

Chapter 7

The Construction of New Labour in Malta

Introduction

This chapter and the one following it will adopt the same approach as Chapter 6 in order to analyse New Labour. However the analysis will take into account both the modernisation process of the Malta Labour Party, giving importance to the construction of New Labour ideology and the Party's alliance-building strategy for the 1996 elections, as well as the two years in which New Labour was in power. This chapter will deal with the construction of New Labour. Although it is being argued that the New Labour era began under Sant's leadership in 1992, the preceding five years are also being taken into account due to the attempts and calls made to modernise the Party during that period.

Overdetermination and Conjuncture

The Economy

Unlike the previous Labour Government, the Nationalist Government believed that State's role within the economy should be less direct. The economic policy of the Nationalists was to

liberalise markets and remove import controls on a wide range of products. That brought about economic growth and more opportunities for employment.

The following table quantifies Gross Domestic Product as well as the corresponding unemployment rates during the period in question.

GDP at Factor Cost and Unemployment (official figures)

	1986	1989	1992	1996
GDP (Lm million)	430.6	596.8	769.6	1052.9
Unemployment Rate (%)	6.9	3.7	4.0	4.4

(Briguglio, L. 1988: 190)

(Ministry of Finance and Commerce, 1997b: 227, 229)

(Ministry for Economic Services, 1999: 211, 213)

The table clearly depicts the growth rates under the Nationalists, as well as the relatively low unemployment rates. By 1996 Malta's Real Gross Domestic Product per capita (PPP\$) amounted to \$8,281. (UNDP, 1996: 106).

Apart from the increase in the number of foreign products on the Maltese market, the Maltese economy witnessed various other changes during the period in question. To begin with, the manufacturing sector witnessed a decline in the percentage share of the Gross Domestic Product. During the 1950s manufacturing accounted for 10 per cent of GDP and during the late 1970s it accounted for 33 per cent. By the mid-1990s manufacturing contributed to 24 per cent of Malta's GDP (Ministry for Economic Affairs and Finance, 1997: 38). During the mid-1990s this sector

employed around 19.6 per cent of Malta's workforce (UNDP, 1996: 35) and was dominated by export-oriented foreign-owned companies, notably SGS-Thompson, which had been operating in Malta from 1980 and was responsible for 55 per cent of manufacturing exports (Vella, 1994, 72). On the other hand, the public sector employed more than a third of Malta's workforce (Central Bank of Malta, 1998).

During the period under discussion, tourism – another foreign currency earner - kept on increasing its contribution to the Maltese economy. Lino Briguglio points out that due to the considerable direct, indirect and induced effects on the Maltese economy, tourist expenditures probably accounted for 20 per cent of GDP during the 1980s and early 1990s. It also accounted for around 25 per cent of foreign exchange receipts from trade in goods and services (Briguglio, L. 1994: 40).

With regard to the Nationalist Government's strategy to join the European Union, the economic dimension was being given great importance, especially since Malta was particularly dependent on the European Union for its international trade. By 1995 61.1 per cent of Malta's exports and 69 per cent of Malta's imports were directly related to the EU (Ministry for Economic Affairs and Finance, 1997, p.8).

One of the most tangible effects of the Nationalist economic policy was the hefty rise in consumption. On a per capita basis, consumption presented a real increase of 24.6 per cent from 1989 to 1996, while GDP per head went up by 26.8% during the same period (United Nations Development Programme, 1996: 44). Besides, at current market prices consumer spending increased by 51% from 1992 to 1996, which, in real terms, represented a growth rate of around 35% when adjusted for inflation (Central Bank of Malta, 1998; 153-158).

Class Structure

The vast economic changes under the Nationalist administrations were reflected in changes within Malta's class structure. Maltese society became more upwardly mobile, and the middle class continued to expand. These changes are explained in the following table that compares the occupational status of the Maltese in 1985 with that in 1995.

1995 Census: Malta's Labour Force and Breakdown of Occupational Status

Occupational Status	1985 (N: 105,293)		1995 (N: 131,823)	
	Persons	%	Persons	%
Employers	2,315	2.2	5,514	4.2
Self-Employed	10,695	10.2	12,421	9.4
Employees:				
Professional/Technical	8,106	7.7	20,333	15.4
Administrative/Managerial	5,506	5.2	10,785	8.2
Clerical/Executive	20,229	19.2	30,367	23.0
Skilled/Semi-Skilled	36,923	35.1	46,629	35.4
Unskilled	21,519	20.4	5,774	4.4

(The Malta Independent, 14th February 1999)

(Sultana, 1994: 45-46)

The 1995 national census (published in 1999) shows that during a period of ten years, the percentage of professionals and technicians doubled from 7.7 per cent to 15.4 per cent and that there was also an increase in administrative, managerial and clerical jobs. Within the working class, the percentage of skilled manual workers increased, while that of unskilled workers decreased dramatically from 20.4 per cent to 4.4 per cent. The percentage of females in the professional/technical grades doubled from a little under 10 per cent to 22.1 per cent in the same period. But the increase in percentages in the administrative/managerial grades was much less, from 2 per cent to 3.9 per cent (1999).

Another interesting aspect associated with Nationalist rule was the massive increase of university students, from 1,448 in 1984 to 5,637 in 1996 (Malta Government Website <http://www.magnet.mt/economy/surveysep98>).

By the mid-1990s, the socio-economic status of Malta was such that the United Nations Development Programme (UNDP) placed it within the category of 'high-income industrial countries', wherein social and political variables such as literacy rates, average life expectancy, the number of hospital beds and the number of physicians per capita are taken into consideration together with economic variables (Briguglio, L., 1995: 106). In fact Malta occupied the 34th place in the Human Development Index of the United Nations Development Programme. During the same period the World Bank classified the Maltese economy as an upper-middle income one, wherein the contribution by the manufacturing sector compared well with the manufacturing percentage pertaining to developed countries (1995).

Ideology

The dominant ideologies during the Nationalist Governments – namely the traditionalist and materialist ones - were in many ways similar to those of the previous decade when Old Labour was in power. However there was an increase in importance of post-materialist values in the people's aspirations for the near future. Anthony M. Abela reports the findings of the 1991 Maltese Values survey¹ and states that the Maltese kept on prioritising materialist values such as maintaining order in the nation and maintaining high economic growth; The family, work and religion were given more importance than leisure, friends and politics (The Sunday Times, 31st October, 1999) However the Maltese were capable of combining materialist options with post-materialist concerns (Abela, 1994: 264).

Abela observes that similarly to Western Europeans, the Maltese preferred private-ownership than state-ownership, of business and industry. Competition was being seen as something positive. At the same time many Maltese people were in favour of state responsibility to ensure that everyone had his/her basic needs guaranteed (1994: 262).

The survey also reveals that the Maltese tended to remain just as proud of their nationality as in the 1980s. In fact 74 per cent of respondents said they were “very proud” of their nationality while 17 per cent said they were “proud”. On the other hand, 45 per cent of respondents were unsure whether Malta would gain from joining the European Union – one of the main aims of Fenech Adami's Government (1994: 267).

All in all, Abela maintains that the respondents to the 1991 Maltese Values survey expressed higher levels of happiness than in the 1980s, “possibly because there has been a perceived improvement in the socio-political and economic situation of the country” (1994: 263). Therefore, the fact that standards of living kept on increasing under the Nationalist Governments brought about a more stable situation among the citizens of Malta. Malta was becoming a middle-class society with an appetite for consumption, although it was more materialist and traditionalist than its Western European counterparts.

The Maltese Values survey of 1995 confirms most of the findings of the 1991 survey. However, of particular significance is the fact that, in response to a set of questions on materialist and post-materialist values, the 1995 survey revealed that, with regard to the two most popular values, “fighting rising prices” achieved more first preferences than “maintaining order in the nation” (The Sunday Times, 14th November 2000). These two materialist values occupied inverse roles in the 1991 survey. Abela says that the preoccupation on financial matters could have been “due to the fact that the Maltese people are spending more than they can afford” (Abela, 1996: 85). However, “it does not seem that most of the Maltese cannot cope with rising prices” (1996).

In 1995, respondents also said that Malta’s most important challenges were “the fight against drug trafficking” (83%), “environmental protection” (32%), “the fight against terrorism and violence” (29%), “the fight against criminality” (28%), and “immorality and corruption in all social aspects” (24%) (1996: 81). The 1995 survey also revealed a political shift towards the left. (The Sunday Times, 14th November 2000).

¹ The Maltese Values survey is the Maltese version of the European Values questionnaire. This was re-administered in Malta in the 1990s by Gallup in association with the European Value Systems Study Group (EVSSG) (Abela,

Political Ideology and Strategy

Reform of the Party

Now that, in 1987, the Malta Labour Party was in opposition for the first time in sixteen years, various voices within the Party started calling for change.

In a number of articles appearing in newspapers published by the General Workers Union, Dr. Alfred Sant appealed for renewal of the Party in order to be electable next time around.

In '*Kontra l-“antiki”?*'² Sant emphasised the need for the Malta Labour Party to renew itself without betraying its old guard and its socialist foundations (*L-Orizzont*, 29th July 1988).

In an article entitled '*Biex Nirbhu*'³, Alfred Sant put forward a pragmatic argument wherein he stated that the Malta Labour Party should adopt or otherwise electoral proposals “after calculating whether the proposal will win us more votes or lose us votes” (*It-Torca*, 19th March 1989). Sant’s argument was based on the fact that elections are won and lost on a few hundred votes

In another newspaper article published on June 17th, 1990 Alfred Sant proclaimed that he would be “the first to agree with any proposal that would helped us regain the majority of votes for socialism. I would agree with it even if it came from the devil himself” (*It-Torca*, 17th June 1990).

1994: 256).

² Tr. from Maltese: ‘Against the “old guard”?’

In the meantime a number of articles appealing for reform of the Malta Labour Party appeared in a new think-tank journal – *Society* – published by the Party itself and edited by Alfred Sant.

One such article, by Mario Vella – who succeeded Sant as President of the Malta Labour Party – spoke about the need for the Malta Labour Party to communicate in a manner that attracted voters such as intellectuals and young people (Vella, M., 1989b: 6). Another article by Vella appearing in the same journal, entitled ‘*Would You Recognise the Middle Class If You Saw It?*’ put forward an argument which appealed for Socialism’s urgent incorporation in its strategy of two important categories within the middle-class, defined by Vella as the ‘traditional-petty bourgeoisie’ (made up of directly productive self-employed people such as small-holding farmers, craftsmen, and small self-employed operators in the private market sector) and the ‘new petty bourgeoisie’ (made up of wage earners and self-employed persons such as office workers, business machine-operators, accountants, engineers, researchers and so on). Vella argued that the Right had been successful in attracting these categories within its ranks (Vella, M. 1989c).

Another contributor to the journal *Society* was Alfred Mifsud, who wrote a very direct article entitled ‘*The Labour Party – Future Directions*’ in 1991. Mifsud stated that it had become urgent for the Malta Labour Party to carry out ongoing reform in its structures and mentalities in order to catch up with social change (Mifsud, 1991: 3).

Mifsud stated such reform should start from what he perceived to be the two guiding principles of Labour ideology, namely freedom from colonialism and neo-colonialism, and social justice

³ Tr. from Maltese: ‘So that we can achieve victory’

within democratic politics (1991: 2). He then put forward a number of proposals by means of which the Malta Labour Party would be able to modernise itself. These included the following:

- The embracing of development along the lines of a mixed economy, within which the principal economic sectors would be controlled by the state, and the private sector would be given the widest possible space, so long as the social needs of the population were protected;
- A policy which would enable price control to be carried out not by direct measures but by macro-economic ones;
- The promotion of environmentally sustainable development;
- Prioritisation of education and training both for youths and for adults;

Mifsud also suggested carrying out a thorough analysis of the Labour Movement's ideas and methods of operations, including the Party's merge with the General Workers' Union, and that after the following election the statutory fusion between the two should end (1991: 5). He also appealed for the modernisation of Labour's communication strategies, financing, and internal organisation. Indeed, Mifsud stated that in politics, the same rules apply as in trade, where "packaging is as important as the product itself" (1991: 4).

Finally, Mifsud proposed that the Malta Labour Party change its headquarters, and move away from the peripheral industrial zone it was situated in, within the second district, to a more central place which was more accessible to the middle class. As he put it

“The Macina⁴ thrusts upon the Party too heavy an impression that the [Malta] Labour Party is only for those who wear the boiler-suit. Unfortunately, as technology advances the boiler-suit attired worker is bound to become a rarer species” (1991: 5).

The various calls for reform within the Malta Labour Party also included the harsh criticism by Wenzu Mintoff and Toni Abela during the 1989 General Conference which discussed the Party’s violent and corrupt elements and practices.

Following Labour’s electoral defeat in 1992, when Karmenu Mifsud Bonnici resigned from leader and spoke about the pressing need for change within the Party, he reiterated much of the arguments put forward by the various Sants, Vellas and Mifsuds. This was evident in his appeals for the Party to recognise the various changes that had taken place within Maltese society and to update the Party accordingly, without neglecting its basic principles. It was even more to the point when he appealed that Labour attract within its ranks youth, intellectuals and the middle class, and when he proposed the dismantling of the fusion between the Malta Labour Party and the General Workers Union (*KullHadd*, 6th August 2000).

The 1987-1992 legislature did not bring about electoral success for the Malta Labour Party. But calls for change were being put forward, appealing for modernisation of the Party and for a strategy that would attract the upwardly mobile sections of Maltese society. The calls were given the quasi-official go-ahead by Karmenu Mifsud Bonnici in his historic speech following the 1992 electoral defeat. So Labour was to follow a different route, between 1992 and 1996, under the leadership of the new leader of the Party, Alfred Sant.

⁴ the *Macina* was the name of the Malta Labour Party headquarters at that time.

Economic Policy

Dominic Fenech observes that under Sant's leadership the Malta Labour Party accepted the free-market economic system as well as the resultant diminishing role of the state (Fenech, D., 1997).

Immanuel Mifsud reaches the same conclusions, adding that *Ic-Cittadin l-Ewwel*⁵ represented some major political shifts within the Party's ideology. Mifsud observes that New Labour supported the private sector with a free-market economy based on competition, choice and liberalisation (Mifsud, I., 1997: 141).

In fact, Labour's electoral programme for the 1996 elections made it clear that

“Labour's new policy is committed to maintain the current approach of trade liberalisation, through fair and effective competition, allowing a real choice for the consumer” (The Times, 1st October 1996).

Some concrete examples of Labour's policy shifts in this regard were the stance to allow private hospitals and private schools to develop, the criticism of protective levies, and the belief that the private sector should be the pillar of the economy (Malta Labour Party, 1996a, 1996b).

While Old Labour emphasised the priority of work, protection of local industry as well as foreign investment, New Labour emphasised the virtues of the free-market and the resultant gains for the consumer.

Foreign Policy

During 1992 and 1996 Alfred Sant wrote prolifically about Malta's relationship with the European Union. Among his writings was the book entitled '*Malta's European Challenge*' (Sant, A.: 1995), which includes various papers presented by Sant on the issue in question. In what was to be Labour's official foreign policy, Sant concluded that membership within the European Union would bring about more disadvantages than advantages for Malta. The main reasons put forward by Sant included the following:

- An uncertain future for locally-oriented industry due to lack of time for such industry to restructure itself;
- Rising costs for export-oriented industry, losing its competitive edge and discouraging investment;
- The eradication of most Maltese agriculture and husbandry;
- The increase in the price of food;
- The right for European Union citizens to work in Malta;
- Foreign ownership and control of the financial sector;
- The transfer of structural funds from the European Union to Malta and the similar transfer of revenue from customs and Value Added Tax (albeit a percentage) from Malta to the European Union;
- A negative balance in Malta's balance of payments with the European Union (1995: 35-37).

⁵ Tr. from Maltese: 'The Citizen Comes First'

New Labour's foreign policy proposed the concept of making Malta a 'Switzerland in the Mediterranean'. This was emphasised in the 1996 electoral programme and defined as a policy that would unite Malta's European and Mediterranean international orientations short of European Union membership. The setting up of a free-trade zone and various bilateral agreements would be the culmination of this option (The Times, 30th September 1996).

The way New Labour approached foreign policy was in various ways similar to that of Old Labour, emphasising the economic aspects of international relations while maintaining that all Maltese workers and anything Maltese should be given priority in that policy.

Class Interests

The Malta Labour Party's 1992 decision to end the merger with the General Workers' Union symbolised the new approach that was to be taken by the Party in its class relations. The Party embarked on a new approach to attract the middle classes, as well as other categories, within its ranks. However, that did not mean that Labour would cease its close relations with the General Workers' Union. In an interview with the *The Malta Independent* on 30th of January 1994 Sant himself emphasised that the Party and the Union were allies (The Malta Independent, 30th January 1994).

Important instances with regard to the new strategy by the Malta Labour Party were highlighted in the newspaper *The Times*. The newspaper's headline on August 20th, 1994, was '*MLP wants to build new alliances with every sector*'. Sant was reported to be aiming at forming wide alliance which would include those who depended on wages for their livelihood, such as workers, the employed, the small self-employed, farmers and fishermen" (The Times, 20th August 1994). *The*

Times also highlighted Labour's declaration that once in government it would change the 1976 Old Labour industrial legislation in order that the associations of the self-employed be given due recognition like other unions. *The Times* also reported that Sant had expressed his support towards the traditionally pro-Nationalist General Retailers and Traders Union – which represented the self-employed - in its opposition to VAT (*The Times*, 12th September 1994).

New Labour's novel approach towards the 'small' self-employed in particular was also emphasised in the 1996 electoral programme, where it was emphasised that

“Labour is fully confident that the repeal of VAT will give a new sense of confidence to the commercial sector. This should be especially true for the small self-employed businessmen who have been badly hit by government policy in the recent years” (*The Times*, 1st October 1996).

New Labour author Joseph Muscat writes that the approach taken by the Party with regard to social classes was a breakthrough, due to the fact that when referring to the term 'worker' Labour was not only referring to those who depend on wages, “but also those who take risks and work independently” (Muscat, J.: 1998: 17).

The New Labour approach to attract various classes and categories within its ranks was also utilised to attract particular lobby groups. Apart from the General Retailers and Traders Union, New Labour also did its best to attract the twenty thousand hunters and trappers. Such a strategy had never been given importance under Old Labour, but it was prioritised by New Labour especially in its 1994 agreement with hunters and trappers. Commenting on this situation, Dominic Fenech states that hunters and trappers were a stronger force than the environmentalists

who agreed with the restrictions imposed on hunting by the Nationalist Government. (Fenech, D., 1997: 169).

New Labour's class-related strategy was different from that of Old Labour. Instead of adopting policies that excluded other social classes, categories and associations save for the General Workers' Union, New Labour was adopting an approach that tried to include those who had previously been alienated by the Party. The 'small' self-employed were given most emphasis in this strategy

Party Interests

The New Labour political strategy, apart from emphasising the need for alliances with various social classes, categories and associations, also gave considerable importance to what were being defined as 'National' rather than 'Party' interests. Coupled with this was the emphasis of carrying out politics in a calm and civil manner, in complete contrast with the rough methods associated with Old Labour. The breakthrough in this strategy was Alfred Sant's closing speech at the Malta Labour Party's 1993 General Conference, where he made it clear that the Party had to be open for everyone. In his words "Our members have to explain to everyone that those who are not against us are with us" (*In-Nazzjon Taghna*, 5th February 1993).

The Times commented on this speech by saying that it seemed decidedly like "the opening shot in an electoral campaign, promising an unclouded choice to the electorate and clearly overturning an old Labour battle-cry against people who did not see eye to eye politically with the MLP" (The Times, August 20th 1994). The newspaper also said that Sant's strategy took a line "which

is diametrically opposed to an old Labour grassroots, if not official, policy – *min mhux maghna huwa kontra taghna*⁶ (1994).

This New Labour policy was also given its due importance in the 1996 electoral programme, where it was stated that a Labour Government would “work hand in hand with all citizens, whom it continues to regard as being first and foremost” (The Times, 1st October 1996).

The inclusive approach adopted by New Labour in its relations with social classes, categories and associations was therefore also being extended to its relations with people who had not traditionally belonged to Labour. The violent image had disappeared. It had been replaced by a calm and modern image that prioritised the Nation over the Party.

Power of the Leader

The various changes that occurred under the New Labour strategy could not have been complete without the Party carrying out its programme for renewal. This needed a strong leadership, a quality Alfred Sant possessed. On the other hand the New Labour leader lacked Mintoff’s charisma. Joseph Muscat observes that Sant was also frequently considered strange and very shy (Muscat, 1996: 19).

According to Vincent Farrugia, the Director-General of the General Retailers and Trade Union, Sant was capable of listening to others and building structures so as to carry out his policies. Farrugia considers Sant “‘a management’s man’, with a logic based on economics” (1996: 87), yet who has incorporated this logic within a political framework.

⁶ Tr. from Maltese: ‘those not with us are against us’

During the 1996 electoral campaign New Labour's calm and civil style stood out in contrast with Old Labour's electoral campaigns during the 1970s and 1980s. The emphasis on the 'winning team' made up of Dr. Alfred Sant, Dr. George Abela and Dr. George Vella, symbolised the new moderate leadership team, in contrast with the militant strong leadership of Dom Mintoff. The fact that George Abela was also legal advisor to the General Workers Union helped maintain links with Labour's traditional allies, amidst the various changes taking place within the Party.

Whereas Dom Mintoff had depended very much on his charismatic and rhetorical skills during mass activities such as mass meetings, Sant adopted a novel and professional approach to the Malta Labour Party – the use of the Party machinery and public relations. In so doing Sant had adapted the traditional values which empowered the authoritarian father-figure as described by Bossevain (1994) to Malta in the 1990s.

Party Machine and Public Relations

New Labour's operations rested heavily on an unprecedented Party machine within the Party's new premises in Hamrun. Equipped with full-timers, the premises had a fully-fledged media apparatus which included Super 1 TV, Super 1 Radio and the Sunday newspaper *KullHadd*. The Party machine was very heavily involved in creating the New Labour image. Public Relations was the key.

Psychologist Edward Clemmer states that a very important strategy in this regard was the way language was used by Sant and company. Clemmer defines Sant as a "General Semanticist" (Clemmer, 2000: 18) who followed in the steps of Alfred Korzybksi, a philosopher who

developed the School of General Semantics. Clemmer states that according to this school's philosophy, language, rather than being considered an image of reality, is "at best it is an image of the structure of reality" (2000: 18-19). According to Clemmer, Sant was able to project this "vision of reality" (2000: 19).

One of the most important decisions taken by New Labour regarding public relations was the hiring of the services of US-based consultant Phil Noble. Since 1979, Noble has been involved in more than 150 political campaigns in the United States and other countries (The Malta Independent, 20th July 1998).

Clemmer states that Noble is known for the "packaging of politics" and the "triumph of imagery" (Clemmer, 2000:58), as well as for negative advertising where the political party attacks its opponents instead of addressing its own proposals and policies positively. Clemmer adds that such a tactic "might especially be used should one's own campaign positions be weak, unsupported, or unsustainable" (2000: 58).

As a matter of fact the New Labour electoral strategy did attack the Party's opponents, especially on issues such as the 'barons' issue, VAT, and the European Union. This could be seen especially on the Party's billboards and propaganda material about the cost-of-living increases due to VAT. It was evident too in propaganda material regarding 'barons' and on a 'tour' of sites allegedly characterised by corruption, abuse as well as environmental destruction, by the Nationalists and the 'barons'.

However New Labour also made use of positive slogans such as ‘*Think positive.....Vote Labour*’, ‘*Labour simply works Better*’, ‘*Nifs Gdid lis-Settur Privat*’⁷, ‘*Tmexxija Laburista Gdida: Nifs Gdid*’.⁸ These were coupled with the inclusive “*Ic-Cittadin L-Ewwel*”⁹ slogan - the latter words being placed under the emblem of the Party for the electoral campaign, consisting of a flower stemming from the MLP letters. Old Labour’s ‘torch’ emblem was nowhere to be seen.

It was not only the old torch emblem that had been discarded for the 1996 electoral campaign. Old Labour symbology, through its absence, was being proclaimed dead by the New Labour public relations strategy. Political terms like ‘socialism’ were hardly ever mentioned, others such as ‘citizen’ were being used much more than terms like ‘working class’, and Dom Mintoff’s mass meetings, which were useful for Labour’s electoral strategy within the second district – were not reported by Labour’s media apparatus.

Sociologist Lou Bondi – who at the time was in charge of the public relations strategy of the Nationalist Party, commented about the successful New Labour PR strategy in a very analytical article which appeared in *The Times* in 2000. As he puts it,

“From the moment Alfred Sant won the election for the [Malta] Labour Party leadership in 1992 – well, sort of won a sort of election – until his 1996 electoral victory, he pushed through a distinct change in his Party’s self image. He painstakingly cultivated a meticulous, systematic and obsessive attention to public relations. Under Sant, appearance became the name of Labour’s game. Substance was substituted by a perfectly concocted recipe of American show-biz politics and

⁷ Tr. from Maltese: ‘A Breath of Fresh Air for the Private Sector’

⁸ Tr. from Maltese: ‘New Labour leadership: A Breath of Fresh Air’

good old mudslinging. No effort was spared to transform a Mintoffian Party that acted first and thought later to one which thought only about acting. This exercise proved to be tremendously successful. As I have been saying for years, at the time, Alfred Sant managed to convince moderate and floating voters that he could give them a better Nationalist Government” (The Times, 20th July 2000).

Labour’s Ideology

Was there a connection between New Labour’s strategy and image-building and ideological change? Or was New Labour’s ideology merely an evolution of Old Labour’s socialist and nationalist impulses adapted to Malta’s overdetermining characteristics during the 1990s?

Contrarily to Mintoff and Mifsud Bonnici, Sant did not make much use of the term ‘socialist’. Sant preferred using terms such as ‘modern’ to describe his policies. At times Sant even shied away from labelling his politics as being leftist or rightist. For example, in an interview with Church Newspaper *Il-Gens* in 1992, he described himself as being pragmatic, solving problems according to the most fitting policies, whether leftist or rightist (*Il-Gens*, 10th April 1992). In another interview, this time with Radio Calypso on June 2nd, 1993 Sant said that Labour was committed to eliminate nepotism, patronage and corruption from Maltese politics (*L-Orizzont*, 3rd September 1993). Yet he did not say that he was committed to embark on the road towards socialism, as had been amply emphasised by Old Labour.

⁹ Tr. from Maltese: ‘The Citizen Comes First’

When he was asked in *The Malta Independent* for his opinion regarding left-wing politics in today's world, Sant stated that "democratic socialism believes...that the collectivity needs to counterbalance market forces, with mechanisms that define social purpose and that defend the integrity of the individual citizen" (*The Malta Independent*, 25th September 1994). Sant was thereby aligning his discourse with that of continental Social Democratic parties. One particular quote rang a bell which sounded very much like British New Labour

"The left-wing and right-wing dogmas of yesterday and of today will not regain nor maintain their currency. The question that will be asked and that will be answered will cover one essential query: does this or that proposal make sense? Can it work?" (Sant, A., 1995: 48).

The electoral manifesto of 1996 gave priority to aspects that contrasted with the aspirations of the Old Labour manifestos. Socialism and the gains of the merger between the MLP and the GWU were discarded in favour of policies which centred around 'the citizen', modernity, freedom of choice, the market and efficiency. However, similarly to Old Labour manifestos, social justice was being considered a focal point for the Party's policies. The term 'working people' was generally used instead of 'worker' and this represented the drastic, strategic change referred to above – 'working people' were considered to be "workers and those who earn wages, *small self-employed* [my emphasis] and pensioners.....and their families" (Malta Labour Party, 1996a: 7).

Immanuel Mifsud notes that New Labour's policies dealing with Malta's' EU membership bid, national security and defence, environmental issues (particularly the hunting question), public spending, employment and inflation had a lot in common with the ideology of the European Right. In this regard, Mifsud pays particular attention to Labour's position on VAT, which

“attracted the support of the business class, traditionally a strong PN ally” (Mifsud, I., 1997: 145).

Mifsud gives particular attention to New Labour’s educational policies, which are contrasted with those of Old Labour. Whereas Old Labour’s policy emphasised equality of opportunity in schools – especially in the elimination of streaming during the 1970s, as well as the 1980s policy in favour of free education for all - New Labour emphasised freedom of choice and stability in education, declaring that Church schools and private schools would be given full space to develop.

Therefore, while Old Labour’s ideology gave great importance to the worker, class struggle and equality, the New Labour ideology emphasised the citizen and a more modern way of life that strove to embrace various sectors of society, many of which had been previously alienated by Old Labour. Yet both ideologies prioritised the ‘national’, whether symbolised by the ‘*Malta l-ewwel u qabel kollox*¹⁰’ or the ‘Switzerland in the Mediterranean’ slogans.

Hegemony and State Power

New Labour had a formidable opponent in the 1996 general elections. The Nationalist Party had won the previous elections in 1987 and 1992 and had even obtained a majority of votes in the 1981 elections. Therefore, one could talk of Nationalist hegemonic power.

The Nationalist Party, had close ties with leading elements of Malta’s business class, and carried out policies while in government which enhanced the economic power of sectors of the

bourgeoisie. These included the importers of various products who had a lot to gain through the opening up of Malta's markets. Godfrey Baldacchino writes that economically speaking, the Maltese class structure is dominated by an "organisational triumvirate enjoying significant inter-family connections and collusions, plus a very ample presence on a large number of company directorships and state appointed boards" (Sultana, 1994: 44).

Noel Agius adds that the "support mechanisms" of the bourgeoisie, which include the Church, much of the mass media and the "old school business community" function so as to reinforce this hegemony (Agius, N. 2000: 119).

However, given that the Nationalists had been achieving electoral majorities for sixteen years, it would be naïve to consider the Party to have been acting solely in the interests of big business. If this had been the case, the Nationalists would have found it very difficult to consistently win such a large number of votes.

Dominic Fenech analyses the main reasons why the Nationalists were so successful during the period in question. To begin with, he states that in 1987 the Nationalists inherited a situation wherein Malta's economic base was robust, and the people had a lot money in their hands but limited choice of products. Hence, the Nationalist administration between 1987 and 1992 did away with protectionism, borrowed money from within the country, and carried out a public-spending spree which helped create an economic boom. At the same time, the welfare state kept on being strengthened - even if the cost was deficit budgeting - and standards of living kept improving. Fenech states that the Nationalists tried to show that class struggle - a pet subject of Old Labour - could be done away with. As he puts it, "in the short term it has done what Labour

¹⁰ Tr. from Maltese: 'Malta comes first and foremost'

failed to do: capture the confidence of the other side's constituency, in this case by dispelling fears of a Thatcherite squeeze on the working class" (Fenech, D., 1992: 191).

Fenech adds that contrarily to Old Labour, the Nationalists addressed common people as 'consumers'. Thus economic liberalisation was perceived by many to be in the interest of both business and consumers (1992: 169).

Indeed, the Nationalist administrations were capable of both pleasing business interests and improving the standard of living of workers. Liberalisation and the strengthening of the welfare state enabled the Nationalist hegemony to thrive.

Crisis of Hegemony

In 1996, when the Nationalist hegemony was defeated by Sant's New Labour, the difference between the Nationalist Party and the Malta Labour Party was not so stark as it had been during previous decades.

Dominic Fenech notes that by 1996 there were no longer polarised positions on issues such as the economic and the social, adding that one could no longer label the parties as socialist or conservative. (Fenech, D., 1997: 167-8). Indeed, according to Fenech, during the 1996 electoral campaigns, much emphasis was made on approach and attitude. He asserts that the two major parties focused to a very high extent on discrediting their opponent - Labour condemning the Nationalists over corruption and abuse of power, while the Nationalists criticised Labour for the undemocratic credentials that had been inherited from its years in government. However, Fenech

also makes it clear that the major political parties were deeply divided on a number of issues, the most notable of which being VAT, hunting and trapping, and EU membership. In Fenech's words, the lack of convergence on these "crucial" issues represent "the most likely explanation for the electoral result" (Fenech, D., 1997: 168). This is even more evident when one considers the fact that under the Nationalists, peoples' standard of living kept on improving. Therefore, the effectiveness of the New Labour counter-hegemony was a determining factor that brought about the downfall of the Nationalist Government.

Counter-Hegemony

As stated elsewhere in this thesis, if elected, the New Labour opposition promised a wide range of reforms. These included the abolition of VAT as well as promises to hunters and trappers, to the private sector, to virtually every social category (including youth, women, elderly, various categories of workers, the small self-employed and consumers) and to environmentalists. New Labour also promised more participation in Malta's decision-making process, as well as the implementation of various policies that contrasted with past Labour policies and/or practices, in areas such as the economy, education and health.

Two New Labour battle cries made a strong impact on two of Malta's most notable lobby groups – the self-employed, hunters and trappers. Another battle-cry aimed attracting the floating-voters.

New Labour's emphasis that it was not in Malta's interest to join the European Union, coupled with the promise to remove VAT and replace it with a taxation system based on the existing one, was considered very attractive to the small self-employed. The General Retailers and Traders

Union, had harsh criticism of VAT as well as cash-registers producing fiscal receipts. It was not the first time that the General Retailers and Traders Union had stated that small-businesses should not act as tax collectors for the Government. Dominic Fenech says that by means of this counter-hegemonic strategy New Labour was capable of reconstituting a social-class alliance of wage-earners and self-employed. He adds that this strategy was proof that the 1996 elections were “fought and decided along class lines” (Fenech, D., 1997: 169).

However, Fenech himself acknowledges that it was not only a matter of class. This was evident in the hunting and trapping question. The promises made to hunters and trappers, as well as the agreement between Labour and hunters’ and trappers’ organisations, were very much welcome by these organisations especially in view of the stricter regulations imposed by the Nationalist Government in 1994. In this regard Boissevain says, “The support that many hunters subsequently gave Labour is thought to have contributed substantially to Labour’s electoral victory” (Boissevain, 2000: 7).

The fact that New Labour also gave importance to issues which many Maltese people considered to be of prime importance, the most notable of which being drug trafficking, as well as other issues such as environmental protection, criminality and corruption (Abela, 1996: 81), also played an important role in the Party’s counter-hegemonic strategy. This was evident in New Labour campaigns on ‘barons’.

New Labour’s counter-hegemonic strategy also emphasised the Party’s opposition to political patronage as well as the corresponding commitment to go beyond traditional party-lines and work with all people. Alfred Sant was very direct in this regard, in a prominent article published a few days before the 1996 general elections:

“We will not allow a situation to develop, as it has in recent years, where links of familiarity and collusion prevail between centres of political power and persons involved in crime.....A Labour Government will sincerely strive to be the Government of all Maltese and will make sure that all citizens feel that this fair land belongs to all of them, independently of the political, cultural or social beliefs that may ‘divide them’” (General Elections 1996 – The Malta Independent, 1996: 7).

Thus, New Labour’s counter-hegemonic strategy aimed at attracting categories which had not formed part of the Old Labour historic bloc – the self-employed, hunters and trappers, and the floating or middle-ground voters. To each category it promised to bring about changes which would suit their interests. The net result was Labour’s electoral victory in 1996.

Conclusion

In this Chapter it has been shown how New Labour was constructed between 1987 and 1996. Various appeals for reform were made between 1987 and 1992, and many of them were put into practice from 1992 onwards, when the New Labour era began. Such changes enabled the Party to win the 1996 elections. The following chapter will analyse the 22 months of New Labour Government, and will highlight the major ideological and strategic characteristics of New Labour.