

# A small-island state within a changing security climate: the case of Malta

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**Abstract:** The end of the Cold War led to a seismic change in the political and security milieux. Within this changing context, small states were perceived as being weak and vulnerable since they are ‘powers which lack the resources and ability to maintain an independent international role’. This study seeks to analyse Malta’s role in this changing security milieu following the end of the Cold War. As a small-island state on the periphery of the European continent, Malta participates in the initiatives which help to address the geopolitical realities of the Mediterranean. The use of Malta as a case-study presents a more nuanced view of the role of small states within the context of the new security milieu. It portrays two different viewpoints: that of a small-island state within a changing security scenario and that of a quintessentially Mediterranean state. This qualitative analytical study utilizes a number of primary sources (contemporary newspaper articles, interviews, and leaked diplomatic cables) as well as a selection of secondary sources to investigate Malta’s role in the provision of security within the Mediterranean area.

**Keywords:** Small states, islands, European Union, Malta, foreign policy, security policy, defence policy

The end of the Cold War led to a seismic change in the global political and security milieux. The United States consolidated its hegemony; a ‘new world order’ dominated by increased globalization and established international institutions such as the United Nations and the World Bank seemed to beckon.

In Eastern Europe, the socialist regimes governing Soviet satellite states disintegrated. Germany re-unified, the Iron Curtain

was dismantled, and relations between Moscow and Washington normalized. The march towards further European integration following the signing of the Maastricht Treaty in 1992 seemed unstoppable. These developments altered the political dynamic.

The ensuing optimism was dampened by the realization that ‘threats to Western security are going to emanate from different quarters’. Farley questioned whether the Mediterranean would become a ‘southern threat for northern shores’. The growing popular demand for defence budget cuts, in light of the new perceived ‘peace’, was met with fear from governments who were worried about ‘the strategic and economic repercussions if this mood was allowed to have its head’. Farley identified other threats emanating from the emerging North-South conflict:

Population expansion on the southern shores ... brings with it concomitant pressures for migration ... those who can, emigrate to northern Mediterranean countries to seek work ... The arrival of so many people of different colour and culture in these various countries sets up suspicions, fear and resentment amongst the indigenous populations to a considerable degree.<sup>1</sup>

Terrorist movements claiming Islamic identity also strengthened their presence. Such movements gained ground in countries where ‘the promises of prosperity post-independence have remained unfulfilled’.<sup>2</sup> The security milieu was radically altered following the 11 September 2001 terrorist attacks.

Other security issues related to international crime intensified. These include drug trafficking, human trafficking, money laundering, and piracy. The new security scenario is less concerned with direct military threats by states; new security concerns are shaped by non-state actors. The pervasive nature of security risks means that states must also adopt measures to ensure that threats are minimized.

In this context, small states are viewed as being vulnerable. They are often referred to as ‘weak states’ since they are ‘powers

1 J. Farley, ‘The Mediterranean – Southern Threats to Northern Shores’, *The World Today*, Vol. 50, No. 2 (1994), 33–6.

2 Ibid.

which lack the resources and ability to maintain an independent international role.’ Rothstein believes small states recognize that they cannot obtain security primarily by the use of their own capability. This view is also shared by Bartmann who argues that ‘Small states lack the military capabilities to counter a security threat.’<sup>3</sup>

## **The Case of Malta**

Malta brings to the discussion table two interesting perspectives: that of a small-island state within a changing security scenario and that of a quintessentially Mediterranean maritime state on the periphery of two great continents, Africa and Europe.

It became a member-state of the European Union (EU) on 1 May 2004 together with nine other countries. Malta was now the smallest and southernmost member-state as well as a border-state and point of entry into the EU. This new reality itself obliged Malta to take on a new role within the region and within the institutions of the EU.

This study examines Malta’s role in the first years following EU membership. The issues examined include the security challenges Malta faces but exclude the Libyan Civil War since the latter merits a study and a consideration of its own. The study presents a nuanced view of the role of small-island states within the context of the new security milieu. It reveals that Malta was neither a passive participant nor a main player but rather a cautious partner.

## **EU Membership and the Mediterranean Dimension**

Malta’s membership in the EU was preceded by a decade-long debate on whether this would be compatible with the constitutionally-entrenched Neutrality status. A declaration confirming this status was attached to the Treaty of Accession; Article 17 of the EU Treaty states

3 C. Ingebritsen, I. Neumann, S. Gstohl, J. Beyer (Eds.), *Small States in International Relations* (Washington, 2006) and G. Baldacchino (ed.), *A World of Islands: an island studies reader* (University of Prince Edward Island, 2007).

that any move towards a common defence policy should respect the constitutional requirements of each member country.

The then Minister for Foreign Affairs, Dr Joe Borg, said that the prime reason for seeking to be part of the EU was determined by Malta's geopolitics and size: 'if anything goes wrong in the area surrounding us we might be among the first to feel the repercussions because of our size and limitations. We are limited by the extent to which we can protect ourselves.'<sup>4</sup>

This standpoint is consistent with how a small-island state views itself. Owing to the vulnerability and limitations of size and geography, most states feel their security is best protected if they are part of a larger political group or alliance. Malta's membership in the EU was well received in other states and it led to closer cooperation with other member states. The principle of sovereign equality – that the vote of each country has an equal weighting in an international setting – makes Malta an attractive partner for regional and global cooperation. This view is shared by most diplomats posted to Malta.<sup>5</sup>

Nonetheless, this development has not always been viewed favourably. The former Prime Minister, Dr Alfred Sant argued that 'by belonging to the EU, Malta would have to introduce (as it did) pan-European policies that would create political, economic, and diplomatic distance between Malta and its southern neighbours'.<sup>6</sup>

On the latter point, political and economic differences between Europe and North Africa are more pronounced and 'perceptual and tangible gaps have continued to increase'. Therefore 'if geo-strategic stability between Europe and the Mediterranean is to be achieved a more concerted effort must be implemented with a focus on the Mediterranean'.<sup>7</sup>

In this regard, Malta was one of the 27 countries to participate in the 1995 Euro-Med conference in Barcelona and supported the establishment of the Union for the Mediterranean in 2008. Malta is also an active participant in the 5+5 Western Mediterranean Defence Initiative. The

4 J. Borg, 'Interview' in A.P. DeBattista, 'The Role of Small Island States and Jurisdictions in Reinforcing Global and Regional Security, Unpublished MA dissertation presented to the University of Malta, 2012, 311–17.

5 DeBattista.

6 A. Sant, 'Remarks' in DeBattista, 365–68.

7 S. Calleya, *Mediterranean Perspectives on International Relations* (Malta, 2009), 15.

initiative involves ten countries located around the West Mediterranean and it ‘aims to establish a propitious frame for dialogue and cooperation’.<sup>8</sup>

## Search and Rescue

Small-island states are often responsible for large areas of territorial waters which translates to additional responsibilities in terms of patrolling the seas and effecting search-and-rescue missions. Malta’s Search-and-Rescue (SAR) area is estimated to be the size of Great Britain covering an area extending from Tunis to Crete. Within this area, Malta is tasked with coordinating the rescuing of migrant boats as well as seafarers on commercial vessels, private yachts, and cruise liners.<sup>9</sup>

Owing to limited resources, the Armed Forces of Malta (AFM) must fulfil various roles. The former Director of Defence Vanessa Frazier stated that the AFM’s major international obligations mainly concern search and rescue.<sup>10</sup> Maltese vessels and aircraft are on constant patrol and were previously assisted by the Missione Italiana d’Assistenza Tecnico-Militare (the Italian Military Mission) which used to finance two helicopters and an Italian pilot.<sup>11</sup> Since 2014, the AFM has been investing in its own equipment and it currently operates three Augusta Westland helicopters and two King Airs which ensure an effective monitoring of the SAR. The Italian Military Mission was affected by the 2015 Italian defence budgets cuts and by 2017 its presence will be limited to two officers from the Italian Navy and the Italian Air Force.

The SAR puts a strain on Maltese resources and international assistance is often required. Small-island states will, to a certain degree, always remain dependent on some form of assistance.

Assistance helps to indirectly strengthen regional security and serves as a gesture of good will. In 2008 the AFM had ‘urgent requirement to acquire modern helicopters capable of safely operating over water at long distances from its shores for Counter-Terrorism, Counter-Narcotics, Border Control, and Maritime Law Enforcement missions’.

8 MEDEA Institute, <http://www.medeabe> (accessed 03.VI.2016).

9 V. Frazier, ‘Interview’ in DeBattista, 321–31 .

10 Ibid.

11 G. La Cognata, ‘Interview’ in DeBattista, 346–51.

The US was in favour of such assistance claiming that ‘the provision of these aircraft to the AFM will have a long-lasting impact on US-Maltese relations’. Moreover, ‘it will allow the AFM to be more effective in applying the military-to-military training that the US has provided in the past. In particular, it will allow them to provide better coverage within their assigned search-and-rescue region’.<sup>12</sup>

Malta still finds itself in a situation where its capacity is questioned by neighbouring countries. In 2009 Italy and Malta could not reach an agreement over who was responsible for the rescue of 140 immigrants at sea. The media reported that Italy was applying direct and indirect pressure to reduce the size of Malta’s SAR. Malta was being told that the SAR was ‘hindering the country’s ability to handle the illegal immigration problem effectively’.<sup>13</sup>

The Ministry for Home Affairs denied this and considered the large SAR to be to Malta’s advantage since a reduction in its size could lead to a reduction in revenue. *The Sunday Times* quoted some sources which claimed that the real reasoning behind Italy’s request was linked to the benefits ‘from funding for the Italian *Guardia Costiera*, to fishing zones, and even oil exploration’.<sup>14</sup>

The foregoing case suggests that small-island states are still subject to direct and indirect international pressure and are still dependant on some form of assistance. Membership in regional blocs such as the EU could be an attempt to counteract this dependency.

## **EU Institutions and Malta’s role as a Border State**

Malta participates in a number of EU initiatives. They include the EU’s Neighbourhood Policy (ENP), the Common Foreign and Security Policy (CFSP), and the Common Security and Defence Policy (CSDP).

Malta is an active participant in the CFSP. It takes part in ‘election observation missions organized by the European Union and other international organizations’ and promotes ‘dialogue between the EU and the Arab League through concrete initiatives’.<sup>15</sup> Malta’s

12 Wikileaks.org – 08VALLETTA107.

13 *The Sunday Times*, 26.IV.2009.

14 Ibid.

15 Ministry for Foreign Affairs, <http://foreignaffairs.gov.mt/> (accessed 04.VI.2016).

constitutional neutrality may enhance the role it plays within the CFSP. Petersen argues that neutral countries can impact the CFSP positively by ‘making the policy less aggressive and more acceptable to the international community’.<sup>16</sup>

Malta also hosts the European Asylum Support Office. It staunchly supported the setting up of this office ‘in order to focus EU attention on the significant pressure that Malta faces with the asylum seekers’.<sup>17</sup> The organization was established in 2010 in order to ‘strengthen EU countries’ practical cooperation on asylum, to support EU countries whose asylum and reception systems are under particular pressure’.<sup>18</sup>

As a point-of-entry into the EU, any person crossing this border can move freely throughout the Union. Dr Joe Borg recalls that this was a point which had to be dealt with in minute detail prior to EU membership: ‘There was always the fear that with a weak link in any part of the Union, and with the opening of borders for movement of persons, people would seek to enter from that point.’<sup>19</sup>

Malta is also a member of the Schengen Area. Arrest warrants issued in any European country are now enforceable throughout the EU. Such initiatives help small states engage in multilateral cooperation and may help to prevent states from turning into the afore-mentioned weak links.

Malta receives EU funds in order to strengthen its maritime border. These funds include the External Borders Fund (EBF) which allowed the Maltese Government to better equip the AMF and the Police Force. The EBF is part of the ‘Solidarity and Management of Migration Flows’ programme and has the function of helping to support ‘the protection of EU external borders ... as well as smooth movement of legal travellers at the borders’.<sup>20</sup>

The US has also expressed an interest in Malta’s border role and has provided considerable assistance which was aimed to ‘directly translate to the ability to more effectively identify and interdict sea

16 K.K. Petersen, ‘Neutrality: a Common Foreign and Security Policy, and Conflict Resolution: The Future of European (and Global?) Security’, *EUSA 8<sup>th</sup> Biennial International Conference* (Nashville, 2003).

17 Wikileaks.org – 09VALLETTA113.

18 European Law Online, <http://eur-lex.europa.eu/> (accessed 03.IV.2016).

19 Borg.

20 Ministry for Home Affairs and National Security, <http://homeaffairs.gov.mt/> (accessed 22.V.2016).

borne traffic involved in Counter-Trafficking as well as Counter-Terror and Counter-Proliferation operations and help Malta to address its number one security issue – Illegal Migration’.<sup>21</sup>

## Illegal Migration

According to the UNHCR, over 1,000,000 migrants crossed the Mediterranean in 2015.<sup>22</sup> This humanitarian crisis poses new policy challenges of a social and institutional nature which include an ‘overburdened social welfare system, rising crime rates and even international terrorism’.<sup>23</sup>

The ongoing lawlessness in Libya, the conflict in Syria, the rise of terrorism inspired by Islam, tension in sub-Saharan Africa, and failed states in the Horn of Africa are placing additional pressures on migration patterns to the point where a number of countries in Europe have declared a state of emergency.

An estimated 17,743 migrants landed in Malta between 2003 and 2013. The sheer numbers constitute a security problem; relative to population size, this equates to around 2.5 million immigrants arriving in France or the UK.<sup>24</sup> Malta’s size further exacerbates the problem since, at 1,265 persons per km<sup>2</sup>, Malta is one of the most densely populated countries in the world. Immigration also posits a security concern owing to the unknown provenance of some migrants. Such fears have intensified following the Paris terrorist attacks in November 2015 and the Brussels terrorist attacks in March 2016.

This phenomenon exerts logistical pressures on Malta’s security structure. In the report on ‘Managing the Challenges of Illegal Immigration in Malta’, Calleya and Lutterbeck state that the lack of resources also poses a humanitarian problem: ‘the challenge in this regard is not only to deter irregular migration, but also to prevent the loss of life at sea’.<sup>25</sup>

21 Wikileaks.org – 08VALLETTA107.

22 UNHCR, <http://data.unhcr.org/mediterranean/regional.php> (accessed 08.VI.2016).

23 D. Lutterbeck, ‘Irregular Migration and Immigration Control in the Mediterranean’, in *Mediterranean Perspectives on International Relations*, ed. S. Calleya (Malta, 2009) 61.

24 *The Daily Telegraph*, 21.VII.2013.

25 S. Calleya, D. Lutterbeck, *Managing the Challenges of Irregular Immigration in Malta* (Malta, 2008), 7.



In order to deter migrants, Malta is the only EU state with an automatic policy of detention which applies irrespective of whether migrants seek asylum or not. The policy dictates that arriving migrants are detained for up to 18 months and are then released to an open centre if their asylum claim has been approved.<sup>26</sup>

The EU's Dublin Convention places Malta and Cyprus in a 'disadvantageous situation' since 'it imposes a disproportionate burden on small countries which happen to be located at the EU's external borders. Moreover, in Malta's case, unlike virtually every other country in Europe, there is no 'hinterland' to which they can move'. The EU Commission's Green Paper on the Common European Asylum System acknowledged the challenges faced by border-states such as Malta and Cyprus but stopped short of advocating a revision of the Dublin Convention. It suggested the introduction of 'corrective burden-sharing mechanisms ... for countries with limited reception capacities which are facing particular migratory pressure because of their geographical location'. This was enshrined in the European Pact on Immigration and Asylum which includes a mechanism on voluntary burden-sharing.<sup>27</sup> Malta was one of the countries which argued vociferously for the principle of burden-sharing to be included in this pact.<sup>28</sup>

A person whose request for asylum has been rejected must be returned to the country of origin. Consular officials may have to be brought to Malta to ascertain the identity of the individuals and provide them with a passport. In other cases, the failed applicants cannot be returned home because their personal safety cannot be ascertained. In the case of Somali migrants, negotiating repatriation is problematic. Given that Somalia is a failed state, Malta cannot negotiate a return since there is no state apparatus with which to reach a plausible agreement. As a result, Malta has negotiated 'several resettlement programmes with different countries that are willing to take on migrants who cannot be returned to their country of origin'.<sup>29</sup> The US has been a reliable partner in this regard.

Malta initially supported the European Agency for the Management of Operational Cooperation at the External Borders of the Member States

26 Wikileaks.org – 09VALLETTA169.

27 Calleya and Lutterbeck, 5–6.

28 Wikileaks.org – 09VALLETTA169.

29 Frazier.

of the European Union (FRONTEX). FRONTEX began operations in the Mediterranean to try and halt the arrival of asylum seekers and ‘to coordinate the activities of the border control forces of the EU member countries, which continue to bear the main responsibility for controlling their frontiers’. FRONTEX has been assigned a budget and its own staff; however, it lacks its own assets and operative personnel and is thus dependent on the resources of several EU countries.<sup>30</sup>

A representative from the Italian embassy in Malta stated that FRONTEX is only ‘one of the instruments’ at the disposal of policy makers and that one must ‘go to the root of the problem’.<sup>31</sup> This suggestion has been echoed in the Calleya and Lutterbeck report which highlights that ‘irregular migration to Europe will only be reduced if Africa is able to employ its population and to offer them a more decent living’.<sup>32</sup>

Immigration highlights Malta’s apparent vulnerability; its size, population density, and lack of human resources make it difficult for the small-island state to deal with this challenge without any external help. In international fora Malta has been an effective spokesman in highlighting the vulnerability of small-island states to changing migratory patterns.

Nonetheless, immigration is a problem which is not likely to subside and Malta must engage both with area players and with out-of-area players, such as the US, who have a security interest in the Mediterranean.

## **The Neutrality Clause**

The commissioning of repairs on the flagship for the commander of the US Sixth Fleet USS *La Salle* in 2001 provoked an intense debate over whether such work breached the Neutrality clause in the Constitution which states that: ‘the shipyards of the Republic of Malta will be used for civil commercial purposes, but may also be used, within reasonable limits of time and quantity, for the repair of military vessels which have been put in a state of non-combat or for the construction of vessels

30 Lutterbeck, 69–70.

31 La Cognata.

32 Calleya and Lutterbeck, 9.

... the said shipyards will be denied to the military vessels of the two superpowers'.<sup>33</sup>

The Labour Opposition claimed that these repairs went against 'the spirit and the letter of the Constitution.' The then Minister for Economic Services, Prof. Josef Bonnici, dismissed such claims stating that 'It would be a big mistake for the country to cling to expired policies that had been introduced decades ago and which had come to an end with the historic superpower summit in Malta that had ended the Cold War.'<sup>34</sup> Bonnici believed that the 'neutrality clause was linked to non-alignment between the superpowers' and it was wrong to equate the former USSR with Russia.<sup>35</sup>

Prime Minister Dr Eddie Fenech Adami intervened by threatening 'yard workers with stopping government subsidies if the work was not taken in hand'. The yard workers relented and the relevant works on the USS *La Salle* were carried out and the vessel visited the island again for a second refit in 2003.<sup>36</sup>

The debate over the relevance of neutrality never abated. US ambassadors to Malta were somewhat vocal on this constitutional provision. In an article in *The Sunday Times*, a former US ambassador, Prof. Douglas Kmiec, wrote that 'no modern nation can remain neutral in the face of extraordinary threat to the civil order'. Kmiec expressed concern at the possibility of Malta being used as a springboard by terrorists owing to its constitutional neutrality.<sup>37</sup>

Whilst the original neutrality clause gave Malta the possibility to opt out of any confrontation between the two superpowers, the new security threats did not offer the same option. In reaction to Kmiec's comments, the former Foreign Minister Dr Michael Frendo stated that the neutrality clause has nothing to do with Malta's approach to terrorism for 'it never wavered in its stance.' Although he acknowledges that Malta's neutrality should be reviewed, he still attributed a role to this provision: 'which essentially means not having military base in Malta, and not participating in any military alliance'<sup>38</sup>

33 Constitution of Malta, Chapter 1, 3 (e).

34 *The Times*, 14.VII.2001.

35 *Ibid.*, 13.II.2001.

36 *Ibid.*, 12.VII.2003.

37 *The Sunday Times*, 3.I.2010.

38 *MaltaToday*, 06.I.2010.

Malta's relationship with NATO also re-ignited the debate on neutrality. Malta joined NATO's Partnership for Peace (PfP) programme in 1995. Its membership was suspended in 1996 following a change in administration. A *Note Verbale* presented to the General Secretariat of NATO stated: 'Further participation by Malta in the Partnership for Peace Programme organized by NATO is considered to be incompatible with the Constitutional provisions that define Malta's neutrality.'<sup>39</sup>

A US cable sent prior to the 2008 election disclosed that 'The greatest impact of a Labour victory would be with regard to Malta's willingness to support multi-lateral security efforts ... Labour remains adamantly opposed ... Sant has also indicated he would like to see a reduction in the visits by US navy ships.'<sup>40</sup>

Following the 2008 election, Prime Minister Lawrence Gonzi reactivated Malta's membership in NATO's PfP programme. During the Bucharest Summit, 'Prime Minister Gonzi asserted that with PfP membership Malta will be able to develop its military interoperability, force planning, modernize the armed forces, and participate in training exercises'. Malta's membership in PfP rectified an anomaly in the Europe-wide discussion on security: 'As a non-NATO EU member, the Maltese are routinely asked to leave the room when NATO classified information is discussed during EU defence meetings, something that has been a source of embarrassment for the GOM (Government of Malta) since EU accession.' The Malta Labour Party stated that neutrality was breached and hinted that Double Taxation Agreement was signed on condition that Malta reactivated its PfP membership. The US ambassador denied these accusations.<sup>41</sup> Nonetheless, the US embassy provided Malta with 'support, guidance and communication throughout the process.'<sup>42</sup>

Regional cooperation and the participation in training programmes are important tools for small-island states. The risks faced in the Mediterranean necessitate such cooperation: 'The Mediterranean is a very important passage from one side of the world to another ... [we] have to be vigilant because of the type of vessels and the amount of traffic that passes through our waters.'<sup>43</sup>

39 *Note Verbale*, 1070/96.

40 Wikileaks.org – 08VALLETTA44.

41 Wikileaks.org – 08VALLETTA134.

42 Wikileaks.org – 08VALLETTA135.

43 Frazier.

The US Government provides assistance through the International Military Education and Training and International Narcotics and Law Enforcement programmes in an attempt to try and prevent different forms of international crime.<sup>44</sup> The necessity of international cooperation, the changing security milieu, together with the time-specific wording of the constitutional clause, should serve as an impetus to reappraise the constitutional definition of neutrality in a way which is relevant to current realities. Failure to do so may have the unintended effect of weakening both the letter and the spirit of the Constitution.

### **International Organizations**

Despite its size, Malta participates actively within various international fora. Participation in such fora allows small-island states to launch initiatives and to make their views heard on several issues. The United Nations is a platform which most small-states use to champion causes which directly affect them, such as the threat of climate change which threatens their very existence. Moreover, the principle of sovereign equality allows for equal votes for all UN members irrespective of their size or population. Malta's participation in the UN dates to 1965. Since 1988, it has raised various key issues including climate change, rising sea levels, and migration.

Malta has also been an active member of the Commonwealth since 1964. The Commonwealth was instrumental in highlighting the vulnerability of small states and the need to put the problems such states face on the agenda. Malta chaired a number of Commonwealth committees and hosted the Commonwealth Heads of Government Meetings in 2005 and 2015.

### **Malta's Proactive Role**

The ability for Malta, as a small-island state, to take on a more proactive role can be somewhat limited to activism within international institutions. Nonetheless, some active measures have been taken in order to enhance security.

44 Wikileaks.org – 08VALLETTA96.

In 2009 President Obama delivered a speech on ‘The Way Forward in Afghanistan and Pakistan’. The speech addressed the declining situation in Afghanistan and Pakistan and tried to garner further support from different US partners. The US approached Malta in an attempt to shore up some support for President Obama’s proposal. Ambassador Kmiec ‘pointed out that a major element of the new strategy will be for civilian assistance in projects to eliminate corruption, to revitalize the economy, especially the agricultural sector, and to help rebuild civil society’.<sup>45</sup> Malta’s response to this request was favourable. The Government provided training ‘on subjects such as public administration or law enforcement’ with the proviso that ‘it could not be military aid or training, and that it would have to take into account Malta’s limited resources’.<sup>46</sup>

The AFM partnered the Dutch navy to train and serve in anti-piracy missions off the coast of Somalia. This partnership was essential since the AFM lacked the equipment needed for such operations. Nonetheless, Malta provided some expertise which the Dutch navy did not possess.<sup>47</sup>

Cooperation is essential in other areas. During the period under review, Malta was concerned at the attempts by Iranian banks to access the Euro Payment System. The Maltese ambassador in France was approached by Iran which expressed interest ‘in “investing several billion euros” in Malta’.<sup>48</sup>

A US cable reports that the head of secretariat within the Ministry of Finance expressed concern that two Iranian banks wanted to use Malta’s payment system via London: ‘these were banks that did not have a branch licence in Malta ... but were attempting to “access the payment system of our Central Bank”’.<sup>49</sup>

During a short visit in Malta, the US Under-Secretary for Terrorism and Financial Intelligence Stuart Levey warned that Iranian banks could be used to pursue activities related to the proliferation of weapons and terrorism. He explained that ‘through its state-owned banks, [Iran] employs deceptive techniques to evade the controls of responsible institutions ... the banks that continue to do business with

45 Wikileaks.org – 09VALLETTA525.

46 Wikileaks.org – 10VALLETTA54.

47 Frazier.

48 Wikileaks.org – 09VALLETTA75.

49 Wikileaks.org – 08VALLETTA89.

Iran bear a disproportionate risk of getting tied up in potentially illicit activity'.<sup>50</sup>

Malta's EU membership necessitated the introduction of 'EU-compliant legislation for the prevention of money laundering and strong financial services legislation'. Prior to EU membership, Malta established the Financial Intelligence Analysis Unit in order to coordinate 'the fight against money laundering, collect information from financial institutions, and liaise with parallel international institutions as well as the MFSA (Malta Financial Services Authority) and the GOM Police'.<sup>51</sup>

Trafficking in persons is another pressing concern. Human trafficking is the second largest source of global organized crime, generating approximately \$31.6bn. In the period under review, Malta was not considered to be neither a destination nor a transit country for human trafficking. However, measures had to be adopted in order to avoid such a scenario.

The International Organization for Migration held training sessions in 2007 with 'representatives from Maltese law enforcement and civil society'. It was 'successful in identifying the interrelations of trafficking with irregular migration, analysing prevention, prosecution and protection, and developing possible avenues of cooperation at a national and international level amongst the diverse stakeholders and institutions'. A US embassy cable observed that 'despite a lack of awareness at a national level, the increase in prosecutions in the Maltese courts suggests that law enforcement authorities are conducting investigations into the phenomenon'.<sup>52</sup>

Trafficking claims are also investigated among the migrant population.<sup>53</sup> The US also discussed such issues with the Minister for Justice and Home Affairs and noted that 'the police actively investigate all cases of potential victims of trafficking and have a formalized system in place'.<sup>54</sup>

Drug trafficking is considered to be the largest source of global organized crime. The Mediterranean is not considered to be a major drug route and the situation is believed to be under control. This is

50 Wikileaks.org – 08VALLETTA168.

51 Wikileaks.org – 08VALLETTA479.

52 Wikileaks.org – 08VALLETTA129.

53 Wikileaks.org – 08VALLETTA303.

54 Wikileaks.org – 08VALLETTA530.

confirmed by a US embassy cable which stated that Malta ‘does not play a significant role in the transit, processing, or production of narcotics and psychotropic drugs and other controlled substances’. On a bilateral level, Malta cooperates with states where such threats are believed to originate from: ‘In 2009, Malta and Uzbekistan signed an Agreement on Cooperation in the Fight against Organized Crime, Contraband, and Illicit Trafficking in Narcotic Drugs, Psychotropic Substances, and Precursors.’<sup>55</sup>

The risk that small-island states become potential hubs or transit countries for security threats looms in the minds of several decision-makers. The US channels considerable assistance towards avoiding this. An embassy cable notes that ‘one-third of the world’s maritime traffic passes by or through Malta, with some 1.5 million containers passing through Malta’s Freeport each year’. The Freeport was the beneficiary of considerable US investment which includes the setting up of a ‘Maltese Customs presence in the Freeport ... [and] a \$2.1 million VACIS-equipped (Vehicle and Cargo Inspection System) warehouse’.<sup>56</sup>

Following UN Security Council Resolution 1803, Malta was obliged to monitor any Iranian cargo passing through the island. Malta was also bound to ‘inspect IRISL (Iranian Shipping Lines) cargoes whenever there were grounds to believe that the vessel might be transporting prohibited items under UNSCR 1803 or UNSCRs 1737 or 1747. Given the extensive use that IRISL made of Malta’s Freeport, it was incumbent upon Malta to be exceedingly vigilant.’<sup>57</sup>

The Customs Department in Malta has been developed ‘into one of the top customs operations in Europe’ after receiving ‘US assistance and training’. Their vigilance and the equipment bought with US funds ‘resulted in a 2006 “bust” of an operation to ship gyroscopes used in missile production to Iran, for which a suspect was recently indicted in the UK.’<sup>58</sup>

55 Wikileaks.org – 09VALLETTA490.

56 Wikileaks.org – 08VALLETTA146.

57 Wikileaks.org – 08VALLETTA273.

58 Ibid..



## Conclusion

The events described in this study took place in a period where Malta had to assert itself as a sovereign nation within an interdependent structure – the European Union. They reflect an evolution in security concerns; from the East-West divide to the North-South divide; from defence-oriented concerns to human security issues.

The issues discussed are heavily influenced by the debate on the relevance of neutrality and the evolving definition of neutrality. There is a consensus among Maltese policy-makers about the need to redefine the Neutrality clause in Article 1 of the Constitution. Changing circumstances give credence to this view and a rigid interpretation of neutrality could end up being counterproductive or damaging. Yet, a small-island state like Malta still attributes some value in retaining neutrality as a safeguard against undue influence or pressure from larger states or other regional actors. The US feared that Malta's neutrality could make it more vulnerable to terrorist groups or prevent it from taking part in programmes which help safeguard regional and global security. This view was unfounded. A pragmatic approach to neutrality allays such fears.

New security issues are not confined by borders. Nor are they solely directed against states and their apparatus. The emergence of international and regional fora and the multilateral approach to security is a response to such realities. Within such fora, small-island states have found a voice and are contributing to the discussion and the provision of security on a regional and on a global level. These organizations are perceived to be the most effective tool for conflict resolution and confidence building. Thus Malta's membership in the EU and its participation in other Mediterranean and international fora features prominently in the period under review.

Vulnerability is still an ever-present concern for small-island states and regional actors. Small-island states often view membership in political unions and security alliances as a form of 'safety valve' against any threats and a good source of funding and expertise. Some may fear a loss of influence; nonetheless Malta's activism on several issues, including immigration and other the security of the Mediterranean have strengthened, rather than weakened, Malta's voice.

Vulnerability manifests itself in a number of forms; islands may be limited by size and by geography. Moreover, the security apparatus of a small-island state is hindered by limited resources – both human and financial. There are several logistical pressures on the security infrastructure of a small-nation state thereby making it dependent on some form of external assistance. Notwithstanding these issues, the number of small-island states and the role they have played in the past means that they cannot be discounted or excluded when devising security strategies. Malta is not an exception to this.