrition in governmental and private sectors remain the task of the National Advisory Committee on Food and Nutrition. This Committee, though being represented by the Department of Agriculture officials, actually reports to the Minister responsible for Health Policy and Social Affairs!

The Department of Health is also responsible for the newly-enacted Food Labelling Standards Legislation and matters relating to the monitoring of standards in agro-processing plants. The Case Study presented at the First International Conference on Nutrition has actually been coordinated by the Nutrition Unit, another component of the Department of Health and it seems that the input of the Ministry for Food, Agriculture and Fisheries has been very minimal.

In the field of agricultural trade, though the Department of Agriculture has an important role in the licensing procedure, it is the Ministry of Finance which regulates overall trade policy. In effect, this is one of the principal areas of contention particularly since the trade liberalization exercise was launched by the current Administration in 1989. A trade-off has to be made between a further trade liberalization of agricultural products, in consonance with the EC competition policy, and the protection of domestic agricultural production. There is a clear indication that the powerful arm of the Finance Ministry will reduce the remaining power that the Department of Agriculture has in deciding the quantities as well as the timeframe within which certain commodities can enter Malta.

When it comes to environmental issues, the non-linkages become even more evident although the enactment of the Structure Plan and the setting up of a Planning Authority should help resolve several problems (see article by F. Camilleri, pp. 77-81).

The Ministry responsible for the Environment in Malta is also responsible for the development of infrastructural facilities. This may be viewed as contradictory and one still has to experience the actual protection of rural sites and the control of further urban sprawl as well as the construction of villas and bungalows on virgin agricultural land.

It is, however, not always justified to denounce certain policy measures of Government or the actions of land speculators and real estate agents as being anti-environmental. Sometimes it is the farmers themselves who, through their actions, are causing further environmental degradation. The prevailing exorbitant land prices (under pressure from house building for locals and tourist accommodation) and the disinterest of the younger generation of the farming community to continue working the land, have induced several farmers in the northern part of the island (where most fertile agricultural land is located) to either sell the land or leave it idle or simply grow wheat (to be later transformed into hay). There are also practically little or no farmers to set up natural windbreakers or maintain in a relatively good state rubble walls to limit further soil erosion.

This state of affairs is a further confirmation of the inherent difficulties in attempting to coordinate policy actions for the maintenance of the livelihood of farmers and fishermen and the protection of the environment. As long as the development planners (and politicians) remain indifferent towards the real organisation of a food and agriculture policy and the farming community remains wholly dominated by 60+ year old farmers and fishermen, the only envisaged food and agriculture policy for the year 2000 would be the **monitoring** of imported meat, dairy products, fruit and vegetables and processed commodities. On the environmental side, the disappearance of full-time farmers/fishermen will undoubtedly be translated in further environmental degradation, as the "guardian of the environment" must necessarily be a full-timer.

V. – Conclusion

The Maltese agriculture and fisheries sector still has an important role to play in Malta's future development process notwithstanding the contraction of the labour force and the existing weak agricultural structures. Eventual entry into the EC will require that Malta gradually aligns itself to the EC agricultural, food and environmental policies through the introduction of basic grading and standardisation regimes, the dismantling of government procurement and the greater enforcement of environmental legislation. Malta has already embarked upon a path which moves away from the inward-oriented strategy of import substitution but the political commitment of fundamentally restructuring the economy—in particular the agriculture and fisheries sector—has to be “transformed” into a real engagement to introduce change.

It is understandable that radical change is sometimes very difficult and may be “politically costly” but only such a process can guarantee future development growth and a smooth integration in the EC institutional framework.

Finally, it is imperative that development planners clearly set out their targets and priorities. It is useless to try to reconcile a multitude of objectives because many a time these turn out to be contradictory at the implementation stage. If the agriculture and fisheries sector is still to feature and the environment safeguarded, the Maltese Cabinet has to introduce, as early as possible, the necessary mechanisms; otherwise an aerial view of Malta not far into the next century will be solely characterised by roads, buildings and small “patches” of recreational land. This will eventually be tantamount to further environmental degradation and a severe blow to the tourist industry.

Notes

1. In view of Malta's eventual entry in the European Community, the Ministry of Finance announced during the 1993 Budget Speech that there will no longer be price orders though some form of control mechanism on profit margins was to be introduced.
2. The only products which will remain procured on a bulk buying basis (as from 1 January 1993) will be wheat, maize and barley.

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