POLITICAL DECENTRALISATION IN THE MALTESE ISLANDS

JOSANN CUTAJAR
JIMMY MAGRO

Introduction

In this paper we are going to look at different forms of decentralisation - namely political, administrative and fiscal decentralisation. More importance is given to political decentralisation since this leads to self-government. The only acknowledged form of political decentralisation which has taken place within the Maltese Islands has occurred at local council level. For the purposes of this paper we are also going to study the Ministry of Gozo, a state entity with deconcentrated functions at a regional level. Deconcentration is a form of administrative decentralisation. Gozo-Comino has been acknowledged by the political authorities at Maltese and European Union (EU) level as a region suffering from double insularity leading to regional disparity. It has not however been legally recognized as a sub-national governing body even though it carries out more functions than local councils, and has a wider area and population under its jurisdiction.

The principle of subsidiarity has been entrenched in the Maastricht Treaty since 1991 and recognized by the European Convention as a guiding principle for EU governance (Veggeland, 2003). The Maastricht Treaty promotes sub-national democracy that comes between the state and the municipal level as compulsory for the attraction of money deriving from the EU’s Structural Funds. Veggeland (2003) points out that although this policy applies to all states, each state came up with a different understanding of how to implement it, and hence explains the variety that nowadays exists among different members states. This occurred when organisational adjustments of local governance in the EU were left for up to each member state to devise.

Work (2002) links decentralisation to the concept of subsidiarity. Decentralisation involves the transfer of responsibility for planning, management and/or resource raising and allocation from central government to the lower levels of government (Work 2002, p. 6). Decentralisation is therefore a system of co-responsibility between institutions of governance at the central, regional and local levels.

The focus of this paper is therefore on the structures devised by the Maltese state as instruments for mediating between politics and societal interests, namely the local councils and the Ministry for Gozo. The purpose behind the promotion of decentralisation at EU level was to ensure the effectiveness of governance, while increasing the authority and capabilities at sub-national levels. This paper will analyse how effective the devolution of power from centre to sub-national locations was in the Maltese Islands in bringing governance closer to the people, and how effective these structures were in ensuring that political, social and economic priorities were devised in effective partnership between the state, civil society and the private sector.

The Office of the Prime Minister (OPM) - Good Governance section (n.d.) regards the Malta Council for Economic and Social Development as the main example of good governance, and then adds local councils as “essential ingredients” in the successful running of a country and economy. At European Union level, good governance however is strongly linked with the deepening of regionalisation at national and cross-national level, as Azam-Pradeilles (2008, p. 9) attests. Gozo-Comino has been devised as a region for funding and administrative purposes, but not for democratic ones.

Decentralisation

Siugzdiniene and Popic (n.d.) maintain that decentralisation is promoted by a number of supra-national entities apart from the European Union (EU), namely the World Bank (WB) and the United Nations’ Development Plan (UNDP). In fact the Millennium Development Goals promoted by the UNDP hold that such entities promote local governance due to the belief that democratic governance helps reinstate sustainable programmes and services created by the people which help address local needs. Robert Ebel
(cited by Work 2002, p. 5) maintains that the “western world sees decentralisation as an alternative to provide public services in a more cost-effective way”.

Work (2002) argues that there are three broad types of decentralisation, namely political, administrative and fiscal. The four major forms of decentralisation are however devolution, delegation, deconcentration and divestment. The Maltese Islands adopted political and administrative decentralisation, but have retained central control over fiscal measures as will be shown later on in this paper.

Devolution is a form of political decentralisation, or what Work (2002, p.11) refers to as the ‘true’ decentralisation. Political decentralisation, Work adds, is based on a constitutional, legal and regulatory framework to ensure accountability and transparency. The setting up of local councils led to a partial transfer of administrative responsibility to a local level public authority. In the Maltese state, however, these authorities are not autonomous and independent of the devolving authority. Although local councils are recognised as independent legal entities, they have however very limited power where decision-making, resources and revenue generation are concerned. So at this level, only partial administrative devolution occurred.

There is also evidence of administrative decentralisation within the Maltese Islands. This entails, according to Work (2002), the transfer of decision-making authority, resources and responsibilities for the delivery of certain public services from central government to other levels of government. For example the Ministry for Gozo can be used as an example of deconcentration since the authority and responsibility for the administration of public services was transferred from one level of central government to another. This administrative body executes and enforces national policies at regional and departmental levels. This administrative territorial unit has however no legal personality.

Another form of administrative decentralisation is delegation. Here authority and responsibility are redistributed to local units of government or agencies, as in the case of local councils. Where delegation is concerned, accountability is vertical, geared towards the delegating central unit. In the Maltese Islands development initiatives tend to emanate from the political and administrative centre, and thus funds related to such projects are assigned by this centre. Since fiscal decentralisation is minimal in the Maltese Islands, sub-national levels of government have little motivation to come up with development initiatives if they depend on the transfer of funds and grants from central government.

The next form of decentralisation being discussed here is divestment. Divestment occurs when planning and administrative responsibility are transferred from government to voluntary, private or non-governmental institutions (Work 2002, p. 7). Divestment occurs when service provision or administrative functions are partially contracted out (the running of some state built homes for the elderly), deregulated or fully privatised. The privatisation of Enemalta and Air Malta, once state companies, can be cited as incidence of divestment. Another example is Din l-Art Helwa, a Maltese NGO which was given government property on a caretaker basis for the promotion and restoration of Maltese heritage.

As can be seen, in the Maltese Islands decentralisation has primarily been a process initiated by the political centre. The aim of setting up of local councils and non-elected regional administrative bodies was to bring governance closer to the people with the intention of ensuring the better provision of services to local communities coupled with accountability. Local governance and decentralisation is promoted by the EU and UNDP with the intention of creating supportive business development and investments which stem from the participation of community members in the local decision-making process (Siugzdiniene & Popic n.d.). This can only take place if the entities in question are legally invested with the adequate power and/or resources to enable them to play a leadership role in the community.

**Reasons for Decentralisation**

Different countries adopt decentralisation for different reasons. Siugzdiniene & Popic (n.d.) maintain that a number of countries introduce decentralisation by necessity, and not because there is a history of decentralisation within that country. In the case of the Maltese Islands, Malta chose to decentralise due to EU accession. Malta therefore falls under the category of ‘decentralisers by necessity’. This label can be applied because prior to EU accession, the Maltese Islands lacked a tradition of local self-government. Once
decentralisation is introduced, countries differ in the pace adopted in the implementation of decentralisation. Wetzel (2001, cited by Siugzdiniene & Popic n.d.) differentiates between four categories of decentralisation progress. These involve keen decentralisers, uncertain decentralisers, non-decentralisers and decentralisers by necessity.

The need to acquire EU membership pushed the Maltese government into ‘modernizing’ its governance system and establishing local governance structures. EU accession therefore promotes liberal democratic features which potential entrants take on board. Siugzdiniene & Popic (n.d.) argue that the EU is not the only agency that ‘imposes’ decentralisation on countries which want to access the funds they are eligible for once they become members. In fact the EU’s regional policy requires and demands the establishment of regional levels since structural and cohesion funds are planned and distributed to or through entities at the sub-national level. It is for these reasons also that Siugzdiniene & Popic (n.d.) refer to new EU member states and accession countries as ‘keen decentralisers’.

EU countries put a lot of effort into changing their political, fiscal and/or administrative structures to meet the requirements of EU Structural Policy. To do this Malta has established planning statistical regions and regional development councils of a sort to make it equivalent to NUTS nomenclature. Azam-Pradeilles (2008, p. 2) explains that

“The Statistical Territorial Units Nomenclature (NUTS) was designed by the EUROSTAT to provide the European Union EU with a common global descriptive and analytical instrument meant to enable comparisons and benchmarking within the whole territory of the Union”.

Aars, (2003) maintains that not all countries are as keen about the implementation of decentralisation. High-income countries tend to be more decentralised. These countries are more likely to adopt both fiscal and political decentralisation. Countries with a low Gross Domestic Product are less likely to devolve fiscal responsibilities to sub-national levels. Geographical and population size are also facilitating factors since in bigger countries, the population expect sub-national governments to play a larger role in service delivery. In the EU therefore degrees and types of decentralisation vary by region and income.

Countries which do not have diverse ethnic groups living together in one space, what Aars (2003) calls unitary states, are more likely to have high levels of decentralisation. Although Malta can be considered as a unitary state, size more than ethnic homogeneity impacted on the way decentralisation was implemented. A report submitted to the Northern Ireland Assembly (2008) states that the Maltese Islands are less decentralised and local government entities have limited competencies and a lighter economic weight (under 7% of GDP) due to their relatively smaller geographic space when compared to other EU member states.

In the case of the Maltese Islands, the implementation of decentralisation was conducted in a top-down fashion. Petersson (2001, as cited by Aars, 2003, p. 2) maintains that responsibility for decentralisation as a particular form of democratisation policy “lies primarily with the state, but also with the EU, with local authorities, county councils, and regional authorities, as well as with voluntary organisations and other sectors of civil society”. In the Maltese Islands’ case, a top-down strategy was adopted to facilitate a bottom up involvement.

Decentralisation Projects

At the beginning of this paper we mentioned two forms of decentralisation adopted by the Maltese government to facilitate public service delivery and/or democratic practices. This section will give a brief delineation of the functions as well as political status of two entities, namely local councils and the Ministry for Gozo which serves the function of a regional authority within the Gozo-Comino region, without being legally recognised as one.

A. Local Government

Local government was established in 1993 following Parliament’s approval, in June 1993, of the Local Councils Act, 1993 (Act No. XV) (Government of Malta, 2008). This law made it possible for local councils to be set up. Furthermore, this law presently serves as a regulatory mechanism for the councils’ operation.
So the devolution of responsibility from central government started in the Maltese Islands in 1993 with the setting up of Local councils which Pace (2008) maintains are equivalent to municipalities on an EU basis.

Councillors are elected every three years by those registered as voters in the Electoral Register (US Department of State, 2008), although there are plans to hold local councils’ elections every four years (Sansone, 2009). The Mayor is the representative of the local council according to the Act. The person with the highest number of first count votes from amongst the political group with the majority of votes is elected as Mayor by the Local Council. An Executive Secretary is appointed by Council, and he or she is the executive, administrative, and financial head of the Council (US Department of State, 2008). Decisions at this level need to be taken collectively. The local councils are accountable to the Department for Local Government within the Office of the Prime Minister, where the Parliamentary Secretary for Public Dialogue and Information has been given the political responsibility for Local Councils.

The Local Councils Act was modelled on the European Charter of Local Self-Government, which the Maltese Government signed and ratified on the 6th of September 1993 (Attard, 2005). According to this Act (Government of Malta, 2008, p. 3), “The Council shall be a statutory local government authority having a distinct legal personality and capable of entering into contracts, of suing and being sued, and of doing all such things and entering into such transactions as are incidental or conducive to the exercise and performance of its functions as are allowed under the Act”.

Today, Malta has 68 Local Councils - 54 in Malta, the mainland; 14 in Gozo. In December 1999, the Local Councils Act was revised considerably and Act No. XXI (1999), the Local Councils (Amendment) Act 1999, was published. Another important step taken to consolidate local government in Malta occurred when the system of local government was entrenched in the Constitution of Malta. In fact, in April 2001, Act No. XIII of 2001 established that “The State shall adopt a system of local government whereby the territory of Malta shall be divided into such number of localities as may by law be from time to time determined, each locality to be administered by a Local Council elected by the residents of the locality and established and operating in terms of such law as may from time to time be in force” (Office of the Prime Minister, Government of Malta, n.d.).

Local Councils’ Association

The Local Councils’ Association was established in 1994 through the issue of specific Regulations entitled Local Councils’ (Association) Regulations, 1994. From time to time, these Regulations were amended and enhanced.

The Regulations state that: “There shall be a Local Councils Association representing all the Local Councils with the aim of protecting and promoting the common interests of all the Local Councils and to represent, solely for the purposes of these regulations, all Local Councils in Malta and overseas, and on international associations of local government authorities” (Office of the Principal Permanent Secretary, 2008, p. 1).

The Association is a juridical body having a distinct legal personality. It is composed of six councillors forming an Executive Committee and they are assisted administratively by a full-time Executive Secretary of the Association, who is a public officer (Office of the Principle Permanent Secretary, 2008). The six members of the Executive Committee are elected upon the principle of proportional representation by means of the single transferable vote, and an election takes place every two years. All Councillors in office can be nominated to contest as candidates in the election of the Executive Committee. Once elected, Committee members are obliged to attend all meetings of the Committee. The Electoral Commission is responsible for the Local Councils Association election process.

Twinning

Town twinning as a concept was born about 50 years ago, when the peoples of Europe realised the need for mutual reconciliation and cooperation between neighbours. The first contacts were essentially exchanges of experiences in the area of local life. Today, town twinning has grown into a movement linking municipalities in several European countries into a dense and organised network of towns, cities, villages and citizens. In
Malta the establishment of local councils facilitated the idea of town-twinning and this concept was introduced through local government legislation in 1994.

According to the Local Councils Act (Government of Malta, 2008), local councils have the right to make twinning arrangements with any city, town, village or other locality in any other country, provided that any twinning between a city, town or village and another locality in any other country shall require the approval of the Minister responsible from Local Government. Prior to this approval, the Local Councils Association was requested to give its opinion on the particular twinning proposal.

In establishing twinning of localities, considerations are normally given to the status of the localities in the other country with which twinning is being proposed, and such that a capital or a former capital city of Malta can only be twinned with a capital or a former capital of another country, and a city shall, as far as possible, only be twinned with another city. Currently there are around 40 twinning agreements between Maltese local councils and local governments from other countries around the world.

Functions of Local Councils

When the Government of Malta adopted a policy of devolution of power and responsibilities to local authorities, the first functions to be devolved included the provision of collection and removal of all refuse from any public or private place; the maintenance of cleanliness as well as the establishment of dustbins and other receptacles for the temporary deposit and collection of waste. Local councils were also given the responsibility for the implementation of any changes in traffic schemes directly affecting the locality in consultation with the competent authority. They were also entrusted with planning or building schemes in consultation with the competent authorities. The naming or renaming of streets was also a responsibility devolved to local authorities.

Local councils were also responsible for giving advice and to be consulted by the relevant authorities on decisions affecting the Council and the residents for whom they were responsible. In 1995, local councils were given new responsibilities. These included the provision of the upkeep and maintenance of any street or footpath not being privately owned, including the patching or resurfacing thereof. This provision did not include its reconstruction and the provision of the establishment, upkeep and maintenance of children’s playgrounds, public gardens and sport, cultural or other leisure centres. Local councils also had to work on the provision of, and the maintenance of proper road signs and road markings, in conformity with national and international standards, to establish and maintain pedestrian and parking areas and to provide for the protection of school children in the vicinity of schools.

Local councils were entrusted with more responsibilities, including assistance to citizens by providing, in conjunction with any competent authority, information relating to the rights of citizens in general, including information on consumers’ rights, transport, communications, tourist facilities, taxation, social security, public health and other matters of public utility and interest. They were also assigned the task of the establishment, upkeep and maintenance of crèches, kindergartens and other educational services or buildings, in conjunction with any competent authority. They were also delegated the task of the establishment, upkeep and maintenance of health and rehabilitation centres, government dispensaries, health district offices and homes for senior citizens.

Other functions were introduced in January 1999, when an agreement was signed with the Water Services Corporation. This controlled the way re-instatement of roads was to be performed by local councils after trenching works were carried out. The administration of Regional and Local Libraries by councils was introduced in March 1999. Today the majority of local councils operate the local library and also invest in the purchase of books as well as campaign with various bodies to be given free books for the local library.

Several local councils have signed the relative Agreement with the Government Property Department for the devolution of property in their locality. This property can consist of sports facilities, open public areas, heritage sites, or land for development that is mainly used to either build the local councils’ office or a community centre. This practice was also accompanied with the Devolution of Public Property (Administration) Regulations. The Local (Wardens) Enforcement System was introduced in February 2000
and was applied by most councils in Malta and Gozo, while the Devolution of Sports Facilities Administration by Councils was initiated in November 2000.

In November 2000 government property rents started being collected through local councils. In April 2001 the Local Councils’ Association entered into an agreement, on behalf of all the councils, for the provision, erection and maintenance of standard bus shelters in Maltese localities. Local councils were also made responsible for the maintenance of street lighting, and for the issue of temporary trading licences. The functions of local councils are outlined in the Local Councils Act (Chapter 363, Laws of Malta) specifically in Section 33 of the same Act (Government of Malta, 2008).

Local councils have along the years acquired greater freedom in decision matters relating to local infrastructure, maintenance and administration and their area of responsibility seems to be about to be enhanced according to a new Act that is in the pipeline (Sansone, 2009). Local councils however have limited financial and decisional autonomy, although Pace (2009) insists that the Act provides for Councils to make, amend and revoke bye-laws that will facilitate the better execution of the Councils’ functions that helps improve the localities’ environment. The budget of each Local Council tends to be allocated by central government, Pace sustains. The reasoning behind this is that local councils do not participate directly in national economic planning. Pace (2009) maintains that local councils engaged in research and development projects. In 2006, only a miserly 2 percent of these projects were implemented at this level (NSO press release 108/2007 cited by Pace, 2009). Those local councils who came up with research and development projects, had to apply for additional funds, and such funds must get the approval of the House of Representatives.

As mentioned above, Maltese Local councils do not receive any tax revenues directly, but are dependent on state grants and funds. As a less decentralised country, Malta devoted 0.6 percent of its GDP or 1.5 percent of public expenditure to facilitate sub-national government in the form of local councils, in comparison to the 33.4 percent utilised in Denmark in 2006 (Northern Ireland Assembly, 2008). Public expenditure is higher in highly decentralised countries (for example Scandinavian ones) and countries with federal and regionalised states such as Spain and Italy the same report notes, than less decentralised ones like the Maltese Islands.

B. Gozo-Comino as a Region

The Ministry for Gozo is a quasi sub-national government unit which however lacks financial and political decentralisation. Central government has devolved ‘certain’ powers and responsibilities without acknowledging it legally as a sub-national government unit. This quasi-devolution took place to enable the Maltese government implement policies aimed at reducing regional disparities (Europa, 2004).

Gozo has had a history of self-governance, at different points in time. For example during the Roman era, Gozo was a Privileged Roman Municipality, hence independent from Malta (Attractions - The Citadel, n.d.). During medieval times, Gozo had a regional government, the Universitas Gaudisii (National Archives Malta, Gozo Section, n.d.); a municipal body founded around 1350 as a corporation to defend local interests. When the Knights of the Order of St. John took over the rule of the Maltese Islands in 1530, the universitas continued functioning, headed by a Knight with the role of Governor of Gozo. The role of the universitas in Gozo was greatly reduced when the British ruled the islands from 1800 to 1964. The office of Governor of Gozo was suppressed by the first British Governor on the 15th of October 1814 and the universitas in January 1819. Gozo was then accorded a period of self-administration in the beginning of the 1960s (Attard, 2005). In spite of this long history of regionalisation, central government has not opted to give Gozo regional self-government even though EU policies promote such initiatives.

In fact the European Commission has divided all member state territories into several NUTS levels to enable it to implement the EU Regional Policy and manage structural and Cohesion Funds (Azam-Pradeilles, 2008, p.80). Under NUTS classification, the Maltese Islands as country was designated as one single region at NUTS level I and II, and two regions at NUTS level III (that is Malta on its own and Gozo-Comino) (Czech Statistical Office, 2007), even though the country and the regions do not satisfy the NUTS nomenclature due to their size.
Once statistical planning units are created, these can be used to attract the corresponding EU funds. As Pace (2009) underlines, Malta as a country and Malta/Gozo-Comino as regions have limited human and financial resource capacity and hence are highly dependent on international links which can provide the Maltese Islands with the necessary financial resources and/or technical acumen to enable them to catch up with the rest of the EU Member States. In this section, the focus is going to be on why the Gozo-Comino region was not assigned a self-governing elected assembly to help promote the needs and interests of citizens residing in this region. As Siugzdiniene & Popic (n.d.) underline, statistical planning jurisdictions are not always bestowed with the full administrative and/or political power to facilitate local governance.

Gozo-Comino’s regional status was recognised in the first wave of Structural Funds 2004-2006 (Pace, 2009). This recognition at EU level meant that funds were assigned to this region to support infrastructural and economic development. Research and innovation policy, together with the implementation of programmes were however centrally managed by the Ministry for Resources and Rural Affairs at that time, in conjunction with the Ministry of Finance, Economy and Investment, together with the Ministry for Infrastructure, Transport and Communication. Pace maintains that research and innovation activities are carried out by central government because those that originate at the regional level are poorly developed in the Maltese Islands.

Facts show that even at the inception of the Regional Policy scheme (Europa, 2004) the Maltese government had no intention of acceding self-governance at regional level. In fact in 2002 the Regional Policy Directorate attached to the Prime Minister’s Office was assigned the role of managing authority, while the International Relations Directorate within the Ministry of Finance was designated the paying authority role. Since 2001 the Regional Policy Directorate became the Planning and Priorities Co-ordination Division (PPCD), and is ensconced within the Office of the Prime Minister. While the staff within these management structures received training to enable them to carry out their respective roles, the same capacity building at the regional level did not occur then, although there are indications that this is changing (see Proposals section in Ministry for Ministry of Finance, the Economy and Investment, 2008, p. 146). The political centre seems to be slowly gearing the Ministry for Gozo to add on to its functions by making it responsible for the economic and social development of the island (Ministry of Finance, the Economy and Investment, 2008) although to date it still controls programming and fund allocation to this regional unit.

One of the reasons given by central government as to why these functions were not devolved to an elected regional assembly was delineated in a newspaper article which appeared in 2002 and which attests that if “Gozo had to be allocated separate funds from Malta, it would have had to incur the cost of setting up the necessary administrative capacity to administer these funds” (The Times, 1st August 2002, p. 5). This article adds that that “this would not have been cost effective and that is why the regional policy directorate was set up to coordinate Malta’s funding programme with the relevant ministries.” The Ministry for Gozo was made responsible for the day-to-day management of funds allocated to Gozo as a region, as well the implementation of programmes and projects affecting Gozo (The Gozo Observer, 2002, p.22).

Other funds were obtained under the Cohesion Policy 2007-13. These enabled the Maltese government to implement the Convergence objectives and to enable it to achieve the objectives set out in the Maltese National Strategic Reference Framework (NSRF) (Infogrego, n.d.). Malta as a country was eligible for the Convergence objective. Malta’s priorities for 2007-13 as delineated by the NSRF concerned strategies on how it was to reduce the gap between its GDP per capita and that of the EU27. Some of the strategic objectives highlighted within the NSRF pertained to the country as a whole, and these included the objective of sustaining a growing, knowledge-based and competitive economy; the improvement of Malta’s attractiveness and quality of life; as well as the investment in human capital.

Other NSRF strategies targeted Gozo’s regional distinctiveness (European Union Regional Policy, n.d.). These included the need to promote enterprise and the development of key economic sectors in Gozo. Projects were envisaged to address the issue of accessibility by improving transport infrastructure so as to enable Gozo to develop economically. Other projects were created to help address the protection of the environment and the development of human capital.

The priorities stipulated within Malta’s National Strategic Reference Framework (NSRF) were to be tackled through two operational programmes, namely ‘Investing in competitiveness for a better quality of life’ to be
implemented through the use of funds deriving from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), and the second programme entitled ‘Empowering people for more jobs and better quality of life’ received funding from the European Social Fund (ESF) (European Union Regional Policy, n.d.).

In the Cohesion Policy 2007-2013 launched in July 2007, Gozo-Comino was treated as a horizontal priority across all axes in these two operational programmes. Ten percent of the funds received for this policy were used to address Gozo’s needs (Pace, 2009). Part of these funds were used to implement an entrepreneurial scheme for Gozo in January 2007 entitled ‘Vision for Gozo’. Another EU co-funded project included the construction and setting up of a Crafts Incubation Centre offering hands-on training in traditional crafts and entrepreneurial skills.

ESF funding was used to run the University of Malta Gozo Centre which offers courses at degree and diploma level. The objective of this project was aimed at enhancing the employability and adaptability of the Gozitan workforce through the boosting of human resource capital through courses dealing with agriculture, e-commerce and information technology, business studies together with environmental planning and management. These schemes originated after a need assessment study was undertaken to enable national government to address demand-supply mismatches in the Gozitan labour market.

These projects were managed and implemented jointly by the Ministry for Gozo and the Ministry of Finance, Economy and Investment. These projects served to encourage collaboration among regional and national authorities, but the issue is that central government decided which were the priorities for Gozo-Comino (after consultation with the Ministry for Gozo) and stipulated the funds needed, rather than the regional government conducting budgetary planning in view of projects it had in mind for the region. A case in point is the ECO-Gozo Project. This was envisaged by the Ministry of Finance, Economy and Investment (Pace, 2009). As it stands at the moment, the Ministry for Gozo is “responsible for the co-ordination and monitoring of the implementation of projects being co-financed by the European Union under the Gozo Priority Axis” as well as contributing “to other projects implemented by other ministries or entities as a result of its horizontal responsibility” (Ministry of Finance, the Economy and Investment, 2008, p. 146).

In Gozo’s case, central government is taking its time to relinquish planning and fiscal powers to a regional governmental body. The Ministry for Gozo only has administrative powers. Siugzdniene and Popic (n.d.) argue that the effectiveness of regional governments is undermined if there is confusion relating to their authority and/or an administrative hierarchy exists. This issue has to be taken into consideration before political devolution occurs on a regional level. Fieldwork conducted in Gozo in 1997 (Cutajar, 1997) and 1999 (Cutajar, 2000) attests to this confusion. Service providers in Gozo maintained that they had two ministries to whom they were accountable - that of the Ministry for Gozo and the ministry in charge of a particular service provision located in Malta. Sometimes when they asked for information and resources, they were asked to address the other ministry. This generated conflict and inefficiencies as each ministry believed that the other ministry was supposed to be in charge of a particular issue.

In Gozo’s case, the geographical location of decision-making institutions differed from its statistical planning jurisdiction. Siugzdniene and Popic (n.d.) question whether statistical-planning regions without political power have the capacity for efficient and economic use of EU structural funds. Inefficiency occurs when there is overlapping and mismatch of responsibilities, decision-making authority and accountability between different tiers of local and regional governments which can hinder the development and implementation of regional development projects.

This issue was also raised by elected officials at local council level (data which emerged in research for Cutajar, 2008a; Cutajar 2008b; Cutajar & Vella, 2008). In interviews conducted with councillors in two local councils in 2008, the participants voiced their concern about the fact that the lines between local government and other governmental systems were blurred in practice. The respondents involved in the research studies already alluded to, expressed their concern about the lack of effective communication between different ministries and local governments. Siugzdniene and Popic (n.d.) fear that this could lead to weak strategic issue analysis coupled with the failure to translate strategic objectives into implementation plans. As these researchers point out, line ministries need to ensure the coordination and successful implementation of reforms.
Siugzdniene and Popic (n.d.) note that government units at local and ‘regional’ basis (regional is put in inverted commas since the Ministry for Gozo is not as such a regional government but has been assigned tasks to carry out on a regional basis) in ‘new’ accession EU member states are often characterized by fragmented structures with unclear divisions of levels and power. This serves to complicate changes in public administration and hampers effective decentralisation. It also led to frustration where elected officials and service providers were concerned since they were unable to respond effectively and promptly to problems arising at the local level.

In France, regional governments consist of an elected assembly that develops policies and strategies at the regional level in response to regional needs and priorities (Azam-Pradeilles, 2008, p. 3). Regional self-governments in this country consist of an elected council and an executive to implement the decisions taken at executive level. In this country, the General Directorate for Local Self-Governments calculates which share of the state budget is assigned to regional self-governments.

Latvia, another ‘new’ EU member state, has also legally defined ‘Planning Regions’ listed at NUTS III level with the power to manage EU funds (Azam-Pradeilles, 2008, p. 8). These regions, Azam-Pradeilles notes, are not as yet self-governments, but are still in charge of regional policy planning. There is however the intention that they will be changed into Regional Development Councils elected by the citizens.

The advantages of regional government devolve from the fact that regional solutions are created to tackle regional problems. Such structures will increase the democratic power of the community to take decisions which affect them as local people. When central government entities ensure regional input into national policy and planning as well as spending decisions, the projects envisaged will belong to the community, and they are more likely to promote sustainable development.

Financial Decentralisation

Siugzdniene and Popic (n.d.) underline that revenue autonomy provided by predictable sources of revenues enables local administrations to prioritise resource allocation in accordance to citizens’ needs. Dependence on central government fiscal allocation tends to diminish local governments’ responsibility to the community since they cannot plan ahead when they do not know from where and when the funds will arrive. Such entities would therefore be less accountable to the citizens residing in the locality.

Siugzdniene and Popic (n.d.) believe that revenue autonomy provides local authorities with the instruments to reduce fiscal vertical imbalances by predicting, forecasting and planning budgetary priorities. Fiscal decentralisation however can be successfully implemented when local governments have the necessary financial, human and organisational acumen. As it is, limited financial discretion and fiscal powers leave local government units incapable of implementing reforms. Central government needs to transfer the allocation of funds to the regional level and enable human resources at this level to develop their own way of collecting revenue. What is interesting is the fact that Local councils can collect revenue through the local warden scheme, but not regional entities. This unwillingness to implement fiscal decentralisation might emanate from the fact that ‘new’ EU member states struggle with an insufficient financial base for local government units (Siugzdniene and Popic, n.d.). This gives them a more limited capacity when it comes to absorb regional funds.

Effective and Efficient Decentralisation

As we have seen, initiatives have been taken to promote democracy in response to EU Membership. There is however still evidence of authoritarian tendencies. The political centre seems unwilling about relinquishing its hold over decision-making and planning. This might be due to the fact that certain sectoral ministries might be afraid that through decentralisation, they would lose certain functions and hence their power. When conflict of interest arises between sectoral strategies and the state’s decentralisation agenda, devolution, delegation, deconcentration and divestment might take longer to implement.

Siugzdniene and Popic (n.d.) insist that for decentralisation to succeed, states need internal champions. An internal champion is probably found in Parliamentary Secretary Christopher Said who intends to augment the responsibilities at Local Council level, with the consequent move of increasing their fiscal revenue.
Decentralisation also necessitates strong external players, which in the Maltese Islands’ case turned out to be the European Union. It was also the main donor organisation which helped the Maltese Islands financially to facilitate the institutional restructuring needed to implement these democratic reforms.

Both Work (2002) and Siugzdniene and Popic (n.d.) argue that the promotion of decentralisation should derive from both the political centre and the grass roots. Local communities, local governments, the private sector and voluntary associations need to be consulted and involved in this change which takes politics to the local level for the reforms to succeed. Decentralisation necessitates the adoption of a particular institutional and legislative framework to facilitate the process, but also a change in values and mentality at the political bottom and among political elites. The institutional and legislative framework is in place, with modifications being made in response to demands from external agents as well as civil society and local government units.

Whether the change is also being wrought at a mental level is questionable though Local Council elections have such a low turnout in comparison with national ones (Local Council Elections 1993-2008, n.d.). This in view of the fact that factors at local level are more likely to impact on the quality of life of residents in a given locality. Another indicator that civic empowerment has still not taken roots in the Maltese Islands, derives from the fact that women are also at the periphery of the political process at national, and community level. Laiviera (2004) and Gatt (2007) both comment on the low numerical representation at national and local level in spite of democracy programmes targeting women. These programmes were conducted by different entities including the Maltese political parties, national government agencies and/or non-governmental organisations. Little has been done however to empower other minority groups such as disabled citizens or citizens deriving from ethnic minority groups to play a more active role in the envisaging and implementation of policies that affect them personally.

But going back to the decentralisation process being undertaken within the Maltese Islands, central government still manages both public resources and public service delivery to local communities. This means that local governments have minimal responsibilities. Siugzdniene and Popic (n.d.) suggest that central government institutions can leave the management of local service delivery to local government units and opt for policy formulation and the setting up of standards and regulations as well as planning, coordinating and monitoring.

Work (2002) however is not of the opinion that all government functions should be decentralised. This should not occur, he adds, when a function is critical in the achievement of central-level goals, or when its sustainability cannot be guaranteed at local level. Central government should desist from devolving certain functions to local government units when this does not prove cost-effective (a factor mentioned to legitimate the reason why a regional government was not set up for Gozo).

Both Work (2002) and Siugzdniene and Popic (n.d.) also point out that sometimes local government units may not have the human and financial capacity to perform certain functions. Siugzdniene and Popic (n.d.) also insist on the development of administrative and technical capacities at local and regional level if decentralisation is to be successfully implemented. Wood (2002) suggests capacity building should involve both human resources and financial support. Capacity building may also include managerial capacities such as planning, financial, and human resource management skills; project development and implementation; as well as cooperation and conflict resolution abilities.

Siugzdniene and Popic (n.d.) fear that in ‘new’ EU Member States, capacity development strategies addressed at local governments tend to be supply driven. They add that capacity development at local government administration tends to be ad hoc, sometimes based on partial needs assessments, and/or not related to reform strategies. Siugzdniene and Popic (n.d.) believe that sometimes capacity development strategy tends to be insensitive to local context because they add that these tend to rely on a best practice and best models approach. From our own experiences of a number of capacity building projects, local government personnel participating in such programmes tend to complain when ‘foreign’ experts or local ones who are not ‘insiders’ to the system, are chosen to carry out such training. Such officials feel that local capacities and expertise was not being utilised efficiently.

Training and capacity building of elected officials would be an expensive matter if these tend to leave office after three years. This means that local government units - whether these are local councils or regional
Governments - need to have ‘permanent’ professional high quality staff members. Unfortunately not all local councils can afford to employ so many permanent staff members. Siugzdniene and Popic (n.d.) suggest that central government should provide financial incentives for small communities to merge in order to partake of technical support provided by these qualified ‘expert’. This structural amalgamation is already in place at both the regional and Local Council level. The ‘experts’ with regard to regional units are located within the Planning and Priorities Co-Ordination Division, Office of the Prime Minister. With regard to local councils, they are amalgamated under three regional associations within the Local Councils’ Association and have access to a co-financing fund.

Decentralisation, Siugzdniene and Popic (n.d.) state, can lead to a more efficient delivery of government services if local governments are held accountable. They argue that when public funds are diverted and mismanaged, or public contracts are ‘bought’, appointments are biased, and/or general government unresponsive to needs and priorities at local level, this helps to undermine the whole exercise of decentralisation. Residents are more likely to be aware of corruption and lack of initiative taking place at local level since they are more likely to be directly affected by it.

Siugzdniene and Popic (n.d.) argue that smaller government units might increase democratic representation since it helps bring decision making closer to voters. Fragmentation, they add, might however leave smaller communities without the necessary administrative and technical expertise to carry out service delivery effectively. Fragmentation might also raise residents’ heckles when boundaries between communities are drawn arbitrarily without taking into consideration historical or geographical factors. This happened for example in 1993 when the boundaries between Birgu and Bormla redrawn to enable the implementation of the Local Councils’ Act. Stakeholders within both local entities underlined how historical identities were revoked because of administrative rationality, with the consequent effect that some residents did not identify with the local government unit within which they had been placed (Cutajar & Vella, 2008).

Siugzdniene and Popic (n.d.) underline that decentralisation enables the successful implementation of local governance. Up to now, central government has demonstrated that it has the institutional capacity to lead and implement reform to facilitate decentralisation local council level. The Maltese state has also created and reinstated the necessary legal and institutional frameworks to facilitate political devolvement at this level. This devolvement might one day be extended on a regional level.

“Top Down Strategies for Bottom-Up Involvement”

Work (2002) argues that decentralisation can help address poverty, gender equality, as well as environmental concerns. Work as well as Siugzdniene and Popic (n.d.) maintain that decentralisation can be successful when community organisations, stakeholders in the private sector, international aid organisations and citizens are involved at all stages of a project. Decentralisation helps bring decision-making closer to the people, but community involvement depends on political will together with civic empowerment. Decentralisation on its own is not sufficient to improve local governance, Siugzdniene and Popic (n.d.) sustain.

Aars (2003) asks the question whether it is possible to promote bottom-up involvement through top-down strategies. The institutions in charge of organizing collective decision-making and action still retain authoritarian strains even though they are relinquishing power hesitantly. The concept of ‘governance’ which comprises mechanisms, processes and institutions through which citizens, groups and individuals “articulate their interests, mediate their differences and exercise their legal rights and obligations” (Work 2002, p. 3) is slowly being effected through efforts from national government.

There is also evidence of the emergence of a number of interest groups such as Flimkien ghal-Ambjent Ahjar. Other interest groups have been in existence for a number of years, but it was thanks to EU accession that central power has given legitimacy to their voice and consulted them on issues of sexuality, disability, marital status racism and/or environment. One might be facetious and add that the legislation that has institutionalised NGOs - the Voluntary Organisation Act (Government of Malta, 2007) might have been enacted to control popular political participation rather than facilitate it. The Maltese state regards civic empowerment with trepidation. This might explain why it promotes a ‘controlled’ spontaneity at grass roots level.
Various researchers have however demonstrated that community participation and grass roots development play a key role in promoting sustainability programmes and quality of life improvements (Wood, 2002; Cutajar 2007; Cutajar, 2008b). Sustainable development is more likely to happen when differently positioned stakeholders come together to define which are the priorities for a particular community and devise programmes to address these. When citizens, voluntary groups, business entities, spiritual leaders, service providers within the community meet with representatives from local, national and supra-national entities to discuss the needs and problems that beset a community and how to best address these, this helps increase interest and helps create a sense of ownership towards the project envisaged.

This issue emerged in the case of Birgu, where constant interaction and dialogue between councillors and citizens gave rise to projects which helped improve the standard of living and improved the economic development of that community (Cutajar, 2008b). Ideas regarding community development originated from the residents themselves, while the local council facilitated its implementation. These ideas coalesced into projects which sometimes necessitated the cooperation of the whole community such as the cleaning up and greening campaign as well as the participation in the preparation for the myriad cultural events which take place in this locality on an annual basis. Community commitment and involvement played a part in attracting the necessary funds and/or technical help from EU entities for the restoration and conservation of built heritage. This, in turn, helped increase the community’s trust in their local council.

Wood (2002) argues that in the localities which adopt a culture of participatory democracy, this leads to the accountability of elected local government officials. Community participation in the locality will decrease if the residents do not see results, or when they see evidence of corruption. Abela (2009) notes that one third of local councils are under investigation, charged with accusations of nepotism and the breaching of financial regulations, among others. In communities where the residents do not respect or trust their local councillors, they are less likely to be involved in civic and community participation (Cutajar, 2008a).

Aars (2003) believes that community involvement in decision-making at local level is more likely to take place if the residents feel a sense of belonging to the area. This was borne out in the findings of a research which was conducted in summer 2008 when the rate of civic involvement of two neighbouring communities - Birgu and Bormla - was compared (Cutajar and Vella, 2008). It was found that in areas with a high incidence of social housing, and high population turn over, the level of civic participation tended to be dampened. It was left to the leadership skills of community leaders (these included spiritual, political, sports, etc.) within both communities to facilitate community participation in areas where high population turnover might lead to less identification with the locality. Aars adds that before residents can be involved in local planning procedures, local democracy needs to be strengthened by enhancing local community identities. In Birgu community cohesion was wrought through the planning and preparation of a number of cultural events as well as participation in the cleaning up and greening up campaigns within the locality. Success in these projects helped consolidate a communal identity and helped the community recognize that collective action benefitted the whole community (Cutajar, 2008b).

Involvement in local politics involves more than taking part in elections and protests. Aars (2003) regards this as an indirect form of political participation. Deliberative hearings are one way of involving the community in public decision-making and implementation. Deliberative hearings provide different groups and individuals within the community with opportunities for discussion and deliberation. Faulks (1999, pp.159-160) mentions the use of citizens’ juries by providers of public services or local governments to advise on local planning issues. In these citizens’ juries, a representative sample of citizens from the community hold deliberations to come up with recommendations regarding questions of public policy. Aars (2003) states that it would be more helpful if such hearings are preceded by surveys. Surveys are used to find out how the local community feel about service provision. They can also be used to find out what the residents think needs to be done at local level and/or how confident they are about the authorities in carrying out such tasks.

Deliberative hearings might be facilitated through ICT which in the Maltese Islands is referred to as e-government. This new technology might help residents keep up to date with events and services found at the local level (Faulks, 1999). They can also be used to start internet debates, but Aars (2003) underlined that it is difficult to establish lively internet debates. Such participation and information gathering is based on computer literacy as well as the availability of this technology in the locality.
Unfortunately in the Maltese Islands consultation with the general public usually occurs when a project has already been envisaged and these meetings only serve to inform the community about the form they are going to take (see Cutajar 2007). Public consultation tends to occur when the whole project is a fait accompli. We need to move on from this and ensure that the general public is more involved in the designing of development plans, their implementation and regulation since they are the ones who are directly affected by them.

Work (2002, p. 4) believes that decentralisation programmes help

“address citizen participation, promote advocacy groups, incorporate women and the poor in policy decisions, poverty reduction and environmental initiatives at the local level, encourage sub-national autonomy and creativity in addressing local needs”.

Although not all these factors have been addressed by the particular political decentralisation envisaged by central government in the Maltese Islands, there seems to be more political participation at grass roots level. Aars (2003) believes that political involvement using new and untraditional channels is more uneven when it occurs via traditional mechanisms such as elections and political parties. For example, local councillors underline how some Maltese political parties try to undermine the effectiveness of local councils by trying to limit the number of times they partake in local council elections (information derived from private interaction with local councillors, January 2009). Other respondents decried the fact that local political parties tend to promote some local council candidates over others because they are inveigled within the party’s structure, even though these might not have the leadership skills needed to facilitate community development.

New forms of participation tend to involve private and small group initiatives where the ones with the most cultural and material resources tend to stand out (Aars, 2007). In the Maltese Islands, non-governmental organisations and associations with members and leaders who derive from the professional classes tend to have a more vociferous voice, and hence impact on national development planning (Cutajar, 2007). Aars (2003) argues that political parties and associations need to even out differences in resources among citizens if they believe in the active political participation of the majority.

Conclusion

Work (2002, p.16) underlines that decentralisation has to be “sensitive to the existing cultural, political and institutional arrangements within a given country”. Whether decentralisation was sensitive to the cultural, political and institutional arrangements of the country cannot be really stated since the different regions and districts of the Maltese Islands have a different history with regard to self-administration and self-government. EU accession has however introduced a new culture - public consultation with the intention of implementing sustainable development at local level. Certain social groups have caught up with this development, especially those with high levels of cultural and financial capital. Other social groups are still disenfranchised and might not be able to partake of the advantages of decentralisation and democratisation.

With regard to local councils, political decentralisation was more effective in localities with a more cohesive community identity and/or mayors and councillors with leadership skills who interacted with the community on a daily basis to find out what needed to be done, and find out how this could be facilitated using human resources and/or financial resources found at community level. When these were not available at community level, some localities had the human capacity to ask for help from agents and agencies without the community. The efficacy of political as well as administrative decentralisation is undermined in localities where the councillors and/or permanent staff do not have the social and cultural capital to utilise resources found within the community itself to facilitate change. In the Maltese Islands we still do not have a culture of carrying out a needs assessment survey to find out what needs to be done on a local basis. Needs assessment surveys are sometimes carried out on a regional basis. This means that change sometimes occurs in an ad-hoc manner, with the intention of grabbing voters’ attention.

EU accession has helped promote decentralisation with its consequent democratisation policy within the Maltese Islands. Decentralisation was promoted by the EU to facilitate regional development among the various EU member states and assist in the administration of such change. Decentralisation can facilitate
civic empowerment and encourage creativity in addressing local needs since it brings political decision making to the people. It however depends on what the state, sub-national governments, and other stakeholders in civil society make out of all this.

References


The Times, 1st August 2002, p. 5.
