



THE MALTA CHAMBER

# PRESS RELEASE

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## Political Decisions that undermine Integrity and Good Governance

*Too many wrongdoings happening systematically and frequently*

The Malta Chamber of Commerce, Enterprise and Industry re-iterates its emphasis on the importance of good governance, and insists that the country needs to move from lip service and words on paper, to tangible action where full accountability and transparency, integrity, proper stewardship and sound leadership prevail.

Over the past few months, the country has witnessed systematic and frequent wrongdoings. The extent and spread of the benefits fraud scheme that is currently being exposed through court proceedings casts considerable question on the integrity of everyone involved in the granting and disbursement of such payments, including the respective Ministry. The fact that such a scheme could be run for years, with such intensity, without anyone batting an eyelid, indicates that there is no accountability, as well as no internal auditing systems to detect and deter abuse, and that people are either actively involved in fraudulent activities and profiting from them, or they have grown accustomed to seeing them occur. Like the three monkeys, they see no evil, hear no evil, and say nothing about it.

Government seems intent on wiping out people's criminal records as quickly as possible lest they are a hinderance in securing employment. Bearing in mind that the public service is the largest employer, one hopes that this urgency to cleanse the conduct of people who abused from social benefits is not intended to facilitate a quick transition from dependency on benefits to recruitment with the public service, whether directly or through agencies – we really need to have people who can be trusted both within the public service and state entities.

The Malta Chamber is also worried that top positions at key government authorities and agencies have become hotseats that people occupy for just a few months, before resigning or being transferred to another hotseat to possibly diffuse the next crisis. The practice of leveraging resignations to give the impression that action is being done, discourages capable people from taking on these crucial roles and executing the significant reforms required to shift course. Furthermore, a short-term period in these driving seats will mean even greater political involvement, because the drivers are dispensed with before they have been in place long enough to truly take charge of the issue and sniff out all those systematic abusive practices that may be widespread. This comes out loud and clear in what is being uncovered with respect to social benefits, licences, construction practices, as well as in public procurement.

The presidential pardon that has been granted to the recipients of social benefits in return to testify against the perpetrators of the scheme further reinforces a culture of impunity. It also undermines

the newly appointed President – whereas many think that a presidential pardon lies completely within the prerogative of the President, in actual fact, the request for a presidential pardon is on the advice received.

Government needs to be on the side of what is right and send clear signals that it will not come to the rescue of abusers or restrain those who want to set things straight. This is what good governance is about. Anything short of this will come across as pandering to the masses and playing for time, which is running out.

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