INTRODUCTION

This introduction reviews selected features of the Maltese environment, of Malta's governing institutions, and of the country's current programme of administrative reform. It places the initiatives described later in this country profile in context, and identifies aspects of the Maltese experience of administrative reform that may be of special interest to other states.

The Maltese environment

Malta is a sovereign state consisting of three inhabited islands – Malta, Gozo and Comino – in the central Mediterranean. The archipelago's land area amounts to 316 square kilometres and is home to a population estimated at 362,900 in 1993. The Maltese are a European people, having a distinctive culture that is most evident in the national language, the Roman Catholic faith and the architectural patrimony.

Historically, owing to their strategic location and fine natural harbours, the islands were governed by successive paramount naval powers in the Mediterranean Sea. For most of the past four hundred years they served as a powerful fortress and naval base, first under the Crusader Knights of St John between 1530 and 1798 and more recently, after a brief French occupation, as a British territory between 1800 and 1964. Until the close of the Second World War, the presence of a large expatriate garrison and fleet in Malta was the single most important determinant of the islands' economy, welfare and politics.

Shortly after the end of the Second World War, as Britain's imperial power waned and her overseas forces shrank, the prospect of a future for Malta other than as a fortress colony became the overriding issue of public policy for the islands' expatriate rulers and for Maltese leaders. On one hand, successive defence reviews brought progressive retrenchment of British establishments in Malta and threatened to cause serious economic dislocation in the islands. On the other hand, Maltese leaders sought both to secure the islands' then-existing livelihood and to promote indigenous over imperial interests. In retrospect, the relationship between Britain and Malta between 1943 and 1979 appears as an erratic succession of crises precipitated either by British defence reviews or by Maltese claims on Britain, and a corresponding succession of constitutional-cum-economic formulae intended to satisfy and, where necessary, to reconcile imperial with local interests.

Independence, granted on 21 September 1964, was the last and, at the time, the most doubtful formula to be considered. Britain relinquished sovereignty over the islands, though retaining extensive military facilities in return for financial assistance to the newly sovereign Maltese Government. The arrangement survived crises in 1967 and 1972, when it was re-negotiated, until 31 March 1979 when, by mutual agreement, military facilities were closed and Britain's armed presence was withdrawn altogether.

Between 1957, when the first significant retrenchment of defence establishments was announced in the wake of the Suez affair, and 1979, when Malta ceased to be a military base, the islands' economic policy-makers faced a two-fold task: first, to meet contingencies associated with British defence retrenchment; secondly, to replace Malta's economic mainstay – the provision of services to the fortress – by diversifying economic activity. The tension between policies required to deal with contingencies such as large-scale redundancies and others required to develop viable alternatives to the fortress economy is evident in successive development plans. A small country, poorly endowed with natural resources, Malta relied on economic assistance from Britain to finance both contingency and development plans.

Notwithstanding the economic limitations associated with a small, dependent economy, Malta has had a remarkable economic record. Throughout the Sixties and Seventies, Maltese governments followed the developmental orthodoxy current at the time, by promoting manufacturing industry, notably in clothing and, latterly, in the assembly of electronic components. More recently, tourism and other market services have outstripped productive activities as the principal economic activities: they now account for approximately 46 per cent of GDP, as against 38 per cent for productive activities and 16 per cent for non-market services. Malta is now classified as a developed country by the World Bank.

Historically, the Island's peculiar circumstances favoured a commanding economic role for Government. Government's civil and defence establishments accounted for a significant proportion of employment. Government employment, the government payroll and government procurement affected living standards, the rhythm of commercial activity and price levels. After industrialisation began in earnest in 1959, Government acquired a large, diverse stake in industrial development, both by direct ownership and indirectly, through its control of investment finance: in the Seventies, the Government's investment portfolio diversified into ownership of tourism-related enterprise, commercial banking and municipal services.

Socially, the most notable features of the decades following the Second World War have been secularisation and the rise in living standards. From 1947, Government replaced the Roman Catholic Church as the pre-eminent social provider, by broadening the reach of education, health care, social security and housing programmes. In fact, government expenditure on health care, education, welfare schemes and pensions became another significant economic variable. Relations between the Maltese Government and the Roman Catholic hierarchy were characterised by periodic crises similar to those marking relations between Malta and Britain, though contention gravitated around three principal issues, namely, the political influence of the Church hierarchy, Church land-holdings and Church schools. These issues seem now to be definitively resolved, though the social and moral authority of what is, in effect, a state religion, continues to be controversial.

Factors other than the political contributed to the secularisation of Maltese society, among them, universal access to schooling, large-scale migration overseas, the presence in Malta of expatriate military personnel and, lately, of tourists, broadcasting, and the general rise in living standards. Secularisation was accompanied by changes in Maltese demography and the pattern of Maltese settlement. The elderly now constitute a large and growing proportion of the population, and population growth is among the lowest in Europe. General affluence has eroded the traditional sharp distinction between urban and rural lifestyles, as has the spread of suburbs and the growth of regional commercial/industrial centres.

Notwithstanding the economic re-orientation of Malta and the visible changes wrought in Maltese society, significant elements of continuity are discernible. Thus, though the fortress has disappeared, Malta still makes its living as a provider of services. The Roman Catholic faith and the Catholic hierarchy remain a vibrant presence in Maltese life. The growth of towns and villages and the spread of suburbs have not noticeably diminished parochial loyalties. Generally speaking, government policy in every sphere has had to take account of traditional patterns of activity or behaviour and, indeed, sometimes reinforced them: notably in the decision to promote market services as the basis of economic development and, lately, following the creation of a new tier of government – the local council, which has provided a new outlet for the expression of parochial loyalties.

The synthesis of traditional and modern elements in Maltese life is evident in the nation's politics and in the operation of its governing institutions.

Governing institutions

In its forms, Malta's system of government and administration approximates that commonly known as the Westminster/Whitehall model.

The head of state has been styled President of Malta since 1974, when the country became a republic. The President is elected by a simple majority in the House of Representatives and holds office for a single term of five years.

The legislature consists of a single chamber – the House of Representatives – whose sixty-five members representing thirteen electoral divisions are elected by direct universal suffrage at five-yearly intervals, on the proportional representation system.

The judiciary consists of judges and magistrates, who may not be removed from office except on grounds of proved incompetence, misbehaviour or inability to perform the duties of their office, and then only on an address supported by no less than two-thirds of the members of the House of Representatives. Magistrates sit in the Courts of Inferior Jurisdiction, civil, criminal and commercial; while Judges sit in the Superior Courts of First Instance (First Hall Civil, Second Hall Civil, Criminal, Commercial), the Courts of Appeal (civil and criminal), and the Constitutional Court.

Several independent constitutional authorities other than the judiciary and the legislature supervise, scrutinise or themselves exercise executive authority in sensitive areas of public policy: the Broadcasting Authority, the Director of Audit, the Attorney General (in so far as criminal prosecutions are concerned), the Electoral Commission, the Employment Commission and the Public Service Commission.

The direction and control of government is vested in a Cabinet, currently numbering thirteen ministers, who are members of the House of Representatives, appointed and dismissable by the President acting on the recommendation of the Prime Minister. The present Cabinet comprises the portfolios of the Prime Minister; Foreign Affairs; Education and Human Resources; Home Affairs and Social Development; Economic Services; Environment; Food, Agriculture & Fisheries; Gozo; Finance; Social Security; Justice; Youth & the Arts; Transport, Communications & Technology. Eight parliamentary secretaries, who are effectively junior ministers but do not hold Cabinet rank, supervise various policy sectors in six of the thirteen portfolios: Human Resources; Elderly & Special Needs; Health; Housing; Environment; Water & Energy; Economic Planning; Tourism.

The portfolios themselves are composite: their contents are modified to a greater or lesser extent with each ministerial re-shuffle (on average once in the lifetime of a government); the inauguration of a new administration generally means that the portfolios of the outgoing administration are dismantled and re-assembled in entirely new groupings. In the early life of a government, an attempt is made to restrict the number of portfolios, but this almost invariably grows with each reshuffle. The practice of appointing parliamentary secretaries as a regular feature of the Executive began in 1987, though the Constitution made provision for them at the time of Independence. To some extent they mask the dramatic growth in the size of the political executive in three decades – from eight ministerial offices at the time of independence, to twenty-one at the present time, well over fifty per cent of the government benches in the House.

Ministers are bound by the doctrines of collective and individual responsibility, which are recognised by the Constitution of Malta. The Constitution also affirms the other pillar of the classic Westminster/Whitehall model: a public service bound by the ethic of political neutrality and anonymity.

The public service is staffed by career officials appointed, disciplined and removable by the Prime Minister acting on the recommendation of an independent Public Service Commission. The public service itself is divided into approximately fifteen major occupational classes and organised into sixty-odd departments, of which the largest, the Departments of Health and Education employ in excess of 6,000 each, and the smallest, such as the Office of the Notary to Government, employ under two dozen employees. The public service employs in excess of 30,000 employees; another 2,000 are employed in the Armed Forces. Departments of government are under the executive authority of heads of departments and, since 1992, these have been placed under the supervision of permanent secretaries: Previously, heads of departments worked direct to ministers.

Since Independence, large and important segments of the public service have been re-erected as statutory organisations: among these are the Central Bank of Malta, the Malta Development Corporation, Telemalta Corporation, Enemalta Corporation, the Employment and Training Corporation, the Water Services Corporation, the Malta Maritime Authority and the Planning Authority (which is responsible for land use). The Post Office was re-established as a limited liability company towards the end of 1994, to join a large list of government-owned commercial enterprises which includes a dockyard (the second largest employer after the public service), a shipbuilding yard, national air and shipping lines, a freeport, several construction companies, and the two largest banks in the Island. Another 15,000 or so are employed by this so-called 'parastatal sector'. Privatisation, a contentious political issue which raises the spectre of the population's historic economic insecurity, has been cautious and limited.

Historically, government has been a highly centralised activity. For well over a century, with the exception of a District Court for the island of Gozo, suburban and rural schools, and small branches or area offices of the Departments of Health, Works and Social Security, public administration was transacted in the national capital, Valletta. During the closing years of colonial rule, a limited experiment in local government – the Gozo Civic Council – survived Independence by less than a decade. In 1993, however, under a newly enacted Local Councils Act, 67 local councils covering the territory of all three inhabited islands were established. Councillors are elected by the adult franchise of the locality and hold office for three years. For the present their executive responsibilities are limited to street cleaning and minor maintenance of selected municipal facilities in the locality, but the Act envisages progressive transfer of functions from central to local government over the course of the coming five years. Local Councils are entirely funded by grants from central government. The councils have in a short while become vocal exponents of community interests and issues.

In summary, in the three decades since Independence, the machinery of government has grown steadily in size and complexity, as has the scope of policy, and the volume of government business transacted. Dormant provisions of the Constitution – notably those concerning parliamentary secretaries and permanent secretaries – have had to be brought into effect to cope with the expansion; and two elements of the machinery of government not envisaged in the Constitution – parastatals and local councils – have grown steadily in size and significance.

Finally, the Constitution legitimates the existence of a loyal Opposition, and gives the Leader of the Opposition a consultative role in the appointment of members of certain of the independent authorities referred to earlier.

The actual operation of these governing instruments is different in significant respects from the tenets of the classical Westminster/Whitehall model. Three factors that are to some extent intangible bear upon the Island's political culture and in turn on its administrative sub-culture: the Island's physical and demographic size, its history of economic and political dependence, and its electoral system.

The real power-brokers in the system are two political parties – the Nationalist Party, currently in office, and the Malta Labour Party, currently in Opposition – which have alternated in office, at intervals of approximately ten years, since the grant of internal self-government in 1947. Between them, they dominate parliamentary representation to the virtual exclusion of any other political force. Given, on one hand, the small size of the electorate and, on the other hand, the proportionately large number of MPs and of electoral divisions, electoral margins are generally fine; moreover, proportional representation encourages competition among candidates from the same party. In other words, there is a double incentive for politicians to cultivate networks and to secure sources of patronage. The tendency towards factionalism inherent in the electoral system, is compensated by strong leadership figures and by the growing sophistication of central party organisations.

In office, the parties can count on the formidable legal powers and privileges of an Executive that owes its origins to a fortress administration, as well as dispensing a large, still growing patronage that is nourished by the government's pre-eminent economic role. Out of office, a party finds itself virtually excluded from the business of government, able to influence voters only by means of unremitting, carping criticism, or dramatic gestures such as walkouts, boycotts and demonstrations. The scene is set for political strategies that place a premium on conflict, mobilisation and a 'winner takes all' attitude towards public affairs.

A recent, rather disturbing trend is that the two parties, so often locked in dispute on substantive and symbolic matters (such as the choice of a national day – the outcome being that Malta has *five* national days!) are colluding to carve out permanent representation in bodies which the Constitution conceived as being independent and above party interests. Thus, there is now *ad hoc* representation of the Nationalist and Labour Parties on the Broadcasting, Employment and Electoral Commissions as well as on the Commission for the Administration of Justice which, *inter alia,* plays a role in selecting and disciplining members of the judiciary. While to some extent this has settled recurring acrimonious disputes about appointments of members of these authorities, the price has been an acknowledgement that there is little room for independent views, and that partisan loyalty is valued more highly than national loyalty among the state's guardians and servants. As might be expected, the parties have yielded to the temptation to factor the public service into the strategies of power politics.[1]

Both parties have systematically extended government patronage by multiplying boards and committees, as well as by placing parastatals outside the constitutional safeguards for an impartial, merit-based public service. Complaints about nepotism and irregular appointments are common, though some attempt has been made to provide official avenues for redress of grievances, notably by means of the Commission for Investigation of Injustices and the Permanent Commission Against Corruption.

Administrative reform and developments in public service management

The Maltese environment and Malta's governing institutions have produced a style and substance of governance that is best expressed as a set of apparent paradoxes: underlying economic vulnerability coupled with visible and generalised affluence; a parochial outlook and a distinct national identity, coupled with a readiness to assimilate cultural imports; a functioning democracy that is yet intensely partisan and intolerant of dissent. The relationship between governors and governed is unequal and uneasy: the scope of government is all-pervasive, yet its authority is weak; an authoritarian note in administration is tempered by benign paternalism; government armed with draconian powers confronts the inordinate ability of individuals living in a small society to mould groups, influence decisions or circumvent inconvenient administrative routines; policy-making is overshadowed on one hand by the Island's economic vulnerability and, on the other hand, by marginalia and symbolic issues.

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1 Public Service Reform Commission: *A New Public Service for Malta: A Report on the Organisation of the Public Service* July 1989, p.1

Two great forces have acted upon the development of Malta's public administration during the past fifty years: the tasks associated with the Island's great enterprise in economic development and social modernisation; and the stresses arising from the establishment of democratic institutions in an independent state. Within the public service itself, competition for status and influence among different professions which all derive a great measure of their livelihood from a single employer (government) also played a decisive part in shaping the Service.[2]

By the late Eighties, the impressive record of general affluence and universal welfare provision was giving way to signs of severe distress across government: endemic delays in most spheres of public business; poor quality services; serious deterioration of municipal infrastructure; a general feeling that corruption, nepotism and abuse of administrative discretion had taken firm hold. It was in this context that the administrative reforms described later in this survey were commissioned. In mid-1988, a year after being returned to office following sixteen years in Opposition, the Nationalist Administration commissioned two closely related initiatives, christened respectively the Public Service Reform Commission and the Operations Review, which would review the role, organisation and operation of the entire machinery of government. This was the first such review to be commissioned after an abortive attempt fifteen years previously, and in that respect marked a departure from the pattern of public service 'reorganisations' which take place every few years in Malta, but are largely confined to pay and classification issues. The Public Service Reform Commission (PSRC) was directed to *'examine the organisation of the public service and to recommend means by which the Service can efficiently respond to the changing needs for effective government.'* Secondary terms of reference required it to review pay and classification and, not unexpectedly, these were given prominence by the heavily unionised public workforce, restive after several years of rigorous pay restraint.

Alongside the five-member Commission, an expatriate Maltese consultant carried out an Operations Review (OR) *'to evaluate existing organisational structures in light of the government's policy objectives and to recommend appropriate delineations, organisational structures and mandates; and to develop a suitable Information Technology plan which will identify needs, opportunities and cost/benefits for the application of computer technology.'* The two initiatives shared a small secretariat. The Review gave further 'depth' to the Commission's brief, and

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2 Warrington, E: *The Making and Un-making of a Great Estate: An Essay on the Malta Civil Service from War to Self-Government* (Malta: Staff Development Organisation, 1994) p.53

the two exercises together acquired a 'critical mass' that made it more difficult for policy-makers and for the civil service to ignore them.[3]

Within two years, both exercises had been concluded and detailed recommendations presented to Government. In so far as the public service was concerned, recommendations made respectively by the Commission and the Operations Review Consultant tended to converge. They are encapsulated in eleven goals proposed by the PSRC's first report[4]:

(i) Win public confidence in the Service
(ii) Create a culture of excellence and integrity
(iii) Define the role of the public service
(iv) Develop administrative structures and management systems
(v) Define and develop employee competence
(vi) Select and retain the brightest and ablest
(vii) Improve the quality of management
(viii) Invest in technology and plant
(ix) Increase planning and audit capabilities
(x) Define and contain executive discretion
(xi) Institutionalise change.

The Commission had this to say about its recommendations:

"In essence, the changes being proposed should:

(i) **restore the institutional fabric of the public service**
The public service is part of the institutional framework of government; it has a distinct identity and value system which has been obscured. The Commission wishes to see the distinction made once more, with the public service recognised and respected as an institution in its own right.

(ii) **build its organisational capacity**
Measures are needed to enable the service to meet the targets that are set for it and to help it adapt to new needs and circumstances.

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[3] Warrington, E: 'A Review of the Reports of the Public Service Reform Commission' in *Economic & Social Studies*, University of Malta 1992/1993, p.13

[4] Public Service Reform Commission: *A New Public Service for Malta: A Report on the Organisation of the Public Service*, July 1989, pp.5-7

(iii) **safeguard employee rights**
The exercise is premised on fair treatment of staff, which goes beyond the adoption of fair standards of selection, compensation and reward; it includes staff development, and the establishment of mechanisms to settle matters affecting individual and collective rights of employees.

These over-arching objectives are inseparable and must be recognised as such. Progress towards the attainment of each depends on progress towards the attainment of the others." [5]

In the orientation of its recommendations, the PSRC/OR review not only departed from the pattern of past reviews of the Maltese public service; it also differed in some significant respects from contemporary public management reforms undertaken in other countries. In brief, the exercise sought both to *restore* the deteriorating fabric of the public service and to *refashion* the institution: to remedy past deficiencies and to plan for anticipated needs. The most pressing item on the future agenda was, and is still, membership for Malta in the European Union, which will alter the role, organisation and operation of Malta's governing institutions.

Not long after the review, Government took the first steps towards substantive implementation of the PSRC/OR recommendations. The Prime Minister gave administrative reform a high political profile, committing his influence as head of government and party leader firmly behind the initiative. It is significant that public service reform rates a standing Cabinet Committee, one of only two policy sectors known to do so, the other being relations with the European Union. While the Prime Minister has made administrative reform a mainstay of his political platform, the direction of policy in the field is firmly institutionalised in Cabinet.[6] As a result, institutional and public management questions appear as recurring themes across the spectrum of government policy. This is a notable feature of Malta's current experience of administrative reform.

Progress towards implementation of the PSRC/OR recommendations appears to be determined by two imperatives:

- to make as much progress on as many matters as possible; and

[5] PSRC, op cit: p.5

[6] Warrington, E. "Three Years Later – The Record of Implementation" in Economic and Social Studies, op cit: pp. 154-155

- to avoid industrial confrontation.

The first imperative would account for the decision to establish the Management Systems Unit described in section 2.3, and to face down vociferous criticism about the 'extravagance' of recruiting numbers of expatriate consultants earning international rates to the Unit. Such criticism was perhaps a natural consequence of the parochialism characteristic of small, insular societies; expected, too, of Malta's sharply partisan political discourse; and, finally, expected of a public service emerging from almost two decades of pay restraint and operational austerity. The Unit has since been servicing a 'broad front', 'big push', 'top-down' strategy of reform.

The second imperative would account for government's negotiating stance with trade unions representing the public service workforce. An agreement signed by government, General Workers' Union and *Union Haddiema Maghqudin* in December 1990 opened the way to reclassification of government employees in accordance with the pattern proposed by the Public Service Reform Commission, i.e. a classification scheme comprising four 'categories' which define broad levels of skill and competence (A – top management; B – administrative and professional; C – junior executive and technical; D – clerical and industrial), and 'classes' which identify occupational groups. The agreement consisted of a significant interim pay settlement, which took the edge off trade union restiveness and improved the competitiveness of the public service as an employer of at least some categories of labour though not, significantly, of professionals. It incorporated some novel features, notably, a declaration to the effect that government reserved the right to withhold, suspend or postpone the full implementation of salary awards if it were not satisfied with progress in implementing other changes contemplated in the agreement. In the event, neither did government invoke the provision, nor, for the most part, did the trade unions call out their members.

Though a full evaluation of subsequent agreements on the pay, grading and assimilation of individual occupational groups has yet to be made, it does not appear that restrictive work and promotion practices have been traded in for competitive salaries and benefits to the extent envisaged by the PSRC: with a workforce the size of the Malta Government's and central pay bargaining, the law of averages works to depress salary/wage differentials, favours the interests of serving employees and generally reaffirms the status quo. That said, the benefits of a long period of industrial stability, though not readily calculable, ought not to be discounted. In weighing the Government's position, an analyst does well to remember that for the past fifty years, the public service has been debilitated by lengthy, acrimonious and often recurring trade disputes.

In summary, the context for the initiatives described later in this survey is a complex of tensions and ambiguities, opportunities and constraints; a compound of an ambitious agenda for change and the lurking threat of political or industrial controversy. Two questions arise at this point. What has been achieved? What, if any, are the lessons of Malta's experience for other small states?

Biases and orientations of the administrative reform programme

The contents of this portfolio, though not exhaustive, represent the most important initiatives completed, in hand or planned. A first reading appears to confirm the 'broad front', 'big push', 'top-down' strategy referred to earlier, but the appearance of consistent progress on all fronts is deceptive. Section One – Making the Most of Staff – and Section Two – Making Government More Efficient – present nine initiatives on which substantial progress has been registered.

The four initiatives outlined in Section Two are now substantially complete. Their common focus is the machinery of government and government business, and they were concerned with developing, refining and, where necessary, re-fashioning government capacity to make policies that are relevant, coherent and, ultimately, effective. Two objectives deserve attention: first, the effort to complete the Executive framework contemplated in the Constitution; secondly, the attempt to refine, develop and consolidate the historically difficult relationship between ministers and civil servants.

The five initiatives outlined in Section One are in the course of implementation. The progress that has been made in implementing them is a reflection of nationwide concern about the utilisation and productivity of the public workforce which represents about thirty-five per cent of the national workforce. The public service's investment in human resource development is as significant as its investment in information technology, described in section 5.1. Together, they attempt to remedy five decades of neglected 'housekeeping'; five decades during which the public service, busily engaged in the great enterprise of national development, discounted the necessity of investing in its own infrastructure and eventually exhausted its human and technological capital.

The record on other fronts is less substantial.

Section Three – Improving the Quality of Services – includes a single entry, the so-called 'communications strategy'. While it could be argued that the ultimate purpose of administrative reform is improvement of public services, the record suggests that persistent criticism to the effect that Maltese citizens have seen few improvements in economic, municipal and social services, may not be altogether groundless. As stated earlier, for sound reasons, the thrust of the administrative reform effort has clearly been towards upgrading the machinery of government. Nonetheless, the question whether, five years after implementation began, administrative reform is yielding value for money, remains unanswered. *Political* support for reform cannot rest indefinitely on an eroding base of *popular* support or, at best, quiescence.

Section Four – Improving Partnerships with Organisations Outside of Central Government – outlines a single initiative which appears still in its infancy, namely, parastatal accountability. There may be many implications of this scanty record. It could be that the reformers who penned the entries in this portfolio may have discounted partnerships between Government and Malta's thriving voluntary sector in a variety of social services. Another possibility may be that such partnerships as may exist are not accorded importance by officials. The initiative that is recorded in this portfolio is so tentative as to imply Government's reluctance to address institutional and managerial issues associated with a principal source of patronage and ministerial discretion.

Section Five – Making Management More Effective – and Section Six – Improving the Management of Finance – present an uneven record: significant progress towards implementing an ambitious Information Systems Strategic Plan, but nothing more than preliminary steps towards delegation of managerial authority over staff and expenditure. In other words, changes in the machinery of government appear not to be matched by changes to the mindset of Maltese officialdom, which continues to value central direction and control. Much criticism has been levelled at the Public Service Commission over its alleged reluctance to delegate authority over appointments and discipline, but there can be little doubt that ministers themselves would be reluctant to share their considerable powers with career officials. Ironically, by adopting a 'top-down' approach, the administrative reform programme itself re-affirmed centralisation. Lack of progress in this matter is symptomatic of the persistence of mistrust in the Maltese polity – the reluctance of the power holders to admit the good faith of both their opponents and their subordinates.

Features of interest to small states

Malta's administrative reforms may hold lessons that are relevant to other small states.

First, they suggest that a small state with modest means, such as Malta, need not shy away from pursuing excellence, nor be content with picturesque mendicancy. Expensive though they undoubtedly are, the reforms have proved affordable, while investment in state-of-the-art technology has paid rapid dividends by, for example, enabling the country to establish itself in a short while as a financial centre.

Secondly, while the rhetoric of reform is bold and uncompromising, the strategists of administrative reform have assiduously avoided anything that could aggravate the Island's economic vulnerability or disturb the political and industrial landscape. No doubt the fact that, as mistress in her own household, Malta initiated the reforms of her own accord has helped to make even the more controversial measures acceptable, if not palatable. A small state's government may, like Malta's, have to err on the side of caution before it contemplates substantial privatisation and other structural adjustment policies. For a greater or lesser time span, public employment may have to be one of the safety nets offered to the populations of small states.

Finally, while innovation is valued, promoted and nurtured, the programme has implicitly sought to consolidate the fabric of Maltese public administration, retaining a fine tension between continuity and change. If several practices inherited from the past now give cause for concern, other traditions furnish a strong foundation for renewing and restoring the public service. Reformers everywhere, but perhaps especially in small states, ignore at their peril the tenacity and the value of tradition in their governing institutions.

The programme documented in this profile might be assessed in these terms: the agenda is ambitious and the approach is sufficiently unconventional (by the standards of past reforms) to arouse comment and, at times, controversy; political support has been consistent and not averse to courting controversy, though confrontation has been judiciously avoided; viewed in their entirety, the initiatives favour consolidation of the framework and ethic of Maltese public administration, while selectively accelerating the application of technology and managerial disciplines, and employing the rhetoric of change.

This assessment is no less tentative than some of the experiments currently under way in Malta's public service. It cannot, for the moment, be fuller because more data is required on the costs and benefits associated with each initiative – financial, economic, human and political. Having made steady progress on several important fronts, the Maltese public service remains vulnerable to events and developments outside its control. Whether the ambitious programme of administrative reform will survive a change of administration, or a setback in Malta's aspirations for membership of the European Union, or what some observers see as growing popular disenchantment with traditional politics, or, indeed, a change in the leadership of the public service, remain open questions. Whatever the future may hold, however, there can be little doubt that the inception and progress of the programme represents an astonishing achievement for a small state and, to that extent, is a model of good practice in the field.

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