



THE MALTA CHAMBER

PRESS RELEASE

4 September 2023

Eradicate the culture of abuse – The Malta Chamber

The Malta Chamber in its Pre-Budget Document 2024 is insisting on full digitalisation of government services with real-time applications' tracking

The pervasiveness of practices that propagate a culture of abuse of power and clientelism puts a heavy onus on Government to urgently implement digital systems that increase efficiency, provide full transparency and ensure fairness. Systematic abuses are costing millions in public funds that could easily be invested in systems that would eradicate the possibility of rackets. The monies being squandered through such rackets could be better used to support those who really need help and to address issues which are leading to the country's deterioration such as the traffic situation, the lack of investment in utility infrastructure, the shabbiness and proper waste management. The longer we allow things to slip, the worse the repercussions and the cost of repairing them will be. Lack of appropriate enforcement, investigation and subsequent prosecution as well as failure to [act on](#) findings highlighted by the NAO and the Ombudsman are costing the country dearly and are reflecting very badly on the country's governance.

The Malta Chamber expects Government's strong electoral mandate to be reflected in more decisive action and a zero-tolerance policy for any kind of abuse by everyone, particularly that facilitated by those entrusted with political or administrative responsibility.

The Malta Chamber believes that the politicians and public officials who make headlines for the wrong reasons, are putting in disrepute the entire political class and the public service, including those who are doing a good job in their areas of responsibility. When the personal conduct of individuals who abuse of their power deviates from what is rightfully expected by the law-abiding, hard-working and tax-paying citizen, it has far-reaching effects on everyone, including businesses. Practices that encourage people to opt out of productive employment, either by taking up public sector jobs requiring minimal effort, or by applying for benefits under false pretences, have a destabilising effect on our labour market. At a time when everyone is concerned about persistent inflation, it is opportune to point out that such abusive practices ultimately have an inflationary effect on the whole economy, because they exert even more pressure on a very tight labour market. They also increase public spending, which increases Government debt, which is in turn financed by the issue of Government bonds, which in turn put pressure on interest rates to increase, thereby increasing the cost of funding for everyone.

The Malta Chamber therefore appeals to all politicians and policymakers to cut down on clientelism, to think about the repercussions of their actions and about the critical role they play in setting

expectations and determining the choices people make in terms of their own employment and recruitment of others, consumption, savings and investments, and planning for their future. Proactive policymaking requires a thorough understanding of the interrelationships between all this, and of people's perceptions of corruption, enforcement and fairness.

The Malta Chamber recalls results of the most recent Eurobarometer poll whereby 92% of respondents perceive corruption as being widespread in the country. This figure represents a 13% increase compared to 2022. Businesses operating in Malta also share the perception of corruption being widespread, with 76% of respondents expressing this view, surpassing the average of 65% among the EU27 countries.

Against this bleak background, The Malta Chamber will keep advocating for high ethical standards in public life and working to improve our country's reputation on an international level. A year ago, The Malta Chamber published a document called ['A Strong Transparency, Accountability and Ethical Governance Framework for Members of Parliament'](#) and will continue to push forward recommendations to increase transparency, accountability and ethical behaviour in the interactions of politicians with citizens and businesses.

Concretely, in its Pre-Budget 2024 proposals, the Malta Chamber is calling on Government to:

1. Fully digitalise Government services with real-time tracking, whereby applications requiring approvals from various professionals/entities would be submitted directly into the system using their digital identity to eliminate the possibility of submission of forged documents.
2. Regularly rotate staff involved in the processing of sensitive applications to reduce the possibility of tempering with systems and improve the likelihood of detecting attempts to temper with systems very quickly.
3. Automate various customer care and verification processes to improve efficiency, transparency and consistency.
4. Maintain accurate records on the provision of public services and reform the public procurement processes to ensure a level playing field.
5. Draw a clear demarcation between political responsibility at the ministerial level and the administrative and executive responsibility of the civil service. For example, deciding whether to privatise the provision of a public service or not is a political decision, but selecting the contractor is a matter of executive competence.
6. Allow the National Audit Office to scrutinise all public contracts above a certain value without requiring a formal request and outrightly prohibit the use of side letters which significantly modify key provisions of an agreement, like offsetting financial risks.
7. Cap the number of people holding a position of trust and limit positions of trust to those of high political sensitivity or carrying specific security risks. Compensation and benefits received by people in positions of trust need to be fully disclosed and independent audits carried out regularly against stipulated compensation criteria.

END