



Malta Report

Godfrey A. Pirotta, Isabelle Calleja,
César Colino (Coordinator)

Sustainable Governance
Indicators 2016

Executive Summary

Malta has few legal restrictions on political candidacy, elections are free and fair, the courts effectively protect political and civil liberties, media freedom and pluralism has increased, and media access for political parties and candidates has also increased. Malta performs reasonably well on issues of legal certainty and judicial review, while the government has attempted to increase judicial efficiency through reforming the judicial system and increasing the number of judges. The National Audit Office and Ombudsman Office strengthen government transparency and accountability. The use of referendums has gained popularity and the government is undertaking more consultation exercises. Access to information has also improved marginally. The first case of alleged corruption, since the introduction of the Whistleblower Act, is underway. The government has also introduced legislation to regulate and improve the transparency of political-party funding. Rights for minority social groups have also been extended, including the establishment of civil unions and introduction anti-discrimination legislation. Meanwhile, there is also a greater public awareness of the discrimination experienced by disabled and elderly people.

Yet some challenges persist. Despite some reforms, parliament remains weak, and lacks the resources and powers necessary to fulfill its oversight function effectively. The use of parliamentary committees, such as the Public Accounts Committee, by political parties tends to undermine their proper functioning. Political parties remain the principal drivers of policy formulation and evaluation, while parliament has only recently begun to institutionalize its interactions with interest associations. Meanwhile, interest associations continue to lack the resources to be really effective. Malta is the only EU member state with an entrenched two-party system, which – though stable – promotes patronage and the perception that politics is a zero-sum game.

Other substantive challenges include the election of a president by a simple parliamentary majority rather than a two-thirds vote of the whole chamber; the prime minister's control over the appointment of judges; and the popular perception that political bias continues to influence public appointments. Although the court system continues to penalize discrimination, the Ombudsman Office protects citizens against maladministration and the National Audit Office highlights accountability issues, the constructive work

of these institutions is undermined by an electoral system that entrenches clientelism and political patronage.

Malta's economy is exposed to international developments. However, despite the challenges experienced by other countries, Malta has achieved a record low unemployment rate. It has also reduced its public deficit and debt to GDP ratio, and now complies with the EU's budget-deficit regulations. Its credit rating has risen and continued economic growth is expected. The government has addressed the dire financial situation of the island's sole energy provider, Enemalta, by attracting foreign investment. The government has also increased economic competitiveness by reducing excessive energy tariffs. Through extensive restoration of its many heritage sites, Malta has also attracted a record number of tourists. Health care, however, remains an Achilles heel and will require substantial government expenditure. Health care reforms target a reduction in patient waiting times and upgraded services, but entrenched resistance from health professionals with vested interests continues to put the service at risk. The effects of recent pension reforms are yet to be felt. Rampant tax evasion remains a problem.

Environmental issues continue to cause controversy, including the separation of the environmental and planning authorities. Malta is caught in a "Catch 22" situation, as each new physical infrastructure project has a significant environmental impact on such a small island. Unfortunately, public debate has focused mainly on land use, the protection of so-called Outside Development Zones and traffic issues, while Malta's dwindling water resources and the high cost of providing water through reverse-osmosis plants has received little attention.

Key Challenges

A number of good governance practices have been introduced during the period under review. However, significant challenges remain. First, while there has been an improvement in the parliamentary committee system – especially in respect to social policies, EU affairs and capacity-building – the need for urgent parliamentary reform persists. MPs have shown little interest in moving from a part-time to full-time role, with their current part-time status inadequate for the challenges of modern governance. At present, parliament is failing in its duty to properly scrutinize government legislation and create a forum for the constructive criticism of legislative proposals. Responsibility for scrutinizing EU legislation is largely devolved to public servants.

While the government promised a reform of the Permanent Commission against Corruption, this has yet to materialize. Failure to create a strong anti-corruption institution could undermine public trust in reforms already enacted and allow allegations of corruption to proliferate. There is also a need to establish an independent ethics committee, which would oversee the various codes of ethics that regulate public life.

The government has also introduced, in association with the University of Malta and Malta College of Arts, Science and Technology, programs to strengthen civil service capacity. Low morale could undermine such reforms, as such the government needs to ensure fairness in the appointment and promotion of civil servants. The absence of suitable performance assessment procedures is a major obstacle in this respect. More responsibility will also have to be devolved to public servants and the government must encourage the transfer of knowledge from consultancy professionals to public servants. There is a need for regular external audits of government procedures and policies to improve public trust in the government and civil service.

A persistent problem has been the Single Transferable Vote electoral system, which in a small country such as Malta is the source of considerable political patronage and potential corruption. A reform of the presidential election process so that the president is elected by a two-thirds majority is long overdue.

The issue of financial stability is being ably addressed, but certain areas of government expenditure continue to undermine progress. For example, the health care expenditure is likely to negatively effect fiscal stability. While poor decisions taken by previous governments continue to require attention, the government's immediate focus should be on the effective management of the health care sector. Meanwhile, although foreign investment has helped Enemalta avoid bankruptcy and alternative sources of energy are being developing, there is an urgent need for the construction of a new gas-fired power station to be completed as quickly as possible. The failure of the 2011 Public Transport reform led to gridlock on the roads. Although the government has made valiant efforts to redress these issues, several problems persist which can only be addressed through bi-partisan efforts. The government and opposition must demonstrate more maturity with respect to public transport policy. There is also a need for economic diversification, away from a dependence on the construction industry, which the government will need to incentivize. However, the government must limit the environmental impact of this process.

Malta has a good record regarding asylum applications, but needs to do more with respect to integration. The government has earmarked €23 million of EU funds to tackle this issue and proposes to work with civil society to achieve this. Given the number of refugees and asylum-seekers already in Malta, and the possibility of many more arriving, a sense of urgency is required. Overall, Malta lacks a clear policy on integration.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 8

Economic planning is at the forefront of Malta's policymaking process and a clear-cut assignment of tasks to government institutions is its strength. Strong ties between public institutions, economic planning ministry and social partners exist. The government retains final decision-making powers; however, consultation with social partners through the Malta Council for Economic and Social Development occurs regularly. Because of these strong ties, economic growth has been and is expected to continue to be strong. Between April and June 2015, Malta's GDP grew by 5.2% in comparison to the EU's 1.6%. Furthermore, Malta's labor market has demonstrated its resilience 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 little co-determination structures.

During 2014, Malta's economic growth rate and labor market indicators were among the best in the EU. Significantly, the unemployment rate decreased from 6.4% in 2013 to 3.25% in 2015. Meanwhile, the European Commission's Macroeconomic Imbalance Procedure no longer deems Malta to be at risk of unsustainable economic imbalances. However, the European Commission warned of an erosion of competitiveness due to losses in the export market. The latest European Economic Forecast projects that Malta's robust economic performance will continue, stating that "real GDP growth is forecast to accelerate slightly to 3.6% in 2015 before moderating to 3.2% in 2016."

The World Economic Forum's 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. Meanwhile, the 2015 Global Competitiveness Index also identified the inefficiency of government bureaucracy as the most significant obstacle to doing business in Malta. Other limitations included an insufficient capacity to innovate, a low-skilled workforce and inadequate physical infrastructure. The country ranked in the top 20 in terms of access to loans, soundness of its banks, availability and affordability of its financial services, and internet bandwidth. The World Bank's Doing Business 2014 report highlighted voluminous regulations that hinder business, though the report registered a slight improvement in this area. The government is responding to these challenges by cutting bureaucracy, such as introducing electronic procurement and reducing the tender adjudication period. This is coupled by the fact that businesses are now benefiting from lower utility tariffs. It is also significant to note that the World Bank's 2015 report ranked Malta's ease of doing business 94 out of 189 countries.

Citation:

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Labor Markets

Labor Market
 Policy
 Score: 9

Employment rates are at historically low levels. Moreover, Malta registered one of the lowest unemployment rates in the euro area during 2015, with an unemployment rate of 3.2% compared to 10.9% for the EA19. The youth unemployment rate was also one of the lowest in Europe with the national rate standing at 8.7% in comparison to the EU28 rate of 20.4%. The labor-market participation rate increased marginally, through the introduction of free child-

care centers in 2014 and other fiscal incentives, including reforms to the maternity system, and tax incentives and wage subsidies for women over 40 entering the labor market. The 2015 budget introduced a pilot scheme to subsidize care workers for the elderly. This pilot may enable more women to enter the labor market, as women are disproportionately more likely to care for elderly relatives. Already, these initiatives have resulted in an increase of 1.6 percentage points in the female participation rate. However, overall labor market participation remains low due to the low participation rates of women, older people and people with disabilities. Moreover, increasing employment opportunities will no longer be filled by the domestic workforce, but will have to be matched by increasing Malta's migrant workforce. The government is attempting to address this challenge through its Strategy for Active Ageing, Youth Employment Guarantee Scheme and extended training programs. While Malta possesses a consolidated support system for the unemployed in terms of social benefits and retraining opportunities, schemes to help low-skilled individuals find employment are only now being introduced.

Citation:

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Taxes

Tax Policy
 Score: 7

Malta's income tax system ensures that a portion of income is non-taxable for all three tax categories (€9,100 for single individuals, €12,700 for married individuals and €10,500 for parents). Parents also receive a tax rebate on school fees, cultural activities and creative education. No sales or inheritance tax is levied on a person's primary residence. Other measures that contribute to greater equity include the extension of the favorable 15% income tax rate enjoyed by pensioners working part-time in the private sector to pensioners working part-time in the public sector. In addition, there has been an annual increase in the

income ceiling for those paying the 35% tax rate.

However, the burden of taxation falls mainly on people in fixed and registered employment. Malta's informal economy is equivalent to 25% of GDP and its tax evasion controls are ineffective. Significant mitigating measures include the revision of penalties on VAT, interest rates applied to over due taxes, VAT registration for all commercial activity and the introduction of the Investment Registration Scheme to record undeclared assets. Moreover, Malta has signed the Multilateral Agreement on The Automatic Exchange of Tax Information with the aim of obtaining more information in relation to undeclared assets.

With a corporate taxation rate of 35%, Malta has one of the highest tax rates applicable to companies in the EU. However, as a result of the full imputation system and the tax incentives provided to companies registered in Malta, the actual tax rate is estimated to be between 5% and 10%. Moreover, the Maltese tax policy does not include additional taxes on dividends paid to shareholders, apart from the fact that they are entitled to tax credits.

Fiscal incentives enhance the competitiveness of various economic sectors and attract foreign direct investment. Special tax incentives are also available for industrial research and development projects, experimental development and the registration of intellectual property.

During the review period, the government introduced several measures to promote competitiveness in high value-added knowledge economic sectors. For example, the government offered high-skilled economic migrants a personal income tax rate of 15% and introduced a tax credit for companies developing educational video games. Enterprises with a maximum of ten employees and self-employed workers are entitled to a 45% tax credit on eligible expenses, which is increased to 65% if the company or person is located in Gozo. Micro-enterprises form the core of the economy.

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, an increase in pensions for around 12,000 pensioners, and new child-care centers in three localities.

Citation:

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Budgets

Budgetary Policy
 Score: 6

Until 2013, governments found it difficult to restrain the country's budget deficit or reduce the public debt. However, in 2014, the government made some progress on bringing the deficit below 3%. The deficit is projected to further decrease to 1.6% in 2015 and 1.1% in 2016. Moreover, the 2015 Spring European Economic Forecast stated that debt ratio decreased to 68% of GDP in 2014 and projected that it will be 65.4% of GDP in 2016. As of June 2015, Malta was no longer subject to the EU's Excessive Deficit Procedure and was placed under the preventive arm of the Stability and Growth Pact. However, the EU's recommendation on the 2015 Maltese National Reform Programme and Stability Programme continues to stress the need for pension reform and has stated that age-related expenditure could pose a threat to the long-term sustainability of public finances. The introduction of legislation to enhance the transparency of government finances also represents a step forward. The Malta Fiscal Advisory Council advised the government to introduce an appropriate framework for the monitoring and issuing of government guarantees. The 2015 European Commission Working Paper noted progress toward the sustainability of the health care system. Meanwhile, the 2013 and 2014 government budgets facilitated economic growth and increased employment levels, and this positive trend is expected to continue through 2015. In 2014, the European Commission recommended that Malta increase the use of means testing for government benefits, contain the public-sector wage bill through prudent collective-wage agreements and reduce public sector employment. However, the collective agreements signed by the previous government and an increase in the number of public-sector offices may undermine the current government's ability to reduce public-sector employment. Indeed, an assessment of Malta's 2015 Stability Programme lists the public-sector wage bill as a significant risk to the government's deficit target. Nevertheless, the 2015 European Commission Working Paper highlighted that Malta's wage bargaining framework has helped to contain wage developments. In 2015, European Commission pointed out that

a significant risk to the government's deficit target were additional government subsidies for state-owned enterprises, namely Enemalta and Air Malta.

Citation:

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 Commission Staff Working Document – Country Report Malta 2015 SWD (2015) 37 final p.1, p.2, p.28
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Research and Innovation

R&I Policy
Score: 5

Business research and innovation (R&D) have gained in importance in recent years.

Nonetheless, the business R&D sector in Malta requires substantial development. For instance, the National Strategic Plan for Research and Innovation 2011 – 2020 highlights the importance of placing R&D activities at the center of economic policymaking.

It also highlights the challenges that hinder growth in this area, mainly the relatively low percentage of science and technology graduates. Moreover, the National Research and Innovation Strategy 2020, published in 2014, and the 2013 Innovation Union Scoreboard stress the lack of domestic R&D intensive companies. Reasons cited were the orientation of small and medium-sized businesses toward local markets with only 7% of small businesses offering differentiated products. The Chamber of Enterprise, Commerce and Industry also highlighted the need to address the fragmentation of the R&D sector.

Although the 2014 Innovation Union Scoreboard described Malta as a moderate innovator and ranked Malta below the EU average, Malta climbed four places overall in its 2015 scoreboard with improvements across most innovation indicators.

Furthermore, efforts are being made to improve the R&D through various programs. In 2013, the government budget allocated €32 million to R&D and innovation activities, and is developing a life sciences center, a national interactive science center and an ICT innovation accelerator with the aim of creating the pre-conditions for growth in this area.

Citation:

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Global Financial System

Stabilizing
 Global Financial
 Markets
 Score: 7

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 Central Bank of Malta, the Financial Services Authority and the Ministry of Finance collaborate closely with similar bodies abroad. 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. Although the FIAU forms part of the Ministry for Finance, the unit functions autonomously and has a separate judicial personality. The Malta Competition and Consumer Affairs Authority is also active in strengthening consumer rights and protections.

Citation:

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II. Social Policies

Education

Education Policy
Score: 5

The Maltese Islands are characterized by a lack of natural resources. Consequently, economic growth is intrinsically linked to human resources. Therefore, the ability 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.

Since 2013, the government has implemented a number of programs, some with fiscal support, to encourage more students to pursue further education. These programs include free support for students at risk of failing their exams or who have failed admission to higher-education institutions, and the extension of services and facilities for the Malta College of Arts, Science and Technology (MCAST). MCAST has recently undergone a restructuring process, which has introduced three sub-colleges (the Foundation College, the Technical College and the University College) to better address the learning challenges at different educational levels.

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 for students unable to complete the ordinary-level exams. A pilot project aimed at providing school children with tablet computers was also introduced. Moreover, teachers now have the possibility of benefiting from a paid sabbatical to further their professional development. New schools are being built and others modernized.

Nonetheless, Malta has the third lowest tertiary education attainment level in the EU. In 2014, 26.6% of people in Malta had attained a tertiary level of education compared to an EU28 average of 37.9%. In 2014, the Trend in International Mathematics and Science Study ranked Malta 40 out of 50 countries, while the Progress in International Reading Literacy Study ranked Malta 35 out of 45 countries. Moreover, science education remains weak. At 20.4% in 2014, Malta has the second the highest rate of early school leavers in the EU.

The education system's limitations exist in spite of the system's high level of equitable access to education at all levels. A total of 80% of all schools are free,

while there are various measures available to support students. Secondary and tertiary students do not pay tuition fees and receive stipends to ensure that higher education remains open for all. There has also been an increase in the provision of free preschool state facilities for 3 year olds and over.

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Times of Malta 21/02/14 Education system in crisis, minister admits

Social Inclusion

Social Inclusion
Policy
Score: 6

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 have not been consistently adequate. The total social security benefits for the first half of 2015 amounted to €407.8 million. This represents a decrease of 1.1% on the same period in 2014, but coincided with a significant drop in unemployment. In 2014, at risk of poverty or social exclusion rate was 23.8%, while 43.6% of single-parent households had an income below the at risk of poverty threshold. A 2014 EU report indicated that poverty rates were increasing in Malta. The at the risk of poverty and social exclusion for particular groups in Malta is above than the EU average, including children (32% in Malta compared to an EU average of 27.6%) and the elderly (20.8% in Malta compared to an EU average of 18.3%). However, Eurostat data for 2014 indicates that 55.1% of children whose parents have a low level of educational attainment were at risk of poverty, compared to an EU28 average of 65.9%. Meanwhile, 12.5% of children with parents with a medium level of educational attainment were at risk of poverty, compared to an EU28 average of 32.9%. Only 7.3% of children whose parents have a high level of educational attainment were at risk of poverty, compared to an EU28 average of 10.5%.

Disabled persons remain relatively marginalized. In the second quarter of 2015, there were 20,000 disabled persons of working age in Malta, but only 1,450 were in employment. A number of measures aimed at mitigating this situation are currently being introduced, including an obligatory contribution from employers who do not employ disabled individuals, and tax credits and incentives for employers who employ disabled individuals. Disabled individuals who are in employment are entitled to receive full benefits irrespective of their salary.

Other measures to address these problems 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. Moreover, the 2016 budget included an annual bonus for senior citizens over the age of 75, and stipends for mature students enrolled at the University of Malta and Malta College of Arts, Science and Technology.

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Health

Health Policy
Score: 7

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) in its first World Health Report in 2000, ranked Malta's health care system among the top ten in the world.

Meanwhile, a 2015 survey from Numbeo, an independent research center, stated that Malta had the second best health care in Europe. However, in December 2013 the Euro Health Consumer Index gave Malta low scores in terms of patient rights and information, waiting times, and lack of physical education. The government has launched a food and nutrition policy and action plan to tackle Malta's high incidence of obesity and undiagnosed diabetes.

A small number of private hospitals also exist.

While 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. Much has been done to reduce patient waiting times and dependence on private hospital care. The government has also addressed the general hospital's limited bed spaces by building new wards, which had opened in 2008 with fewer bed spaces than the previous hospital. The government has also opened a new Oncology Hospital on the same site.

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.

In 2010, Malta's total health care expenditure amounted to 8.6% of GDP, compared to an EU27 average of 9%. Public financing accounts for as much as 65% of total health care expenditure in Malta. Unfortunately, the lack of reliable data is an obstacle to the accurate evaluation of cost efficiency. A more recent EU-wide study indicated that Malta's health care expenditure amounted to 9.1% of GDP, compared to an EU28 average of 8.7%. The European Union has often stressed the need for reform to ensure sustainability. Indeed, a Health Care Reform process is currently being developed aims to achieve a sustainable level of expenditure, while also ensuring an adequate level of provision. A National Health Systems Strategy for 2014 to 2020 was published in 2014.

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 Malta National Reform Programme 2015 p.23
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<http://www.timesofmalta.com/articles/view/20151018/local/two-new-wards-to-open.588577>
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 Malta Today 25/1/2015 Malta's Healthcare Ranked second best in Europe

Families

Family Policy
 Score: 6

With a difference of approximately 30% between female and male employment rates, 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 inaccurate. 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, breakfast and after-school clubs. The last census shows that 9% of families are single parent families. Despite recent government measures, a large proportion of single parent families are living in poverty, while only of single parents are in full employment. At the end of 2014, the government launched a consultation process to develop a parenting policy targeting struggling families.

These policies, however, are more likely to be found within the public sector than in the private sector. In Malta, 70% of businesses are family owned with only 4% to 5% of enterprises employing 100 or more people. Nonetheless, recent government endeavors aim to address this shortcoming. For instance, the government has recently set up the Maternity Leave Trust Fund to which all employers shall be contributing 0.3% of each employee's salary. These measures are enabling more women to enter the job market with the female participate rate increasing from 36.4% in 2005 to 52.1% in 2014.

Citation:

Labor Force Survey, fourth Quarter 2012, National Office of Statistics, Malta.

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 Times of Malta, New Maternity Leave Trust Fund launched in bid to end gender discrimination, 21/07/2015.
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 Malta Today 28/10/2014 positive parenting policy launched for consultation

Pensions

Pension Policy
 Score: 5

Government expenditure on contributory benefits amounted to €312.3 million during the first six months of 2015 with an increase of €8.1 million in retirement pensions alone. Indeed, pensions represent a substantial public expenditure. In 2013, pension payments were equivalent to 9.6% of GDP and are projected to increase to 12.8% of GDP by 2060. Although, the proportion of the population that receives a pension was below 20% in 2012, pension-related expenditure is a major concern at EU level. Indeed, the European Commission recommends consolidating the pension system, particularly by increasing further the statutory retirement age to reflect life expectancy changes.

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. Although partially rectified, the real value of pensions cannot make up for decades of loss. Low tax ceilings also meant that pensioners were required to pay income tax on their pensions. The 2013 budget, which raised the tax ceiling and revised supplementary assistance for those aged 65 and older, has gone some way to help to redress this situation. However, a recent EU survey indicates that a third of elderly people are at risk of poverty and that the national minimum pension of €472 per month does not cover basic living costs.

In 2014, parliament voted to introduce a third pillar to the pension system. This third pillar provides fiscal incentives to encourage people to invest in private-sector pension schemes. However, it will be some time before this reform will reduce the stress of pension costs on public finances. A number of measures have also been introduced through 2015 with the aim of ensuring long-term sustainability. These include the introduction of fiscal incentives to promote participation in private-sector pension schemes and the removal of income tax for pensioners whose pension does not exceed the minimum wage. The Pensions Strategy Group 2015 report provides a detailed overview of possible scenarios up to 2060, and identifies a number of guiding principles for developing a flexible and sustainable pension system. The report was, however, criticized for

not addressing the issue of how to get people to voluntarily save and being weak on defining what constitutes a strong scheme system and what benchmarks should be used. Several government measures will also be introduced during 2016, including increases for pensioners who receive less than €140 per week and no tax increases for pensioners.

Citation:

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 National Strategy Report on Pensions, Malta 2005
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 Malta National Reform Programme 2015 p. 4
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 Strengthening the Pension System – A Strategy for an Adequate and Sustainable Maltese Pension System p. 4
 Budget 2016: What's in it for you – point by point, how the budget will affect you. The Independent 13/10/15
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 Times of Malta 8/1/2015 Third of elderly at Risk of Poverty
 EU statistics on Income and Living Conditions 2015

Integration

Integration Policy
Score: 3

It is only recently that Malta has begun to consolidate its policy approach to integration issues. For example, the National Migrant Integration Strategy 2015-2020 will be launched in the coming year. Previously, the National Strategy for the Promotion of Cross-Cultural Understanding had identified the Ministry for Home Affairs and National Security as being responsible for the integration of asylum-seekers. However, under the current government, the Ministry for Social Dialogue, Consumer Affairs and Civil Liberties is responsible for the integration of migrants. Meanwhile, the Agency for the Welfare of Asylum-Seekers is responsible for the provision of some services, including employment, housing, education, health care, and welfare information. The agency is also a facilitator between public services and serves as a pre-integration functionary. An online government portal intended to facilitate 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. The 2015 Migrants Integration Policy Index does not highlight any substantial improvements and ranked Malta 33 out of 38 countries with a slightly unfavorable score.

Citation:

<http://www.timesofmalta.com/article/view/20130506/local/Report-shines-light-on-murky-process-of-becoming-a-citizen.468507>

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Interview with the Marsa Open Center director Ahmed Burge. Times of Malta 31/10/11

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Camilleri, C & Falzon N., Malta integration Network, a way forward for a national integration policy in Malta <http://3c3dbeaf6f6c49f4b9f4-a655c0f6dcd98e765a68760c407565ae.r86.cf3.rackcdn.com/4666c2217ac280a2451255e1799b29783718339737.pdf>

7.pdf

Safe Living

Safe Living
Conditions
Score: 6

Security threats to the state originating from outside have been largely absent, making it difficult to 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, but – due to its geographic location and status as an EU member state – Malta could be used by terrorists to enter the EU. In addition, a recent report, allegedly originating from ISIL, identified Malta as one of its enemies. Malta’s Secret Service is small and depends heavily on intelligence from foreign intelligence services.

Malta is affiliated with Interpol and is also party to several cross-border security cooperation efforts, such as the Management of Operational Cooperation at the External Borders of the Member States of the European Union. Malta is also participating in Operation Triton to secure borders and rescue migrants in the central Mediterranean area.

As Malta ensures the security of an external frontier of the European Union, it has received substantial assistance through the External Borders Fund. Through this fund, the Armed Forces of Malta (AFM) have been able to obtain important resources for the enhancement of the existing border control system, which is primarily directed toward policing the island's maritime borders from irregular migration and drug smuggling. These have contributed to the AFM's Integrated Communications Systems Project, the procurement of four inshore patrol boats and better facilities on the ground. In 2015, Malta was allocated an additional €12.6 million from EU funds to purchase additional fixed-wing aircraft. Between 2014 and 2020, Malta was allocated €92 million to strengthen the armed forces, the police force, civil protection department, security services and customs department. Additional hardware will be purchased and surveillance systems upgraded.

Malta's Secret Service has improved its capability, as evidenced by its support in liberating Maltese hostages in Libya. However, the current crisis in the Mediterranean remains a big challenge. The need felt to strengthen external borders and tighten visa regimes has led to the temporary suspension of Schengen in Malta until the end of the 2016.

Plans to reform the police force were announced during the third quarter of 2015. However, confidence in the police remains low.

Citation:

Malta Security Service Ignored Invitations for International Collaboration. Times of Malta 09/04/13

EU Conference on Innovation Border Management. 2012

eu2012.dk/.../Conference%20on%20Innovation%20Border%20Management

MULTI-ANNUAL PROGRAMME 2007-13 EXTERNAL BORDERS FUND MEMBER STATE Republic of Malta

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Frontex expands its Joint Operation Triton, Frontex News Release 26/05/15

<https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Migration%20Funds/Pages/External-Borders-Fund.aspx>

On Parade Magazine October 2014, Armed Forces of Malta p.17

Minister to draft reform strategy for police force, Malta Today 11/08/15

Malta Today 24/08/2015 Online poll: Absolute majority mistrust Malta's Police Force

The Independent 13/07/15 32 police officers facing criminal charges, 12 suspended while 20 still serving in the police force

Times of Malta 25/11/2015 Maltese Flag features in video threatening coalition of devils

Malta Today 4/2/2015 Malta allocated a further 12 million for Frontex equipment

Global Inequalities

Global Social
Policy
Score: 3

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. The country devotes a below-average

proportion of GNI to Official Development Assistance (ODA). In 2004, Malta committed itself to allocate 0.33% of GNI to ODA by 2015. Data published by the EU in second quarter of 2015 indicates that Malta's commitment in 2013 amounted to €14 million or 0.20% of GNI. Preliminary data for 2014 indicates that this has increased to €16 million, though the proportion of ODA to GNI remains equivalent at 0.20%. Nonetheless, projections for 2015 indicate that ODA spending will be €15 million, 0.19% of GNI. On the other hand, Malta is supportive of EU efforts to address the refugee crisis and has agreed to a refugee quota with the EU. Private sources also contribute significantly to development projects in other countries. Malta is also attempting to take the lead in development education and has introduced a master's degree in humanitarian action, which targets field workers in the Middle East, north Africa and the gulf region.

Malta's development policy attaches special importance to countries in the Horn of Africa and Sub-Saharan Africa, the main source of asylum-seekers and clandestine immigrants to Malta. Malta's development policy seeks to assist with development in Mediterranean states, notably North Africa and the Palestinian territories, providing scholarships and other forms of aid. Malta also 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.

Citation:

An Overseas Development Policy and a Framework for Humanitarian Assistance for Malta
[www.foreign.gov.mt/.../Malta's%20Over seas%20Development%20Policy...](http://www.foreign.gov.mt/.../Malta's%20Over%20seas%20Development%20Policy...)
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 Over €360,000 in development aid for developing country projects. Malta Today 24/01/12
 Sammut, J.M., The Goals that Malta want to achieve, Social Watch 2014
 Official Development Assistance Policy and a Framework for Humanitarian Assistance 2014 – 2020 p.8
 Council Conclusions on the Annual Report 2015 to the European Council on EU Development Aid Targets p.9
 26/05/2015

III. Enviromental Policies

Environment

Environmental
 Policy
 Score: 4

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. Indeed, data published during the second quarter of 2015 by the European Commission stated that Malta's indicative renewable energy share was 3% for the period 2013 to 2014, significantly short of the national target of 10% by 2020.

High electricity tariffs have hampered the competitiveness of small and medium-sized enterprises. The government reduced energy tariffs for households in 2014, before extending this reduction to 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. The second draft Water Catchment Management Plan (2015-2021) is in its consultation phase. The plan aims to further consolidate the objectives of the first plan, while identifying new challenges. To relieve pressure from reverse-osmosis water generation, a National Flood Relief Project (with a net value of €42.9 million) is being implemented. The project aims to increase the amount of water collected annually. 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. 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 being restructured. However, several proposed changes have generated controversy, including the separation of the planning and protection functions of MEPA, the creation of two separate authorities for planning and the environmental, the composition of the environmental and planning review tribunal, the increased powers of the prime minister in selecting board members and designating cases, the removal of both panels of the heritage advisory committee, 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
 Council Recommendation on the National Reform Programme 2012 and delivering a Council opinion on the Stability Programme of Malta, 2012-2015, July 2012 C 217/61
 Pre-Budget Document 2013 p. 39
 National Environment Policy February 2012 p. 54, p.76
<http://www.mepa.org.mt/permitting>
 A look inside Malta's new, national environment policy. Malta Today 08/09/11
 Borg, B National Environment Policy lacks substance, environmentalists charge. Times of Malta 12/09/11
 Life Programme; Country Fact Sheet, Malta. EU Commission 2013
ec.europa.eu/environment/life/countries/documents/malta_en_2013.pdf
 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
 European Semester Thematic Fiche - Climate Change and Energy p.11
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<https://www.mepa.org.mt/topic-wcmp>
<https://mti.gov.mt/en/Pages/WASD/PROJECTS/Rainwater-Flood-Relief-Project.aspx>
 Malta Today 29/07/15 Aquilina Kevin, Twenty Reasons against MEPAs de merger
 Times of Malta 11/09/2015 Environmental law amendments will remove checks and balances

Global Environmental Protection

Global
 Environmental
 Policy
 Score: 6

Because Malta is a small country it has traditionally not been a key player in international global policy forums. Nonetheless, since independence, it has been influential in the Law of the Sea and was instrumental in the adoption of the Protection of Global Climate for Present and Future Generations of Mankind resolution, which gave rise to the United Nations Framework Convention on Climate Change and the Kyoto Protocol in 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.

In the run-up to the Paris Summit on Climate Change, Malta's prime minister hosted a special session on Climate for Leaders during the 2015 Commonwealth Heads of Government Meeting (CHOGM) in Malta. More than a quarter of the 2015 CHOGM participants attended the Paris Summit and the 2015 CHOGM was used as a forum within which support was consolidated. During the 2015 CHOGM forum, Malta's prime minister set out a support package for small island commonwealth members to help preserve their maritime environments and new initiatives to protect against risks of climate change. In 2016, Malta will contribute €5.6 million to the fund with additional allocations every year. Nonetheless, Malta generally remains an insignificant, if active, player in global environmental protection.

Citation:

<http://mra.org.mt/climate-change/climate-change-introduction/>

<http://www.un.org/apps/news/story.asp?NewsID=30544&Cr=Somali&Cr1=#.Vjp0bSuznrQ> "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>

Malta National Report Submitted by the Government of Malta to the World Summit on Sustainable Development.(2002) www.um.edu.mt/__data/assets/pdf_file/0006/63699/Malta_WSSD.pdf

CHOGM 2015 to give final push to Paris climate change Summit – Environment Minister, The Independent, 7/09/2015

PM Announces support for small island developing states to tackle climate change <https://www.gov.uk/government/news/chogm-2015-pm-announces-package-of-support-for-small-island-developing-states-to-tackle-climate-change>

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 9

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.

Media Access
Score: 5

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. The two major political parties also have their own radio and television stations, which give them an advantage over smaller parties. The BA requires party-run media to allow for a right of reply to an aggrieved party or individual. In general, the 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.

Due to increased competition, independent media now provides 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.

Voting and
Registrations
Rights
Score: 7

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

2015 world press freedom index

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%. Maltese law 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. 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. At the local level, the vote has now been extended to 16 year olds. 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/article...s/view/20130115/elections-news/ad-on-voting-rights-for-maltese-abroad-party-financing.453281>

<http://www.timesofmalta.com/articles/view/20130220/local/Should-prisoners-in-Malta-be-allowed-election-vote-.458430>

Should Migrants have the Right to Vote? Times of Malta 23/06/14

Party Financing
Score: 3

Malta passed its first party financing law in July 2015, which requires that political parties should be subject to international standards of accounting and auditing; cannot accept donations from companies associated to the government; cannot accept donations from entities, foundations, trusts and nominees whose beneficiaries are unknown; donations in excess of €7,000 must be recorded online and reported to the Electoral Commission; and donations from individuals must be capped at €25,000. While the effectiveness of this legislation remains to be seen, the political will that its introduction

demonstrates nevertheless represents progress. Criticisms of the new legislation, include the appointment of an electoral commission regulated by the political parties and for not capping spending at €2 million.

Citation:

<http://www.timesofmalta.com/articles/view/20150721/local/pns-conditional-yes-to-party-funding-bill.577469>
http://www.maltatoday.com.mt/news/national/55315/party_financing_bill_passes_into_law_both_parties_vote_in_favour#.ViNkq34rKM8

Party Financing a lost opportunity Malta Today 23/07/2015

Popular Decision-Making
Score: 3

The constitution of Malta allows for three types of referendums: constitutional, consultative and abrogative. None of these types however fulfill the criteria for popular decision-making defined by the SGI. However, Malta has had several consultative referendums, the most recent in 2011 on the introduction of divorce, and an abrogative referendum on the issue of spring hunting. In the latter case, the referendum was triggered by a citizens' initiative. A referendum proposal concerning the freezing of embryos is at an initial stage, with proponents needing to acquire a minimum number of signatures before it can be put to a popular vote.

:

http://www.maltatoday.com.mt/lifestyle/environment/38168/spring_hunting_referendum_is_revolutionary#.ViNoVn4rKM8

The Constitution of Malta

<http://www.timesofmalta.com/articles/view/20140330/local/-Spring-hunting-in-dustbin-of-history-.512723>

<http://www.timesofmalta.com/articles/view/20140328/local/signatures-for-referendum-to-abolish-spring-hunting-presented-to.512579>

Access to Information

Media Freedom
Score: 6

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. Since the general election on 9 March 2013, the government has allowed for a greater diversity of program producers on state broadcasters. The use of criminal libel laws is a contested issue at present. Even though state institutions dominate the media, existing media diversity and a recent increase in competition ensures that the system is essentially pluralist and a range of opinions are still available. However, the existing, draconian libel laws unduly restrict journalists. The government is proposing changes to the defamation law for similar reasons. In the 2015 World Press Freedom Index Malta ranked 48 out of 180 countries and 22 out of 28 EU member states.

Citation:

Journalists' institute calls for reform of libel laws. Times of Malta 18/07/2015

Cabinet mulls brave new defamation law. Malta Today 11/11/2015

Media Pluralism

Score: 6

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-t-hanks-the-pm.466622>

<http://www.timesofmalta.com/articles/view/20130425/local/Time-for-changing-of-the-guard-at-PBS.467040>

Access to
Government
Information

Score: 4

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. The act does not meet the standards of the Council of Europe's Convention on Access to Official Documents. Indeed, there have been

instances of government ministries failing to respond to freedom of information requests.

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

In spite of fines ministry offers no reply to Times FOI request Times of Malta 9/5/2015

Civil Rights and Political Liberties

Civil Rights
Score: 7

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. Some lingering ambiguities concerning civil rights, such as the right to legal assistance during a police interrogation, have been clarified. However, the overall supervision of police activity remains problematic. In the past, human rights reports have been critical of the treatment of asylum-seekers in Malta. However, Malta's minister of home affairs stated in 2014 that the government would be taking all necessary steps to comply with recent European Court of Human Rights (ECHR) judgment, 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. Furthermore, the prime minister has declared that the government will tackle the exploitation of refugees by employers. Allegations of human trafficking, concerning the employment of Chinese and Vietnamese nationals, made against Leisure Clothing Ltd. were investigated.

The Civil Unions Bill, introduced in 2014, grants gay and lesbian couples the legal protections under the title of a civil union. It also provided for cautious optimism concerning the establishment of a human rights and equality commission, commitments on ending child detention, and proposed legislation to improve the asylum system and provide greater protection for victims of crime, such as human trafficking. Improvements were also made to the legal framework around children's rights, including the raising of the age of criminal responsibility and criminalization of female genital mutilation. However, racism and intolerance persist, and many instances of racism or discrimination go unreported.

Citation:

The Malta human rights report 2015 The people for change foundation

Political Liberties
Score: 7

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 deter 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:

Migrant Integration Policy Index. <http://www.mipex.eu/malta>

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

Non-discrimination
Score: 5

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, the civil courts and the Constitutional Court are staunch defenders of anti-discrimination legislation. Since 2013, the government has strengthened the rights of gay, lesbian and transgender people through the establishment of civil unions and a gender identity act. Malta also has a number of independent commissions to protect the rights of vulnerable groups, such as children and disabled people. In the last budget, the government increased the fine for employers who discriminate against disabled people.

Women are generally underrepresented in the social, economic and political life of Malta. There is little political consensus concerning the introduction of positive discrimination measures to address this problem, though much has been done over the last two years to promote gender equality in the work place. Discrimination on grounds of political affiliation remains a problem, a direct result of the electoral system used in Malta. 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.

Citation:

Carabott, S. Expats Petition against Malta Discrimination. Times of Malta 12/04/13

Ellul, T. REPORT ON MEASURES TO COMBAT DISCRIMINATION Directives 2000/43/EC and 2000/78/EC

COUNTRY REPORT 2011 MALTA

Unreported discrimination cases causes concerns Di Ve 24/05/13

Rule of Law

Legal Certainty
Score: 6

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 judgment 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. However, reports from public bodies, such as the Ombudsman and the Auditor General, demonstrate that government institutions do sometimes make unpredictable decisions. 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, however, the predictability of the majority of decisions made by the executive has improved.

Citation:

<http://www.timesofmalta.com/articles/view/20150224/local/210000-commission-paid-in-cafe-premier-buyback-audit-office-slams.557475>

<http://www.timesofmalta.com/articles/view/20150104/local/Dalli-case-prompts-Ombudsman-action.550497>

<http://www.timesofmalta.com/articles/view/20150813/local/updated-some-diabetes-patients-denied-treatment-ombudsman.580496>

Minister reacts as auditor criticizes re ranking of bidding firms Times of Malta 5/03/14

Judicial Review
Score: 7

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 inquire 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.

Both the 2013 and 2015 EU Justice Scoreboard ranked Malta's judicial system the least efficient in the EU with regard to the duration of cases. However, the appointment of more judges, improved planning processes and increased use of ICT are intended to reduce the duration of court cases. However, the arraignment of a senior judge for bribery has undermined public confidence in the courts.

Citation:

http://ec.europa.eu/justice/effectiv-justice/files/justice_scoreboard_communication_en.pdf

<http://www.timesofmalta.com/articles/view/20130506/local/european-commission-says-malta-judicial-reform-must-be-made-a-priority.468460>

Malta with the worst record in European Union justice score board Independent 23.03.2015

Appointment of
Justices
Score: 2

Superior Court judges are appointed by the president, acting in accordance with the advice of the prime minister. The system followed that used in the UK until it was reformed in 2006. Malta is the only EU member state in which the government appoints the judiciary 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. Within the last year, a government appointed commission recommended reforming the appointments process.

However, despite elections or changes 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
<http://www.timesofmalta.com/articles/view/20150517/local/government-ignored-bonello-commission-recommendations-on-appointments.568405>

<http://www.timesofmalta.com/articles/view/20150819/local/minister-warns-against-reforming-judicial-appointments-system-for-the.581166>

<http://www.timesofmalta.com/articles/view/20150518/local/bonnici-we-will-reform-way-judiciary-appointed.568596>

Judicial appointments and the executive: Government cannot continue to delay reform Independent 2/10/2015

Corruption
Prevention
Score: 5

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 2015 report of the audit office also highlighted regulatory abuse regarding procurement, inventory inadequacies, and non-compliance with tender requirements and ministries' fiscal obligations.

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/

Audit office finds lack of adherence to procurement regulations by the office of the prime minister Times of Malta 14/12 2015

Audit office flags unauthorised payments by science council Times of Malta 14/12/2015

No independent testing of concrete at child development center in Gozo Times of Malta 14/12/2015

Audit office calls for better verification of applications for social assistance Times of Malta 14/12/2015

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 5

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. Strategic planning has been boosted by the government's efforts to reduce public debt. The National Statistics Office has also been reformed. Over the last year, the influence of strategic planning units over fiscal, domestic and education policy has increased. The Prime Minister's Office remains, however, the central strategy office. Within ministries, the permanent secretary is responsible for developing strategy, including identifying key performance indicators, and determining timeline and budgets. 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.

Citation:

<http://www.timesofmalta.com/articles/view/20150823/local/malta-keeps-a-rating-deficit-is-down-economy-stronger.581555>

<http://www.timesofmalta.com/articles/view/20151002/local/dbrs-confirms-maltas-long-term-rating-at-a-stable.586719>

<http://www.timesofmalta.com/articles/view/20151004/business-news/ey-predicts-malta-gdp-growth-of-39-in-2015-29-in-2016.586905>

Scholarly Advice
Score: 5

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. 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 faculties, institutes and other bodies. 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 outside experts appointed already have close relations to the political party in government, although the ties between government and outside experts are weakening. However, this pattern may lead to conflicts of interest. In 2014, the government spent over €3.2 million on 164 consultancy contracts. The majority of these contracts were determined by direct orders, without a public call.

Citation:

over 3.2 million in government consultancies in one year, Times of Malta 29/10/2015

Interministerial Coordination

GO Expertise
Score: 5

Government ministries in Malta enjoy almost complete autonomy, with limitations only in the form of budgetary constraints imposed by the Ministry of Finance and cabinet approval. The Prime Minister’s Office (PMO) relies largely on the attorney general’s office to evaluate draft bills, while consulting specialists on non-legal issues.

In March 2013 the government appointed a minister, as part of the PMO, to oversee the implementation of the government’s manifesto. Furthermore, the PMO has demonstrated a greater ability to respond to policy implementation failures more recently. However, cases involving the Lands Department indicate that more needs to be done.

Citation:

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

<http://www.timesofmalta.com/articles/view/20151029/local/over-32m-in-government-consultancies-in-one-year.590017>

GO Gatekeeping
Score: 9

Malta’s system of government is based on the Westminster system, and the Prime Minister’s Office (PMO) can return most items on policy grounds. In practice, policies are adopted or rejected following cabinet discussions. Although the PMO has not established procedures for sectoral policy overviews, it now employs a number of offices to achieve this, including the Policy Efficiency Unit and Internal Audit Offices. Much also depends on the

Line Ministries
Score: 5

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.

Since 2013, 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. 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 and occasionally employs consultants. Line ministries can do the same.

Citation:

<http://www.timesofmalta.com/articles/view/20151021/local/gaffarena-investigation-concluded-government-will-revoke-deal-if.589092>

Cabinet
Committees
Score: 5

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. Occasionally ministers form cabinet subcommittees to coordinate policies between ministries. The chair of the subcommittee, however, would not be from the ministry from which the policy originated. Although plans to set up cabinet committees on EU affairs, including the EU's Common Foreign and Security Policy, were announced, little has been achieved. However, a cabinet committee was established to prepare for Malta's presidency of the EU in 2017.

Citation:

Harwood Mark, *Malta in the European Union 2014* Ashgate, Surrey

Ministerial
Bureaucracy
Score: 5

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. On Mondays, the chiefs of staff meet to draft memos for the cabinet. On Tuesdays, the cabinet meets and makes a decision. On Wednesdays, the permanent secretaries meet to decide on how to implement the cabinet's decisions. A commissioner for the simplification and reduction of bureaucracy has been established.

Occasionally interministerial committees help coordinate policy before the drafting process is started. Increasingly this has become normal practice as a number of interministerial committees were created to support Valletta's campaign to be the 2018 European Capital of Culture, and prepare for the Commonwealth Head of State Summit in Malta, an EU-Africa Summit and

Informal
Coordination
Score: 4

Malta's presidency of the EU in 2017.

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

RIA Application
Score: 6

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. Nonetheless, since the European Union utilizes RIAs as part of all major regulatory projects, the government has had to improve its RIA process. While some progress has been made, further improvements remain necessary.

Citation:

OECD (2007), "Regulatory Management Capacities of Member States of the EU that Joined the Union on 1 May

2004: Sustaining Regulatory Management Improvements through a Better Regulation Policy", Sigma Papers, No. 42, OECD Publishing. <https://www.mepa.org.mt/permitting-ea-eiaprocess>

Operational Programme II 'Empowering People for More Jobs and a Better Quality of Life', July 2012, p.28

<http://www.bru.gov.mt/wp-content/uploads/2011/01/ESF-4-87-Laun ch-Speech-by-Mr-J-Aquilina.pdf>

<http://www.bru.gov.mt/administrative-burdens/>

<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/OPM-Portfolio.aspx>

Quality of RIA
Process
Score: 4

Malta's policy on regulatory impact assessments (RIA) is still being developed and has not been fully integrated into policymaking, which makes evaluation difficult. 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. In others it is more sophisticated. When regulations deal with economic or labor issues, consultation prior to implementation is more extensive. In such cases, the government usually consults key economic actors through the Malta Council for Economic and Social Development. Thereby, the RIA process allows for the possibility of informal evaluation by independent bodies.

Consultation activities are best codified for environmental impact assessments. Guidelines allow for a more open, transparent and inclusive consultation process. The Malta Environment and Planning Authority presents proposals or

makes decisions, which can be formally evaluated by an appeal to a supervisory body. This allows for a more thorough and transparent impact assessment. In 2015, the government controversially exempted a hospital development from having to undertake a EIA.

Malta is still in the process of consolidating its RIA process, but improvements in statistical collection and consultation processes have already improved the process.

Citation:

<http://www.mcesd.org.mt/mcesd/content.aspx?id=101553>

OECD (2007), "Regulatory Management Capacities of Member States of the EU that Joined the Union on 1 May

2004: Sustaining Regulatory Management Improvements through a Better Regulation Policy", Sigma Papers, No. 42, OECD Publishing.

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

Hospital development impact assessment waiver may breach EU law Times of Malta 26/08/2015

Sustainability
Check
Score: 3

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. Overall some progress has been made, but for some more challenging policy areas, notably health care and public transport, the government has tried to bypass such sustainability checks.

Citation:

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

Societal Consultation

Negotiating
Public Support
Score: 6

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. While NGOs concerned with social policy tend to be consulted more than those concerned with environmental policy, despite an increase in the number of policy areas open for public consultation. Such NGOs have benefited from this strategy, but they still experience difficulties. Generally they lack professionalism and organizational capacity, but enjoy greater media exposure. Consultation with

civil society has steadily improved since Malta ascended to the EU, but meetings between ministries and civil society have not contributed significantly toward policy development. Regulatory impact assessments require a consultation process, but these consultations have occasionally been superficial.

Citation:

<http://www.timesofmalta.com/articles/view/20151005/local/second-public-consultation-on-regulation-of-drones.587085>

<http://www.timesofmalta.com/articles/view/20150909/local/policy-launched-to-facilitate-use-of-tables-and-chairs-in-public.583770>

<http://www.timesofmalta.com/articles/view/20150910/local/energy-rules-consultation.583796>

<http://www.timesofmalta.com/articles/view/20151028/local/consultation-document-on-language-policy-for-early-years-launched.589986>

<http://www.timesofmalta.com/articles/view/20150918/local/consultation-document-on-free-access-to-bills-published.584900>

<http://www.timesofmalta.com/articles/view/20151010/business-news/Final-consultation-on-green-economy.587604>

<http://www.timesofmalta.com/articles/view/20150829/local/white-paper-on-schools-role-in-alleviating-traffic-congestion-launched.582378>

<http://www.timesofmalta.com/articles/view/20150915/local/white-paper-to-reduce-inspections-bureaucracy-launched.584533>

Policy Communication

Coherent
Communication
Score: 4

The Department of Information is responsible for providing public information on, among other things, government policies and plans. However, the department's communications approach is widely perceived as excessively partisan. Consequently, ministries employ their own communication officers with responsibility for public information assumed by individual ministries. On important policies, individual ministries occasionally engage public relations companies. Communication is also seen as a public relations exercise and in some cases the information released is of a superficial nature.

Implementation

Government
Efficiency
Score: 6

Over the last two years, government efficiency has improved. Central to this improvement has been the Prime Minister's Office and the government's aim to make Malta one of the most efficiently governed EU member states. 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. However, the civil service was widely neglected between 2008 and 2013, which has created obstacles. In principle, all ministries are expected to draw up strategic documents, which include targets and performance indicators. In addition, every agency is required to evaluate its implementation of policy and provide annual reports to

the respective ministerial permanent secretary. However, the Auditor General's 2015 report identified persistent failings, particularly concerning projects related to the EcoGozo program. These projects "experienced long delays," while checks and balances were completely missing, and procurement rules were not followed. The report stated that the EcoGozo directorate within the Gozo Ministry was weak, while no independent verifications of the quality of materials were conducted and there were conflicts of interest. For example, the Auditor General noted that the architect responsible for the tender call also acted as project supervisor and project leader. The architect was therefore responsible for certifying his own work. "Performance guarantees were expired or overlooked, no copies of insurance policies regarding projects were found and limited verification was done of the quality and quantity of materials used in projects," the Audit Office reported.

Citation:

Gozo projects lacking good-governance rules Times of Malta 16/12/2015

Ministerial
Compliance
Score: 6

The cabinet is the most important organizational device at the disposal of the government providing incentives to ensure ministers implement the government's program. Meanwhile, the powers of the Prime Minister's Office have increasingly been used to drive policy implementation. The ministerial secretariat is generally responsible for overseeing the implementation of a program. In addition, the Management Efficiency Unit provides ministries with advice and capacity-building tools. Party summits can also impact policy implementation, though only marginally. Informal coalitions, such as those between civil society groups and individual ministries, can drive implementation in certain policy areas, such as the extension of LGBT rights.

Monitoring
Ministries
Score: 5

The Prime Minister's Office (PMO) monitors the implementation activities of most line ministries and the structures for doing so effectively are being continually refined. The PMO now has an office dedicated to monitoring. Furthermore, the cabinet office, which is part of the PMO, monitors policy implementation by line ministries and ensures that the respective ministry implements the decisions of the PMO. However, coordination remains difficult. In June 2015, the education minister was reported to have said that ministers would cooperate during cabinet meetings, only to work solely for their ministry once cabinet meetings were concluded. The problem, the education minister stated, was that the cabinet-style of government nurtures a silo mentality.

Citation:

<http://www.timesofmalta.com/articles/view/20151010/local/around-70-per-cent-of-last-budget-measures-implemented-pm.587638>

Bartolo insists that ministries should support each other, pull the same rope Independent 10/06/15

Monitoring
Agencies,
Bureaucracies
Score: 5

Malta is a unitary state. As such monitoring of bureaucratic agencies is undertaken by, for example, parliamentary oversight, such as during parliamentary committee sessions or annual budget debates. The National Audit Office produces an annual report on the civil service and supports the work of the Public Accounts Committee, a permanent parliamentary committee. The ombudsman also produces a procedural audit, while the Department of Local Government assesses the performance of local government bodies. There is also an internal audit office within ministries. The Prime Minister's Office, through the Principal Permanent Secretary's Office, has become more involved in monitoring processes.

Task Funding
Score: 5

Local councils in Malta are primarily municipal bodies, and cannot raise revenue through local taxes. Local councilors 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 – despite legal provisions – local councils run budget deficits, which indicates that delegated tasks are not adequately funded. However, at the beginning of 2015, the government launched a fund for local councils' capital projects.

Citation:

44 local councils request devolution of government property Malta Today 11/09/2015
Money for local councils Times of Malta 14/02/2015

Constitutional
Discretion
Score: 3

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.

National
Standards
Score: 6

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. Central departments set the benchmarks for services provided by local councils. 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. The National Audit Office rather than the Department of Local Government has by and large driven reform of local councils. National standards at the local level are also reinforced through the councilors' code of ethics and the Local Councils Association.

Adaptability

Domestic
Adaptability
Score: 7

The capacity of government structures to adapt to change has increased since Malta began applied to join the European Union. Consequently, there is greater awareness of the need to respond to international developments. Participation within the EU and other international organizations has improved institutional learning. Parliament has demonstrated a greater willingness to engage with international forums, which has increased the government's capacity to address international issues, such as climate change, security policy and humanitarian issues. An increase in resources for research has increased the capacity of parliamentary committees. 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 work part time and lack 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

International
Coordination
Score: 4

Malta does not have the institutional capacity to actively shape a wide range of international efforts. However, Malta has sought to do this within its immediate Mediterranean region and increasingly within the EU. It continues to support good-governance efforts in Libya and Tunisia, and co-operates closely on refugee and migration issues with neighboring countries. Malta accepts more asylum-seekers per capital than almost all other countries. As such, it has invested heavily in support services since 2013. In 2015 Malta, hosted Commonwealth Heads of Government Meeting and contributed toward the setting up of a fund to assist small commonwealth island countries with climate change. Preliminary discussions also took place in preparation for the Paris Climate Change Summit. In December 2015, Malta hosted a meeting between representatives of Libya's rival factions, which contributed to the UN peace deal the following day.

Organizational Reform

Self-monitoring
Score: 5

Structures for monitoring institutional governance exist, but are often weakened by the existence of large ministerial secretariats staffed with political appointees – mainly allies of the serving minister. This organizational structure emphasizes observance of ministerial policy directives over effective monitoring. However, since 2013, there have been improvements in the monitoring of institutional arrangements. Changes include the introduction of

Institutional
Reform
Score: 7

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. There has also been an increase in policy consultations exercises, while greater attention has been given to reforming procedures.

Accession to the EU has improved the government's strategic capacity. Furthermore, with support from the University of Malta and Malta College of Arts, Science and Technology, there is now greater emphasis on capacity-building and change-management training for senior public officers. Meeting long-term objectives and adhering to EU directives have given rise to a number of departments and authorities designed to respond to this challenge. 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.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 6

The level of information available for citizens on policies is relatively 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 regularly make information available to citizens. Some of the more complete reports assessing government policy however come from the European Commission. Competition between media outlets has improved public access to information with leading media outlets hosting their own investigative television series. Although most citizens follow political party-controlled media in their evaluation of policy objectives, political debate is nevertheless widespread and enables citizens to examine different aspects of policy. Policy discussions happen in regular civil society forums and are reported on by the media. However, local opinion surveys are rarely used to evaluate policy proposals, but to identify issues that would be acceptable for future development.

Legislative Actors' Resources

Parliamentary
Resources
Score: 3

MPs enjoy few sources to support their legislative work. Staff members are too few in number and occupied by their primary duties. MPs work part time as a legislator and typically maintain some form of private employment once

elected. Members of permanent parliamentary committees enjoy support from newly appointed research officers as well as academics and specialists. Greater participation of MPs in international conferences has helped bridge the resource gap, but more is required. These developments have improved the process for evaluating EU legislation and other social issues. In 2014, the budget for parliament was increased by €300,000 and new officers were employed in the international relations unit. Meanwhile, a proposed parliamentary services act would strengthen parliamentary autonomy, though it is yet to become law. There is also an ongoing discussion about changing the employment status of MPs to full time.

Citation:

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

Its too early to talk about what is in store for me Times of Malta 11/10/2015

MPs express different opinions on pay rise for politicians, full-time parliament proposals. Malta Today 6/01/2015

Obtaining
Documents
Score: 4

Parliamentary committees may request documents from the government, though the government is not obliged to comply. For example, the government could refuse to release documents, because the documents could contain commercially sensitive information or it is too soon to make the information public.

Summoning
Ministers
Score: 7

A parliamentary committee may be precluded from calling any minister or member of parliament, if a majority of the committee's members votes against it. In 2012, the house speaker, who ruled that committees have the authority to devise their own rules, approved this method of procedure. However, since 2013, ministers have freely appeared before various committees to provide explanations or answer questions.

Summoning
Experts
Score: 9

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

Task Area
Congruence
Score: 5

In 2014, parliamentary standing orders provided for nine parliamentary committees, including a newly created 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, the Public Accounts Committee, which is chaired by a member of the opposition. Any monitoring performed by other committees is indirect and tangential.

Audit Office
Score: 9

The National Audit Office is an independent office and reports exclusively 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 Public Accounts Committee has limited means at its disposal and depends on the audit office for support. The work of the office in

recent years has increased substantially.

Citation:

2013 A Challenging year for the National Audit Office. Malta Today 12/03/14
<http://www.timesofmalta.com/articles/view/20150731/local/national-audit-office-investigation-requests-quadruple.578701>

Ombuds Office
 Score: 7

The ombudsman is elected by a two-thirds majority of the House of Representatives and 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
 On the Strengthening of the Ombudsman Institution: A Proposal by the Office of the Parliamentary Ombudsman January 2014 Ombudsman.org.mt

Media

Media Reporting
 Score: 5

Media outlets are dominated by Malta's two major political parties and published information can often be described as "infotainment," sensational or superficial. Detailed reports on government policy are rarely available. However, increased competition among the independent media has improved the quality of media reporting. Improvements to the Freedom of Information Act has made this possible. Although increased competition has also allowed for more sensational or artificial reporting.

Parties and Interest Associations

Intra-party
 Democracy
 Score: 5

Political parties are increasingly coming under pressure to consult beyond party membership. This shift has been driven by voter volatility, with voters less constrained by party loyalties. Nonetheless, participation in elections for party leadership positions is restricted to elected delegates, as are the processes of creating candidate lists and selecting agenda issues. However, in selecting their agenda, parties now consult civil society more widely. This explains the Labour Party's reference to itself as a movement, a sentiment now adopted by the Nationalist Party.

Association
 Competence
 (Business)
 Score: 7

Economic interest associations have structures capable of formulating relevant public policies. The greater resources commanded by economic interest associations enable them to employ highly qualified personnel and consult qualified academics according to the policy issue involved. Trade unions, however, rarely depend on their own research departments, using existing

Association
Competence
(Others)
Score: 6

studies or academic and specialist support. However, EU support funds have strengthened non-economic interest associations.

Malta has a large number of non-economic interest associations. Though typically short on resources, they access external support through international membership or regional federations, which helps them formulate extremely well-informed policy papers. EU funds have also helped them improve their policy capacities. Few organizations employ full-time staff, but many have academics as part of their leadership structure, thereby utilizing their expertise. In some cases, organizations are able to attract research support on a voluntary basis from like-minded academics.

Address | Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Daniel Schraad-Tischler
Phone +49 5241 81-81240
daniel.schraad-tischler@bertelsmann-stiftung.de

Dr. Christian Kroll
Phone +49 5241 81-81471
christian.kroll@bertelsmann-stiftung.de

Dr. Christof Schiller
Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Pia Paulini
Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de

www.bertelsmann-stiftung.de
www.sgi-network.org