MALTESE HISTORY

Unit P

Malta’s Road to EU Membership

Form
Malta’s first application for EU membership, 1990-96

Fenech Adami’s main drive in foreign policy, unlike that of Dom Mintoff, was to achieve membership in the EEC. In May 1988, PM Fenech Adami summed up the reasons why Malta intended to seek membership in the EEC by these terms:

‘Malta’s membership of the EEC will be beneficial to Malta. It will also benefit the EEC. Economically my country is already well integrated in the Community. 70% of our trade and 80% of our tourism are with the Community countries. But our motivation to seek closer ties is political . . . . Today we are determined to share the collective sovereignty of a United Europe. We shall share the benefits and the burdens. . . . Our common task is to see Europe unite.’

In July 1990, the Maltese Government applied to join the EEC. The EEC commissioned a report on Malta called the avis. Before joining Malta was to be helped through financial protocols to bring its laws in line with the EU known as the acquit communautaire. The Maltese Government bound itself to reform Malta’s economy to bring it in line with the principles of the EU. In 1991 the European Commission set up its diplomatic delegation at Ta’ Xbiex. Its role was that of keeping Brussels informed of political and economic developments in Malta and to act as an information and documentation centre on the EU. In 1994 at an EU summit meeting, the member states concluded that the enlargement of the EU was to include Cyprus and Malta. In 1995 Malta, being a Mediterranean country, joined the Euro-Mediterranean Partnership.

Changes under the Labour Government of 1996-1998

In October 1996 there was a change of Government when the MLP won the elections and Alfred Sant became Prime Minister. Malta’s application for EU membership was shelved. The Maltese Government chose a new relationship with the EU called partnership. But within a year, a series of developments crippled Alfred Sant’s Government resulting in Alfred Sant calling for fresh elections for September 1998. Fenech Adami became prime minister and Guido de Marco became foreign minister. The new government immediately re-opened Malta’s application for EU membership.

The final road towards EU membership, 1999-2004

Early in 1999, the Government set up the MiC (Malta-EU Information Centre) with Dr Simon Busuttil as its Chairman. Its task was to provide information about how the EU works and how EU membership would effect the everyday life of the Maltese. Between 1999-2000 EU started screening Malta’s laws, divided into 21 chapters. The Treaty of Nice (2000) gave Malta three votes in the Council of Ministers, five seats in the European Parliament and one EU Commissioner. At the Copenhagen Summit (Dec.2002) Malta closed its last on agriculture, taxation, customs union, financial and budgetary aid. Malta was granted Lm81 million in EU funds for the years 2004-2006. The next EU enlargement was fixed for 1st May 2004. Each new applicant had to hold a referendum on EU membership. The Maltese Government was the first country to hold its referendum on 8th March 2003. The question for the referendum was: ‘Do you agree that Malta should become a member of the EU in the next enlargement on 1st May 2004?’ The voter turnout was 91% and it had the following result:

YES votes: 53.6%
NO votes: 45.4%
Immediately after the result, **Leader of the Opposition Alfred Sant** declared that **Partnership** pointing out that **52%** had voted against or abstained on that referendum. This reaction prompted the prime minister to announce a general election, which was won by the PN, obtaining **51.8%** of the votes. Following the election result, the prime minister announced that Malta had, at last, arrived safely in Europe’s harbour. On 16 April, the PM and the Foreign Minister **Joe Borg** signed **Athens Accession Treaty**, together with the nine other new members. In February 2004 Eddie Fenech Adami resigned as PN leader and in March 2004 he resigned as Prime Minister. His successor was **Lawrence Gonzi** (born 1953). PM Gonzi represented Malta as a new EU member during the enlargement celebrations held in May 2004.

After the referendum and election result, the MLP leadership were faced with the task of convincing its supporters to forget its anti-EU membership policy. It was no easy task and at times it seemed as if Alfred Sant would lose the leadership of the MLP. He passed the storm when the MLP abandoned its previous stand against the EU. In the first elections for the **European Parliament** held in Malta in June 2004, MLP obtained three seats (**Joseph Muscat, John Attard Montalto, Louis Grech**) while the PN obtained 2 seats (**Simon Busuttil, David Casa**).

### Financial Protocols between Malta and the EEC

<table>
<thead>
<tr>
<th>Protocol</th>
<th>Value (ECU)</th>
<th>Details</th>
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<tbody>
<tr>
<td>First Protocol (1978-1983)</td>
<td>26 million</td>
<td>Upgrade of St Luke’s X-Ray department; train Maltese in civil aviation and sea navigation, provide equipment for the University.</td>
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<tr>
<td>Second Protocol (1983-1987)</td>
<td>29.5 million ECU</td>
<td>Upgrade the infrastructure according to the sewerage master plan, build a new airport terminal, introduced ICT resources in secondary schools, extend the University Library, undertake restoration works at St John’s Co-Cathedral, upgrade Fellenberg Centre and ITS.</td>
</tr>
<tr>
<td>Third Protocol (1988-1993)</td>
<td>38 million ECU</td>
<td>Install a reverse osmosis plant at Pemborke, provide a radiotherapy unit at Boffa Hospital, upgrade the telecommunications sector, offer financial and technical and training in order to help Malta’s economic transition phase before becoming member of the EU.</td>
</tr>
<tr>
<td>Fourth Protocol (1995-1998)</td>
<td>45 million ECU</td>
<td>Offer technical assistance and training resources to facilitate Malta’s economic transition prior to EU membership.</td>
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By July 2007 the Maltese economy had become integrated in the EU. The EC concluded that Malta had met with the necessary criteria to be able to adopt the euro:

- The inflation rate was 2.2% (less than the 3% set by the EU).
- The value of the Maltese Lira with the euro had remained stable.
- Government debt was 66.5% of GDP in 2006.

On the right, Prime Minister **Lawrence Gonzi** is seen withdrawing the first euro bank notes from an ATM to mark the official introduction of the euro currency on 1st January 2008.
Since independence Malta’s economy has been closely linked to the EU. A very large percentage of imports and exports are from and to EU countries. Foreign firms are largely European. All these reasons already tie Malta to Europe even before it being a member of the EU.

During the 1990s the issue that dominated the political debate in Malta was whether Malta was to join the EU or not. The PN had made it its goal since re-election to the government in 1987. The MLP had a more cautious position: first from an out-right no under Karmenu Mifsud Bonnici, then from a wait and see approach by Alfred Sant and finally the MLP opted for a close relationship but not full membership in the form of a ‘Partnership’.

### Those in favour of membership put forward the following arguments.

- It would be a great disadvantage for Malta to remain outside when most European countries were seeking to join the EU.
- Malta would be entrenched in a democratic Europe where respect for human rights would have to be respected by all future Maltese Governments.
- Malta would have a greater share in debates and decisions taken at the European level. This would enhance Malta’s collective sovereignty within a united Europe.
- Being a member, Malta could still follow a neutral foreign policy as other neutral members like Ireland, Sweden and Austria.
- Maltese citizens will gain European citizenship and enjoy the same rights and duties of EU citizens.
- By reducing import controls, the local manufacturing industry would become more efficient. This policy was imposed in the 1970s and 1980s in the form of import substitution to boost Malta-made goods.
- Malta would be able to increase its export to the EU’s single market and the quota system would be abolished.
- Farmers would receive financial assistance to modernize their farms for local products.
- VAT would reduce custom duties and thus reduce better quality goods from the EU.
- VAT, being a tax on consumption, would increase Government revenue on the principle of ‘who consumes more contributes more’.
- Malta would be entitled to EU funds that would help improve the infrastructure and the environment.

### Those against membership put forward the following arguments.

- There were countries that refused membership, such as Norway, Iceland and Norway and Malta can do the same.
- Malta's democracy has survived since Independence and thus there was no need to join the EU in this regard.
- Malta’s influence in the EU would be next to nil in a union dominated by the larger European states.
- Malta would have to change most of its laws to adopt EU ones, rendering Malta’s sovereignty as an independent state.
- With membership, Malta will lose its neutrality as entrenched in the Constitution.
- Acquiring European citizenship was not in itself a strong reason for joining the EU.
- Abolishing the system of import duties would result in less revenue for the Government.
- Maltese consumers would start buying foreign goods, resulting in greater unemployment.
- Malta’s fragile and small market was not yet prepared to compete the vast European single market.
- Local farmers would have to compete with better-organized European farmers.
- With VAT there would be a price increase in most goods and services there previously were not taxed.
- Malta would be invaded by foreigners, namely Sicilians creating problems such as unemployment and higher prices in property.
Fill in the blank boxes with the appropriate dates


In [ ] Malta formally applied to join the EEC. The European Commission issued its avis in [ ] and Malta started to implement its aquis communautaire in [ ]. In [ ] there was a change of government and Malta’s application was put on hold. But in [ ] the party supporting Malta’s entry in the EU was returned to power and it immediately reopened Malta’s application. In [ ] the MiC was set up as a centre of information on how the EU works. Malta’s screening process was completed by the end of [ ]. The Maltese Government then held a referendum on accession in March [ ]. In April [ ] Malta signed the Accession Treaty of Athens. On 1 May [ ] Malta and nine other states formally joined the EU. The Maltese took part in the first [ ] European Parliament election in June [ ]. Malta joined the eurozone when it introduced the euro on 1st January [ ]. In [ ] the number of Maltese MEPs in the European Parliament was increased to from five to six.

Give the meaning of the following terms as used in Malta-EU relations:

(a) acquis communautaire: [ ] (2)

(b) avis: [ ] (2)

(c) partnership: [ ] (2)

(Total = 20 marks)
Answer the following questions

1 (a) What was the main objective of Malta’s foreign policy after 1987? (1)

(b) Why was there a change in foreign policy in 1987? (1)

(c) Which aspect of foreign policy remained unchanged in 1987? (1)

2. What was the significance of the Bush-Gorbachev summit on Malta’s foreign policy? (2)

3. Mention two reasons why Malta applied to become an EU member in 1990. (2)

4. (a) What major change on Malta’s foreign policy did the MLP electoral victory of 1996 bring? (1)

(b) What kind of relationship with the EU did the MLP Government seek to establish? (1)

(c) Why was this relationship unsuccessful? (1)

5. Why was the MiC set up in 1999? (1)

6. What did Malta gain from the EU by:
   (a) the Treaty of Nice (2000): (1)

   (b) the Copenhagen Summit (2002)? (1)

7. Why did Fenech Adami call for a general election immediately after the EU referendum? (1)

8. (a) Identify one change within the MLP after the EU referendum and general election of 2003. (1)

   (b) Was it successful in this change? Give one reason for your answer. (2)

9. Give three words that refer briefly to the three criteria necessary for a country to adopt the euro. (3)

(Total = 20 marks)
Read carefully the following essay titles and answer any ONE in about 200 to 300 words. Essays carry 20 marks each.

PAPER 2A

1. In 2000 Malta was on the doorstep to full E.U. membership. Discuss the process of how and why Malta has continuously looked to the EU for close ties of some kind or other since 1970. (Adapted from SEC 2000)

2. 'Membership of the Council of Europe has been to my country like returning home after a long absence.' (George Borg Olivier, 4th May 1965). Discuss the steps that led Malta to closer ties with Europe after independence and eventual membership in the European Union. (SEC 2012)

PAPER 2B

1. Describe the main events leading to Malta’s full membership in the European Union in each of these cases:
   (a) Malta’ application for full membership in 1990 (4)
   (b) First European Report stating Malta to be eligible for EU membership (1992) (4)
   (c) Malta’s application ‘frozen’ but not withdrawn by the Malta Labour Party (1996) (6)
   (d) From the elections of 1998 to the final accession to the EU in 2004 (6) (SEC 2009)

2. ‘Malta has been seeking closer ties with Europe since Independence. Explain with reference to:
   (a) Malta’s admission to the Council of Europe (1965) (3)
   (b) Malta’s formal application to join the European Union (3)
   (c) the debate for and against the proposed union before 1998 (6)
   (d) the events between 1998 and 2004 leading to Malta becoming a member of the European Union (8) (SEC 2012)

3. Write about the landmarks in Malta-EU relations since the signature of the first agreement in 1970 up to Malta’s entry in the EU in 2004. (Annual Paper 2009)