Sustainable Governance Indicators

2015 Malta Report
Godfrey A. Pirotta, Isabelle Calleja, César Colino (Coordinator)
Executive Summary

Malta continues to present a complex picture. As a working democracy, the country has few legal restrictions on candidacy; elections are free and fair; the courts protect political and civil liberties effectively; the media has become more free and pluralistic; and media access has increased for political parties and candidates. Malta also performs reasonably well on issues of legal certainty and judicial review, and the country’s National Audit Office and Ombudsman Office contribute significantly to transparency and accountability of government.

Yet some issues still persist. The method of electing the president by a simple parliamentary majority rather than a two-thirds vote continues to create division between the parties. Malta also has no process of popular decision-making such as referenda. The Constitutional Court can declare a law invalid, but has no powers to revoke laws. The prime minister holds the sole responsibility of appointing justices. Allegations of political discrimination are still common. And crucially for citizens, access to government information remains restricted.

Malta is also the only European state with only two political parties represented in parliament, and there are no thresholds to assist smaller parties in gaining parliamentary representation. The result of this set-up is an entrenched two-party system that, while facilitating stability, also promotes patronage and the overall perception that politics is a zero-sum game. The government appointed in 2013 tried to mitigate this by appointing a handful of former opposition activists to government positions, but pressure from within its own party limited the effectiveness of this attempt. The courts continue to help mitigate discrimination, while the Ombudsman Office protects citizens from maladministration, and the National Audit Office constantly highlights accountability issues and helps to reform public financial management.

Some progress has been made on other issues highlighted in the 2013 report. For example, a Bill to control political-party funding is currently before parliament. In 2013, the parliament also eliminated a provision that created time limitations for criminal procedures against politicians and their associates involved in corruption. A Whistleblower Act was passed, and work is in progress on revitalizing the Permanent Commission Against Corruption. A
commission tasked with reforming the judicial process has already presented its first interim report for public consultation, and is working on finalizing its work. Another commission has been charged with examining laws currently on the books, and the prime minister has announced that over 150 laws will be repealed or brought up to date. Minority groups have also seen their rights extended through the establishment of civil unions and other laws barring discrimination based on gender.

However, the parliament remains weak, and still lacks the resources and powers necessary to carry out its oversight function effectively. Political parties remain the principal drivers of policy formulation and evaluation, while the parliament has not institutionalized its interactions with interest associations. Although other interest associations have grown in importance, business and trade unions remain the most influential. Parties’ use of parliamentary committees tend to undermine the proper functioning of the institution.

In general, Malta has progressed well over the last 10 years, even if its pace has been somewhat inconsistent. The EU accession process introduced reforms and enforcement mechanisms that in essence strengthened democracy. There are also signs that voters are prepared to punish parties for failing to reform.

Like other small island economies, Malta’s economy is open and readily affected by developments from abroad. However, the tendency by governments to prioritize political over economic considerations can have a negative economic impact. In the last two years, Malta has fallen in line with EU budget-deficit regulations, albeit conditionally. Presently, health care is the economy’s Achilles heel, requiring significant expenditures from the government. A second issue is the current pension system. These issues are compounded by rampant tax evasion, a particular problem since Malta’s lack of other resources means that tax revenue is its sole income source supporting public expenditure.

The country’s focus on environmental sustainability has become more pronounced in recent years. However, the island needs to address its near-total dependence on oil imports, the problems caused by dwindling water resources, and the high cost of providing water through reverse-osmosis plants. In addressing these and other problems, Malta’s approach is hindered by a lack of strategic capacity and coordination at most levels, and this in turn restricts its strategic planning. Despite a determination to wean Malta off its total dependence on oil imports, a new projected gas-fired power station has fallen seriously behind schedule. Attempts are also being made to strengthen planning structures, but these are too recent to be usefully evaluated.
Key Challenges

Although a number of reforms have been implemented since March 2013, many good governance issues remain. Parliamentary reform remains of paramount importance. The House of Representatives must itself begin a debate on whether its members should remain part-time, meeting only in the evening on three days of each week, or instead take on a full-time legislative role. As it stands, parliament is failing in its duty to fully scrutinize new legislation, and to provide a place where constructive criticism or proposals predominate. This is very much the case with legislation formulated at the EU level, which today accounts for up to 80% of legislative reform at the national level. A reform creating a full-time parliament would require a wholesale restructuring of current structures and processes, and the earlier the debate starts, the better.

The need to reform the Permanent Commission against Corruption in order to support what reforms have already implemented has also become urgent. Citizens must not lose trust in these reforms. The government must also implement a reform of the Public Service Commission, which is entrusted with responsibility for appointments and promotions in the civil service, as well as of the Employment Commission, which is charged with redressing complaints about discrimination in public-service appointments. Political parties need to show maturity and embark on a reform of the electoral system, which is the source of considerable political patronage and possibly corruption. The single transferrable vote (STV) system is theoretically very democratic, but in an environment as small as Malta has given rise to serious problems. All of these issues could be the subject of the promised constitutional convention, which should begin meeting sometime in 2015.

The issue of financial stability continues to require attention. While the government appears to be addressing the deficit and has brought Malta within the Maastricht criteria, certain areas of expenditure continue to pose difficulties. For example, the health care system may yet prove to be an Achilles heel, impacting negatively on financial stability. Suboptimal decisions taken by the previous administration require long-term solutions, but there is an immediate need for the government to ensure effective managerial control of the health sector, so as to eradicate harmful vested interests that influence the administration. The debt held by public corporations such as Enemalta and Malta Transport must be reined in. Although progress has been
achieved with regard to alternative sources of energy, much more is required if Malta is to be weaned off its near-total dependence on fossil fuel products. In the transport sector, a long-term alternative to 2011’s failed public-transport reform is urgent, as the government continues to shoulder unsustainably high financial costs for the system’s operation. There is also a need for the government to provide incentives to further stimulate the diversification of the economy, and to reduce the country’s dependence on the construction industry, which otherwise will have a negative medium-term impact on the environment, and cause long-term problems for economic sustainability.

Strengthening the government’s strategic capacity represents an important challenge. There has been increased interest in training public servants, and promotions will be dependent on such training. But there is also a requirement to ensure that more responsibility is devolved to public servants, and that recourse to outside consultancy firms is reduced. At a minimum, the government must ensure that some knowledge transfer occurs from the consultancy professionals to the public service. This can be done by seconding public servants to the consultancy firms engaged by the government. The government also needs to introduce regular external audits of government procedures and policies by outside experts. A greater level of public trust in the Maltese public service must be created, and this can only be done by pursuing a path of merit and transparency.

Finally, Malta must implement clear integration policies which so far have been conspicuously absent. Once Malta joined the European Union, the possibility that non-Maltese EU citizens would access opportunities in Malta became a real situation. The European Union has already demonstrated that Malta’s attempts at discouraging immigrants through discriminatory policies will not be tolerated. Similarly, Malta’s failure to adopt policies which allow for the integration of refugees from Africa can only lead to future problems on such a small island. Good governance dictates that a thorough study of the situation should be conducted to ensure that future policy considers immigrant interests as well and are not discriminatory.
Policy Performance

I. Economic Policies

Economy

Economic planning is at the forefront of Malta’s policymaking prowess and a clear-cut assignment of tasks to government institutions is its strength. There are important ties between public institutions as well as between the economic planning ministry and social partners. The government retains final decision-making powers; however, consultation with social partners through the Malta Council for Economic and Social Development occurs regularly, in which council, budgetary, labor and fiscal policies are agreed upon. Because of these strong ties, Malta managed to weather the global economic crisis better than most other EU member states. This is corroborated by the European Economic Forecast, which highlights the fact that Malta’s labor market is resilient and boasts one of the lowest unemployment rates in the euro area. Current industrial legislation provides protection against dismissals and allows for open bargaining between employers and their unions, but offers little in the way of co-determination.

Since EU membership in 2004, Malta has also strengthened its regulatory institutions, entrenching efficient anti-monopoly policies, while membership in the euro zone has forced it to further expand its economic planning capacity.

A 2012 World Bank Report reviewing the ease of doing business ranked Malta 167th worldwide, citing long delays in obtaining construction permits and electricity services. Local businesses also cited the high cost of electricity in eroding their competitive edge. The government has announced measures to cut red tape, and promised lower tariffs for businesses as a part of the 2015 budget. The 2014 Global Competitiveness Index highlighted improvements in the country’s macroeconomic climate, spotlighting the government’s balancing of the budget, an increase in gross national saving and a downward trend in inflation. However, the report indicated that Malta ranked poorly with
regard to the number of procedures necessary to start a business, as well as the number of days needed to start a business. The 2014 World Bank report also highlighted voluminous regulations that hinder business, though the report registered a slight improvement in this area. In 2014, Malta also registered a rise in its trade deficit. However, the EU Commission’s Europe 2020 report on Malta projected strong economic growth for the island.

Citation:
European Economic Forecast Winter 2013 p.66
Pre-Budget Document 2014.
vision2015.gov.mt
Global Competitiveness Report 2011-2012
Sansone, K. Its not Easy Doing Business in Malta Says World Bank. Times of Malta 27/10/12
Times of Malta 79% of investors see Malta as attractive, down from 91% three years ago 8/10/2014
Times of Malta Moody’s affirms Malta’s A3 rating with ‘healthy outlook’ 28/10/2014
Times of Malta Archaic laws to face the chop, COLA to stay, 27/10/2014
European Commission Europe 2020 in Malta
Global Competitive Index 2014
World Bank Report 2014
Sharp Rise in Malta’s Trade Deficit as Exports, Imports Decline. Times of Malta 12/05/14

Labor Markets

Malta’s government claims to pursue the Europe 2020 Strategy, the aim of which is the creation of the necessary preconditions likely to encourage inclusive growth. Malta has one of the lowest unemployment rates in the euro area, and of youth unemployment. However, an EU-funded scheme to reduce youth unemployment, the Youth Guarantee Scheme, had only a 6% participation rate among young unemployed people between the ages of 18 to 24. The labor-market participation rate increased marginally, although the introduction of free child-care centers in 2014 along with fiscal incentives for their use is expected to encourage greater female participation in the workforce. Another variable accounting for Malta’s low employment in comparison with other EU countries is the size of its informal economy, which is estimated at 25% of GDP. This results in many unregistered workers.

Moreover, while the rate of early school leavers actually decreased, Malta still has the EU’s highest rate of early school leavers. Given these two factors, one can note a correlation between youth unemployment and a lack of basic skills. Economic restructuring has underscored this problem, creating a situation in which local youths fail to compete for jobs with other EU citizens. Both the current government and its predecessor have attempted to address this issue through the introduction of new vocational courses and colleges that offer instruction tailored to the needs of industrial job creators. Older workers are increasingly opting to stay in employment, and a Strategy for Active Aging has been adopted.
While Malta possesses a consolidated support system for the unemployed in terms of social benefits and retraining opportunities, its labor market in general is not inclusive enough to offer sufficient opportunity for lower-skilled individuals who struggle to find employment.

Citation:
Framework Agreement on Inclusive Labor Market March 2010 p. 4
Europe 2020– A European Strategy for Smart, Sustainable and Inclusive Growth March 2010 p. 3
European Economic Forecast Winter 2013 p.66
Pre-Budget Document 2013 August 2012 p.3
Europe 2020 Target: Early School Leaving p.2
Malta National Reform Programme 2012 April 2012 p. 32
Caruana. C & Theuma, M. The Next Leap: From Labor Market Programmes to Active Labor Market Policy. UHM
Times of Malta, Minister laments low response for Youth Guarantee Scheme, 11/08/2014.
Times of Malta, More retirees are still working, 31/07/2014.
Malta’s female labor market participation rate on the EU agenda. Voice of the Workers 02/01/14

Taxes

The Maltese income tax system ensures that a portion of income is non-taxable for all three tax categories (€8,500 for single individuals, €11,900 for married individuals and €9,300 for parents). Parents also receive a tax rebate on school fees paid. There is no tax on the sale of one’s primary residence, and the 2013 budget also removed inheritance taxes on a primary residence. Other measures which might contribute to more equity include the extension of the favorable 15% income tax rate enjoyed by part-time pensioners working in the private sector to similar pensioners working in government entities.

In addition, the 2013 budget raised the income ceiling to €60,000 for those paying the 35% tax rate.

Yet the burden of taxation is mainly carried by people in fixed and registered employment, a result of Malta’s large informal economy (more than 25% of GDP) and ineffective tax evasion controls. With a corporate taxation rate of 35% (equal to the maximum personal tax rate), Malta has one of the highest tax rates applicable to companies in the EU, though tax incentives provided to foreign companies registered in Malta in reality reduce the tax burden by a considerable amount. Nonetheless, Maltese tax policy does not charge additional tax on dividends paid to shareholders, apart from the fact that they are entitled to tax credits.
Fiscal incentives are one of the very few means available to the Maltese government to enhance the competitiveness of various economic sectors, not least as a tool for attracting more foreign direct investment. Special incentives are also available for research and development-related projects, which also makes companies eligible for tax credits for industrial research, experimental development and the registration of intellectual property.

Measures enacted during the review period aim to strengthen Malta’s competitiveness in high value-added knowledge economy sectors, by offering a flat income tax rate of 15% to international professionals in the digital games industry as well as to academics and researchers in the research and development sectors. Micro or small enterprises (with a maximum of 10 employees) are entitled to a 40% tax credit if they invest in new technologies or create new jobs. For small to medium-sized businesses on the island of Gozo, off the coast of Malta, this tax credit is 60%. This is particularly important when one considers that micro-enterprises form the backbone of Malta’s economic system.

The 2015 budget contained an increase in indirect taxes, an extension of the free child-care service, a removal of taxes on ecologically sustainable goods, and reductions in the income tax and property-sale tax.

Citation:
http://www.ird.gov.mt/
Malta National Reform Programme April 2012 p.120
Budget Speech 2013, p.13, p.14, p.18, p.19
Malta A Regional Center for Strategic Investment and Doing Business p.4, p.5
National Reform Programme April 2012 p. 142
Fiscal Sustainability Report 2012 December 2012 p.114
Tax Reforms in EU Member States 2012 Report p.75
Malta: Update of Stability Programme 2012-2015 April 2012 p.17
Pre Budget Document 2013, August 2012 p. 10
Times of Malta Budget expected to feature further shift from direct to indirect taxation, 16/10/2014
Main Budget 2015 Measures Times of Malta 20/11/14

Budgets

Until 2013, governments found it difficult to restrain the country’s budget deficit or reduce the public debt. However, the government elected in 2013, made some progress toward reducing the deficit to under 3% in 2014, with a projection of further decreases to 1.6% in 2015. The government has said it expects public debt to slip below 70% of GDP for the first time in many years.
However, the EU Commission continues to stress the need for reforms in the health and pensions sectors, and has stated that the 2015 budget is at risk of noncompliance with the provisions of the Stability and Growth Pact. The enactment of a law to enhance transparency in government finances also represents a step forward. The 2013 and 2014 budgets served to expand growth, leading in turn to higher employment levels. Nevertheless, the EU wants to see an increase in the use of means testing for government benefits and a containment of the government’s wage bill through prudent collective-wage agreements and a decrease in public-sector employment through attrition. On this latter point, two elements – collective agreements signed by the previous administration before the elections and an increase in the number of public-sector offices – may undermine the ability of the government to satisfy EU demands.

Citation:
http://www.timesofmalta.com/articles/view/20111028/opinion/For-a-sustainable-Budget.391117
Calleja, C. Shame of Health Waste, Times of Malta 12/06/13
Times of Malta, Budget expected to feature further shift from indirect to direct taxes, 16/10/2014

Research and Innovation

Business research and innovation (R&D) have gained in importance in Malta in recent years, notably as a response to the decline in low value-added manufacturing. Yet the National Research and Innovation System, as well as the policies and structures for its development, are still in the early stages. The National Strategic Plan for Research and Innovation 2011 – 2020 highlights the importance of placing R&D activities at the center of national economic policies and endeavors. The 2020 Strategic Plan also highlights the challenges that hinder growth in this area. Significantly, Malta has a relatively low percentage of science and technology graduates and consequently a low percentage of qualified individuals in science and technology in the labor force, compared to other EU member states. This is corroborated by the latest Innovation Union Scoreboard, which identifies human resources as one of Malta’s relative weaknesses. One reason for this is that local small and medium-sized businesses are geared toward the local market, and do not consider international opportunities; what’s more, only 7% of local small businesses offer products that could be regarded as unique. Efforts are being made to respond to this situation through various programs, but the island’s expansion of its capacity to innovate can only be very gradual. In 2013, the government budget allocated €32 million to R&D and innovation activities.
Sectors to be supported included biotech, pharmaceuticals, health care, maritime activities, information technology and electronics. In the Innovation Union Scoreboard 2014, Malta was described as a moderate innovator, with a rank below that of the EU average.

Citation:
Innovation Union Scoreboard 2013 p.44
Research and Development in Malta NSO August 2012
Times of Malta, MCA award for start-ups, 26/10/2014.
Times of Malta, First Tenants confirmed for Life Sciences Park, 23/10/2014.
Innovation Union Scoreboard 2014

Global Financial System

Malta is a small economy and as such is not a principal actor in the regulation of financial markets. However, it possesses consolidated links with regional and international organizations which help it, through shared intelligence, to combat high-risk or criminal financial activities, ensuring fair cost- and risk-sharing among market actors when market failure occurs or is likely to occur, and to enhance information transparency in international markets and financial movements. The government established the Financial Intelligence Analysis Unit (FIAU), under the Prevention of Money Laundering Act, to help combat high risk or criminal financial activities. The FIAU is responsible for the collection, collation, processing, analysis and dissemination of information with a view to combating money laundering and the funding of terrorism. The unit is also responsible for monitoring compliance with the relevant legislative provisions as well as issuing guidelines to curb money laundering. The Malta Competition and Consumer Affairs Authority is also active in strengthening consumer rights and protections. The authority is composed of the Office for Competition, the Office for Consumer Affairs, the Standards and Metrology Institute and the Technical Regulations Division.

Citation:
www.ecb.int/ecb/tasks/international /financialarchitecture/html/index.e n.html
www.centralbankmalta.org/site/about4.html
www.centralbankmalta.org/site/international.htm
II. Social Policies

Education

Malta’s main resource is essentially its human resources and pressures to attract business investment and sustain employment levels depends very much on the skill, quality and education levels of the workforce. The effects of Malta’s education policy on the creation of a skilled workforce are mixed, however. The ratio of students attending higher education remains one of the lowest in Europe, but since 2013 the government has implemented a number of programs, some of them with fiscal support, designed to encourage more students to further their education. Among these are measures increasing support for students at risk of failing their exams or who have failed admission to higher-education institutions, by providing extra tuition services free of charge. The government has also sought to build on measures implemented before 2013 by extending the services and facilities of the Malta College of Arts, Science and Technology, which is equivalent to a polytechnic university, and in some areas helps bridge the gap between secondary school and university. However, Maltese education in the sciences generally remains weak.

The graduate output of upper and tertiary education still remains low. EU statistics indicate that with the highest number of early school leavers in the European Union, Malta risked missing its 2020 thresholds.

The system’s shortcomings conflict with the fact that Malta provides a high level of equitable access to education at all levels. A total of 80% of all schools are free, and students are supported in various ways. Post-secondary and tertiary students do not pay fees and also receive stipends to ensure that higher secondary and tertiary education remains open for all. There has also been an increase in the provision of free preschool (three years and over) state facilities, where Malta ranks 30th out of 41 countries.

During the latest review period, a pilot scheme allowing for mixed-gender schools was introduced at the secondary level, a less rigid system of testing allowing for greater self-expression by students was introduced, extra summer classes were provided for those wishing to retake ordinary-level exams, and a new type of alternative-learning program was introduced aimed at students unable to complete the ordinary-level exams. A pilot project aimed at providing school children with tablet computers was also introduced.
Social Inclusion

Malta has a consolidated social benefits system that supports those with low incomes; in addition, health care and education for everyone is available free of charge. However, the high risk of poverty among the unemployed and the elderly suggest that welfare benefits and pensions are not sufficient. In 2009, expenditure on social protection benefits amounted to a fifth of Malta’s gross domestic product, a figure considerably lower than that of the EU average, or a quarter of GDP in 2008. However, between 2005 and 2008, while social protection benefits in the EU-27 grew by 9.5%, Maltese benefits increased by 22.3%. Malta is also committed to achieving a target of 6,560 persons at risk of poverty by 2020; however, according to the National Statistics Office, the figure at the time of writing stands at over 63,000, or one in every five individuals. At 21.4%, this is nearly three percentage points lower than the average for the European Union, but still rather high. This is explained through Malta’s lower-than-average poverty or social exclusion rate for children (25.8% vis-à-vis the EU-27 average of 27%) and adults (20.1% vis-à-vis the EU-27 average of 24.3%). It is also to be noted that Malta has a slightly higher than average rate of poverty among the elderly (21.5% vis-à-vis the EU-27 average of 20.5%). In Malta, 26% of individuals under the age of 18, compared to an EU average of 27%, are considered to be at risk of poverty. However, Eurostat shows that 31.7% of children where parents have sub-standard education levels were at risk of poverty, compared to an EU-27 average of 49.2%, while 11.6% of children with parents with a medium standard of education were at risk of poverty (EU-27, 22.4%) and only 4.2% of children with parents with a higher level of education were at risk of poverty (EU-27, 7.5%).

Disabled persons remain relatively marginalized. Of the 3,000 “individuals of working-age registered with the National Commission for Persons with Disability, only 28.1% were in employment”. Furthermore, unemployed
disabled persons receive only 55% of the minimum wage, a situation that reinforces their exclusion and their risk of poverty.

A number of measures intended to address these problems have been implemented since 2013. These include supplementary benefits for children, the provision of breakfasts at school, and greater support for low-income working parents through the creation of after-school clubs for their children. The 2015 budget relieves families from having to apply for child benefits, allocating such funds automatically. The government is also introducing fiscal incentives for people to invest in pensions programs.

Citation:
Europe 2020 Strategy, 2010 p.3
Eurostat News Release (3 December 2012)
Eurostat News Release (26 February 2013)
Europe 2020 Target: Early School Leaving p.2
Times of Malta, MPs approve third pillar pensions Bill Workers will be able to voluntarily top up State provision, 15/10/2014.

Operational Programme II ‘Empowering People for More Jobs and a Better Quality of Life’, July 2012, p.28
Malta’s Children at Higher Risk of Poverty than Children of Immigrants. The Independent 28/02/13
Deguara, A, The Faces of The Poor: A Sociologicial Review of Poverty in Contemporary Europe and Malta
Europe an Employment Observatory EEO Review: Adapting unemployment benefit systems to the economic cycle, 2011 Malta Manwel Debono Center for Labor Studies, University of Malta

Health

Malta provides quality health care to all its citizens, with quality inpatient and outpatient hospital services offered for free. This is reinforced by agreements with the United Kingdom, as well as additional contracts struck in 2012 with Italian hospitals to service patients in need of special treatment not available locally. The World Health Organization (WHO) ranks Malta’s health care system among the top 10 in the world. A small number of private hospitals also exists.

All citizens are entitled to free hospital care, and vulnerable groups are entitled to state support for a list of prescription medicines. All citizens are entitled to free medicines in relation to specified chronic diseases such as high blood pressure and diabetes. However, other more expensive treatments – for instance, those required by oncology patients or necessitated by certain eye conditions – are given only limited coverage, and such patients face treatment
costs amounting to thousands of euros. Long waiting lists tend to push many into the private health care system, though in 2012 the government fostered cooperation with private hospitals to reduce waiting lists for certain in-demand procedures. The private sector accounts for approximately two-thirds of the workload in primary health care; however, health care delivery in Malta is dominated by the public sector, with 96% (1,748 beds) of hospital beds publicly owned and managed, and the remaining 85 are privately owned. Inadequate managerial capacity and political interference sometimes undermine equity in health delivery and the unacceptable waste of medical resources has recently been brought to light.

Since 2013, efforts have been made to reduce hospital waiting lists, with success in some areas. The government is trying to remedy shortcomings associated with the new general hospital, such as the fact that the new facility offers less bed space than its predecessor. An ongoing building program is aimed at providing more wards and hospital beds, and a new oncology hospital. The reduction in waiting times achieved by these measures, if sustained, will lead to a more equitable health service.

In 2010, Malta’s total health care expenditure amounted to 8.6% of GDP. This compares well to the EU-27 average of 9%. It is estimated that as much as 65% of Malta’s total health care expenditure is financed by the government. Unfortunately, the lack of reliable data makes it difficult to evaluate cost efficiency. The European Union has often stressed the need for reform to ensure sustainability. However, such sustainability is further threatened by high immigration rates and conflict in neighboring states.

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Families

Malta has the lowest rate of women in employment in the European Union, although female participation in the informal economy, which accounts for 25% of GDP, may render this official statistic an inaccurate picture. A breakdown of activity rates by age showed that the number of women active in the labor market was comparable to that of men aged between 15 and 24. The gap widens in subsequent age brackets. In recent years, new workplace policies have been designed to try and ensure that women already employed
retain their jobs, and those wishing to return to their former positions can do so. These include maternity leave; parental leave; paternity leave; responsibility leave; adoption leave; leave to foster children; work on a reduced time-table; five-year unpaid leave; and in 2011, the introduction of financial incentives for mothers returning to work. In 2014, these provisions were strengthened by the introduction of free child care centers and after-school clubs.

These policies, however, are more likely to be found within the state sector than in the private sector, as the latter still lags in this area. One reason for this situation is that a majority of businesses in Malta (70%) are family owned and employ less than five people. Only 4% to 5% of enterprises employ 100 people or more. The discussion of whether the state should subsidize family-friendly measures within the private sector is still going on. Nonetheless, there is concrete evidence that these measures are attracting more women to the job market.

Citation:
Times of Malta, Women corner new jobs market, 27/06/2014.

Pensions

Pensions represent 21.5% of GDP, with the figure projected to rise by some 10 percentage points over the next 50 years. The debate over pension reform started 12 years ago, but until recently, the only concrete step to have been taken was an increase in the age of pension entitlement from 61 to 65. The EU believes that sustainability cannot be achieved overall unless the retirement age is raised to a still-higher level. According to a report from the National Statistics Office, half the money spent on social expenditures goes toward old-age pensions. Of the other 27 EU member states, only Italy and Poland spend more on pensions.

The Maltese pension system could be described as an exclusive form of public pensions. It is based on a pay-as-you-earn system, as well as a means-tested non-contributory system. Until recently pensions were not linked to inflation, and considerable erosion in real value had been allowed to occur over the years. Although partially rectified, the real value of pensions cannot make up for decades of loss. Furthermore, given the low tax ceiling, pensioners were required to pay some income tax on their pensions, thereby suffering a further erosion of value. The 2013 budget raised the tax ceiling, which will go some way to help to redress this situation, as will the revision of supplementary
assistance for those aged 65 and older, in cases where household income falls below the risk-of-poverty threshold.

The parliament recently voted to introduce a third pillar to the pension system, and to provide fiscal incentives to encourage people to invest in private-sector pension schemes. As occupational pension schemes are also mandatory, it will be some time before this third-pillar reform will in fact reduce stress on pension expenditures.

Integration

Malta has no formal integration policy. Indeed, migrant integration is seldom referred to in Maltese legislation, though there are fleeting references in subsidiary legislation. At present, there is no ministry that assumes overall responsibility for migrant integration, though the National Strategy for the Promotion of Cross-Cultural Understanding cites the Ministry for Home Affairs and National Security as being responsible for the integration of asylum seekers. The government’s Agency for the Welfare of Asylum Seekers has some duties to provide services to asylum seekers. This includes the responsibility to provide employment, housing, education, health, and welfare-services information, and to act as a facilitator within all public services, thus serving as a pre-integration functionary. An online government portal intended to facilitate migrant integration was established in June 2014.

Migrants granted subsidiary or humanitarian protections are not eligible for unemployment benefits, and as a result, migrants wanting to seek work and their own accommodation find it difficult to do so. The 2011 Migrants Integration Policy Index stated that “Malta is only beginning to address immigration and asylum and those who stay are starting to participate in limited integration programs, often EU funded.” The report concludes that migrants can eventually become long-term residents, but that few become Maltese citizens, and that the country shows “some of the longest waits for family reunion.” The report noted that the island “has one of the most exclusionary naturalization policies in Europe.” Indeed, pathways to nationality pose problems for migrants irrespective of their country of origin. The minister responsible for home affairs has the final say on whether
nationality is granted, and there is no appeal. The process for applying for naturalization is also not sufficiently transparent.

At present, the government is working on implementing an integration policy. Civil-society organizations on the island are playing an important role in this process.

Citation:
The Migrants Integration Policy Index 2011
Interview with the Marsa Open Center director Ahmed Burge. Times of Malta 31/10/11
Refugee Integration Perspectives in Malta - Nitkellmu? Aditus December 2013
National Report Malta: Integration of Vulnerable Groups. The people for change foundation June 2014

Safe Living

Security threats to the state originating from outside have been largely absent. But this in itself means that one cannot really assess local readiness or ability to protect citizens if such threats were to materialize. According to the U.S. Department of State, no indigenous terrorist or extremist groups are known to be active in Malta; however, the report adds that due to its geographic location and status as an EU country, Malta could be used as a possible staging point for terrorists desiring to enter other European Union countries. Malta has its own Secret Service, but this is very much dependent on intelligence from friendly outside intelligence services than its own resources.

For this purpose Malta is affiliated with Interpol and seeks to acquire intelligence from countries with which it has treaties supporting its security, such as Italy. Malta is also a member of a number of cross-border security cooperation efforts, including the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex). As Malta has to make provisions for the security of the external frontier of the European Union, it has received assistance to maintain this role.

The government is pursuing measures to enhance the existing border control system, incorporating biometric capturing devices (fingerprints) in immigration booths and implementing shore-based surveillance measures. In relation to smarter borders, Malta’s security apparatus is primarily directed toward policing the island’s maritime borders and is focused on irregular migration and drug smuggling. Between 2007 and 2013, Malta is projected to spend €150 million on border security, 75% of which will be financed by the European Union.
Malta’s Secret Service is a relatively new institution and has been effective in supporting the police in the fight against corruption and drugs. However, it has thus far been much less effective in pre-empting or resolving isolated crime-related bombings or helping police to identify perpetrators in such a way as to lead to their conviction in the Maltese courts. The Secret Service and the police are undergoing reforms, and a new police academy was recently established.

Citation:
Malta Security Service Ignored Invitations for International Collaboration. Times of Malta 09/04/13
eu2012.dk/….Conference%20on%20innovation%20Border%20Manage
MULTI-ANNUAL PROGRAMME 2007-13 EXTERNAL BORDERS FUND MEMBER STATE Republic of Malta

Global Inequalities

The Maltese government has very limited opportunities to help shape or advance social inclusion beyond its borders. What little influence of this kind it has acquired is related to its participation in international organizations (UN, WHO and so on) and EU ministerial councils. According to the European Union and the United Nations, the country devotes a below-average sum to official development assistance (ODA) purposes in comparison to its own GDP. In 2011, aid-related donations reached 0.25% of GDP, but fell again to 0.20%, in 2013. Malta has said it plans to achieve an ODA/GNI ratio of 0.33% by 2015. There has been some controversy over the amount of development assistance used locally by the government to provide for asylum seekers; however, the foreign ministry has stated that it plans to redress this imbalance.

Malta’s development policy attaches special importance to countries in the Horn of Africa and in Sub-Saharan Africa. Countries in these regions are the main source of asylum seekers and clandestine immigrants for Malta (mainly Sudan, Eritrea, Ethiopia and Somalia). Malta’s development policy seeks to assist with development in Mediterranean states, notably North Africa and the Palestinian territories, by providing scholarships and other forms of aid. Malta also highlights the need to focus on the special characteristics and particular development needs of small island states, and already actively assists other small states through the Commonwealth by making available its acquired experience and expertise as a developed small island state. In general, Malta follows the lead of the European Union, and its policies on tariffs are in line with those agreed on in Brussels.
III. Environmental Policies

Environment

As an EU member state, Malta is bound to fulfill key climate targets within the context of the Europe 2020 Strategy. However, it will have to work harder if it is to achieve these targets. Malta’s current energy supply is derived almost wholly from imported oil, while the contribution of renewable energy sources continues to be marginal. However, this year Malta will for the first time reach its target of generating 3% of national energy use from renewable sources.

High electricity tariffs have hampered the competitiveness of small and medium-sized enterprises. In 2014, the government reduced energy tariffs for households and states, and said it would do the same for the business sector in 2015. A number of initiatives aimed at fulfilling targets have been undertaken, including the generation of photovoltaic power, the construction of an electricity interconnection system with Sicily, the promotion of fuel-efficient cars, and the construction of a gas-fired power station. The impact of these initiatives will primarily be felt in the future.

Fresh water is a scarce resource in Malta, yet until recently the government’s approach to this important issue was inconsistent and in general inadequate to protect the island’s water reserves. The production of water for domestic and commercial use is heavily dependent on reverse osmosis plants. In 2011, the Malta Environmental & Planning Authority (MEPA) launched the first national Water Catchment Management Plan, with the aim of establishing a framework for regulatory measures required in this area. A principal concern of the plan is the considerable pressure put on Malta’s scarce water resources. To relieve this pressure, a €56 million national flood-relief project is being implemented with the aim of increasing the amount of water collected annually from 300,000 cubic meters to 1 million cubic meters. This is to be supplemented by the increased monitoring of groundwater extraction. While
the national flood-relief scheme is nearing completion, the other measures remain at the planning stage.

The Maltese countryside is protected from unsustainable development through a regulatory process of permits and enforcement. Moreover, the National Environment Policy launched in 2012 emphasizes the need to use land more efficiently. A total of 51% of Malta’s surface land is devoted to agricultural production, 22.3% to urban development, and 18.3% to natural vegetation. The environmental policy is undergoing revision, and some of the proposals appear to depart from earlier, more restrictive policies. The Malta Environmental and Planning Authority (MEPA) and the Malta Local Plan are currently undergoing restructuring and revision, with some changes generating controversy, including the proposal to create a separate environmental authority, the granting of ministerial powers to regularize illegal development, and the removal of the blanket ban on regularizing development outside development zones.

The government has introduced various policies to preserve Malta’s biodiversity, as the small island is home to a “varied and interesting array of habitats and hosts endemic, indigenous, and migratory species,” as stated in the National Environment Policy. Yet Malta’s biodiversity continues to be threatened through land development, invasive species, overexploitation of species and climate change. The policy outlines measures aimed to halt the loss of biodiversity by 2020. These include the compiling of a dedicated National Biodiversity Strategy and Action Plan, the creation of additional marine protected areas and strengthening the management of existing protected areas.

Citation:
National Reform Programme April 2013 p. 16
http://www.mepa.org.mt/topic-wcmp
Pre-Budget Document 2013 p. 39
National Environment Policy February 2012 p. 54, p. 76
http://www.mepa.org.mt/permitting
Borg, B National Environment Policy lacks substance, environmentalists charge. Times of Malta 12/09/11
New MEPA rules give minister power to regularise illegal development. Malta Today 03/04/14
Two Weeks Consultation period on MEPA split Malta Today 26/03/2014
Global Environmental Protection

Because Malta is a small state it is not traditionally a key player in international forums on global policy. The country’s last contribution, a resolution entitled, “Protection of Global Climate for Present and Future Generations of Mankind,” although significant as it gave rise to the United Nations Framework Convention on Climate Change and the Kyoto Protocol, dates back to 1988. Nonetheless, Malta has played a dynamic role in efforts to meet climate resolutions agreed to in Copenhagen in 2009. According to U.N. Secretary General Ban Ki-moon, Malta is a key player in efforts to “seal the deal.” Malta is party to a large number of multilateral environment agreements. As an EU member state, Malta is bound by the obligations of the EU’s extensive environmental acquis. When Malta joined the European Union, it adopted some 200 environmental laws, which are now part of the overall Maltese legal framework. Still, Malta remains an insignificant, if active, player in global environmental protection.

Citation:
“Malta’s International Obligations Re Environmental Matters”, Simone Borg, November 2002
The Art of Doing Much with Little (MEPA News Article)
http://www.mepa.org.mt/news-article1
Quality of Democracy

Electoral Processes

Elections are regulated by the constitution and the General Elections Act. The system used in Malta is the Single Transferable Vote (STV). Candidates can stand either as independents or as members of a political party. Parties can field as many candidates as they wish, and candidates may choose to stand in two electoral districts. If elected in both districts, a candidate will cede their second seat, with a special election then held to select a replacement. The system allows for a diversity of candidates and restrictions are minimal, though legal restrictions based on residency and certain official functions may be viewed as constricting the electoral process. There is also no official minimal threshold for parties to gain access to parliament. As the unofficial threshold is said to be around 16%, Malta essentially remains the only European state where only two parties are represented in parliament.

Malta has both state and private media. The Maltese constitution provides for a Broadcasting Authority (BA) to supervise broadcasting and ensure impartiality. During elections, the BA provides for equal time for the two major political parties on state television on its own political debate programs as well as airtime for political advertising. However, smaller parties or independent candidates do not receive equal treatment on state media. State media continues to be a source of controversy as it tends to favor the party in government. Since the new Labor-Party government came to power, the opposition has filed 36 complaints against the national state television service. The two major political parties also have their own radio and television stations, and as these are only partially controlled by the BA they are free to restrict access to opponents and smaller political parties. The party machines may also restrict media access to some of their own candidates while favoring others. The BA does require party-run media to reply to an aggrieved party or individual, when the BA believes a complaint is either politically controversial or when it is clear that some sort of misrepresentation has occurred. In general, print media is regulated by the Press Act. The two major parties also run or control a number of newspapers. While the act does not enforce impartiality, however, it does provide for a similar right of reply mechanism as is the case with broadcasters.
Independent media, while tending to favor one party or another, provide reasonably fair coverage of different political positions. Prior to an election, however, the space for independent viewpoints in major newspapers becomes restricted, achieved through the financial leverage that parties maintain over papers by spending enormous sums on advertising. Social media networks have provided individuals and non-political groups with an important platform independent of the party media, although this too is frequently an extension of old party communication arrangements.

Citation:
http://www.ba-malta.org/prdetails?id=246
Social Media during the 2013 General Election in Malta. Department of Information Malta
www.consilium.europa.eu/media/…/1st-panel-oswald-main-slide-speaker….
Sammut,C (2007) Malta and the Media Landscape
Muscat, K. (2014) Opposition Made thirty Six Complaints over PBS Times of Malta 30th November

Malta’s electoral laws are for the most part effective and impartial. While there is no legal obligation to vote, turnout at general elections is high at over 90%. Recent European Court of Human Rights decisions favoring voting rights for convicts go against Maltese law, that states that any individual sentenced to a minimum prison term of one year is not allowed to vote in Maltese elections. Similarly disenfranchised are persons whom, upon conviction, are also forbidden from civil or public office, irrespective of whether their sentence also included a prison term. Residency qualifications in the electoral law also create obstacles to voting. Citizens who are away from Malta for six consecutive months during an 18-month period may forfeit their right to vote, and it is usual for political parties to seek the disqualification of these individuals. There have been also cases of non-residents who remain on the electoral register unchallenged and vote in breach of the law; the use of expired identification cards facilitates this practice. Citizens who are abroad but are legally qualified to vote face other obstacles, as Malta does not have a system of postal or electronic voting. To vote, the citizen must return to Malta, and state-subsidized airfare from some countries is made available; also, a citizen may make arrangements to vote prior to traveling. Amendments to the Electoral Law 2012 have strengthened the voting rights of some citizens, primarily those who celebrate their 18th birthday after the publication of the electoral register. Other changes have helped patients to cast their votes during a hospital stay. Residents who are not citizens may not vote in national elections, yet in line with EU law, they may participate in local or European Parliament elections, though there have been registration problems. In 2014, recommendations were made by Aditus, a human rights NGO, to extend the vote to resident migrants.

Citation:
http://www.timesofmalta.com/articles/view/20130115/elections-news/ad-on-voting-rights-for-maltese-abroad-party-financing.453281
Party Financing  
Score: 2  
Malta has no party financing laws and no independent monitoring body. It is up to the individual political party whether it chooses to divulge its annual or campaign accounts. In 2012, the Maltese government presented a draft bill on this issue to the Council of Europe’s Group of States against Corruption (GRECO). However, the organization objected to the distinction made in the proposed law between party and non-party members, and described the €10,000 threshold for the publication of donor names as “critically high.” A new and revised party-financing law has been drafted, but discussions between the two major parties on some of its provisions have been ongoing for more than a year. The second reading of the bill has been stalled due to a demand to review and rectify political parties’ practice of renting private property at well below market value.

Maltese law does set a maximum spending amount for individual candidates at €1,400 for local and general elections and €18,600 for European elections, but there is no process or body with the power to investigate an individual candidate’s campaign accounts. This essentially negates existing legal sanctions against candidates who may commit a breach of the law. To date, no candidate has been prosecuted on finance grounds.

Citation:  
http://www.timesofmalta.com/articles/view/20100908/opinion/party-financing-and-democracy.325930  
http://www.timesofmalta.com/articles/view/20130426/local/labor-spent-1-5-million-on-campaign.467214  
Callus, Ryan Money Money Money Malta Today 11/11/14

Popular Decision-Making  
Score: 3  
The constitution of Malta allows for three types of referenda: constitutional, consultative and abrogative. None of these types however fulfill the criteria for popular decision-making.

Access to Information  
Private media operates free from government interference. While mechanisms exist to ensure that the state media operates independently from government interference, these mechanisms do not always work well. Some attempts to improve this process have been made. The prime minister appoints all the directors of the State Media Board, as well as all the members of its editorial board. That journalists can and often do show a clear attachment to the party in government also undermines media independence. Following the 9 March 2013 elections, the government appointed an entire new group of board
members and replaced the head of news, but allowed for a greater diversity of program producers. Media outlets are also dependent on the state in that companies rely on state advertising contributions. The machinery of the state maintains a large number of public relations/communications officers, which those in private media often attempt to bypass while reporting; but the result of this is information becomes difficult to both obtain and verify, opening the possibility for reporting mistakes and the potential for libel, the legal pressures of which make the financial viability of newspapers tenuous. Even though state institutions tend to dominate the media universe, the system is essentially pluralist, so a range of opinions and reporting is still available.

Maltese media outlets, including visual media, electronic media and print publications, are primarily owned by a mix of actors: political parties, the Catholic Church, private entrepreneurs and the General Workers’ Union (GWU), a major left-wing trade union. Thus Malta’s media landscape reflects a plurality of ownership. Pluralism of opinion within the media depends entirely on the willingness of ownership to allow the publication or dissemination of opposing viewpoints or dissent from current orthodoxy. The state media does not guarantee a plurality of viewpoints, and has been itself on occasion the subject of court cases for alleged bias. However, competition for market share has forced both privately owned and politically owned media to publish dissenting opinions more readily. State media reforms have proven difficult to implement and remain controversial, but the widening of access to the media by outside sources appears to have improved the system’s overall pluralism.

Citation:
http://www.timesofmalta.com/articles/view/20130428/opinion/Making-PBS-a-fit-national-entity.467423
http://www.timesofmalta.com/articles/view/20130423/local/new-pbs-chairman-thanks-the-pm.466622

The Freedom of Information Act was passed in 2008 and only came into force in September 2012. Since this time journalists have had better access to information from government bodies. However, exemptions compromise the bulk of the legislation. Under Article 5(4), no Maltese citizen is entitled to apply to view documents held by the Electoral Commission, the Employment Commission, the Public Service Commission, the Office of the Attorney General, the National Audit Office, the Security Service, the Ombudsman Office and the Broadcasting Authority, when the latter is exercising its constitutional function. Under Article 3, only Maltese and EU nationals who have been resident in Malta for a minimum of five years may access information. The prime minister also holds the power to overrule the Information and Data Protection commissioner, despite the latter’s declaration that a request for information should be approved. Moreover, there are a
number of laws that still contain secrecy provisions to which the act does not apply. This undermines the essential workings of the act, as it could be in the political interest of the prime minister to suppress the publication of documents which might embarrass or undermine his administration. Consequently, the act is restrictive and sends a message that the government is essentially determined to protect its information from public scrutiny. Indeed, the act does not meet the standards of the Council of Europe’s Convention on Access to Official Documents.

Citation:
Aquilina, K, Information Freedom at Last. Times of Malta, 22/08/12
Freedom of Information Act Comes Fully into Force. The Independent 02/09/12

Civil Rights and Political Liberties

The state in general respects human rights, and human rights issues have judicial protections. The integration of the European Convention on Human Rights into Maltese law has strengthened protection of human rights, and decisions by the European Court of Human Rights are normally implemented; however, experts have criticized general practices saying that court procedures for the protection of rights are often arcane and convoluted, presenting a situation where such protections appear more a bother than a right. Grey areas within civil rights protections include the right to legal assistance during a police interrogation, and the overall supervision of police activity. Political intervention in police procedures does occur but rarely; allegations of civil rights violations by the police have been raised. A case in 2011 where a suspect died while in police custody, allegedly believed as a result of his treatment during a police interrogation, is still unresolved and in its third round of legal inquiry. Human rights reports have been critical of the treatment of asylum seekers in Malta. Reports state that conditions in detention centers are poor and overcrowded; appellate procedures to challenge the length and legitimacy of detention or to challenge rejected asylum claims do not meet international human rights standards; and that migrants are often arbitrarily detained. However, Malta’s minister of home affairs stated in 2014 that the government would be taking all necessary steps to comply with recent ECHR judgements, and that amendments to Malta’s immigration and refugee legislation would enable any detainee to challenge their detention from the initial stages onward. Other amendments are expected to address issues such as the review of detention orders.

The constitution of Malta and its chapter on fundamental human rights provide for a broad range of political and civil liberties. The incorporation of the European Convention on Human Rights into the Maltese constitution as well as membership in the European Union has also enhanced political liberties in
Malta. Maltese citizens have the right to take a case before the European Court of Human Rights (ECHR), and several individuals have done so with success. However, a traditionally clientelistic approach to politics sometimes hinders the political liberties of individuals, forcing them to refrain from associating with political parties, non-government organizations and/or trade unions for fear of being discriminated against by the government in office. Excessive delays in the deciding of court cases and the costs of such delays often deters people from seeking legal solutions. However, a commission charged with reforming the judicial system was established in 2013. This commission has already presented its second report, but a clear timeline and prioritization of measures still need to be announced. The judiciary has also criticized the commission’s proposals to reform the commission for the administration of justice, alleging that the reforms would weaken the commission by reducing its functions and powers.

Citation:
Freedom in the World 2013 Malta
COM (2014) 419 Final COUNCIL RECOMMENDATION on Malta’s 2014 National Reform Programme
Judiciary criticizes proposals for reform of commission for the administration of justice Times of Malta
1/10/13
Justice Reform Commission makes 450 proposals Times of Malta 2/12/13

The Maltese constitution’s chapter on fundamental human rights forbids discrimination on the basis of race, color, gender or politics. Other laws forbid discrimination on the basis of physical disability or handicap. In Malta, it is the civil courts and the Constitutional Court that do most to protect against discrimination. For example it was the courts, through their interpretation of the gender provision in the constitution that have extended protections to transgender citizens. In 2014, the government passed legislation legalizing same-sex unions and regulating cohabitation. It is currently developing provisions for the recognition of gender-identity changes. In 2004, the government founded the Commission for the Promotion of Equality for Men and Women and in 2007 its remit was extended to cover the promotion of equal treatment irrespective of racial or ethnic origin. The commission is an autonomous body with a legal head separate from government, though its members are appointed by the prime minister. The government also supports a National Commission Persons with Disability, founded in 2000.

Women are generally underrepresented in the social, economic and political life of Malta, and the government has yet to establish a consensus over positive discrimination measures to potentially address this problem. Despite constitutional provisions, discrimination on grounds of politics remains a serious problem, as ministers or politicians generally favor applicants from their electoral district for public appointments and promotions. Aggrieved
ordinary citizens may take their case to the Constitutional Court, the Employment Commission or the Ombudsman Office, while public servants may also bring a case before the Public Service Commission. Nevertheless, allegations of discrimination on political grounds remain common. In addition, it has been alleged that many cases of discrimination remain unreported

EU nationals living in Malta have complained of discrimination in the form of fees for water and electricity higher than those paid by natives. Similar discrimination with regard to public transport use has been eliminated.

Rule of Law

The Maltese constitution states that the parliament may make laws with retrospective effect, although acts are not permitted to impose obligations on citizens retroactively. Court judgements upholding this principle have been particularly common in areas dealing with taxation and social services. However, governments do generally respect the principles of legal certainty, and the government administration generally follows legal obligations; the evidence for this comes from the number of court challenges in which government bodies have prevailed. Other evidence suggests that government institutions sometimes make unpredictable decisions that go beyond given legal structures or are even in opposition to existing legal provisions, thus undermining the stability of the legal system and therefore the stability for a citizen. Documentation of this sort of behavior can be found in the reports of the National Audit Office, the Ombudsman Office and in some court decisions. In 2011, the National Audit Office severely criticized the methods by which decisions taken in the adjudication process for a major energy project had been taken, citing conflicts of interest involving top officials within the state corporation. In 2014, the National Audit Office further criticized a ministry’s intervention in a tender process for a legal-services contract related to concessions for the operations of casinos. Since Malta joined the European Union, the predictability of the majority of decisions made by the executive has improved.
Malta has a strong tradition of judicial review, and the courts have traditionally exercised restraint on the government and its administration. Judicial review is exercised through Article 469A of the Code of Organization and Civil Procedure and consists of a constitutional right to petition the courts to enquire into the validity of any administrative act or declare such act null, invalid or without effect. Recourse to judicial review is through the regular courts (i.e., the court of civil jurisdiction) assigned two or three judges or to the Administrative Review Tribunal and must be based on the following: that the act emanates from a public authority that is not authorized to perform it; or that a public authority has failed to observe the principles of natural justice or mandatory procedural requirements in performing the administrative act or in its prior deliberations thereon; or that the administrative act constitutes an abuse of the public authority’s power in that it is done for improper purposes or on the basis of irrelevant considerations; or as a catch-all clause, when the administrative act is otherwise contrary to law.

Litigation in Malta is costly and court cases unnecessarily long, so consequently many citizens are deterred from seeking legal redress in the courts. The length of time taken to decide cases also creates uncertainty, allowing for a large degree of insecurity among individuals who challenge government or administrative decisions. Indeed, the EU Justice Scoreboard concluded that Malta has the least efficient judicial system in the European Union with regard to the duration of cases. Additionally, the arraignment on charges of bribery and corruption of a senior judge has undermined public confidence in the courts.

Citation:

Superior Court judges are appointed by the president, acting in accordance with the advice of the prime minister. Malta is the only state in Europe where the judiciary is appointed by the government, and the prime minister enjoys almost total discretion on judicial appointments. The only restraints are set in the constitution, which state that an appointee has to be a law graduate from the University of Malta with no less than 12 years of experience as a practicing lawyer. Magistrates need to be similarly qualified, but are required to have only seven years of experience. The prime minister may seek, although he is not legally or constitutionally obliged to do so, the advice of the Commission for the Administration of Justice for its opinion on the suitability of his nominees, but the final decision lies with the prime minister. In 2014, the European Council called on Malta to revise the appointment and dismissal
procedures for judges in order to ensure transparency and selection based on merit.

During the review period, the prime minister made several new judicial appointments, but did not seek advice from the commission. However, despite elections or a change in government, the independence of the judiciary is safeguarded through a number of constitutional provisions. First, a judge may only be removed (aside from retirement at age 65) from the bench by the president and a two-thirds majority of parliament on the grounds of a proved inability to perform the functions of office or of proved malfeasance. Second, a judge’s remuneration is charged to the consolidated fund and therefore constitutionally protected. Appointment does not entail a process, which in turn does not involve media coverage; the media simply publishes the names of those elected.

Citation:
European Council calls on Malta to improve transparency of Judicial Appointments. Independent 10/02/14

A number of institutions and processes work to prevent corruption and guarantee the integrity of government officials, including the Permanent Commission Against Corruption, the National Audit Office, the Ombudsman Office and the Public Service Commission. The government also abides by a separate Code of Ethics, set out for ministers, members of parliament and public servants. Ministers and members of parliament are also expected to make an annual asset declaration. The Public Accounts Committee of the unicameral House of Representatives can also investigate public expenditure decisions to ensure that money spent or contracts awarded are transparent and conducted according to law and general financial regulations.

Until recently, with the exception of the National Audit Office and the Ombudsman Office, these mechanisms provided insufficient guarantees against corruption. The Permanent Commission Against Corruption, which has the independent power to investigate incidents of alleged or suspected corruption, rarely does so before a complaint has been lodged. Recent scandals associated with oil procurement by the state power station revealed that the commission had received calls from private individuals to investigate allegations of corruption, but that it had proved unable to do so effectively. The commission’s report hinted that while suspicions of corruption existed, the authorities failed to call in the police to investigate the suspicions further. The government has promised a new round of reform of the commission by the end of the year.

The Public Service Commission has consistently lacked resources sufficient to allow it to work effectively. As the members of both commissions are
appointed by the president on the sole advice of the prime minister, they lack public trust.

Both the National Audit Office and the Ombudsman Office are independent, but neither enjoys the necessary executive powers to follow up on their investigations.

In 2013, the government strengthened the fight against corruption by reducing elected political figures’ ability to evade corruption charges, and introduced a more effective Whistleblower Act.

Citation:
Transparency International: The 2014 Corruption Perceptions Index CPI.Transparency.org/
Governance

I. Executive Capacity

Strategic Capacity

Each government ministry has a director and unit responsible for strategy and planning. These groups have been especially active in the Ministry of Finance, the Malta Planning and Environmental Authority, the Malta Transport Authority, the Ministry of Justice and Home Affairs, and the Education Ministry. The latter is working on a blueprint which should be utilized in all ministries. The group in the Prime Minister’s Office draws up the country’s strategic policy and directs future government work; mostly this task sits with the permanent secretary, who develops a strategic overview with key objectives, priorities for actions and key performance indicators, timeline, budgets and targets. In some cases, ministries employ consultants to produce reports on current policy issues, a practice that may be regarded as forward planning. The Management Efficiency Unit coordinates separate ministry plans and the Malta Information Technology Agency (MITA), which reviews government IT requirements, also assists.

Consultation processes involving academic experts has always been rather intermittent, but since 2013, such experts have been involved in a greater number of areas including family issues, gay rights, care of the elderly, health issues such as diabetes, IT in schools, and others, including on a Commission to Investigate the Manufacturing of Fireworks in Malta. With the exception of standing parliamentary committees, which regularly consult with academic experts, the government tends to consult with outside experts in an issue-based and ad hoc manner. Policy issues have at times been the focus of studies directly commissioned from the faculties and institutes at the University of Malta. Tenders for contracts are also released and are often won by organizations such as Malta University Services, an academic consultancy group. Information required by the government may also be contracted out on an individual basis.
The government generally seeks to appoint individual “expert” consultants, with these consultants typically tasked more with implementation of policies as outlined by the government than with the provision of advice on policy content. Many of the outside experts appointed already have close relations to the political party in government, sometimes having contested elections on behalf of the party. In the eyes of the public, this renders the process of consultation suspect, and indeed interferes with transparency.

**Interministerial Coordination**

Government ministries in Malta enjoy almost complete autonomy, with limitations only in the form of budgetary constraints imposed by the Ministry of Finance, even though most policies and projects require cabinet approval. The Prime Minister’s Office relies largely on the attorney general’s office to evaluate draft bills.

After the March 2013 general election, the government appointed a minister, as part of the Prime Minister’s Office, to oversee the implementation of the winning party’s electoral program. Whether this has contributed to increased sectoral policy expertise in the Prime Minister’s Office remains unclear. But a cabinet reshuffle and resignations by ministers and other senior officers give a strong indication that the PMO is more alert to policy implementation failures than previously. Indeed, it has been common practice that when a minister faces policy difficulties, the PMO steps in and assumes the ministry’s portfolio. In 2013, the Justice portfolio was temporarily shifted to the responsibility of the PMO.

Citation:
Sansone, K Justice to be transferred to OPM - Labor MP is Commissioner Against Bureaucracy Times of Malta 18/06/13

Malta’s system of government is based on the Westminster system, and in theory the Prime Minister’s Office (PMO) can return most items on policy grounds. But as the PMO does not have procedures in place for sectoral policy overviews, in practice policies are adopted or rejected following discussions in the cabinet. Much also depends on the powers of persuasion of the prime minister among his cabinet colleagues. The cabinet has a great deal of leverage, and its members are the most likely to object to policy or a draft bill. Some oversight does come from the cabinet, but also from the PMO.

After 25 years in opposition (with the exception of a short stint between 1996 and 1998), the party that took power following the 2013 elections needed time to gain control over and coordinate policy across ministries. A sustained effort at coordination has subsequently been made in the Prime Minister’s Office (PMO) and in line ministries. During the period under review, the government
established an office within the PMO to coordinate the policies contained in the ruling party’s electoral manifesto. The main task of the new office is to coordinate policy across different ministries, as ministries were previously largely autonomous. Decisions taken by ministries have more than once been rescinded by the PMO, a practice less common in the past. The PMO may also seek to review its own policies with the help of the Management Efficiency Unit (MEU) and the Malta University Service (MUS), and may also utilize foreign consultants. Line ministries can also do the same.

While government officials do organize cabinet committees to assist in clarifying issues prior to full cabinet meetings, these do not necessarily correspond to line ministries but to individual issues. For example, a cabinet committee was tasked with preparing policy for Malta’s turn as European Union president in 2017. Occasionally ministers form cabinet subcommittees, in which ministers work to coordinate policies between ministries. The chair of the subcommittee, however, would not be from the ministry from which the policy originated.

Civil servants from a ministry typically coordinate policy proposals with other line ministries before policy is officially drafted. During the review period a new system was established. The cabinet director general is in charge of administrative decisions, and ensures that cabinet decisions are implemented in the different ministries. Once a week, the commission of permanent secretaries meets to coordinate policy; the meeting agenda is open. The activity is as follows: on a Monday, the chiefs of staff meet to draft memos for the cabinet; on a Tuesday, the cabinet meets and makes a decision; and on a Wednesday, the permanent secretaries meet to decide on how to implement the policy decided upon.

From time to time interministerial committees help coordinate policy before the drafting process is started. One recent example of this was an interministerial committee that was set up with the goal of securing for the city of Valletta the title of Cultural City of Europe in 2018.

The government tendency toward informal coordination mechanisms has increased since Malta joined the European Union in 2004. Many directives from Brussels cut across departments and ministries, and this encourages ministries to talk to each other and work more closely together. This situation has been less true with regard to domestic issues and policies, but the PMO today exercises an expanded coordination role.

**Evidence-based Instruments**

Malta’s policy on regulatory impact assessments (RIA) is not fully developed and the process of filing is also not fully integrated in Maltese policymaking;
however, a RIA process does exist, with the cabinet required to approve RIAs for government notices, regulations and by-laws. This process is detailed in the Small Business Act, Chapter 512 in Maltese law. However the RIA process has been questioned, as it is often seen as only a formality and at times is said to lack substance. Nonetheless, the European Union utilizes RIAs as part of all major regulatory projects, and therefore better incorporating the RIA process into Malta’s regulatory framework is a goal.

Citation:
Ope rational Programme II ‘Empowering People for More Jobs and a Better Quality of Life’, July 2012, p.28
http://www.bru.gov.mt/administrative-burdens/

Malta’s policy on regulatory impact assessments (RIA) is not fully developed and the process of filing is also not fully integrated in Maltese policymaking. Thus it is not possible to provide extensive data with regard to the quality of the RIA process within this context. In some areas, the process of consultation is superficial, based mostly on the public’s reaction to the publication of white or green papers, or merely from consultation through a dedicated government website created for the purpose.

The government’s process is so: A draft bill is prepared; stakeholders are consulted; the bill goes to the permanent secretary and to the minister concerned; the bill is cleared by the attorney general’s office and proceeds to the cabinet. A regulatory impact assessment for the draft bill may include other options that the cabinet either accepts, rejects or asks for more information. As part of the RIA process, it is required that some sort of consultation is sought, yet often this step is skipped.

When regulations deal with economic or labor issues, consultation prior to the regulation’s implementation is more extensive; usually the government brings such issues before the Malta Council for Economic and Social Development, on which key economic actors sit.

An example where consultation activities are best codified and where RIAs are solidly established is with regard to planning and environmental issues. Guidelines allow for a more open, transparent and inclusive consultation process than in any other area of decision-making.
In the case of decisions or regulations established within the Malta Council for Economic and Social Development (MCESD), the RIA process allows for the possibility of informal evaluation by independent bodies. Decisions taken or proposals offered by the Malta Environment and Planning Authority can be formally evaluated by an appeal and a supervisory body, thereby allowing for a more thorough and transparent impact assessment.

Malta is still in the process of creating a RIA process that touches all aspects of public service, as well as working to expand its capacity to access empirical information from stakeholders and ascertain the likely reactions of the public or stakeholders before decisions or regulations are implemented.

Citation:
https://gov.mt/en/Government/Public%20Consultations/Pages/Public-Consultations.aspx

While regulatory impact assessments are a compulsory regulatory tool in Malta, the government has no formally adopted sustainability strategy. Sustainability checks that do exist are often found only in areas involving planning and the environment. The effectiveness of key regulations and policy initiatives are assessed mainly through Malta’s National Reform Program, the annual report that Malta (like all other EU member states) submits to the European Commission. This report is like a progress check, where Malta provides detailed updates relating to its Europe 2020 targets as a result of its policies. These reports include quantitative impact indicators that can illustrate the effectiveness (or failures) of regulatory projects that touch on social, environmental and economic issues. The country’s Europe 2020 progress is subsequently reviewed by the European Commission and country-specific recommendations are officially endorsed by the European Council. But this whole process happens essentially after the fact – basically a report on decisions the government made – and is not part of an impact assessment process. Hence, the sustainability and effectiveness of policies and measures are still assessed on an annual basis. Moreover, the reviews from the European Commission and the European Council provide an ulterior check of policy effectiveness for short- and long-term targets within the context of Europe 2020.

Citation:
http://ec.europa.eu/europe2020/making-it-happen/index_en.htm
Societal Consultation

Historically, government consultation with religious communities, businesses, employers’ associations and trade unions has been strong. A formal consultative structure, called the Malta Council for Economic and Social Development, works well in facilitating consultation between business associations, trade unions and government. Social and environmental groups tend to be the least consulted, but their ability to lobby the EU on issues close to their heart or on issues related to the distribution of EU funds have strengthened their position and prompted the government to consult them more routinely. Nonetheless, as such groups often lack a certain professionalism and organizational sophistication, it will be some time before the government regards consultation with this sector as a necessity rather than a courtesy. Consultation with civil society has also improved since the country’s EU membership, and since 2013 the government has introduced periodic meetings between various ministries and the general public with the aim of gathering feedback on policy proposals. However, this system remains sporadic. The process of regulatory impact assessments (RIAs) in theory requires a consultation process, but this often either fails to take place or is simply cursory.

Policy Communication

The official role of the government’s Department of Information is to provide the public with information on government policies and plans. But this department has degenerated into a tool instead for defending government plans and policies, with a partisan slant. Ministries have come to employ their own communication officers instead, rarely consulting this central office; hence responsibility for informing the public has devolved on individual ministries. Yet as these offices do not have the resources needed to carry out this task properly, individual ministries occasionally engage public relations companies. Yet this too is often just a simple public relations exercise, and the government message may not always be factually correct or reflect the intentions behind government plans; too often the information released is of a superficial nature.

Implementation

Maltese governments have lacked the organizational capacity to effectively set benchmarks, and as there is no formal structures as part of the Prime Minister’s Office for monitoring policy implementation across line ministries, it is not easy to assess past performance. However, the need to respond to
benchmarks imposed by the European Union has forced the government to carry out more evaluative exercises as part of its policy process. Individual ministries have also sought to strengthen their capacity to evaluate policy implementation against such benchmarks. Examples of this relate to waste management, gas emissions and education. In principle all ministries are expected to draw up strategic documents which include targets and performance indicators, and the chiefs of staff and permanent secretaries need to report to the strategic unit of the PMO on outcomes. Every agency and organization in turn needs to report back on the successful implementation of policy; annual reports are drawn up and sent to the permanent secretary of the ministry concerned.

The cabinet is the most important organizational device at the disposal of the government providing incentives to ensure ministers implement a government program. However, this does not take place in the form of pressure placed on a ministry, but rather through periodic discussion of progress achieved in the implementation of a program. Evidence nevertheless suggests that policy implementation is most likely to be successful following demands made by the PMO. The next most important device is a minister’s secretariat, which is generally in charge of overseeing the implementation of a program. Other resources include the Management Efficiency Unit (MEU), which provides advice and gives the various ministries structures, tools and reports to work with, thus building their capacity to act.

The Prime Minister’s Office today monitors the implementation activities of most line ministries, but the structures for doing so effectively are still being refined. In 2014, environmental organizations were extremely critical of the fact that the Environmental Ministry had not been consulted on outside development zone (ODZ) policy being discussed in the ministry in charge of development planning. The PMO now has an office dedicated to monitoring. Furthermore, line ministries’ policy implementation is also monitored by the cabinet office, which is part of the PMO, and which ensures that PMO decisions are implemented by the ministries.

All monitoring of bureaucracies/executive agencies is done within the ministries responsible for each sector. Other types of monitoring are achieved through parliamentary oversight, since the work and output of bureaucracies can be discussed individually or during annual budget debates. The National Audit Office audits on a yearly basis the entire civil service and then reports to parliament or on the request of the Public Accounts Committee, a permanent committee of the legislature. The ombudsman also does a procedural audit, and the department of local government assesses the performance of local
government bodies. There is also an internal audit office. The PMO, through the Principal Permanent Secretary’s Office, has become more involved in monitoring processes.

Local councils in Malta are primarily municipal bodies, and cannot raise revenue through local taxes. The creation and existence of local councils, rather than an outline of their powers and responsibilities, is enshrined in the constitution. A motion to rescind the existence of a local government body requires a two-thirds majority in parliament. Local councillors are elected by a local popular vote. Nearly all funding for local-government activities comes from the central government, with a small fraction sourced from local traffic fines. The funding formula for local councils is based on geography and population, but the fact that these local councils incur budget deficits indicates that delegated tasks are not adequately funded.

Local councils have no constitutional right of implementation autonomy, and all their activities and responsibilities are monitored and can be challenged by the Department of Local Government. All by-laws have to be approved by the central government and decisions taken may be rescinded. These constraints are intentional, to prevent local councils from assuming responsibilities independent from the central government or adopting policies which conflict with those of the central government.

There are two main avenues through which the central government seeks to ensure that local councils realize national standards within their limited range of public services: the Department of Local Government and the National Audit Office. The first is responsible for monitoring and reporting on the performance of individual local councils. The benchmarks for services provided by local councils are set by central departments. The second avenue is through the work of the National Audit Office, which independently investigates local council activities both from a purely auditing perspective and from a “value for money” perspective. Reform of local councils has by and large been driven by the National Audit Office rather than the Department of Local Government. National standards at the local level are also reinforced through the councilors’ code of ethics and the Local Councils Association.

Adaptability

The capacity of government structures to adapt to change has increased since Malta began its accession process and joined the European Union. The government created an ombudsman office, restructured the attorney general’s office, and introduced in each ministry a unit for EU Affairs and EU Program Implementation; overall these bodies have functioned well. Institutional learning however is in general piecemeal and driven by circumstances. In contrast, the committee for parliamentary scrutiny of EU legislation has been
less than effective, as members of parliament serve on a part-time basis and simply do not have the resources to fulfill committee tasks. The impact on policy is that there is not enough coordination between ministries, and parliament has not managed to be a catalyst for change.

Malta does not have the institutional capacity to contribute actively in helping to shape international efforts to foster the provision of global public goods. However, Malta is currently seeking to support good-governance efforts in Libya and Tunisia, and to obtain international support for these countries. Since joining the European Union, Malta has improved its institutional capacity for ensuring that national policies regarding these global and/or regional challenges are systematically assessed, and that international policies are accounted for within the domestic policy process. As some of these global public goods coincide with EU directives, Malta has been forced to improve its institutional capacity to avoid EU sanctions.

Organizational Reform

Structures for monitoring institutional governing arrangements, though they do exist, have tended to be weakened by being overcentralized. An increase in the number of ministries has diminished this excessive centralization, but has at the same time challenged existing monitoring arrangements. The existence of large ministerial secretariats staffed with political appointees – mainly allies of the serving minister – continues to weaken monitoring arrangements, placing greater stress on the observance of ministerial policy directives. However, since the inauguration of the new government in March 2013, movement toward better monitoring of institutional arrangements has been observed. Changes include the introduction of a new Ministry for European Affairs, a new office to coordinate policy across ministries, a shift to weekly rather than monthly meetings of the commission of permanent secretaries, and changes in the order of the weekly government meetings to facilitate efficiency.

Joining the European Union has forced the Maltese government to improve its strategic capacity by periodic institutional changes. But this is generally from a reactive and not a proactive perspective. Many EU-related institutions have been created, and since the challenge of meeting EU directives is quite burdensome for a micro-state like Malta, efforts to meet long-term objectives have given rise to a number of departments and authorities designed to respond to this challenge. Despite progress, Malta still lags behind; however, there is growing awareness of the problem, and efforts are being made to respond to these challenges, particularly with an eye toward Malta’s scheduled EU presidency in 2017. For example, there is now greater emphasis on capacity-building training for senior public officers than in the past.
II. Executive Accountability

Citizens’ Participatory Competence

Each ministry includes a customer care office, an information office and a communications office. The level of information available for citizens on policies is high and in general easily accessible. The government provides data on policy areas, and if a certain set of data is not available, it can be requested. The National Statistics Office and the Department of Information also makes information available to citizens. Some of the more complete reports assessing government policy however come from the European Commission. Yet most citizens follow political party-controlled media in their evaluation of policy objectives, their effects and implications. At the same time, political debate is widespread, which does help citizens to examine different aspects of policy. Government policies are also discussed in different civil society organizations as well as criticism published in the independent press, not to mention as part of active online discussions. However, local opinion surveys are rarely carried out with the intention of evaluating policy proposals but to seek citizens’ perceptions on issues which may be ripe for policy development.

Legislative Actors’ Resources

Apart from library access and support staff, members of parliament can call on no other sources to support their legislative work. Staff members are too few in number and their primary duties keep them occupied. Members of the unicameral House of Representatives are part-time legislators and, with the exception of ministers and some parliamentary secretaries, continue with private employment once elected. Members of permanent parliamentary committees seek support from outsiders such as academics and specialists, but this is rarely sufficient to overcome the real gaps in resources. The lack of resources has also caused a delay in setting up a process for evaluating EU legislation.

Citation:
Camilleri, I. Parliament is out of touch with Brussels. No feedback to Brussels’ documents. Times of Malta 14/06/11

Members of parliamentary committees may demand documents from the government, but the latter is not obliged to comply. In a number of cases documents demanded by members of the Public Accounts Committee, to cite
just one example, were denied with the justification that the documents revealed commercially sensitive information, even though the businesses involved were publicly funded. On other occasions, access to information was denied after a vote, facilitated by the fact that the government party enjoys a majority on committees.

Prior practice shows that a parliamentary committee may be precluded from calling any minister or member of parliament before it if a majority vote by members present decides against allowing the individual’s presence on the committee. This happened in 2012 within the Public Accounts Committee, when government members demanded and through a vote won the right to decide by vote which witnesses should be called before the committee. As the government enjoys a majority on these committees, appearing or not appearing when summoned depends very much on one’s colleagues. In addition, a minister involved in a particular issue could be on; or if a minister was heading up a committee, he could preclude witnesses, even including himself, from being called. This case was observed in 2012 during an investigation into power stations. In 2012 as well this method of procedure was approved by the house speaker, who ruled that committees have the authority to devise their own rules.

Parliamentary committees may summon experts to make presentations or help committees evaluate policies under discussion or shed light on issues under investigation.

Until March 2013, Malta’s parliament maintained six permanent committees. In April 2013, the government established the Committee for Economic and Financial Affairs. In 2014, the parliament also established a Committee on Health. These committees as well as the Foreign Affairs Committee are parallel to individual government ministries. Malta can be said to have only one monitoring parliamentary committee in the true sense, the Public Accounts Committee. Any monitoring the other committees perform is indirect and tangential. The Foreign Affairs Committee is responsible for the ratification of foreign treaties, but much of its work is devoted to reviewing legislation from the European Parliament.

The National Audit Office is an independent office and reports exclusively to parliament; its reports as well are presented to parliament. Both the Auditor General and his deputy are appointed by a resolution of the House, which requires the support of no less than two-thirds of all its members. The audit office also supports the work of the Public Accounts Committee; however, the office has limited means at its disposal.

Citation:
National Audit Office Report – a useful annual tool. The Independent 05/12/12
Audit office finds shortcomings in government controls. The Independent 03/12/12
2013 A Challenging year for the National Audit Office. Malta Today 12/03/14
The ombudsman is elected by a two-thirds majority of the House of Representatives and as a government institution, is held in high esteem with the public. The Ombudsman Office is not empowered however to deal with human rights complaints, and its recommendations are not binding. Existing limitations include the fact that members of parliament do not get to formally debate reports from the ombudsman when they are presented to the House.

Citation:
Aquilina, K. Strengthening the Ombudsman’s office. Times of Malta 14/08/12

Media

As media outlets are essentially dominated by Malta’s two major political parties, much of the information published by the media is often deemed “infotainment,” or seen as sensational and/or superficial. Detailed reports on government policy or issues are seldom produced, although some media outlets have greatly improved with regard to this aspect of reporting.

Parties and Interest Associations

Political parties restrict the power to make decisions on important issues primarily to elected delegates, although party members may be consulted on some issues. Participation in elections for party leadership positions is restricted to elected delegates, as are the processes of creating candidate lists and selecting agenda issues. The Nationalist Party election of a new leader and deputy leaders on 8 May 2013 offers one example of this process. While the idea of including all party members in decision-making processes has been floated, and now indeed appears to be gaining ground among the parties, no concrete steps in this direction have been taken.

Economic interest associations have structures capable of formulating relevant public policies. Employers’ and business associations command more resources than do trade unions, and this allows them to employ qualified personnel and to source qualified academics to assist according to the policy issue/s involved. By contrast, trade unions rarely use their own robust research departments, opting to use existing studies or seek assistance from academics and/or other specialists in the policy area under review. However, the influx of EU funds has strengthened non-economic interest associations.

Malta has a large number of non-economic interest associations. Though typically short on resources, they often receive external support through their
membership in international or regional federations, which helps them formulate extremely well-informed policy papers. Local associations have also been able to improve their policy capacities thanks to funds from the European Union. Few organizations employ full-time staff, but many have academics as part of their leadership structure, allowing them to make use of expert advice when discussing policies. In some cases, organizations are able to attract research support on a voluntary basis from like-minded academics, giving them access to top experts in their area of operation.
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Contact:

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh

Dr. Daniel Schraad-Tischler
daniel.schraad-tischler@bertelsmann-stiftung.de

Dr. Christian Kroll
christian.kroll@bertelsmann-stiftung.de