

**Ideological and Strategic Shifts
from Old Labour to New Labour In Malta**

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To Penelope Zammit whose love helped me move on.

Preface

On emerging victors in the general elections held on October 26th, 1996, the Malta Labour Party gave the impression that it was going to create a modern Malta, which would once and for all do away with patronage and partisan politics. New Prime Minister Alfred Sant had previously managed to cleanse his Party of its violent imagery, transforming the Malta Labour Party from one which was associated with arrogant governments lead by an authoritarian yet charismatic leader, Dom Mintoff, to a modernised party led by a relatively young and modern leader who accepted to work with all those who wanted to modernise Malta. Labour gave the impression that it was ready to work for the *Citizen* and not only for *Labourites*.

New Labour only managed to stay in power for twenty-two months.

Sant's government, which had a one-seat parliamentary majority, faced an imminent problem: unsustainable national debt. His government tackled this problem by means of austerity measures, and this, together with a parliamentary rebellion by Dom Mintoff himself, as well as other factors, led to the downfall of the New Labour government in 1998. Dom Mintoff, the symbol of the Malta Labour Party for around half a century, no longer remained 'the saviour' for Labourites. He became a traitor. At the same time, Alfred Sant's hold on the Party remained as strong as ever.

When New Labour lost the general elections on September 5th, 1998, I was looking for a research topic for the main part of my Masters Degree in Sociology. New Labour was a temptation I could not resist.

Hence, I decided to compare the Malta Labour Party under Sant with that under Dom Mintoff and his successor Karmenu Mifsud Bonnici. I wanted to carry out a sociological analysis, free as much as possible from myth and propaganda, to analyse the similarities and the contrasts between 'Old' and 'New' Labour. I thought that the best way to do this was to analyse the ideological and strategic shifts from the one (Old Labour) to the other (New Labour).

It has taken me three long years to carry out this study, and I had never assumed that there would be so many complexities on the issue. I found out that, as far as the Malta Labour Party from 1971 to 1998 is concerned, change is neither a simple question of shifts nor a mere evolutionary process. *It could include elements of both.*

Indeed, in this thesis it will be argued that various strategic and ideological shifts have taken place from Old Labour to New Labour. These include ideological shifts in economic policy and the role of the state as well as strategic shifts in political strategy and class and party interests.

It will also be argued that on the other hand, Old Labour and New Labour shared common evolutionary features such as the ideological emphasis on the primacy of (industrial) economy, nationalism and the welfare state, and in the degree of power of the leader within the Party.

In this thesis I have given much importance to the political and economic changes which took place in Malta between the 1970s and the 1990s, as well as to the value-systems in Malta during these years.

I feel that this study not only puts forward an analysis of one of the most interesting political topics of late twentieth century Malta, but also makes an interesting reading because the phenomenon of modernisation of Social Democratic parties is global, ranging from Britain to New Zealand, and from Brazil to South Africa. Indeed, I hope that the study can prove itself useful to those analysing social change both within Malta as well as for comparative purposes with processes of change in other societies.

Acknowledgements

I would like to thank my tutor, Rev. Dr. Joe Inguanez, for his patience and his help. Rev. Dr. Inguanez had also been my tutor for my previous Sociology (B.A. Hons.) dissertation entitled *State/Power: Hiltonopoly* (University of Malta 1998). I feel privileged to have once again benefited from his personalised attention.

In the first stage of this study we discussed the theoretical background and the general scope of the dissertation, enabling me to take time to think in more depth about the issue in question. When I started putting my ideas on paper, we were able to communicate constantly thanks to the use of emails. In this way, a 'hands on' approach was adopted, enabling me to benefit from the guidance of Rev. Dr. Inguanez as much as possible.

Special thanks also go to my father Prof. Lino Briguglio, my mother Marie Briguglio (Snr.), and my sister Marie Briguglio (Jr.) for their help and encouragement and for being of such great influence throughout my life.

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Chapter 1

Introduction

“We remain essentially a politically illiterate nation. Quite possibly, just because we take it so personally, and our obsession with it so much for granted, we seldom pause to take a step out of our immersed state and reflect about this thing called politics, ask how it really works and why it works or idles the way it does. We have hardly produced a single work that defines, never mind theories, about politics in this country, and what makes it peculiarly ours” (Dominic Fenech, in Spiteri, 1998: xi).

This thesis deals with what I consider to be one of the most interesting political topics of the latter part of twentieth century Malta: *the ideological and strategic shifts within the Malta Labour Party between the 1970s and the 1990s*. The Malta Labour Party (MLP) is one of the two dominant political parties in Malta¹, and has been the subject of endless controversy and debate within Malta’s political history. Much has been written about the Party, but to date there has only been one specific and published analysis which compares what is known as ‘Old Labour’ with

¹ The other dominant political party is the *Partit Nazzjonalista* (PN) (Tr. from Maltese: Nationalist Party).

what is known as ‘New Labour’². The analysis, carried out by Joseph Muscat, himself a member of the National Executive of the Malta Labour Party, offers interesting insights, but does not cater for certain social, political, economic and ideological aspects which this thesis considers to be important³. Muscat’s analysis will form part of the starting point of this thesis, together with a hypothesis that puts my study into focus.

Explanation of the Issue

In his benchmarking exercise Joseph Muscat compares Old Labour, which he considers to pertain to the era from 1971 to 1987, to New Labour, which he considers to have been in existence as from 1992⁴ (Muscat, J., 2000: 10). The author identifies Old Labour with Dom Mintoff, and New Labour with Alfred Sant. Muscat aims to find out the “true” identity of New Labour by comparing and contrasting it with Old Labour. He starts his exercise by saying that by definition the name ‘New Labour’ implies change from ‘Old Labour’.

Muscat carries out his analysis by comparing many variables under Old and New Labour - namely economic (mainly industrial) policy, leadership style and electoral base.

² In this thesis, the New Labour era is being considered to commence in 1992, when Alfred Sant was elected leader of the Malta Labour Party. All references to New Labour are being made within the context of the years from 1992 to 1998 - when the Party was voted out of government in Malta’s general elections.

³ Another study, the unpublished dissertation by Karl Schembri entitled *‘Privatisation and the Social Construction of New Labour’* puts forward a Foucauldian analysis of discourse revolving around privatisation in Malta. Schembri argues that Old Labour belongs to the ‘discourse of the public’ while New Labour belongs to the ‘discourse of the private’, which came to being in reaction to the ‘public’ discourse within which Mintoff’s Old Labour was situated. The discourse of the private is considered by Schembri to delegitimise Old Labour and institutionalise New Labour. Schembri dismisses ideological shifts from Old Labour to New Labour, as the Party is considered to fit within the discourses in question.

Given its theoretical framework, I consider Schembri’s study to use an alternative approach to the issue in question, which goes beyond the aim of this thesis.

With regards to economic policy, Muscat defines Old Labour as having been the main catalyst of the development of capitalism in Malta following the country's independence. He argues that this was done by means of a pragmatic industrial policy that aimed to attract foreign owned export-based industrial investment. Muscat adds that investment was enhanced due to price/wage freezes and import substitution. In the process, he adds, a strong welfare state was constructed.

The author considers New Labour to be just as pragmatic in its economic policies, seeking to "redefine Malta's competitive advantage.... [by making it]..... one of a handful of countries which have free access to the [European] Union's market without adopting all the EU's regulations" (2000: 12). He states that that time around the New Labour Government was once again committed to social welfare, adding that this was also shown in New Labour's harsh decisions to tackle the Government's financial problems. Thus, Muscat argues, that although New Labour imposed new taxes, it refused to cut down on social welfare and even increased funds for education and welfare.

On the leadership variable, Muscat states that both Old and New Labour experienced a number of internal rows, and both were perceived to be "one-man shows". The only difference, according to Muscat, is that "Mintoff was too strong to be contradicted and had surrounded himself only with people whom he knew he could keep under his control....[while]... Sant does not have that authority....[and]... he does not seem to want it" (2000: 15). With regards to the significant defections from New Labour during its two years in office, Muscat states that similar problems also occurred in Social Democratic Parties all over Europe. To strengthen his argument, Muscat states that within the Italian *Ulivo*, Prodi and D'Alema could not stick together; within the

⁴ Muscat's article was published in 2000.

German Social Democrats, Lafontaine quit after a few months in office, and Britain's New Labour has suffered numerous defections.

As to electoral base, Muscat states that while Old Labour appealed essentially to the working class, its policies brought about a larger middle class, which "soon could not identify itself anymore with Labour's values and way of acting and started grazing in other electoral fields" (2000: 16). On the other hand, he argues, New Labour took account of the changes in Maltese society and replaced the political term 'worker' with 'citizen'. He observes that New Labour pointed out that it was to protect the interest 'of all the working people' (rather than of the working class), and thus started giving importance to the middle-class, "that is the self-employed, with which Old Labour severely antagonised" (2000: 16). Besides, Muscat states that New Labour's business-like approach attracted unprecedented support from people occupying middle and top management posts. However, he continues, once in government, various grassroots Labourites felt alienated from the Party, as they considered Labour's austere decisions to be tougher on the working class and part of the middle class.

Therefore, Muscat's main argument is the following:

"Basically the results indicate that New Labour is a modern Social Democratic movement that like its predecessor is ready to take pragmatic actions so as to enhance the advancement of all working people. It is ready to go against popular currents in order to safeguard the most vulnerable sectors of society" (2000: 17-18).

In order to analyse the ideological and strategic shifts from Old Labour to New Labour in Malta, I will take account of the variables analysed by Muscat. Besides, other variables will be analysed, supported by theoretical backing that gives much importance to the social context within which Old and New Labour have operated. The variables are placed within four categories, namely *Overdetermination and Conjuncture*, *Political Ideology and Strategy*, *Hegemony and State Power*, and *Crisis of Hegemony*, each comprising economic, political and/or ideological variables.

Hypothesis

Therefore the hypothesis of this thesis is essentially as follows:

Various strategic and ideological shifts took place from Old Labour to New Labour in Malta. However Old Labour and New Labour also shared common evolutionary features.

The shifts and evolutions from Old Labour to New Labour, as well as the respective degree of political success were directly related to economic, political and ideological factors arising from the social contexts within which Old and New Labour operated.

The questions asked in the thesis will include the following:

- Have ideological and strategic shifts taken place within the Malta Labour Party?
- Has the Malta Labour Party evolved in the ideological and strategic spheres?

- Can a general assumption be made regarding ideological and strategic shifts within the Malta Labour Party?

Theoretical and Methodological Foundations

The theoretical infrastructure of this thesis is taken from the ideas of Gramsci and Althusser, as well as other authors using similar theoretical approaches. Concepts such as those revolving around hegemony and overdetermination will be utilised in order to analyse the ideological and strategic variables involved.

Given that this thesis compares various phases of the Malta Labour Party, a historical and comparative methodological perspective⁵ has been adopted in order to analyse the various political stages of the Party. As E.H. Carr puts it “the more sociological history becomes and the more historical sociology becomes, the better for both. Let the frontier between them be kept open for two-way traffic” (quoted in Bulmer, 1984: 155).

Hence I will use the documentary research method - considered by Giddens to be frequently essential in such studies (Giddens, 1993: 695). The underlying discourse within such documents will be taken into consideration, enabling the historical analysis to compare the variables involved, and singling out determining factors. Besides this, empirical evidence based on surveys and statistics will also be taken into consideration, especially in the analysis of social contexts.

⁵ In no way does this mean ‘historicism’, which explains social change in terms of teleology and essentialism.

Organisation of the Thesis

Chapter 2 introduces the reader to the theoretical background and the methodological foundations of the thesis. The chapter will also explain how the thesis applies these to analyse the subject in question. Chapter 3 and 4 present a brief history of the Malta Labour Party, from the Party's birth in 1920 up to 1987, and the latter from 1987 to 1998. Given the issue in question, emphasis will be made on the period from 1971 to 1998. Chapter 5 analyses literature that deals with New Labour and the Third Way in Britain and Europe, paying particular attention to the shifts from Old Labour and traditional social democracy. In Chapter 6, 7 and 8 the theoretical framework of the thesis is used to analyse the ideological and strategic characteristics of Malta's Old Labour and New Labour, as well as the transitory period from one to another. This analysis will deal with Old Labour (1971-87) in Chapter 6, the construction of New Labour (1987-96, with special emphasis on the period from 1992 to 1996) in Chapter 7, and New Labour in Government (1996-98) in Chapter 8. The concluding chapter, Chapter 9, will present the findings of the study. Besides, suggestions for further study in this area of study will also be put forward.

Chapter 2

Theoretical and Methodological Background

Introduction

Various political studies take account of the social context within which power is exerted, together with the related ideologies and strategies used to exert power. In order to analyse the ideological and strategic shifts from Old Labour to New Labour in Malta, a number of approaches will be used. These include the Althusserian concepts of *conjuncture* and *overdetermination* by means of which each social formation is viewed according to its particular characteristics; the Gramscian concept of *hegemony* in order to analyse the construction of power blocs; Gramsci's and Althusser's concepts of *the State Apparatus*, which portray the state as being made up of power relations; as well as various theories which give a material existence to *ideology* and *discourse*, which many social theorists consider to be vital for the exercise of power. These theoretical approaches will be reviewed in the first part of this chapter.

The last part of the chapter will review the methodological procedures utilised in this thesis, namely the historical and comparative approach and discourse analysis.

Overdetermination and Conjuncture

The Althusserian analysis of social formations is not developed in terms of a universal *history* along Hegelian lines, but in terms of a variety of histories, each having its own specific characteristics as well as rhythm of development. In *Reading Capital*, Althusser and Balibar state that

“It needs to be said that, just as there is no production in general, there is no history in general, but only specific structures of historicity, based in the last resort on the specific structures of the different modes of production, specific structures of historicity which, since they are merely the existence of determinate social formations (arising from specific modes of production), articulated as social wholes, have no meaning except as a function of the essence of those totalities, i.e., of the essence of their peculiar complexity” (Althusser and Balibar, 1997: 108-109).

Louis Althusser considers each social formation to be a structure that is characterised by various structures, namely economics, politics and ideology. In his “*Contradiction and Overdetermination*” (1977)¹, Althusser makes reference to Engels by talking in terms of “*the determination in the last instance by the economic*” (Althusser, 1977: 113). However, he adds that a correct analysis of social formations must also take account of various factors that determine the social situation. These factors include

¹ This essay was originally published in 1962.

“the forms of the *superstructure* (the State, the dominant ideology, religion, politically organised movements, and so on); specified by *the internal and external historical situation* which determines it on the one hand as a function of the *national past* (completed or ‘relapsed’ bourgeois revolution, feudal exploitation eliminated wholly, partially or not at all, local ‘customs’, specific national *traditions*, even the ‘etiquette’ of political struggles and behaviour, etc.), and on the other as functions of the existing *world context* (what dominates it - competition or capitalist nations, or ‘imperialist internationalism’, or competition within imperialism, etc.)” (1977: 106).

Thus, this theory considers the superstructure to be *relatively autonomous* of the economic structure. Instead of dealing with the Hegelian theme of “*phenomenon-essences-truth-of*” (1977: 111), (which Althusser wants to cleanse Marxism of), he claims to be talking about a “*new relationship between new terms*” (1977: 111). Althusser describes this ‘new relationship’ as “*overdetermined contradiction*” (1977: 113). Overdetermination is characterised by various structural and superstructural factors such as those mentioned above, which are “largely specific and autonomous, and therefore irreducible to a pure *phenomenon*” (1977: 113). It should be clear that the theory of overdetermination takes account of various complexities that specifically characterise each social formation. For example, social change is not simply a question of economic change that forces sudden change on all superstructural elements. Althusser explains this point by stating that various aspects of the superstructure, particularly ideologies, are capable of reproducing themselves when social change occurs. In his words, “the new society produced by the Revolution may itself *ensure the survival, that is, the reactivation, of older elements*

through both the forms of its new superstructures and specific (national and international) ‘circumstances’” (1977: 116).

Given that every social formation has its own overdeterminations, Althusser speaks in terms of ‘*conjuncture*’, namely, the “concept of an aleatory, singular case” (Althusser, 1999: 18). That is, every society in a point in time is considered to have its own specific characteristics that are influenced by various factors. The conjuncture takes account of all the determinations and concrete circumstances that characterise each social formation. However, the conjuncture is not merely an inventory of what characterises each social formation - Althusser states that when one ‘thinks in the conjuncture’, one “poses the political problem and indicates its historical solution, *ipso facto* rendering it a political objective, a practical task” (1999: 18-19).

In “*Macchiavelli and Us*” (1999), one of Althusser’s last theoretical contributions, Althusser states that Machiavelli is the first theorist of the conjuncture (1999: 18), because he wrote about the possibilities and limitations of his nation’s-to-be realisation, which depends “upon a whole series of factors - not only economic, but also pre-existing geographical, historical, linguistic and cultural factors “ (1999: 11).

In line with Althusser’s concepts of overdetermination and conjuncture is Poulantzas’s analysis of what he defines as ‘exceptional’ capitalist states in the Mediterranean. In “The Crisis of Dictatorships” (1977), Poulantzas analyses Spain, Portugal and Greece, and shows how they are characterised by a dependent form of state which is dependent on international capitalism. These countries do not have a simple class structure, because the ruling class itself is divided. In fact, in each of these countries one finds the ‘comprador’ bourgeoisie, which represents the interests of

foreign capital, and a domestic or 'internal' bourgeoisie, based on developing industrialisation (especially light industry), partly representing native capital and partly administering foreign capital. Poulantzas states that these bourgeois-types are not what he considers a 'national bourgeoisie', that is, an industrial capitalist class which can push for progressive changes, as is the case in various core capitalist countries. Therefore, an absence of the national bourgeoisie presents a particular political problem with regards to progressive change.

At this stage one could consider Althusser's theory as being merely a play of words by a Marxist in crisis, or to put it less diplomatically, self-contradictory. To name one of his many critics, B. Hindness states that one must either reduce political and ideological phenomena to the economy, or else one must state that politics and ideology are autonomous from the economy. According to Hindness, Althusser fails to take a stand in this respect (Hindness, 1977: 104).

Steven Smith tries to solve the riddle by summarising Althusser's theory of overdetermination by stating that it "tries to retain the notion of a social formation as constituted of distinct and regionally separated 'levels' or 'instances' in which the economic remains determinant, but also recognises a reciprocal or mutually determining relationship between base and superstructure in which the latter manages to enjoy a considerable degree of 'autonomy'" (Smith, 1984: 157). However, Smith himself states that "it becomes impossible to distinguish between primary causes without which an event could not have taken place and secondary causes which perhaps only incidentally contribute to it" (1984: 165-166).

It seems that Althusser himself seemed to take account of the possible contradictions in his earlier writings. In the last interview before his death in 1990, Althusser explained to Navarro,

his interviewer, that “everything can be determinant ‘in the last instance,’ that is, everything can dominate....in the superstructure itself what is determinant is also its materiality” (Callari and Ruccio, 1996: 25).

What is important in the context of this thesis is that Althusser’s theories of overdetermination and the conjuncture are very different from the economic determinism that reduces all social processes to few economic factors. As Callari and Ruccio put it,

“this notion of materialism, which Althusser calls ‘aleatory materialism’ , refers..... to the fact that action, movement, praxis, process cannot be reduced to any one (simple or complex) idea, cannot be motivated by a posited end, but is rather characterised by contingency, by ‘history’..... History cannot have ‘a subject’ (real, potential, organised or spontaneous) because it is not bound by any necessary trajectory. It is rather a process shaped by the interaction (which are always both accidental and structured) of the many identities that..... populate the pristine narrative of Marxism” (1996: 24).

Since according to Althusserian theory history does not have an essential ‘subject’, one can argue that history is not teleological and that it is not predictable. Hence *power* is not something fixed and static - it is characterised by ongoing struggle. The concept of *hegemony* throws light on such a viewpoint.

Political Strategy and Hegemony

The theory of the conjuncture attempts to show how every society has its own overdetermined characteristics. Thus a deep analysis of power must necessarily take account of such characteristics. However, such an analysis must take account of the fact that overdeterminations may change across time, and that political, economic and ideological struggle play important roles in such change. The Gramscian concept of hegemony will be used in this thesis to analyse such types of struggle.

Antonio Gramsci considers power to be something relational. Therefore, rather than being something fixed and one-dimensional, it is considered to be derived from and related to various social, economic and political aspects and struggles. Gramsci states that within capitalist society, power is diffused not only by means of the state and the class structure, but also through civil society².

Gramscian theory holds that both class struggle and other forms of struggle greatly determine the way the state functions. However, given that society is made up of various overdeterminations and is characterised by continuous struggles, state equilibrium is very unstable. This means that although a particular social class may predominate the state, it cannot simply act like a bulldozer and impose its interests on other classes and categories. The presence of various overdetermining factors and struggle show how there are various interests in society which are not only class-based but could also be political and / or ideological. As Simon puts it,

² Civil society is defined by the Gramscian Roger Simon as being the “sphere where capitalists, workers and others engage in political and ideological struggles and where political parties, trade unions, religious bodies and a great variety of other organisations come into existence” (Simon, 1991: 70). Within civil society a variety of struggles take

“A class cannot achieve national leadership, and become a hegemonic class, *if it confines itself only to class interests*; it must also take into account the popular and democratic aspirations and struggles of the people which do not have a necessary class character” (Simon, 1991: 43).

Gramsci's concept of *hegemony*, vividly explained in his *Prison Notebooks* during the 1920s and 1930s (Gramsci, 1971), provides a theoretical framework for the explanation of how power can be exerted by taking account of such features as those mentioned above. The starting-point of this concept is that a social class and its representatives may exert power by means of a combination of coercion and persuasion. In Gramsci's words, “Coercion has therefore to be ingeniously combined with persuasion and consent” (1971: 310).

For this reason, power is not only a question of force and economic dominance, but also of political consent and ideological leadership, to such an extent that a dominant class could be hegemonic if it manages to persuade subordinate classes and groups “to accept the values and ideas which the dominant class has itself adopted, and by building a network of alliances based on these values” (Simon, 1991: 18). The network of alliances is successful when hegemony is exerted - that is, when the system of alliances is maintained by means of political and ideological struggle, within which certain compromises are made, which, however, may act in the long-term interests of the dominant class.

place, ranging from class struggle (which is given most weight by Gramscian theory), to all sorts of democratic struggles such as those involving gender, race, local community, and nation.

One may notice that the Gramscian concept of hegemony, although giving primary importance to social class, also has a “*national-popular*” (Gramsci, 1971) dimension. Thus it is characterised by factors similar to the Althusserian theory of overdetermined contradictions. As stated above, Gramsci argues that no social class can become hegemonic unless it takes account of various overdetermined factors that may be represented by political interests and/or popular demands. According to Simon such interests and / or demands may include “radical and popular struggles for civil liberties, movements for national liberation, the women’s movement, the peace movement, and movements expressing the demands of ethnic minorities, of young people or of students” (Simon, 1991: 24-25).

The strategies used by social classes and groups to create stable alliances that lead to hegemony are defined by Gramsci as a *war of position*. Civil society is the sphere where this ‘war’ of interests is carried out. Social classes and groups may organise consent and hegemony, but at the same time subordinate social classes and groups may construct counter-hegemony by means of their opposition. Hegemony is finally exerted when a social class goes beyond its immediate economic interests and unites various other interests under its leadership, which is considered as being legitimate by the other groups and classes within the alliance. When this happens, a *historic bloc* is created. This historic bloc is successful when it is capable of enduring for an entire historical period.

According to Gramsci a historic bloc is not created overnight. In his words,

“A social group can, indeed must, already exercise ‘leadership’ before winning governmental power (this is indeed one of the principal conditions for the winning

of such power); it subsequently becomes dominant when it exercises power, but even if it holds it firmly in its grasp, it must continue to 'lead' as well" (Gramsci, 1971: 57).

As implied above, in order to 'lead', the social group in question must take account of other interests represented by other groups within the alliance. This occurs when

"they exercise a balancing and arbitrating function between the interests of their group and those of other groups, and succeed in securing the development of the group which they represent with the consent and assistance of the allied groups - if not out and out with that of groups which are definitely hostile" (1971: 148).

Of particular interest to this thesis is what Simon states about the possibilities of a historic bloc being created in a country that is dominated by another country. Here a national liberation struggle is carried out in the war of position, where not only class interests but also nationalist and patriotic ideologies are given their due importance within the alliance (Simon, 1991: 44).

Therefore, the Gramscian concept of hegemony and the Althusserian overdetermination thesis both consider capitalist social formations as not simply characterised by a simple capital - labour contradiction within which all interests are clear-cut and straightforward. Political success is very important in this regard.

Gramsci and Althusser talk in terms of the political agent that could create a successful historic bloc. Both of these authors echo the role Macchiavelli attributed to the *Prince*.

Macchiavelli, writing in early 16th century Florence, is considered by Althusser to be “a *theoretician of the political preconditions of the constitution of a national state*, the theoretician of the durability of this state; the theoretician of the strengthening and expansion of this state” (Althusser, 1999: 121). Althusser considers Macchiavelli to be the first theoretician to introduce a materialist analysis by means of which the nation state is able to take shape . This analysis takes account of economic, geographical, historical, linguistic and cultural factors, “which in some sense pre-structure the aleatory space in which the nation will be able to take shape” (1999: 11).

The importance of Macchiavelli is evident in his concept of the Prince, who is considered by him the only political agent capable of carrying out the political task mentioned above. According to Althusser, the Prince is able to realise a popular type of politics, because he is able to exert power by utilising coercion (the army) and consent (religion). He is then able to transform the people’s ideology in order to unify the state. But this is only possible because “*the Prince must not at any price find himself in the position of having the people against him*” (1999: 99-100). Instead, given that the Prince manages to unite the army with religion, what the Prince installs is “fear without hatred” (1999: 102).

Gramsci adapts the Machiavellian concept of the Prince to modern society. Here the prince could be “a Head of State, or the leader of a government, but it could also be a political leader whose aim is to conquer a State, or to found a new type of State; in this sense, ‘Prince’ could be translated in modern terms as ‘political party’” (Gramsci, 1971: 253). In particular, according to Gramsci the modern Prince could be the Communist Party, whose aim is the socialist transformation of society. This could occur if the Party, representing the proletariat, is capable of

Althusser (Althusser, 1984) shows how the *Repressive State Apparatus* - which includes such institutions as the army, the police and the penitentiary system - is used by the state in order to maintain a monopoly of violence, which refers to coercion.

However, Althusser makes it clear that it would be very misleading to interpret state power as being exerted only by means of the Repressive State Apparatus - as Gramsci would put it, coercion without consent does not produce power. Althusser agrees with such a proposition and puts forward a theoretical analysis of what he defines as the *Ideological State Apparatus* (1984), which, by means of factors such education, the mass media, the family, culture, manages to create *ideological consent* among various social classes and groups.⁵

But what is *ideological consent* ? The Althusserian concept of *ideology* will be discussed to give one interpretation of this concept. This interpretation will be a vital part of the theoretical framework of this thesis.

According to Althusser, ideology is “the system of ideas and representations which dominate the mind of a man or a social group” (1984: 32). Ideology “has no history” (1984: 33), because “it is eternal” (1984: 35), that is, ideologies always exist in different social formations. Ideology has a material existence, because it “represents the imaginary relationship of individuals to their real conditions of existence” (1984: 36). Althusser insists that ideologies always exist in an apparatus and in its practice or practices.

⁵ Nicos Poulantzas also identifies another State Apparatus within contemporary capitalist social formations - the *Economic State Apparatus*. Poulantzas argues that the contemporary capitalist state, by means of various economic policies and interventions, acts directly within the economy, “creating, transforming and making reality” (Poulantzas, 1978: 30).

Unlike the Repressive State Apparatus, which belongs directly to the State, there may be a plurality of Ideological State Apparatuses. This is because Ideological State Apparatuses may be both 'public' and 'private'. In this case what matters is the manner in which they function and the interests they serve.

According to Althusser, the importance of the Ideological State Apparatus is such that *"no class can hold State power over a long period without at the same time exercising its hegemony over and in the State Ideological Apparatuses"* (1984: 20).

The Ideological State Apparatus serves the interests of the ruling class by reproducing the mode of production the same class dominates. The *dominant ideology* serves as the *internal cement* of the various state apparatuses and their personnel, creating a high degree of *ideological consent*. Poulantzas explains this concept by stating that

"in this ideology, a neutral State appears as the representative of the general will and interest, and the arbiter among struggling classes: the state administration or judicial system stands above classes; the army is the pillar of the nation, the police the guarantor of republican order and civil liberties, and the state administration is the motive force of efficiency and general well-being" (Poulantzas, 1978: 155-6).

Gramsci's concept of hegemony has much to do with the concept of the dominant ideology. This is because, as shown earlier, according to Gramsci a class or fraction manages to form a historic bloc by presenting itself as representative of the general interest of the people-nation, rather than

the interests of particular classes or fractions. Hence, its power is *legitimised*, ideological consent is high and hegemony is created.

However, Simon makes it clear that within the new historic bloc, the most common perception of the world will neither be a purely capitalist or purely socialist one. Instead, what comes about is “a more complex synthesis of class objectives with themes that have arisen out of the original and unique history of each country” (Simon, 1991: 62).

It is important to keep in mind that although the state and the historic bloc may be considered to be legitimate, and may even form part of the ‘common sense’, this does not mean that struggle ceases to exist, or the only one common ideology which is blindly adhered to by dead subjects comes to being. In Simon’s words, “common sense is the site on which the dominant ideology is constructed, but it is also the site of resistance and challenge to this ideology” (Simon, 1991: 65). Althusser states that the Ideological State Apparatus always rests on the Repressive State Apparatus, which intervenes when ‘bad subjects’ (as defined by Althusser) provoke its intervention, and Gramsci maintains that counter-hegemonies could be created. Hence, ideological consent is not a case of all-or-nothing. It has more to do with a Weberian ideal type.

Crisis of Hegemony and Caesarism

So far it has been shown that the concept of hegemony makes it clear that power includes both coercion and consent, implying that the historic bloc and indeed the state may face serious questions regarding their legitimacy. Hence, hegemony must be continuously fought for, and

compromises must be made in order to maintain the historic bloc. Otherwise, a *crisis of hegemony* may occur.

When a crisis of hegemony occurs, the people or groups who lead the historic bloc may lose legitimacy and a crisis of representation may occur. When such crises occur, “the immediate situation becomes delicate and dangerous, because the field is open for violent solutions, for the activities of unknown forces, represented by charismatic ‘men of destiny’” (Gramsci, 1971: 210).

The situation *may* result in a catastrophic conflict that results in the dissolution of the historic bloc. Gramsci uses the term *Caesarism* to define such a situation (1971: 219).

Caesarism could result in both progressive and reactionary solutions. In Gramsci’s words,

“Caesarism is progressive when its intervention helps the progressive force to triumph, albeit with its victory tempered by certain compromises and limitations. It is reactionary when its intervention helps the reactionary force to triumph - in this case too with certain compromises and limitations, which have, however, a different value, extent, and significance than in the former. Caesar and Napoleon I are examples of progressive Caesarism. Napoleon III and Bismarck of reactionary Caesarism” (1971: 219)⁷

⁷Although great individual heroes may symbolise Caesarism, Gramsci makes it clear that it is not necessary to have such individual symbols for Caesarism to occur (Gramsci, 1971: 220). An example of a situation without individual symbols may occur within the modern parliamentary system.

Hegemony and Ideology: Beyond Predetermined Certainties and Fixed Meaning

The theories discussed above make it clear that politics is not simply a question of the capital / labour contradiction, and that historic blocs can be created but can disintegrate as soon as they lose legitimacy. Ideologies have no *essential* and *fixed* meaning, as they may be interpreted in different ways within different contexts. One has to see the way ideologies are articulated with political strategy in specific situations characterised by particular overdeterminations.

For example, Ernesto Laclau shows how Fascism was not simply a ruling-class static ideology, as various orthodox Marxists believe. Laclau, although a harsh anti-Fascist, shows how Fascism managed to re-articulate widely shared popular elements in a particular direction. Therefore, “Fascism, far from being the typical ideological expression of the most conservative and reactionary sectors of the dominant classes was, on the contrary, one of the possible ways of articulating popular-democratic interpellations [i.e. identities] into political discourse⁸” (Laclau, 1977: 111).

⁸ It would be useful to give a definition of *discourse*. According to Foucault, discourses are not simply texts or linguistic systems. Discourses “are *practices* like the scientific discourse of psychoanalysis and its institutional, philosophical and scientific levels” (Horrocks and Jevtic, 1997: 86). Michael Foucault asserts that the object of discourse analysis is to form the positivity that characterises statements. Similarly to Althusser’s concept of ideology, this type of analysis determines the *position* any individual occupies in order to be the subject of the statement (Foucault, 1973: 125).

Thus, Foucauldian theory asserts that discourse is very much related to power. Foucault states that in any society “there can be no possible exercise of power without a certain economy of discourses of truth which operates through and on the basis of this association” (Foucault, 1980: 93). Hence, a production of truth that exercises power comes about. ‘Dangerous’ discourses are excluded, prohibited, disciplined and rejected, similarly to Althusser’s ‘bad subjects’ when confronted by the Repressive State Apparatus. Two theoretical differences between the two authors are, first, that Foucault gives importance to resistance to discourses, and, second, Foucault’s analysis of power does not put the State, Ideological State Apparatuses, nor any other institution at the centre of his methodological framework. Foucault considered power to be multi-dimensional.

Similarly to Laclau, David Silverman shows how three different political actors failed to achieve political success in different circumstances. He argues that Trotsky, Churchill (in 1945) and the British Labour Party (in 1983) treated discourse in an *idealist* manner. Although each of these actors had their own particular political strategies,

“they spoke as if it were possible to ignore popular conceptions.....
Consequently, in their own way, each constructed his own language as the media of instruction, and each, thereby, failed to take seriously the material reality and power of existing popular discourses. Each was inevitably elitist. The only relation they proposed between the politician and the public was that of professor to student. No possibility was provided for a dialogue with subjects constituted in terms of existing discourses (e.g. as family members, as patriots, etc..)”
(Silverman, 1985: 67).

Therefore, politics consists of a series of clashes that could form and destroy particular historic blocs. Each historic bloc is made up of particular ideologies and strategies that on their own make little sense vis-à-vis power. This is because “particular elements have no significance in themselves, all depends on how they are articulated” (1985: 67).

Economic Reductionism in Gramsci and Althusser

Both Gramsci's and Althusser's concepts of hegemony and overdetermination have been criticised by post-Marxists Laclau and Mouffe (1985) as still being essentially characterised by economic reductionism.

Laclau and Mouffe criticise Gramsci in that, in his view, "on the one hand, the political centrality of the working class has a historical, contingent character: it requires the class to come out of itself, to transform its own destiny by articulating it to a plurality of struggles and democratic demands. On the other hand, it would seem that the economic base assigns this articulatory role to it - hence, that the centrality has a necessary character" (Laclau and Mouffe, 1985: 70). Therefore, according to Laclau and Mouffe, Gramsci has not satisfactorily solved the riddle of whether the economic structure is determinant or not.

With regards to Althusser's analysis of overdetermination, Laclau and Mouffe criticise his concept of *determination in the last instance by the economy*, which, according to the post-Marxists, contrasts with the basic concept of overdetermination. In their words, "if the economy is an object that can determine any type of society in the last instance, this means that, at least with reference to that instance, we are faced with simple determination and not overdetermination" (1985: 99).

However, one must keep in mind that Althusser himself seemed to have revised some of his views regarding the central role of the economy in his last years.

Application of the Theoretical Concepts

So far I have argued how by relating theoretical concepts such as overdetermination and hegemony, a flexible analysis of strategy, ideology and power could be carried out. It is within this theoretical framework that I will analyse ideological and strategic shifts within the Malta Labour Party in the phases defined as 'Old Labour' and 'New Labour'. The various theoretical frameworks mentioned above will be related with each other and utilised in the following ways:

- *Overdetermination and Conjuncture:* The social context within which the Malta Labour Party functions will be given ample consideration. The political significance of changes within the Maltese social formation will be taken into account, by analysing the ways in which such changes may have determined and/or influenced ideological and strategic changes within the Malta Labour Party. The economic structure will be given the weight it deserves according to the historic occasions analysed, without impinging on the importance of other overdetermining factors. Hence, the analysis will not be economically determinist, but will also give importance to factors such as ideology, tradition, politics, the international socio-economic and political environment, and personalities.

- *Hegemony*: The concept of hegemony will be continuously related to the Malta Labour Party's ideological and strategic configurations by means of which successful political alliances were created. In turn, the effectiveness of such alliances within the Maltese context will be analysed, in order to verify whether Labour Governments have created successful historic blocs.
- *State Power and State Apparatuses*: The level of power exerted by Labour Governments will be measured in terms of the concepts of hegemony and historic blocs. The success of Labour Government strategy will be verified according to the strength of the Ideological State Apparatus when Labour was in office.
- *Crisis of Hegemony*: Various ideological and strategic characteristics which resulted in the Malta Labour Party's failure to maintain historic blocs intact - resulting in electoral defeats - will be analysed.

Methodological Foundations

"All sociology worthy of the name is historical sociology...the historical viewpoint leads to the comparative study of societies" (C. Wright Mills in Llobera, 1998: 72).

The research methodology used in this thesis owes its foundations to historical and comparative research on one hand and to discourse analysis on the other. The research methodologies will be introduced below and I will also explain how they will be applied to this thesis.

Historical and Comparative Research

The Historical or Comparative method implies a comparison of social settings across time or of different social settings at a single point in time.

J. Llobera argues that social sciences were built on a solid foundation of *social totality*, “the idea that allows us to think of society as an interrelated whole consisting of different levels” (Llobera, 1998: 76). He mentions that such a concept is both *materialist* and *evolutionary*. As regards the materialist function, he observes that theories in this area hold that the economy and the environment largely determine both transitions from one stage to another as well as the different levels within a social totality. These levels are defined by Llobera to be economic, political and ideological, thus fitting the theoretical background of this thesis

Llobera proceeds to give vent to conceptual frameworks that may be utilised for historical and comparative research. He gives ample reference to the five *methods of experimental enquiry* put forward by nineteenth century philosopher John Stuart Mill, whose methodology is based on the underlying belief that history and comparison could be researched as natural experiments. The five methods (quoted in full from Llobera who in turn quotes Mill) are the following:

1. *Method of agreement*: “If two or more instances of the phenomenon under investigation have only one circumstance in common, the circumstance in which alone all the instances agree is the cause (or effect) of the given phenomenon”;
2. *Method of difference*: “If an instance in which the phenomenon under investigation occurs, and an instance in which it does not occur, have every circumstance in common save one, that

one occurring only in the former; the circumstance in which alone the two instances differ is the effect, or the cause, or an indispensable part of the cause, of the phenomenon”;

3. *Joint method of agreement and difference*: “If two or more instances in which the phenomenon occurs only have one circumstance in common, while two or more instances in which it does not occur have nothing in common save the absence of that circumstance, the circumstance in which alone the two sets of instances differ is the effect, or the cause, or an indispensable part of the cause, of the phenomenon.”
4. *Method of residues*: “Subduct [subtract] from any phenomenon such part as is known by previous inductions to be the effect of certain antecedents, and the residue of the phenomenon is the effect of the remaining antecedents.”
5. *Method of concomitant variations*: “Whatever phenomenon varies in any manner whenever another phenomenon varies in some particular manner, is either a cause or an effect of that phenomenon, or is connected with it through some fact of causation” (1998: 78-79).

As with any other approach, this approach does have its weaknesses, such as over-generalising and the possibility of errors of omission of ‘hidden’ causes. Nevertheless, Llobera holds that they (especially the first two) have been held to be useful methodologies by various social scientists. The latter compare literature of various historical instances and try to establish the main reasons that explain shifts and changes by comparing variables. Llobera argues that this methodology is similar in its approach to the statistical approach that looks for casual factors (1998: 80).

Discourse Analysis

Discourse⁹ analysis refers to the study of particular systems of language and knowledge together with their associated practices. In the words of Fran Tonkiss,

“Discourse analysis involves a perspective on language which sees this not as *reflecting* reality in a transparent or straightforward way, but as *constructing* and organising that social reality for us. In these terms, discourse analysis are interested in language and texts as sites in which social meanings are created and reproduced, and social identities are formed” (Tonkiss, 1998: 246).

In other words, discourse analysts are interested in how people, by means of language, construct their interpretations of the social world. This implies that such analysts are not interested in discovering a universal social truth, but in analysing the way language is used to present different accounts of reality.

Tonkiss - who considers discourse analysis to be “a messy method” (1998: 250) - says that it is difficult to formalise it into a standard approach. Rather than emphasising the quantity of data gathered, he states that

“the primary concern of the discourse analysis is to find data that will provide insights into a problem. In this sense, a single speech or newspaper report or

conversation can generate very fruitful themes for analysis. What matters is the richness of textual detail, rather than the number of texts analysed” (1998: 252-253).

The important matter for discourse analysts is to analyse the way in which language influences, shapes, reproduces and legitimises various attitudes. However, such research gives importance to the fact that its findings are unlikely to be widely representative (1998: 259).

Norman Fairclough (2000), in his analysis of New Labour in Britain, adopts a methodology which focuses on the analysis of the language¹⁰ used by New Labour.

In “New Labour, New Language?” (2000), Fairclough states that language (or discourse) has always been important in politics, as it forms part of every social practice/interaction. Different parties and/or groups deploy discourses in order to gain support for their actions. Hence, Fairclough states that “effectiveness of forms of deliberation and dialogue becomes crucial for the effectiveness of government” (2000: 157).

Fairclough puts forward a research method - defined by him as ‘*critical discourse analysis*’ – in order to analyse the way in which language is used within political processes. Such language, being very much influenced by social change, is considered by Fairclough to change over time. Besides, it is very much related to power and domination, and hence to politics.

⁹ “discourse refers to a *system* of language which draws on a particular terminology and encodes specific forms of knowledge” (Tonkiss, 1998: 248).

In his analysis of New Labour in Britain, Fairclough gives prime importance to the way the Party uses language. For example, the fact that the British Labour Party under the Blair leadership started referring to itself as 'New Labour' enabled the Party to contrast the 'new' with the 'old', thus putting forward the message that Labour Party had changed and was trustworthy. He states that in this case "changing the name wasn't just reflecting a shift in political ideology, it was manipulating language to control public perception" (2000: vii).

Fairclough insists that political differences and political struggles have much to do with differences in language and resulting dominant languages. During the past few decades language has become even more important especially because of the synthesis between politics, government and mass media. He shows how nowadays many significant political events are media events, resulting in what the Language Professor terms as a '*mediatisation*' of politics and government.

Quite similarly to the concepts revolving around hegemony, Fairclough considers government to be the "management of relations between groups whether within nation-states or within organisations of a lesser scale" (2000: 11). He considers the language of politics to be characterised by disagreement, dissent and polemic. Therefore, successful democratic politics must achieve a sufficient measure of consent among the various groups with different languages.

Fairclough analyses the shifts from Old Labour to New Labour together with what he considers to be contradictory in the latter version of the Party. For this purpose he analyses a wide range of New Labour texts. These include documents, speeches, books, newspaper articles, and

¹⁰ Political language is considered by Fairclough to be made up of three analytically separable focuses: Style (having to do with identity and values); discourses (having to do with representations); and genres (how language figures as a

pamphlets by the Party, its leading spokespersons and its opponents, government documents, and other related texts. Fairclough concentrates mostly on speeches by Tony Blair, given his stature within the Party as well as because his speeches cover New Labour's policies and concerns. He also compiles a computer database of texts dealing with New and, to a lesser extent, Old Labour, by means of which he identifies keywords of New Labour. The keywords are the words that occur relatively most frequently within New Labour texts.

Finally, he arrives at the conclusion that British New Labour and the Third Way ideology are a contradictory combination of New Right, Social Democratic and Communitarian discourses, which result in various changes and shifts in the way New Labour governs.

Application of the Methodological Foundations

The research methodology used in this thesis gives attention to the perspective mentioned by Tonkiss, and also draws from Fairclough's critical discourse analysis. Hence various Malta Labour Party texts are analysed in order to assess the possible ideological and strategic shifts within the Party. It has been noted above that Fairclough's approach consisted of a thorough analysis of the British New Labour texts, analysing the main trends of discourse. A similar method has been adopted in the analysis of Malta's Labour Party - a large selection of policy documents, electoral manifestos, speeches, and publicity pamphlets, as well as speeches and articles by the Malta Labour Party and its key speakers have been scanned and analysed. Such texts are usually classified as *primary sources*. Besides, various articles and research on the Malta

Labour Party and Maltese society – in this case classified as *secondary sources* – have also been analysed and applied.

One of Fairclough's main tools of analysis, that is counting the frequency of New Labour keywords, has not been used in this thesis. The main reason for this choice of analysis is that measuring frequencies could sometimes lead to misleading results. For example, if the word "new" occurred 1000 times, would this be a low score? Would 1300 occurrences of this word represent a different message? This problem is compounded by the fact that the word in question could have occurred in a non-political context; that counting words could be too mechanistic; and that keywords need to be analysed within the respective context in order to make sense. For example, a politician may use certain keywords if he is addressing his Party's core supporters; and may use different keywords if he is making a speech addressed to a particular social group such as the business community.

However, various points of reference and keywords are utilised within the thesis in order to verify the language in relation to its ideology and strategy. These are analysed by using an approach which gives importance to general trends and to the context in which the communication in question takes place.

At the same time the thesis also makes reference to social trends within Maltese society during the Old Labour / New Labour periods. Data from official and national surveys, as well as the analysis of such data are referred to. These include the national census, which, among other variables reveals the occupational structure of the Maltese workforce, the European value survey, which analyses the value-systems of Maltese people, as well as official economic data, portraying

important characteristics such as Gross Domestic Product and unemployment rates. The data is selected in a way so as to permit continuity for comparative research purposes. The main economic trends are analysed in a manner that incorporates the changes from the 1970s to the 1990s. On the other hand, the occupational class structures and prevailing value systems are compared from periods during the 1980s and the 1990s. The 1980s are chosen as the starting point for these two variables due to a lack of data from the preceding periods.

This thesis also gives much importance to other analyses of the Malta Labour Party. Therefore, the studies by various authors, both from within the Party and from outside the Party, are referred to so as to strengthen the arguments and the depth of research. Here, the major arguments put forward by the various authors are highlighted.

With regards to the methods used to analyse the ideological shifts from Old Labour to New Labour in Malta, the methods of experimental inquiry earmarked above have been chosen to be applied to this thesis.

The concluding chapter will compare various variables derived from the theoretical concepts referred to in this chapter, so as to analyse the ideological and strategic shifts from Old Labour to New Labour. The differences or similarities between different overdetermining factors under the Old / New Labour conjunctures will be considered to be the casual factors which to a large extent determined the shifts in question.

The theoretical concepts and variables in question are the following:

Theoretical Concept	Variable
Overdetermination and Conjuncture	Economy Class Structure Ideology International Factors
Political Ideology and Strategy	Economic Policy Foreign Policy Class Interests Party Interests Power of Leader Labour’s Ideology
Hegemony and State Power	State Power and State Apparatus Historic Bloc
Crisis of Hegemony	Class Contradictions Economic Contradictions Electoral Characteristics Party Interests Counter-Hegemony

Given that the thesis relies on ‘general’ trends within the discourse of the Malta Labour Party, the analysis could be criticised for being partial and subjective, in the sense that the analysis could be very selective. For example, relevant criticism could state that the gender and

educational policies of the Malta Labour Party have been in many aspects neglected in this study. The thesis could also be criticised for being preferential in the issues chosen to be commented upon and in neglecting aspects that do not fit into the theoretical and methodological frameworks.

In response to such criticism one could state that such analyses are not meant to produce universal truths and unshakeable dogmas, but rather, to put forward particular interpretations of certain aspects dealing with the subject in question.

Critique of the Theoretical Concepts and the Methodological Foundations

Similarly to all social-scientific studies, this thesis could be criticised on various aspects, whether theoretical or methodological. These include the following:

- *Methodological Sources and Subjectivity:* One main criticism of the historical and comparative approach is that researchers have to depend on existing sources, which, according to Anthony Giddens may be partial and difficult to interpret (Giddens, 1993: 695). Another shortfall dealing with this aspect has to do with the choice of discourse from documents. One may ask – ‘Why was this document chosen and not the other? Why was this section of the document analysed and not another? Why was this document perceived to represent such discourse and not other types of discourse?’ ‘Why was this variable analysed and why were other variables ignored?’
- *Theoriticism:* This thesis could also be criticised for relying on theoretical concepts such as Overdetermination. Critics of such theories argue that it is one thing to state that certain

factors overdetermine social formations, but it is definitely another thing to prove such arguments by means of empirical methods such as surveys.

In reply to such forms of legitimate criticism, it could be argued that it is humanely impossible to carry out exhaustive research studies. In this regard, Resnick and Wolff state the following:

“one implication of the notion of Overdetermination lies in the recognition that all explanations are inherently and unavoidably incomplete. All theories of society - forms of explanation - are and can only ever be partial; each takes up only some of the factors influencing the object of its theorising. With those factors if one constructs an explanation, a necessarily partial analysis is fashioned around the particular subset of overdetermining factors upon which it focuses. There are thus always alternative explanations or theories of why and how events occur.....It follows that we must move away from any notion of truth as singular to a notion rather of truths as plural” (Callari and Ruccio, 1996: 176).

Tonkiss adds that when one analyses discourse one should be modest in his/her analytic claims and consider knowledge to be open-ended rather than all-encompassing. Thus researchers could acknowledge the strengths of their studies while being self-critical, as well as receptive of alternative methods of studies and of critiques of the studies in question (Tonkiss, 1998: 260).

In response to criticism regarding lack of empirical backing and excessive theoreticism, I hold that the theoretical background of this thesis makes sociological sense because it is applied to real factors such as the state of the economy, peoples' values, and various writings and studies on the

Malta Labour Party, which in themselves have a material existence. Besides, I do not think that specific interviews on the issue in question would have been free of subjectivity and more 'objective' than this thesis. After all, respondents have personal opinions, just like authors of studies, including myself.

I do not consider the scope of this thesis to present an absolute truth on the ideological and strategic shifts from Old Labour to New Labour in Malta. The approach adopted by myself is only one possible approach out of a spectrum of alternative approaches. In fact other types of analysis on the subject in question would enrich political sociology in general.

Conclusion

In this chapter the theoretical concepts and methodological foundations of this thesis have been introduced, and I have explained how they will be applied to the thesis.

The issue of this thesis will first be introduced by means of a brief history of the Malta Labour Party from 1920 to 1998, as well as a brief analysis concerning the modernisation of Social Democratic parties in Britain and Europe. The following two chapters will largely be based on what I consider to be important historical events that have occurred during the Malta Labour Party's existence, which will then be interpreted and applied to the scope of this thesis in Chapters 6, 7 and 8. Emphasis will be made on the period from 1971 to 1998 – which, as stated previously, is considered to represent Old Labour (1971-87), the construction of New Labour (1987-96, with special emphasis on the period from 1992 to 1996) and New Labour in government (1996-98).

Chapter 3

The Malta Labour Party in Perspective: 1920-87

Introduction

In order to put the issue of this thesis into perspective, this chapter and the one following it will give a brief account of the history of the Malta Labour Party. I will refer to the social context in which the Party was born and how it has developed, its internal and external struggles, as well as its electoral results and political achievements. Particular emphasis will be given to the eras considered to be characterised by terms 'Old Labour' and 'New Labour'. Therefore, the period from 1971 to 1998 will be analysed in more detail than the period from 1920 to 1970.

This Chapter will put into perspective the Malta Labour Party in three eras, namely the Party's first years between the 1920s and the 1940s; the post-war years wherein Dom Mintoff assumed leadership of the Party; and the years characterised by 'Old Labour' Governments, from 1971 to 1987.

The First Years of the Malta Labour Party

Before achieving independent status in 1964, the Maltese Islands¹ were colonised by various foreign powers. These included the Phoenicians, the Romans, the Arabs, the Knights of St. John, the French (for two years), and the British.

According to Godfrey Baldacchino, the period under which Malta was colonised by the British (1800-1964) was economically characterised on the one hand by near complete dependence on employment in the military and administrative activities provided by the colonisers; and heavy unemployment and mass emigration to North Africa and other Mediterranean countries – encouraged by the British themselves – on the other (Baldacchino, 1988: 61-65). During the twentieth century many Maltese also emigrated to countries such as Australia and Canada. Henry Frendo adds that by the 1920s, Malta was more urbanised and secular than during the previous century (Frendo, H., 1991: 201).

During the first decades of the twentieth century, especially after the First World War, the Maltese working class, poor, highly illiterate and politically under-represented had become the victims of economic stagnation.

Various activities were carried out, aimed at improving the condition of Maltese workers. A notable example is that of Manwel Dimech, who, since the beginning of the twentieth century, had been striving to unite the workers in their struggle against the British colonial power, in favour of forming a Maltese republic (1991: 7). Dimech soon brought on him the condemnation

of the church and the British Government, until he was finally exiled to Egypt where he died (Frendo, 1971).

The inequalities that existed at the time led to the riots of June 1919 - the importers of grain were the main targets, and four workers died at the hands of British soldiers. The outcome of the riots was the granting of the constitution in 1921, which, however, did not secure the interests of the lower classes and did not include material improvement in its clauses. John Chircop states that the constitution retained the status quo by securing the interests of the colonial authorities and the traditional middle classes, made up of categories such as the clerical and the legal-professional. Incidentally, the two official languages earmarked in the constitution were English and Italian – the languages spoken by the dominant classes. The Maltese language, spoken by the lower classes, was out of sight (Chircop, 1991: 10-11). The language question was a very controversial issue at the time, due to its social and political implications.

It was in that tense atmosphere that the Labour Party in Malta was born.

The founding fathers of the Party belonged mainly to a dockyard union - the Imperial Government Workers Union. Indeed, the Dockyards have often been referred to as the “cradle of the Labour Movement” (Zammit, 1984: 42). Writing about Dockyard workers, sociologist Edward Zammit states that they “gained the reputation of being the most militant, organised, radical and united group of workers in Malta.” (1984: 43).

¹ The Maltese Islands have a land area of about 320 square kilometres. At the end of the second millennium Malta had a population of around 380,000, giving rise to a density of about 1,200 persons per square kilometre, one of the highest in the world.

It was one of the union branches affiliated with the British Workers' Union - the *Camera del Lavoro* - which formed a party in 1921 with the aim of representing workers. Band clubs and other organisations were invited to form part of the Party, and its first meeting was held on 15th March 1921 – the 30th anniversary of Pope Leo XIII's issuing of the *Rerum Novarum*, the Catholic Church's social encyclical. The Party was christened *Partit tal-Haddiema*^{2 3} (Chircop, 1991: 7-8).

Various founders of the Malta Labour Party, hailing from Catholic and populist backgrounds, were highly influenced by the *Rerum Novarum*. These included Gianni Bencini, Alfons Maria Galea, Canon Carmelo Bugeja, and Mgr. Professor Michael Gonzi. Such activists were particularly influential and powerful in the first few years of the Party, and they propagated the introduction of legislation that gave rights to workers along the Catholic teachings of the Catholic social encyclical (Chircop, 1991: 13-14).

The Malta Labour Party soon started participating in Malta's general elections. The Party, led by Colonel William Savona contested the general elections held in 1921 under the new Constitution that gave the country a measure of self-government. According to this constitution which provided for a bi-cameral legislative body, only persons above a certain income bracket could vote. The other three parties to contest the general elections were the conservative parties *Unione Politica Maltese* and *Partito Democratico Nazionale*, as well as the pro-British Constitutional Party.

² Tr. from Maltese: 'Workers' Party', but referred to by the Party itself as 'Labour Party'.

³ To simplify matters, the Labour Party of Malta will be referred to as the Malta Labour Party, although the word 'Malta' did not appear in its official name in its early years.

The Malta Labour Party's electoral programme for these elections emphasised the Party's role as the defender of the interests of all Maltese people, but especially of workers. The programme emphasised the principles of Christian democracy, honesty and right, and stated that Labour would try as much as possible to improve matters such as economic conditions, moral values, technical skills and intellectual capabilities of those who earned their living by working physically and mentally⁴ (Bonnici, 1990: 39-40).

Henry Frendo states that the electoral programmes of the four political parties were rather similar, apart from the language question (Frendo, H., 1991: 187). In fact all four parties agreed on major issues such as Roman Catholicism being Malta's official religion, and the need to tackle the labour problem. As regards language, the *Unione Politica Maltese* and the *Partito Democratico Nazionale* were pro-Italian, whereas the Labour and Constitutional parties were pro-English and in favour of the use of Maltese (1991).

In the 1921 general elections Labour gained 31.3 per cent of the votes. Seven of its candidates were elected to the Legislative assembly and two more to the senate⁵. It was clear from the beginning that Labour had been successful in the industrial area of the Three Cities – Senglea, Cospicua and Vittoriosa, where many dockyard workers came from. Besides, the majority of the elected Labour candidates belonged to the Party's dominant pro-clerical section (Chircop, 1991: 21).

⁴ Among the proposals put forward by the Party, one could find the introduction of obligatory education, measures to reduce unemployment, industrial and agricultural incentives such as the dismantling of levies on raw materials and capital, emigration policy, introduction of laws regarding working time, working conditions, and work pay, the promotion of Malta as a ship repair and shipbuilding industry, granting official status to the Maltese language alongside English and Italian, Malta's loyalty to the Imperial Government, and the introduction of income tax (Bonnici, 1990: 39-40)

In 1922, contrarily to its previous pledge not to form coalitions with any party, Labour backed the *Unione Politica Maltese* coalition under the premiership of Joseph Howard, which lasted up to 2nd January 1923 (1984: 17).

In the 1924 elections Labour, still led by Savona, gained 19.24 per cent of the votes and retained its seven seats in the legislative assembly. Labour decided not to join any coalition Government but, at the same time, not to be of hindrance to any Government which accepted its proposals. In fact, the *Unione Politica Maltese* Government, led by Dr. Francesco Buhagiar carried out various policies which were proposed in Labour's programme (A.A. and E.C., 1971: 34-35).

By this time various conflicts had been brewing within the Malta Labour Party. The Party's relatively moderate Christian-Democratic stances as well as its collaboration with the *Unione Politica Maltese* were being questioned by leftist elements, such as Censu Bugeja, who demanded immediate and concrete reforms. According to Chircop, by 1926 and right through the 1930s, such elements – including Guze' Ellul Mercer and John F. Marks - became the dominant force within the Party's executive (Chircop, 1991: 18-19).

On 25th January 1926 the Compact between Constitutionals and the Malta Labour Party was signed. The common objectives of the two parties revolved around what was considered to be the imminent need for the industrialisation of Malta (1991: 50).

The Constitutional Party was led at the time by the Briton Sir Gerald Strickland, whose political style is defined by Chircop to be synonymous with that of a charismatic populist leader (1991:

⁵ One of Labour's elected candidates, Mgr. Michael Gonzi, became Archbishop of Malta later on during the century and led the Church's politico-religious dispute against the Malta Labour Party during the 1950s and the 1960s.

52). The backbone of the Party was made up of progressive elements of the middle classes, which included contractors, traders, pro-British importers, civil servants, employees in the civil service as well as capitalists who were prepared to invest in the manufacturing sector. However, according to Chircop many workers such as Dockyard workers also supported it (1991: 46-48).

The Labour-Constitutional alliance won the 1927 general elections, but Labour lost ground, gaining 13.9 per cent of votes, three seats in the legislative assembly and no representation in the Senate. Strickland became Prime Minister. Labour leader Savona was not elected, and the leadership of the Labour parliamentary group was entrusted to Colonel Michael Dundon.

On the other hand, the Constitutionalists gained 41 per cent of the votes, and the Nationalists/Independents 43.8 per cent. By means of this victory, the Malta Labour Party took the opportunity to propose new social laws such as the Workmen Compensation Act, the Widows' and Orphans' Pension Act, and the Rent Law (Chircop, 1991: 57). Also for the first time and on the insistence of the Malta Labour Party, Maltese was adopted as one of the languages of the Government. Indeed, the language question was a major political issue at this period, where on the one hand the Nationalists (born out of the *Unione Politica Maltese* and the *Partito Democratico Nazionale*) supported Italian, and on the other hand the Stricklandians and Labour supported "English taught through the medium of Maltese" (Frendo, H., 1991: 203).

However, the Compact was not as rosy as many Labourites had wished it to be. Conflicts within Labour arose and William Savona resigned as President of the Party, being replaced by Dr. Paul Boffa (Chircop: 87). Boffa – a medical doctor by profession – also became leader of the parliamentary group and of the Party, replacing Dundon, who resigned due to health reasons (Galea, 2000: 218).

Henry Frendo states that Strickland's leadership led to a constitutional crisis and a deep politico-religious dispute (Frendo, H., 1991: 209). In fact in 1929 the Church started putting pressure on the Compact. On May 1st, 1930, the Bishops, in a pastoral letter, condemned the alliance, prohibiting the electorate from supporting the Constitutionals or Labour⁶. As the Constitutional Party was a pro-British party, the British Government retaliated by suspending the constitution (Chircop: 20-21).

In 1931 Labour leader Paul Boffa told the colonial 'Malta Royal Commission' in 1931 – which was visiting Malta in view of the constitutional crisis - that the root of evil in that context was the privileged “legal-clerical-political class” which wanted a “constitutional self-government” in order to dominate the population, most of which was illiterate. Boffa put forward his party's views in favour of the granting of official status to the Maltese language, proportional representation during elections, freedom of the press, the re-establishment of the constitution and the abolition of the senate and plural voting (A.A. and E.C., 1971: 78-79).

The Nationalist Party (*Partito Nazionalista*⁷), defeated the compact in the elections held in June 1932, obtaining twenty-one seats next to the ten seats obtained by the Constitutionals and the sole seat obtained by Labour. Sir Ugo Mifsud became Prime Minister of Malta. The only Labour candidate to be elected was Boffa.

The Nationalist Government was pro-Italian, having fascist irredentist tendencies, which worried the colonial authorities. In fact, the constitution was suspended again merely after nine months of

⁶ The pastoral was later on substituted by a more moderate one which advised the electorate to vote for candidates who guarantee the religious interests of Maltese Catholics (Chircop, 1991: 89)

Nationalist administration, on the argument that the Nationalists were disregarding conditions under which representative Government had been restored and because of bad financial administration. Malta was once more without any form of self-government, and the situation remained so until 1947. Direct Crown Colony Government was entrusted by the British to administer the Maltese islands⁸ (Chircop, 1991: 102-103).

In 1939, Labour elected one candidate in an assembly which did not have time to do much work due to the breaking out of the second world war during the same year.

That same year a 23-year-old Student, Dom Mintoff, wrote the following words in the *'Daily Malta Chronicle'*:

“Malta needs new members with fresh ideas which could unite all the progressive elements and transform the medieval social system into a system which would be envied by the rest of the world” (A.A. and E.C., 1971: 88).

Mintoff was to earn himself a leading place in Malta's history during the next sixty years⁹.

During the Second World War, not much political activity was carried out in Malta. One important political event during the war was the setting up of the General Workers Union (GWU) - led by Reggie Miller - in 1943. Edward L. Zammit states that the aims of this Union “were

⁷ Later on known in Maltese as *Partit Nazzjonalista*.

⁸ During this period the Seditious Propaganda Ordinance was proclaimed. The Governor of Malta was empowered to combat fascist and pro-Italian propaganda, yet this also affected socialist progressive propaganda. In fact, a sedition trial was carried out in 1933, condemning six members of the radical Labourite Socialist League to imprisonment (Chircop, 1991: 93).

⁹ Mario Vassallo states that Mintoff's plan was to secularise Malta and to diminish the power of traditional structures such as the Church (Vassallo, M., 1977: 238).

almost identical” to those of the Malta Labour Party (Zammit, 1984: 44)The union would play a very important role in future Labour history, and together with the Malta Labour Party they formed an informal alliance known as the *Malta Labour Movement*, with two respective wings, the political and the industrial.¹⁰ (1984).

During the war, Labour formed part of the Government Council which included representatives of the clergy, Labour Party clubs, the press, professionals, commercial associations, band clubs, social clubs and others. Labour representative Boffa resigned from this council on 22nd February 1945 after he was criticised for proposing that taxes be introduced in order to set up social services on the islands (Galea: 221-222).

Labour gained nine seats out of ten in the elections held during November 1945, in which, contrarily to previous elections, all men over twenty-one years of age were entitled to vote. The Party’s electoral programme, for the first time in Labour’s history, did not make any reference to religion.¹¹ (A.A. and E.C., 1971: 96).

Boffa’s Government was supported by the General Workers Union, and it carried out a number of reforms, such as the abolition of the senate, the abolition of plural votes, as well as the introduction of women’s right to vote. However, Labour deputies resigned from their posts in July 1946 due to mass redundancies at the Dockyards (1971: 102).

¹⁰ The Union’s stipulated objectives were to increase wages, introduce social benefits and provide a better education for workers’ children (Zammit, 1984: 44)

¹¹ The programme emphasised as main priority the Party’s aims to improve the standards of living of workers. Other proposals in the programme included the plans for a new constitution and the granting of self-government (A.A. and E.C., 1971: 96).

In the meantime, the 'MacMichael Constitution' had been introduced, granting self-government to the Maltese.

Labour's participation in the subsequent October 1947 elections was once again supported by the General Workers Union. The Party won 59.9 per cent of the vote and twenty-four seats out of the possible forty within the Legislative Assembly. Paul Boffa became Prime Minister whilst Dom Mintoff became Deputy Prime Minister and Minister for Reconstruction. The Labour Government introduced Income Tax and Social Services for the first time in Malta.

Post-War Labour: Mintoff Takes Over

In 1949 a split occurred in the Malta Labour Party in view of an internal disagreement over the strategy to be adopted with regards to British Aid to Malta. Dom Mintoff was in favour of a hard line policy whilst Dr Boffa was more conciliatory to the British Government. The bubble burst over a Mintoff-produced memorandum - unanimously approved by the Cabinet - which Boffa was to present to the British Government. In this memorandum, Malta would have threatened that if by August 22nd of that year the British would not have requested Marshall Aid for Malta, the Maltese Government would ask the United States of America to submit aid to Malta in return for the use of the islands as a base. The British Government refused to meet Boffa unless the memorandum was withdrawn, leading to his reluctance to present the memorandum. In return Mintoff resigned his portfolio and threatened to retaliate (Pirota, J.M., 1987: 160-8).

Dom Mintoff, who had the support of a large number of labourites but not of the cabinet, held a number of mass meetings and publicly criticised Boffa and his cabinet. That was followed by a

Party General Conference and on October 9th it was decided that Boffa, whose political action was perceived as being futile by many Labourites, had to step down as Labour leader and Prime Minister. 244 of those present voted in favour of this step while 141 voted against (A.A. and E.C., 1971: 115). On October 16th Dom Mintoff was chosen as leader of the Party¹² (1971: 124-127).

Boffa and those who supported him formed a new party – the Workers’ Party, which managed to keep the Government in place until summer 1950 thanks to the support of small parties.

During this time Mintoff started using slogans such as the famous *‘Malta l-ewwel u qabel kollox’*¹³, a battle cry which would be used interminably in the years to follow. Mintoff would also emphasise the struggle for Maltese national liberation. For example, he would state that Malta should be “either like the British or not with the British!”, and that “we will never be slaves and servants in our own country” (A.A. and E.C., 1971: 131-132).

The Boffa Government finally collapsed when its Budgetary Estimates for the year 1950-51 were not approved in Parliament. Elections were held in 1950, and the Malta Labour Party based its electoral campaign on Malta’s relationship with Great Britain, both economically and constitutionally¹⁴. In spite of the political instability, successive elections were also held in 1951 and 1953. Within these three elections, Labour increased its parliamentary seats each time and

¹² Dominic Mintoff, an architect, was born in Cospicua, the industrial heart of the Grand Harbour area, in 1916. His parents were comfortably well off working class people, his father servicing as a cook in the Royal Navy. Mintoff had previously studied in Oxford, England, where he had been in contact with the Fabian socialists (Galea, 2000: 150)

¹³ Tr. from Maltese: ‘Malta first and foremost’.

¹⁴ In the meantime, the General Workers’ Union, in a historical decision voted for unanimously by its National Executive, proclaimed that “it will take no direct part whatsoever in favour or against any political party or parties but will continue to uphold its cardinal principles and programme” (Schiavone, 1990: 29). This declaration appeared in the Union’s official organ *‘The Torch’* on July 13th, 1950.

Boffa's Party entered into coalition with the Nationalist Governments led by Dr. Enrico Mizzi and Dr. Gorg Borg Olivier respectively.

In 1951, the Malta Labour Party joined the Social Democratic and historically anti-Communist Socialist International. Indeed, Godfrey Pirotta states that in the post-war period, the Malta Labour Party, by means of its working class base, became Malta's "first genuine mass party" (Pirotta, G., 1994: 109). Joseph M. Pirotta adds that the Malta Labour Party aimed to develop the Maltese economy as fast as possible, and create a welfare state in order that the people's living standards could improve (Pirotta, J.M., 1991: 25).

By the mid-1950s Boffa's Workers' Party had disappeared completely from the political scene, losing its support from 24,616 votes and 11 seats in 1950 to 14,000 votes and 3 seats in 1953, and by 1955 a united Malta Labour Party once again won the general elections held that year, by obtaining 57 per cent of the vote and 23 out of the 40 seats in the Legislative Assembly. Labour's electoral battle cry once again focused on relations with the colonial power. The Party - once more supported by the General Workers' Union - now wanted at all costs to terminate colonial rule in Malta and advocated Integration with Britain¹⁵ (A.A. and E.C., 1971: 167-8). J.M. Pirotta argues that Mintoff believed that the only way to improve Malta's socio-economic condition was by means of hefty British financial assistance¹⁶ (Pirotta, J.M., 1991: 25). The Party also emphasised its aim to create work for everyone (Azzopardi, 1986: 2).

During the electoral campaign, Mintoff explained his party's Integration plan. This would include the following conditions:

¹⁵ The Malta Labour Party had already put forward its Integration plans in its electoral programme of 1950 (Pirotta, J.M., 1991: 20)

1. The Maltese would enjoy the same social services as the British;
2. The Maltese would have the same working opportunities and conditions as the British;
3. An economic plan revolving around the concept of work-for-everybody would be in place;
4. The British Parliament would include Maltese representation;
5. Defence and foreign policy would be in the hands of the British Government;
6. Local issues such as education and religion would be in the hands of the Maltese Government; (*Ghaqda Zghazagh Socjalisti*, 1974: 26).

Mintoff's Government organised a referendum about the Integration issue during February 1956¹⁷. Previously, in a pastoral letter, the Bishops had indirectly stated that they did not agree with the Integration proposal. By the time of the referendum, various religious organisations and priests were vehemently opposing the proposal (Azzopardi, 1986: 9). In a radio broadcast Archbishop Michael Gonzi made it rather clear that Integration was a threat to the Catholic faith and morals. And thus he "could not advise the people to support it" (Pirrotta, J.M., 1991: 159-60).

On the party-political front, the Nationalists boycotted the referendum due to their argument that Integration would result in the dominance of Protestantism over Catholicism, leading to the introduction of civil marriage, divorce and birth control (1991: 28). The Progressive Constitutionalists, led by Strickland's daughter Mabel, appealed to the Maltese to vote 'no'. On

¹⁶ In fact, Labour's alternative to Integration, were the project to fail, was self-determination, which "was not considered to be able to engender economic well-being" (Pirrotta, J.M.: 25)

¹⁷ In a 1970s' publication by Labour's socialist youths, the situation was described as follows:

"as usual, the servants of the British Government, when realising that Mintoff's plan was slowly but steadily moving forward, did their utmost to agitate the meek Maltese against Integration with Britain. They alarmed the Maltese that the [Catholic] religion would be smashed, and told them that even the use of fireworks would not be allowed. They scared them that Maltese soldiers would start dying in foreign wars, that Maltese culture would be lost, that English workers would take the place of Maltese workers at the Dockyards, and so on" (*Ghaqda Zghazagh Socjalisti*, 1974: 29)

the other hand, Labour appealed to voters to vote 'yes'. According to J.M. Pirotta, given that the Malta Labour Party was mainly supported by the working class, most of whom depended on the British for employment, proposals that would guarantee employment and standards of living similar to those of the British were likely to be supported (1991: 26-27). The referendum took place with a turnout of 45.2 per cent of the electorate. 56 per cent of those who voted agreed that Malta should integrate with Britain.

The British Government did not accept the outcome of the referendum. No agreement was reached on the Integration issue¹⁸ as well as on other issues, and the British Government made matters worse by announcing that it was discharging employees from the Naval Dockyards (Galea, 2000: 229).

It was now becoming clear that changes in British defence policies were going to result in massive rundowns of the British presence in Malta. Economist Lino Briguglio states that by then the need was felt to implement a co-ordinated development plan to diversify Malta's economy (Briguglio, L. 1988: 189).

The Maltese Government resigned from office as a protest action against the British on 24th March 1958 and a few days later the British revoked the Constitution. At a mass meeting in Floriana on 6th April, Mintoff, in anti-colonial rhetoric, stated that the British had no concern for the Maltese and their hardships. Therefore, given that "suitable arguments for civil negotiations were no longer of any use" (Pirotta, J.M., 1991: 441), he proclaimed that the Maltese should

¹⁸ J.M. Pirotta states that Integration became even less attractive to the British due to Britain's Middle East and Suez Canal fiascos, which "killed once and for all Britain's pretensions to world power status" and brought about "disastrous" economic consequences (Pirotta, J.M., 1991: 287)

struggle in the streets where “voices [would be] rising up from the streets and squares” (1991: 441).

Eventually a historic general strike was held on April 28th, in the midst of violence and intimidation by the police and military forces. Public meetings and demonstrations were banned and the Labour Party adopted passive resistance. Subsequently, direct rule by the British was introduced, following the Nationalist Party’s refusal to lead a minority government (Azzopardi, 1986: 29-31). The Malta Labour Party was now to start demanding Independence for Malta (Pirota, J.M., 1991: 441).

On November 19th, 1958, a Malta Labour Party delegation led by Mintoff flew to London, making its first official request for Malta’s Independence. In the first Labour mass meeting to be held the following year, Mintoff stated that his party would transform Malta’s economy from one based on destruction to one based on friendship and peace (*Għaqda Żgħażaġħ Soċjalisti*, 1974: 44-45).

In an article entitled ‘*A New Plan for Malta*’, which appeared in the acclaimed ‘New Statesman’ magazine, Mintoff elaborated his vision for Malta. He stated that Malta should become a neutral port whose freedom was to be guaranteed by the Council of the United Nations. In his words, “As a nuclear-free zone with a free and stable society, we would quickly develop into a Switzerland in the heart of the Mediterranean” (Azzopardi, 1986: 39). Mintoff proposed that Malta would form part of the European common market and should adopt similar commercial ties with the island’s Arab neighbours. “We possess the capability, the strength and the social capital to build a New Malta, the meeting point of unity and commerce between the European continent and the Arab nations” (1986).

Mintoff's slogan '*Malta l-ewwel u qabel kolloxx*' was amplified in many of his speeches and writings during that period. Indeed, Mintoff's rhetoric was very similar to that of various anti-colonial movements of the time such as Nasser of Egypt and Makarios of Cyprus.

As the 1960s came in, the church, lead by Archbishop Gonzi, continued to oppose the Malta Labour Party. In this regard, Mario Vassallo holds that between the 1950s and the 1960s the Church was determined to keep Mintoff out of power especially due to his socialism and secularist plans (Vassallo, M., 1977: 238). In a pastoral letter issued in 1960 the church made it clear that "no-one can be a good socialist and a sincere Christian at the same time" (Azzopardi, 1986: 45). The Malta Labour Party's continuous insistence that it was not against the church and that its social policies were synonymous with Christian beliefs were to no avail. Lorry Sant, a militant trade-unionist, editor of Labour newspaper '*The Struggle*' and future Minister, was given the Interdict by the Church authorities for criticising the Archbishop's pastoral letter in one of his articles. Eventually, during 1961, the Church imposed the Interdict on all members of the Party National Executive for allegedly swinging the Party too much to the left. In a mass meeting in Zabbar, Mintoff replied to the Church's decision by stating that

"We worked and still work in the interest of workers, just as our Lord Jesus Christ taught us. We put these teachings in practice. We were indicted because we were courageous enough to say that we are against the British in our struggle for Independence. We will keep on struggling for our country, but we will tell them 'do not collaborate with the British Government'. Then we would be able to meet like brothers, because we still are brothers. In this holy and just struggle for freedom, God is with us" (*Ghaqda Zghazagh Socjalisti*, 1974: 61-62).

Eventually, reading Labour newspapers or attending Labour meetings were declared by the Church to be mortal sins, as was the act of voting Labour in the 1962 elections. Between 1961 and 1963 seven Labour activists who died, including former Minister and prolific writer Guze' Ellul Mercer were buried in the *mizbla*¹⁹, the non-Catholic cemetery. Besides, not only the Nationalist Party, but also the Christian Workers Party, the Nationalist Democratic Party, the Progressive Constitutional Party and the Christian Democratic Party, were clearly anti-Labour (Galea, 2000: 232).

Other actions were carried out against the Malta Labour Party. For example, members of the Catholic lay organisation would blow whistles with all their might during Labour meetings; church bells would be rung during such activities (*Ghaqda Zghazagh Socjalisti*, 1974: 63-64).

In the elections that followed in 1962, Labour's programmes proposed, among other policies, that freedom of conscience, equal rights, and the nation's sovereign rights form part of Maltese jurisdiction, in line with the Charter of the United Nations. The Party stated that it would not go against Catholic principles, and that it advocated "the removal of medieval privileges that held back social and economic progress" (*Ghaqda Zghazagh Socjalisti*, 1974: 65). Labour proceeded to obtain 16 seats out of 50 and 33.8 per cent of votes. The Nationalists gained 25 seats and Borg Olivier became Prime Minister once again.

During the first half of the 1960s Malta experienced a severe rundown of British Military expenditure, which accounted for around 15 per cent of the Malta's Gross Domestic Product, and

¹⁹ Tr. from Maltese: 'rubbish dump'. This refers to a segregated part of Malta's main cemetery where the interdicted were buried.

unemployment topped the 8 per cent mark in 1964, up from 4.1 per cent in four years (Briguglio, L. 1988: 191-3). Besides, the cost of living rose sharply, national debt increased and levels of education were low (Galea, 2000: 234).

During the 1962-66 legislature, negotiations on Malta's Independence were held between the British and Maltese Governments. The Malta Labour Party made various proposals and amendments for the constitution, but most of them were ignored. Azzopardi states that various proposals and amendments were made to try and bring about reconciliation with the Church as well as modern democratic reforms²⁰ (Azzopardi, 1986: 99-100).

Eventually the referendum for Independence followed, between May 2nd and 4th, 1964, amid much controversy. Given the circumstances, particularly that dealing with the constitution, Labour declared that "the referendum is not going to be free and Malta would not achieve true Independence" (1986: 102).

56 per cent of voters (or 45 per cent of the electorate) declared that they were for Independence, and Malta achieved Independence. However, the British Government still held power in various spheres. These included the use of the Grand Harbour, the Dockyards, the airport as well as telecommunications. In the 1966 elections the Church once more imposed spiritual sanctions against the Malta Labour Party, albeit to a lesser extent than in the previous elections.

²⁰ These included the recognition that Catholicism is the official religion of Malta, equality of all citizens in front of the law, freedom of conscience, civil marriages, religious education in state schools, fundamental human rights, freedom of expression, and the end of 'corrupt practices', referring to one's liberty to vote as one wishes without interference from any spiritual power (Azzopardi, 1986: 99-100)

Labour fared better than it had done in 1962, winning 22 seats out of 50 in Parliament and 43.1 per cent of the votes. The small anti-Labour parties failed to elect candidates, meaning that all 28 seats were won by the Nationalists. Borg Olivier remained Prime Minister.

The relationship between the Malta Labour Party and the Catholic Church was eventually patched, up after lengthy discussions. A formal agreement was reached in April 1969 when the church promised not to interfere in politics (Galea, 2000: 141).

During the second half of the 1960s, the Maltese economy was faring better than in the previous five years. Henry Frendo states that given that the Nationalist Government maintained a healthy and friendly relationship with the British, with NATO and with other Western forces, investment was attracted and the economy was transformed from a military base to a modern one based on manufacturing, tourism and agriculture (Frendo, H., 1991: 214).

In fact, there were fast increases in employment levels and corresponding decreases in the rate of unemployment, especially due to the construction boom. Indeed, unemployment decreased from 8.1 per cent in 1964 to 3.7 per cent in 1969 (Briguglio, L. 1988: 193). However, between 1962 and 1970, 44,000 people out of a population of 314,216 emigrated to countries such as Australia and Canada in search for better economic prospects (Galea, 2000: 234).

During the late 1960s and prior to the elections of 1971 the Labour opposition - still led by Mintoff – and the General Workers' Union pressured the Government to insist for better treatment from the British and organised various industrial actions. They included a seven-month deadlock at the Dockyards (Zammit, 1984: 50).

The Old Labour Years

For the 1971 general elections, the Malta Labour Party and the General Workers Union presented a joint programme entitled '*Malta Maltija fil-Paci u l-Progress*'²¹. The programme was defined as democratic-socialist, and its main promises included the setting up of an agreement on foreign military basis in Malta, the introduction of social legislation such as the 40-hour week, the minimum wage, income tax reform and an economic plan which emphasised education, industry, agriculture and fisheries, tourism, housing, children's allowance and other forms of social welfare (*Moviment tal-Haddiema*, 1971).

The programme emphasised equal rights without any distinctions of race, colour or belief, as well as the duty to stop hardship resulting from inequality between the rich and the poor. Labour also promised to introduce 50 per cent Union participation in the Dockyard management in order to improve its economic outcome (1971: 15).

The electoral campaign that followed was rather quiet. The Malta Labour Party won the elections, obtaining 28 out of 55 seats in Parliament, and 50.8 per cent of votes, as against the 48.1 per cent of votes obtained by the Nationalists and the 1 per cent obtained by the Progressive Constitutionalists. Later on, one of the Nationalist MPs crossed over to Labour and Labour deputy Paul Carachi asked the Speaker of the House for a chair in the middle so as to have independent status (*The Malta Independent*, 9th November 1997).

Mintoff's Government carried out immediate changes. The British governor was substituted by the first- ever Maltese governor, Sir Anthony Mamo. American warships were banned from using

Malta's ports, and N.A.T.O's commander in Malta was declared a *persona non grata*, resulting in the commander leaving the island and the closing down of the N.A.T.O. headquarters in Malta. In March 1972 an agreement was reached whereby Malta would receive 14 million pounds sterling from Britain each year until March 1979, when Malta would become free from the British Military (Galea, 2000: 235).

In the meantime Mintoff's Government carried out agreements with various countries. When oil prices rose internationally during the 1973 oil crisis, it was agreed that Libya would give Malta all the oil it needed for its economy (*Ghaqda Zghazagh Socjalisti*, 1974: 99). Other foreign policy milestones during these years included Mintoff's visit to Mao's China, one of the first of its kind from a Western leader, as well as his relentless efforts to bring peace in the Mediterranean, such as during the Helsinki conference in 1975. Malta also eventually became a member of the Non-Aligned Movement, which included various third world countries such as India, Cuba and Algeria. The country even joined of the Group of 77.

With regard to the ever-controversial Dockyards, where Labour promised to introduce a 50 per cent Union participation in management, Mintoff ensured that this reform would not be carried out before other rationalisation measures. In a meeting for Dockyard workers on March 15th 1973 at Gavino Gulia square in Bormla, Mintoff scolded the workers for their lack of effort and told them that they had three choices, namely, his resignation, the Dockyards' bankruptcy, or that Mintoff should have his way for the following six months. The workers voted for the third choice with a show of hands, and Mintoff told them of various measures that would be carried out, such as the dismantling of the shift system (Boissevain, 1994: 415). This resulted in the first ever

²¹ Tr. from Maltese: 'Maltese Malta in Peace and Progress'

profit-making year for the Dockyards. The profit-making period lasted seven years (The Times, October 8, 2001).

The Labour Government also reached an *ad hoc* agreement with General Workers' Union wherein two Union officials would attend Cabinet meetings in order to discuss the Budgetary Estimates which would be presented by Government in Parliament. The two officials were bound by secrecy and could not ask for approval by the Union's council (*L-Invell*, October 1978).

Other measures that were carried out by the Mintoff Government of the 1971-1976 legislature included the following:

- Various nationalisations as well as the founding of various state-owned companies, such as Air Malta, Sea Malta, Bank of Valletta, Mid-Med Bank, TeleMalta, *Xandir*²² Malta;
- Reduced salary differentials between the highest and lowest grades in the civil service;
- The granting of cost of living increases and bonuses by flat rate rather than by percentages;
- The introduction of Pay-As-You-Earn and a higher ceiling with regards to income tax;
- The establishment of a national health scheme;
- The demolition of slums and the construction of various housing units for workers and their families;
- The bulk-buying of imports such as milk, sugar and butter at cheap prices;
- Various reforms in industrial legislation such as the reduction of the working week to 40 hours and the law in favour of equal pay for women;

²² Tr. from Maltese: 'Broadcasting' (referring to Malta's national television station)

- The increase in social services expenditure as well as the introduction of services such as Children's Allowance;
- The elimination of streaming and examinations in State schools;
- Various tourist projects;
- The introduction of work corps such as the 'Pioneers' Corps', which would carry out various construction work. Members of such corps were denied the right to join trade unions.

The Labour Government believed in state intervention within the economy, especially where the private sector failed to take the initiative (Briguglio, L. 1988: 190).

On December 13th 1974, Malta officially became a Republic, and a new constitution was introduced. The constitution, which – just like Italy's constitution - declared that Malta was a republic based on work, introduced various new articles, such as the one allowing people of 18 years of age to vote in general elections. 49 members of Parliament voted in favour of the new constitution, with only 6 Nationalist members abstaining.

By 1974, unemployment stood at 5.8 per cent compared to 3.7 per cent during 1969 (1988: 190). Malta's Gross Domestic Product had grown at a slower rate during the previous five years than during 1965-69. According to Lino Briguglio, "had employment not been artificially created in Government labour corps, the number of persons employed would have actually decreased" (1988: 192).

In 1976, the first elections under the new constitution of the Republic of Malta were held.

The Malta Labour Movement's electoral programme, *'Lejn Malta Socjalista 'l Quddiem fis-Sliem'*²³ emphasised the 'socialist' credentials of the Labour Government. Indeed, it was stated that the Labour Movement believed in democratic socialism, and that Malta could evolve into one big "socialist family." (*Moviment tal-Haddiema*, 1976: 15). It was also declared that "the first requirement for human emancipation is work" (1976: 87).

Among other proposals, the programme stated that a next Labour Government would carry out the following measures:

- The attainment of full-employment;
- The placing of commercial activities, as much as possible, under Maltese ownership;
- The continuation of the non-alignment policy;

Labour emerged victorious once again, winning 51.5 per cent of votes and 34 seats next to the Nationalists' 48.5 per cent of votes and 31 seats. Mr. Mintoff was confirmed Prime Minister. The Nationalists were once again led by Dr. Borg Olivier, who was replaced by future Prime Minister Dr. Eddie Fenech Adami in 1977.

Mintoff's Government continued practising much of its socialist policies during this legislature, and Mintoff remained as powerful as ever. However, two major characteristics of this legislature were the escalation of industrial disputes and political violence. One of Mintoff's most popular sayings at the time was *'Min mhux maghna kontra taghna'*.²⁴

²³ Tr. from Maltese: 'Towards a Socialist Malta, Moving Forward in Serenity'

²⁴ Tr. from Maltese: 'Those not with us are against us'.

One dispute occurred in 1977, when the Office of the Prime Minister issued a circular stating that although the Government recognised the right to strike, the right to partial industrial action would no longer be recognised. The circular also stated that those who refused to work overtime would have no overtime granted to them till the end of the year. Following the issuing of this circular, various industrial actions and protests took place and the Government suspended and transferred some government workers (Nationalist Party Information Office, 1981a: 13-14).

The Government also threatened bank employees that unless they complied with the management's directives, it would liquidate the two commercial banks on the islands and form one bank instead, thus making a number of workers redundant. The industrial action that followed resulted in the suspension of a number of workers. A similar case also occurred at TeleMalta, where a number of workers were suspended for a number of months. With regards to the latter case, the Government made use of the labour corps, which were subject to military discipline, as strike-breakers (1981a: 14).

Another large dispute took place with doctors. The issue arose due to two major issues, the first of which was the Government's policy that students who graduated as doctors should undertake a compulsory two-year registration period at hospital, and the second of which being the Government's decision to change the status and powers of the Medical Council. Various doctors reacted by resorting to partial industrial action and many of them were immediately locked-out of government hospitals. Subsequently various doctors were fired and had to leave the country. The Government, meanwhile imported foreign doctors to take their place, was criticised by various medical associations such as the World Medical Association (1981a.: 14). At the height of these disputes, a letter bomb killed Karen Grech, daughter of future Labour Minister Edwin Grech, who had accepted to work at hospital, thus defying the doctors' industrial actions.

With regard to the Health sector, Mintoff's Government also forced the private hospitals to close down and introduced free medical services to all in 1979. Besides, various state polyclinics were opened in 1981.

The Labour Government also implemented various changes within Malta's educational system. In 1977 examinations were re-introduced for all children from seven years of age. In 1981 a tripartite educational system was started, wherein, contrarily to the policy of comprehensive schooling adopted in 1972, streaming became intensified. This was especially due to the fact that Junior Lyceums were set up, to be attended by students over 11 years of age who passed an entrance examination.

With regards to University, a student-worker scheme was established. Under this scheme, students were obliged not only to have the necessary qualifications but also to alternate periods of work with periods of study. Entry to University became determined not only on the basis of qualifications, but also on preference of employers. A special 'Students Selection Board' ultimately decided which student-workers were to be chosen. Besides, various courses were halted and the faculties of Arts and Science closed down. Consequently, many lecturers and students left University. Stiff opposition was offered by students and academics to these reforms, and the distinguished sociologist Ralf Dahrendorf, who was hired by the Government for consultancy services, stated that these reforms added nothing to education or social Integration, as they produced "either unhappy workers or underqualified students, or both" (Nationalist Party Information Office, 1981a: 24).

On November 8th, 1977, during graduation day, university student Michael Frendo addressed those present by emphasising the need for graduates “to propagate the distinction between truth and propaganda, sincerity and hypocrisy, integrity and opportunism, freedom and slavery” (1981a: 9). This speech caused havoc. The President of the Republic and the Minister of Education walked out, and a number of Labour supporters entered the campus and the hall, intimidating those present. Dennis Sammut, Administrative Secretary of the Malta Labour Party and Joe Debono Grech, a Labour Member of Parliament accompanied the Labourites. Some of them forced themselves into Students’ House, but hundreds of students barricaded themselves in the building. Subsequently no one was arrested but Frendo was sued for defamation by two high officials. However he was ultimately acquitted (1981a). A year later, on October 5th, policemen and Labour supporters beat up students while these were returning to the University campus following a rally to commemorate Students’ Day (1981a: 61).

On May 21st, 1978, the two components of the Malta Labour Movement, namely the Malta Labour Party and the General Workers Union became statutory partners. Thus their alliance achieved formal status (*L-Orizzont*, 22nd May 1978). Both organisations carried out statutory changes, which were approved by the delegates of the respective organisations. These included the following changes:

- The creation of a committee which was to co-ordinate the leadership of the two organisations;
- The participation of the Union’s President and General Secretary in cabinet meetings which directly concerned the interests of workers. The decisions taken during the meetings would be final and would bind the General Workers’ Union (Schiavone, 1990: 77).

The agreement was very similar to the *ad hoc* agreement reached by the Union and the Party during the 1971-1976 legislature.

In various instances, such as during a meeting at Blata l-Bajda on April 28th, 1979, Mintoff also invited other trade unions, such as those that formed the Confederation of Malta Trade Unions, to join the Malta Labour Movement. However, no other union accepted the offer (Nationalist Party Information Office, 1981b: 142).

In 1979 Malta became free from the British Military. Freedom Day was proclaimed on March 31st, and it was given more importance by Mintoff's Government than Independence Day.

During this period Malta witnessed an escalation of political violence, which reached its apex on October 15th, 1979, a day which earned the title of '*Black Monday*'. About forty Labour supporters broke into Nationalist leader Fenech Adami's private residence while he was in Parliament, beat up his wife and ransacked the house. During the same day, the same Labourites broke into the Progress Press and the offices of *The Times* newspaper, damaging all the machinery and gutting the building. The European Parliament as well as various European leaders deplored both these incidents (1981a: 22).

Three days after the Black Monday incidents, Mintoff wrote to Mabel Strickland, owner of the Progress Press, expressing his regret over what happened (Nationalist Party Information Office, 1981b: 58). Mintoff also condemned these violent acts in a notorious interview with top Italian newspaper '*Panorama*' on November 11th (1981b: 57).

On January 3rd 1981, the Courts of Justice were suspended by the Government. The courts were closed for over a month and were reconstituted when the Government introduced a Parliamentary Bill which severely restricted one's right to sue government and which set up a watch-dog Law Courts Commission. Dr. Fenech Adami considered this Bill to be "a return to the divine rights of Kings" (Nationalist Party Information Office, 1981a: 7).

Notwithstanding the political and industrial situation during the second half of the 1970s, by 1979 the Labour Government managed to increase Malta's Gross Domestic Product by more than double the amount of 1974. During the same period unemployment decreased from 5.8 per cent to 2.7 per cent (Briguglio, L. 1988: 190). Employment increased at a fast rate, mainly due to the expansion of the manufacturing sector and tourism. By now, British Military expenditure had gone down to nil (Briguglio, L. 1988: 193-5).

During the 1976-1981 legislature, the Labour Government's foreign policy was at times very critical of Western European Governments and of the European Common Market and at times more conciliatory. In 1978 Mintoff pronounced the following highly notorious statement in Parliament,

"Today there are two Europes: The Europe of Cain and the Europe of Abel. The Europe of Cain only wants to conquer, and the Europe of Abel is progressive. It is with this Europe that one day we will reach agreement" (Nationalist Party Information Office, 1981b: 44).

Mintoff also spoke about the Europe of Cain and Abel during a European forum in Strasbourg. However, Mintoff never ruled out Malta's entry in the European Community. In his words,

“Today we are telling Europe to reach agreement with the Arabs just like we have done. Get powerful enough to get rid of the American and Soviet military bases. When this is achieved we will join you” (1981b: 48).

In another instance, during an interview with the *Adhkron* news agency, Mintoff explained how his Government did not want Malta to be a satellite of any of the two superpowers, and wanted to reach an agreement with Italy and France on one side and Libya and Algeria on the other. He stated that while Italy and France offered goodwill declarations, Libya and Algeria provided concrete assistance (1981b: 111). In the meantime, his Government had also reached an important neutrality agreement and established financial protocol with the Italian Government, in 1980.

1981 proved to be a very controversial year especially due to the general elections that were held during that year. The Malta Labour Party and the General Workers’ Union contested jointly behind the banner of the Malta Labour Movement, against Nationalist Party led by Eddie Fenech Adami.

The joint electoral programme of the Malta Labour Party and the General Workers Union, ‘*Mit-Tajjeb għall-Ahjar*’²⁵ was approved by delegates of the two organisations in their respective general and national conferences (Malta Labour Party/General Workers Union, 1981).

The General Conference of the Malta Labour Party, held on November 9th, 1981, appealed to “manual and mental workers of Malta and Gozo” to keep in mind that “for the first time in our

country's history, by means of the political wing, the [Malta] Labour Party, and the industrial wing, the General Workers' Union, the workers have managed to elevate the Maltese people to a nation free from all foreign interference" (1981: introduction). The Party's General Conference also appealed to workers to measure the progress that was being made by the country "without bloodshed, without violence and with the minimum of sacrifice" (1981). Finally, the conference stated that by means of *ghaqal* and *bzulija*²⁶ and the Socialist belief, Malta was capable of moving from a good situation to a better one (1981).

The proposals in that electoral programme included the following:

- The continuation of collective purchases and bulk-buying of raw materials and commodities to keep prices low;
- Further construction of housing units, distribution of plots, and granting of subsidised loans in order to build one's own house (1981).

A record of 96.1 per cent of the electorate voted during the 1981 general elections, and the Malta Labour Party, although obtaining a minority of votes (49.1 per cent), won more seats than the Nationalists, who won 50.9 per cent of votes. Labour was constitutionally entitled to govern, but the electoral result was described as 'perverse'. Indeed, according to Francis Galea, Mintoff wanted new elections to take place within a year, but his Ministers did not agree with him (Galea, 2000: 152).

²⁵ Tr. from Maltese: 'From Good to Better'

²⁶ *Qhaqal* (Tr. from Maltese: 'Prudence') refers to a combination of quiet cautious submissiveness with sensibility, self-restraint and thriftiness; *Bzulija* (Tr. from Maltese: Diligence) refers to a natural inclination for working hard (Zammit, 1994: 486). These two values, according to Zammit, (1984, 1994) form part of the Maltese work-ethic together with the value of honour.

The Nationalists reacted to the election result by declaring the Labour Government a minority Government. No Nationalist member of Parliament attended the parliamentary sittings for three years, and a number of boycotts were ordered by the Nationalists. They included boycotts on state television (which was the only local television station), as well as on certain retail outlets. In the meantime various threats and bomb explosions at houses of prominent people occurred, bringing about a great deal of instability in the country (2000: 238).

On October 15th 1982, Dr. Karmenu Mifsud Bonnici²⁷ was appointed Designate Leader of the Malta Labour Party following a motion by Dom Mintoff. Mintoff had previously proposed that Mifsud Bonnici be appointed Deputy Leader of the Party. In fact the lawyer was appointed deputy leader on May 29th, 1980. He was co-opted in Parliament on May 2nd 1983 and became Minister of Education.

During the same time that Dr. Mifsud Bonnici was appointed Designate Leader, the 1983 Budget was presented. That Budget included a hotly contested wage freeze that was maintained under that Labour legislation. It was accompanied by a price freeze.

In 1984, the Labour Government clashed with the Church over the Church schools issue. The Labour Government insisted that Church schools had to be free of charge, and not financed by fees paid by parents. During that conflict, Karmenu Mifsud Bonnici, the Minister for Education, adopted the slogan '*Jew b'xejn jew xejn*'²⁸, and he used it in many of his speeches.

²⁷ Karmenu Mifsud Bonnici, a lawyer, was born in Cospicua, the son of a doctor and a teacher. He previously held the post of legal advisor for the General Workers Union, and was also active in the Catholic Action and the Young Christian Workers during his youth (Galea, 2000: 146). His relatives included various successful political figures, such as Dr. Ugo Mifsud Bonnici, a Nationalist member of Parliament and future Minister and President of the Republic.

The Government also faced another controversial educational issue at the time, which dealt with the revision of teachers' salaries. Following a failure in negotiations, the Malta Union of Teachers ordered its members to work under the 'work-to-rule' condition (Schiavone, 1990: 158).

The teachers who refused to sign a government declaration stating that they would keep on working, were locked out without payment. The Malta Union of Teachers reacted and a seven-week strike followed. The Government called for volunteers to take the place of teachers, and later on they were paid for their services. At that time, too, a bomb exploded next to a building that belonged to relatives of the Union's president. In the meantime, the Confederation of Malta Trade Unions ordered a general strike on October 10th, 1984 as a sign of sympathy towards the teachers who were locked out (1990). The lock out was condemned internationally by the European Confederation of Trade Unions and other international unions and organisations. Following the strike, various teachers were transferred to other schools (*Partit Nazzjonalista*, 1987: I[9]).

On 22nd December 1984, following Mintoff's resignation from the post of Prime Minister, Karmenu Mifsud Bonnici made his first address to the Nation as Prime Minister. In that address, he stated that the Socialist Government would give priority to fight against the biggest problem that it was facing: the lack of employment for workers and youth. Mifsud Bonnici added that his Government also had another important problem to deal with – the number of bombs that were still to be found in various places in Malta. Other priorities put forward by the Prime Minister in his inaugural speech included the efforts being taken to improve international relations with

²⁸ Tr. from Maltese: 'Either free of charge or nothing'

countries and blocks such as Italy, the Vatican, the European Community and Arab countries (Malta Labour Party Department of Information, 1987: 7).

Mifsud Bonnici had inherited a situation characterised by political instability as well as various economic difficulties. Unemployment soared to 8.6 per cent from the 2.7 per cent in 1979 (Briguglio, L. 1988: 190), employment decreased by the fastest rate since 1960, and the rate of Gross Domestic Product growth was very low. Lino Briguglio holds that the unemployment rate would have been even higher had the number of people willing to work not decreased (1987: 193).

On April 27th, 1985, an agreement was reached by the Government of Malta and the Vatican regarding Church schools. By means of the agreement, Church schools became free of charge, and a common entrance examination was introduced for all students who wished to enter Church secondary schools, regardless of whether they attended Church primary schools or not. The agreement also covered aspects regarding Church property.

In the meantime, Dom Mintoff, who had kept his place in Parliament following his resignation as Prime Minister, worked for the necessary changes in the constitution (Galea, 2000: 238). On the 20th December 1986 agreement was reached between the two Parties in Parliament and the Constitution was changed. The new provisions included the following changes:

1. That Malta be neutral and non-aligned;
2. That foreign intervention be declared as corrupt practice;
3. That the Party which gets the majority of votes during general elections would be entitled to govern the country.

Sixty-four out of sixty-five members of Parliament voted in favour of these changes.

The foreign policy of the Labour Government during 1981-1987 was in many respects a continuation of that which had been practised by the same Government during the previous legislature. Historian Dominic Fenech, who at the time was the Party's General Secretary, states that that Government pursued a policy of trade diversification with various countries "unfettered by the obligations of EEC membership" (Fenech, D. 1988: 136). Indeed various trade and security agreements, including the agreement to barter, were reached with countries such as China, Libya, North Korea, Italy, Algeria as well as with the European Community. Certain agreements were also reached with the Vatican.

During the 1981-1987 legislature various acts of violence were committed. Both major political parties were associated with various acts of violence, yet the Malta Labour Party was perhaps associated with the most infamous acts, especially since the state apparatus was sometimes involved in certain incidents. The most notorious violent acts included the following:

- The beating up of Nationalist supporters who obeyed the Nationalist Party's directives in favour of civil disobedience during *Mnarja*²⁹ 1982.
- The ransacking of the Archbishop's Curia and the Courts of Justice during the Church schools question by Dockyard workers during a demonstration. Various workers descended from trucks, one of which held Karmenu Mifsud Bonnici on it;
- Violence by Labourite elements including policemen during a Nationalist meeting at *Tal-Barrani*, a Labour stronghold in Zejtun;

- The murder of Raymond Caruana at the Nationalist Party club in Gudja following sporadic shooting from a car in front of the club, and the subsequent frame-up of Nationalist activist Pietru Pawl Busuttil who was charged with his involvement in the act, but who was later on released after being found innocent;
- Various other beatings and shootings during public activities and at police premises. In 1987 there were about fifty cases of alleged torture by people who had evidence proving what they experienced (*Partit Nazzjonalista*, 1987: I[9]);
- Attacks against environmentalists during their protests.³⁰ (Boissevain, 2000: 6).

During these years there were also various cases of alleged corruption, especially in bulk-buying licensing as well as in building permits which were granted by Public Works Minister Lorry Sant. Cases of political discrimination arose, too. The law courts condemned various Labour ministers regarding political discrimination (*Partit Nazzjonalista*, 1987: I[9]).

The Labour Government set the 9th of May 1987 as the date for the following general elections. During the ten months preceding the general elections, a massive amount of 8,000 persons were given employment with the Government (The Times, 24th July 1992).

The general elections were held in the midst of a fierce and highly polarised electoral campaign. Describing the campaign, Dominic Fenech states that the Nationalist Party made a major electoral issue of the intense party polarisation in the country, “maintaining that the country was needlessly divided, and laying the blame on the methods of rule used by the [Malta] Labour

²⁹ A public holiday related to the feast of St. Peter and St. Paul.

³⁰ The Labour Government had a rather bleak environmental record. One of the most harming policies was the introduction of a law in 1983 which gave the concerned Minister power to issue building permits even in green areas. This resulted in construction in various areas of agricultural and archaeological importance such as Nigret,

Party” (Fenech, D. 1988: 134). The Nationalists emphasised issues of a “non-class nature”, which included national reconciliation, freedom of choice, and the promotion of Christian democratic values. Besides, the Nationalists also adopted popular issues that had to do with social services, welfare schemes and working conditions (1988). The electoral slogan used by the Nationalist Party was ‘*Xoghol, Gustizzja, Liberta*’.³¹

On the other hand, the Malta Labour Movement’s battle cry was ‘*Ghall-Paci u l-Progress*’.³² According to Fenech, Labour stressed “as its overriding concern the interest of workers, centred as usual on social issues” (1988: 134). These included the protection of workers’ living standards, participation, social services, housing and jobs. Fenech stresses that Labour also projected itself as the “real guardian of national interests and democracy” (1988: 134), given the previous struggles with the British and the Church and its policy against social privilege.

Emphasising once again that Malta came first and foremost, Labour’s programme declared that in the years to follow a Labour Government would do its best to maintain and broaden civil and individual rights as in modern societies. The participation of citizens in general, consumers and women in particular were also highlighted (*Moviment tal-Haddiema*, 1987).

Moreover, the electoral programme stated that a Labour Government would be ready to revise economic policies such as bulk-buying and trade-reciprocity as soon as economic conditions improved. Regarding government-owned enterprises, the programme mentioned the need for them to be more efficient, flexible, and profitable “where possible and in line with the socialist ideology”, more profitable (1987: 16).

Wied il-Ghasel, *Tal-Brolli* in Birzebbugia, *Wied Filep* in Naxxar as well as close to the Buskett gardens. Besides, various tourist projects mushroomed along Malta’s coast (*Partit Nazzjonalista*, 1987: I[26])

As regards foreign policy, the programme reaffirmed Labour's beliefs in neutrality, non-alignment, equidistance from the superpowers and security in the Mediterranean (1987: 19).

The Nationalists won 50.9 per cent of votes against Labour's 48.87 per cent, thus winning the elections in which, once again, a record of 96.1 per cent of the electorate voted. Eddie Fenech Adami was appointed Prime Minister and Karmenu Mifsud Bonnici Leader of the Opposition. Given the constitutional amendment which guaranteed power to the Party which obtained 50 per cent plus one of the valid votes, the Nationalists were legitimately entitled to govern and to co-opt four additional members to Parliament in order to have a parliamentary majority. Two other political parties, the Democratic Party, led by Lino Briguglio, and the Communist Party, led by Anthony Vassallo, also participated in those elections, but they only managed to obtain a few hundred votes between them.

According to Dominic Fenech, as soon as the election results were announced, "Nationalist supporters looted and burned [Malta] Labour Party clubs and broke into the homes of several [Malta] Labour Party activists" (Fenech, D. 1988: 134).

Conclusion

In this chapter it has been shown how the Malta Labour Party developed from a moderate Social Democratic party with Catholic leanings from the 1920s to the 1940s to a more radical party which at first wanted Integration with Britain but, due to lack of success, then adopted the

³¹ Tr. from Maltese: 'Work, Justice, Liberty'

³² Tr. from Maltese: 'For Peace and Progress'

strategy of various anti-colonial movements. Emphasis has been made on the period being referred to as 'Old Labour', from 1971 to 1987, where the Malta Labour Party in government was characterised by the strong leadership of Dom Mintoff from 1971 to 1984 as well as by heavy emphasis on the role of the state within a socialistic framework. Throughout the years from 1920 to 1987 the Malta Labour Party was involved in several struggles with the Church, the British, as well as the Nationalist Party, and various acts of violence were carried out during its Old Labour years in power. On the other hand the Party had a strong ally in the General Workers Union in the post-war period, but especially during 1971 and 1987.

The following chapter will put into perspective the period from 1987 to 1998, where calls for reform of the Malta Labour Party were made, eventually leading to the creation of New Labour.

Chapter 4

The Malta Labour Party in Perspective: 1987-98

Introduction

Following Old Labour's electoral defeat in 1987, the Malta Labour Party carried out various reforms. The process started from the electoral defeat in question, but the most significant changes took place in the New Labour era following the 1992 electoral defeat. This Chapter will put into perspective the period from 1987 to 1998, during which New Labour itself was defeated.

The Beginning of the Nationalist Era

During its first two years in power, in line with its electoral promises, the Nationalist Government introduced various social measures. These included the following:

- The abolition of the wage-freeze and subsequent salary increases;
- Stopping time-in-lieu and the start of full payment of overtime;
- Introduction of a 40-hour week for shop workers;
- Compensation to workers who had participated in union directives under the previous Labour Government (Schiavone, 1990: 162-3).

At the end of 1989 the Nationalist Government faced a major industrial conflict between the General Workers Union and the management of the Phoenicia Hotel. On December 18th, the General Workers Union commenced industrial actions at the hotel following the management's refusal to increase workers' salaries as stipulated within the collective agreement. On February 9th, 1990, the hotel ceased operating and 158 workers, most of them members of the General Workers' Union, ended up without a job. Union leader Anglu Fenech had stated a month earlier that the Union was determined to continue its industrial actions even if the hotel were to cease operating. The same General Workers' Union, in July 1986, had agreed with the Hotel management that some workers were to be sacked and that much more flexibility was to be introduced with regards to working conditions (1990: 151).

In the meantime, within the Malta Labour Party, various calls for reform and modernisation were being made. Labour's leader himself, Karmenu Mifsud Bonnici, produced statements which contradicted policies of the Government he led. A notable public statement in this regard was made by Mifsud Bonnici during a meeting at Zejtun on September 22nd 1989, wherein he stated that "we have to insist that salaries increase, even if this will bring about problems to certain factories that will have to close." (1990: 149).

The Malta Labour Party also started involving itself in some environmental issues, in contrast with its stance a few years back, not to prioritise such matters. During 1989 Labour teamed up with environmental groups in the protest against the Government's decision to construct a new power station at Delimara, overlooking the picturesque fishing harbour of Marsaxlokk. The

power station was constructed a few metres away from Dom Mintoff's detached summer residence.

Amidst the calls for internal reform and modernisation, conflicts were cropping up within the Party. The most vociferous conflicts occurred during Labour's General Conference held during October 1989. Two prominent young Labourites who had recently resigned from their posts within the Party, namely President Dr. Toni Abela, and whip of Labour's parliamentary group Dr. Wenzu Mintoff, Dom Mintoff's nephew, criticised their Party for not doing anything to tackle the problems of violence and corruption within it.

In his speech Toni Abela said that the Malta Labour Party could not gain the people's confidence due to the fact that it was being hijacked by six or seven people (*Alternattiva*, 4th November 1989).

Wenzu Mintoff said that during the 1980s a Labour Minister¹ had sent people to beat up young environmentalists who were exerting their right to protest (1989).

Wenzu Mintoff also mentioned the 'dirty incidents' which he had witnessed when he was working at a parastatal bank. He had harsh words for the people who were involved in what he considered to be corrupt practice during the Labour administration:

"These are people who use their membership within whatever party is in government in order to get richer.....Due to so-called state intervention in these companies in which abuse has taken place, money is given when it is not supposed

to be given, they leave the country with the money, property is not constructed when it is supposed to be constructed, and people who were poor have become rich thanks to the workers' Government. Tell me, if these people remained socialist it would be acceptable, but today you are aware that they are partners of companies like the concrete company I have mentioned. They have betrayed the party.....This is a hilarious situation: everybody uses the Malta Labour Party as his toilet, uses it whenever he needs it and then changes alliance and keeps on benefiting when the time comes and others are in government.” (1989).

Both Abela and Mintoff , together with Carmen Spiteri, were sacked at the Party's General Conference on October 13th, 1989 following a decision by the Party's Vigilance and Disciplinary Board. However, Wenzu Mintoff retained his parliamentary seat as a representative of *Alternattiva Demokratika*², a new party with green credentials. The party had been set up by activists from environmental and social movements.

On March 14th, 1990, Malta's Commission against Corruption declared that there was enough evidence of corruption in construction policies carried out by Lorry Sant when he was Minister of Public Works. On March 23rd, Labour's Vigilance Board decided to suspend Sant from all Party activities. He was banned from participating as a Labour candidate in the next general elections.³

¹ Wenzu Mintoff was referring to Lorry Sant.

² Tr. from Maltese: 'Democratic Alternative'

³ This decision was revoked by Alfred Sant on April 24th, 1995 as an act of solidarity towards Lorry Sant when he was chronically ill.

That same year, the Nationalist Government applied for Malta's membership within the European Community. This was the time when the world was witnessing much political and economic change: 1989 witnessed the collapse of the Soviet bloc, and the Soviet Union itself would soon become something of the past. Liberal Democracy eventually became the prevailing system in many countries.

During the 1987-92 legislature, apart from introducing various social policies, the Nationalist Government also adopted a market-oriented strategy which boosted consumerism, especially since many foreign products were introduced into the local market. By this time unemployment had decreased from 6.9 per cent in 1986 to 3.7 per cent in 1989. By 1992 – election year – unemployment was calculated to amount to 4 per cent (Briguglio, L. 1988: 190; Ministry of Finance and Commerce, 1997b: 227, 229).

The general elections of 1992, which were to be held on the 22nd February, had one of the shortest electoral campaigns ever in Malta, and were rather calm, especially when compared to the previous elections. Galea mentions the fact that new campaigning methods were introduced by Labour and the Nationalists, such as the use of radio stations (Galea, 2000: 240-241).

Alternattiva Demokratika contested the general elections for the first time, presenting a programme based on green politics, meritocracy, as well as a challenge to the two-party system. That Party proclaimed itself to be in favour of issues which are normally considered to be radical within Maltese politics, such as divorce.

On the other hand the Nationalist Party's electoral campaign highlighted the changes brought about in Malta during the previous five years. Billboards showed pictures of trolleys full of products which could not be sold on the islands during the Labour administration. The Nationalist campaign focussed on a feel-good factor of increased consumption, economic growth, stability and serenity, which were considered by the Party to be characterising Malta now that it was under the Nationalist administration. Besides, the Nationalist Party had what Dominic Fenech describes as a "highly-organised Party machine [that] kept track of every detail and during polling day street leaders watched out for people who did not vote in the morning so as to persuade them to vote in the afternoon" (Fenech, D., 1992: 189-190).

Fenech states that contrastingly, the Malta Labour Party's campaign was "slack" (Fenech, D., 1992: 190), only matching the Nationalist campaign in terms of street campaigning and mass meetings. He adds that the Malta Labour Party tried to portray an image of a reformed party that had managed to control its violent and corrupt elements (Fenech, D., 1992: 189).

The Malta Labour Party and the General Workers' Union, which teamed up once again as the Malta Labour Movement, presented a manifesto entitled '*Flimkien Nibnu mill-Gdid*'⁴. In the manifesto the Movement highlighted what it considered as the Nationalist ruin of Malta's foundations, due to rising national debt, corruption, a lack of a sense of security, increase in criminality, and rising cost of living. The Nationalist Government was accused of instilling egoism and lack of respect for one's neighbour (*Moviment tal-Haddiema*, 1992). The programme also bound a Labour Government to ensure transparency and give the Opposition and Parliament the power to scrutinise the Government of the day.

Other proposals that featured in this manifesto included the following:

- A return to the housing system which had been in place under the previous Labour administration, by means of which plots would be allocated to workers;
- The approval of co-operatives of wholesalers and consumers within a competitive economy, so as to import quality products at the cheapest prices possible;
- State aid to industry which catered for the local market so as to become more efficient and satisfy consumers' needs;
- Preferential treatment to the self-employed such as by means of subsidies and lower electricity rates;
- Creation of an industrial free-trade area with the European Community, with special arrangements for local industries. By means of the agreement, trade between the EC and Malta would not be subject to import duties, but each part would be able to impose such duties as each deemed fit, to other countries; (1992).

Dominic Fenech states that the major issues raised during the campaign were in his words 'non-ideological': "consumer choice, less government, modern living, on the positive side; rising criminality, abuse of power, mismanagement of public funds, on the negative side (Fenech, D., 1992: 192). Indeed, the slogans of the two major political parties were quite similar, both emphasising social unity: *Solidarity* on one hand, *Together* on the other.

The Nationalist Party once again emerged the winner in the 1992 general elections, with an impressive 13,000 vote-majority, up from the 4,000-vote majority in 1987. In fact, the

⁴ Tr. from Maltese: 'Together We Will Build Anew.'

Nationalists attained 51.77 per cent of votes, compared to Labour's 46.53 per cent and the 1.7 per cent obtained by first-time contestants *Alternattiva Demokratika*. The Nationalists obtained 34 parliamentary seats, 3 more than Labour. *Alternattiva Demokratika* did not obtain any parliamentary seats, given that within the Maltese electoral system of 13 five-member constituencies, a party winning up to 15 per cent of the national vote could still obtain no parliamentary seats. The turnout within these general elections matched that of 1987, at 96.1 per cent.

Following Labour's electoral defeat, Karmenu Mifsud Bonnici resigned as leader of the Party, addressing the Party's delegates in a historic speech during a General Conference.

Dr. Mifsud Bonnici stated that the Malta Labour Party should not deny its principles, but on the other hand it should feel the pulse of the electorate and update itself. He added that Labour should update its policies and improve its internal organisation and public relations, as well as recognise that various changes had taken place in Maltese society, not least of which being the expansion of the tertiary sector within the economy. Therefore, he added, Labour should not only be supported by industrial workers but also by youth, intellectuals and the middle class (*KullHadd*, 6th August 2000).

Karmenu Mifsud Bonnici also mentioned some major failings of the Malta Labour Party during 1987 and 1992. According to him, the most serious question was the need to dismantle the statutory merger between the Malta Labour Party and the General Workers' Union. He claimed that although the merger had been fruitful in the past, it was not any more. This was due to

changed circumstances and the failure to convince other unions that the merger was in the interest of “workers and all the Maltese people” (2000).

Karmenu Mifsud Bonnici nominated Dr. George Vella to take his place, but Vella declined the offer. Subsequently, three candidates contested the post of leader, these being former deputy leader and member of Parliament Dr. Joe Brincat, former Minister Lino Spiteri and (co-opted) member of Parliament Dr. Alfred Sant. Sant won the election held during the Party’s Extraordinary General Conference on March 26th, 1992 and was proclaimed leader of the Party and of the Opposition.

A few days before the General Conference in question, on March 10th, 1992, the statutory union between the Malta Labour Party and the General Workers’ Union was ended. By 1990 Malta was the only European country in which a major trade union formed part of a statutory tie with a political party (Schiavone, 1990: vii).

Writing in *The Malta Independent* about the leadership contest, Dom Mintoff stated that he tried very hard to avoid making the same mistake as he had made with the previous leadership question when he had stepped down. Indeed, Mintoff stated that that time his hands were cleaner than Pilate’s (The Malta Independent 15th August 1993).

Into New Labour

The appointment of Alfred Sant as leader of the Malta Labour Party meant that now an economist was leading the Party.⁵ The first proclaimed aims of the Party's new leader included the construction of new and modern party headquarters away from Bormla's *Macina* to the more centrally located Hamrun, as well as the creation of a Party television station, *Super 1 TV*. Another aim was to publish a new Labour weekly newspaper, *KullHadd*⁶, which started being circulated on June 25th, 1993 replacing former Labour newspaper *Il-Helsien*⁷. In the meantime, during summer 1992 the Malta Labour Party also launched a door-to-door fund-raising scheme for its new headquarters.

A few months after being appointed leader of the Malta Labour Party, Alfred Sant ended the closing speech of the Party's 1993 Annual General Conference by stating that the Malta Labour Party had to be open for everyone. In his words "Our members have to explain to everyone that *min mhux kontra taghna huwa maghna*⁸." (*In-Nazzjon Taghna*, 5th February 1993). The slogan – symbolising a stark contrast with the Mintoff and Mifsud Bonnici Governments - was to be used quite frequently by Alfred Sant. Sant also wanted to make it clear that his Party was committed to eliminate nepotism, patronage and corruption from Maltese politics (*L-Orizzont*, 3rd September 1993).

⁵ Alfred Sant, the son of a civil servant, apart from being an economist and a graduate in Maths and Physics, has also authored various novels and plays. He previously held posts as Party President (1984-88), Party chairperson of its department of information (1982-84), executive in the Malta Development Corporation (1980-92) and second secretary in the Maltese embassy in Brussels (1970-74), being in charge of relations between Malta and the EEC. He had also previously been co-opted to Parliament on December 9th 1987, following the death of Labour member of Parliament Joseph P. Sciberras (Galea, 2000: 182).

⁶ Tr. from Maltese, having two meanings: 'Every Sunday' and 'Everybody'

⁷ Tr. from Maltese: 'Freedom'

In Summer 1994 the Malta Labour Party kicked off its electoral campaign. By now Malta had witnessed various changes from the time when Labour was last in government. The feel-good factor created by the previous Nationalist administration was still going strong. In 1994 unemployment was at a relatively low 4.1 per cent, and Gross Domestic Product reached Lm901.8 million, up from Lm769.6 million in 1992 and Lm430.6 million in 1986 (Briguglio, L. 1988: 190; Ministry of Finance and Commerce, 1997b: 227, 229; Ministry for Economic Services, 1999: 211, 213).

Malta was witnessing stark changes within the occupational structure. The period 1985-95 was characterised by hefty increases in professional, technical, administrative, managerial, clerical and skilled-manual employment and corresponding decreases in unskilled-manual employment. Besides, more women were entering the labour market. (The Malta Independent, 28th February 1999). Within University – now free from the student-worker scheme, student population increased fivefold between 1984 and 1996 (Malta Government Web page – <http://www.magnet.mt/economy/surveysep98>).

During the 1990s Malta also witnessed increases in consumer spending (Central Bank of Malta, 1998: 153-158; United Nations Development Programme, 1996: 44). In this regard, sociologist Noel Agius observes that one of the biggest growth areas in the Maltese economy during this period was the expansion of supermarkets, which were previously rare (Agius, N. 2000: 56). According to sociologist Anthony M. Abela, the 1990s also witnessed a lowering of intolerance levels in political matters, and higher levels of happiness than in the 1980s (Abela, 1994).

⁸ Tr. from Maltese: 'those who are not against us are with us' – as opposed to the previous Labourite saying '*min mhux maghna kontra taghna*' (Tr. from Maltese: 'those are not with us are against us')

Alfred Sant's policy of '*min m'huwiex kontra taghna huwa maghna*' featured prominently in Labour's campaigns. New Labour's alliance-building policy was being put into practice. On September 11th, 1994, during a Labour discussion in Gharghur, Alfred Sant promised that once elected to power his Government would change legislation enacted by the Labour Government in 1976, in order that amended industrial legislation would give recognition to the associations of the self-employed which would be equal to that enjoyed by the other unions. Sant also expressed his support for the traditionally Nationalist-inclined General Retailers and Traders Union in their opposition to VAT, stating that they had "every moral right" to take that stance (The Times, 12th September 1994).

The Malta Labour Party also took advantage of hunting and trapping legislation introduced by the Nationalist Government in 1994, which included serious restrictions on these activities, causing uproar by the strong hunting and trapping lobby. The Malta Labour Party signed an agreement with the Association of Hunters and Trappers which listed measures that a Labour Government would implement to further liberalise hunting and trapping (The Malta Independent, 27th October 1996).

In September 1994 the Nationalist Government issued a Presidential Pardon to convicted Brazilian drug trafficker Francisco de Assis Queiroz, on the grounds of his medical condition. During the same period a pardon was also issued to Joseph Fenech known as *Zeppi l-Hafi*⁹, a Nationalist activist who was also convicted for drug and murder-related charges. Fenech was pardoned on the grounds that he would provide vital information to the Government about pending cases of drug trafficking. The Malta Labour Party immediately attacked these pardons claiming that the Nationalists were defending 'barons'.

Indeed, the term 'baron' started to be used frequently by the Malta Labour Party, within slogans such as '*pajjizna mmexxi mill-barunijiet*'¹⁰, which was used interminably in Labour press releases, press conferences, advertisements and propaganda material. The people who were being referred to as barons included Nationalist Ministers, prominent businessmen with Nationalist orientations, alleged drug traffickers, land speculators and notorious Nationalists.

Examples of cases considered by the Malta Labour Party as having involved 'barons' included various presidential pardons, awarding of contracts and development projects (Mifsud, J., 1995). One such development project which Sant's Labour was opposing with all its might - the construction of an airstrip at Ta' Lanbert, Gozo - had been proposed by the Labour Party in its 1987 electoral manifesto (*Moviment tal-Haddiema*, 1987: 57).

At the beginning of 1996, the Malta Labour Party published its manifesto '*Ic-Cittadin L-Ewwel: Il-Politika Gdida Laburista*'¹¹ described by Alfred Sant as a full modernisation of the Party's policies during the preceding three and a half years (Malta Labour Party, 1996a). '*Ic-Cittadin L-Ewwel*'¹² had originally been used by the Democratic Party as its electoral slogan during the 1987 elections (*Partit Demokratiku*, 1987).

New Labour's manifesto spoke clearly in favour of the participation of various sectors in the country's decision-making processes within a free market economy that controlled monopolies and ensured justice in tax collection and redistribution. Labour's vision was stated to include the

⁹ Tr. from Maltese: 'Barefoot Joe'

¹⁰ Tr. from Maltese: 'our country is led by barons'

¹¹ Tr. from Maltese: 'Putting the Citizen First - The New Labour Policy'

¹² Tr. from Maltese: 'The Citizen Comes First'

introduction of various rights as well as adherence to the concept of sustainable development. Other proposals included various mechanisms to ensure justice, accountability and transparency; gender equality; safeguarding of agriculture; educational reform; and the introduction of various training schemes (Malta Labour Party, 1996a).

Certain specific proposals within the manifesto stood out when compared to previous manifestos. These included the following:

- The need to abolish levies, given that they had become an extra tax on consumers;
- Revision of social benefits, in order that the small self-employed and their families would enjoy the same benefits as workers;
- The allotment of all necessary space for hunting and trapping to be practised legally in order to strike a balance between the environment and hunters and trappers ;
- Recognition of citizens' right to choose private medical services in day-clinics and hospitals.
- Co-operation between the State, the Church, and private schools; and the allocation of full space for the operation of private schools (1996a).

In *Ic-Cittadin L-Ewwel: Il-Politika Gdida Laburista* the Malta Labour Party also harshly criticised the VAT regime, which Labour considered to be in place in order to satisfy the European Union. Harsh criticism was also reserved to what the Party considered to be political interference in order to protect criminals (1996a: 93-94).

On Monday 23rd September 1996, the date of the general elections was announced: October 26th, 1996. This meant that a short electoral campaign was to follow. It also meant that Parliament was

to be halted six months before its maximum termination date, and a few weeks before Budget day.

By the end of 1996, Malta's Gross Domestic Product had increased to Lm1,052.9 million from Lm769.6 million in 1992. During the same period unemployment increased marginally from 4 per cent to 4.4 per cent (Ministry of Finance and Commerce, 1997b: 227, 229).

A few hours after giving the election date, Alfred Sant publicly announced that a Labour Government "will be a government of all the Maltese and Gozitans." (Malta Labour Party, 1996c: 28). The Malta Labour Party subsequently embarked on its electoral campaign, entitled '*Maggoranza Gdida ghal Malta Moderna*'¹³. By now, the Malta Labour Party was being referred to as '*New Labour*' by the Party itself, and various 'old' symbols such as the Party's torch emblem were nowhere to be seen, more modern images having taken over.

The electoral programme of the Malta Labour Party for the 1996 elections, '*Ic-Cittadin l-Ewwel – Vizjoni ghal Malta Moderna*'¹⁴, was almost totally based on the electoral programme published a few months before. New Labour gave importance to the concept of full security for the citizen. Sant also intended to remove power from the hands of a few 'barons', whether in the economy, environmental destruction or drug trafficking (Malta Labour Party, 1996b).

As regards the economy, the electoral programme stated that "The private sector would function as the motor of economic development." (The Times, 1st October 1996), within a context of fair competition, and that industry should remain the chief pillar of the economy. Special reference

¹³ Tr. from Maltese: 'A New Majority for a Modern Malta'

¹⁴ Tr. from Maltese: 'Putting the Citizen First – A Vision for Modern Malta'

was made to tourism, which would be given a big boost especially due to the introduction of the Ministry for Tourism, the elimination of VAT and the strengthening of the forward-buying rate (Malta Labour Party, 1996b).

As regards government finance, it was stated that a Labour Government would control public expenditure and reduce Income Tax if it was feasible to do so. The Labour Government would also replace VAT within 6 months “with a structure of taxes and duties equivalent to those prevailing prior to the 1st of January 1995” (The Times, 1st October 1996), and would introduce the concept of ‘fiscal morality’, so that everyone would pay just taxation rates (Malta Labour Party, 1996b).

The programme also promised to make Malta a Switzerland in the Mediterranean, which, according to the Party would unite Malta’s European and Mediterranean international orientations, short of EU membership. In a nutshell this would mean that

“A Labour Government will target a contractual arrangement with the European Union that would envisage the setting up of an industrial free trade zone within a reasonable time scale. Coupled with this there would be bilateral agreements in foreign policy, security, and co-operation in the technical, economic, financial and social fields.” (The Times, 30th September 1996).

Other specific promises and proposals in the electoral manifesto included the following:

- Withdrawal from N.A.T.O.'s Partnership for Peace programme, which Malta had joined a short time before;
- The continuation of the University stipend system;
- The introduction of a scheme by means of which British service personnel would be able to receive full services pensions without forfeiting their Maltese state pension; (Malta Labour Party, 1996b).

During the electoral campaign that followed, Alfred Sant made it clear that when in government he would not carry out any retaliations and would not allow anyone to carry out revenge on anyone (Agius, F., 1996: 10). Other promises made by Sant during the electoral campaign included the reduction of water and electricity rates if the tariffs were found to be unjustified (1996: 31) as well as revision in the structure plan so as to provide plots and build apartments which were affordable to young couples (1996: 72);

On October 11th, the Malta Labour Party held a meeting with Dockyard workers at Gavino Gulia square in Bormla, the same place where Dom Mintoff had held a notorious meeting with Dockyard workers in 1973. Sant stated that the Dockyards should be a main pillar of the Maltese economy and should be modernised. During the meeting Sant emphasised that

“the Dockyards remain being led by the workers themselves. A new Labour Government would show no signs of agreement with anything that goes against this principle.” (1996: 56).

The thirtieth day of Labour's electoral campaign saw Dr. Sant and Dr. Fenech Adami confront each other in a debate on state television. Sant's interventions were always on the offensive, and he talked about the cost of living, the poverty of state education, drugs and the people involved in drug-trafficking, criminality, "rampant" corruption, the "scandalous" case regarding the construction of the San Raffaele Hospital, the bus-ticketing case, and the presidential pardons to Queiroz and Zeppi l-Hafi (1996: 78).

In contrast to its electoral campaigns during the 1970s and 1980s, New Labour's campaign was characterised by its calm and civil style. The electoral campaign also emphasised the 'winning team' led by Alfred Sant and Party Deputy Leaders Dr. George Abela and Dr. George Vella, respectively a lawyer and a doctor who projected the image of being moderates. Abela was also legal advisor of the General Workers Union.

Dom Mintoff, who once again was to contest the elections as a Labour candidate in the working-class second district, held a number of mass meetings that contrasted highly with those of New Labour. He spoke on a truck, accompanied by Labourite militants such as Dockyard Chairperson Sammy Meilaq and Edwin Bartolo. There were no New Labour symbols around him. He even spoke with his usual style, referring to the "past of the Socialist Movement", "us and them", affirming that "we always boasted of being Socialist and we were never afraid" and that "what we teach was taught by Christ." (Nationalist Party Information Office, 1999: 16). During his meetings, Mintoff never referred to Alfred Sant or to Labour's policy updates. Neither did he use Labour's slogan '*Ic-cittadin l-ewwel*'. Instead, he kept on using his old battle cry, '*Malta l-ewwel u qabel kollox*¹⁵'. The Labour media did not report these meetings.

The Nationalist Party's electoral campaign, based on the slogan '*futur*'¹⁶, emphasised Malta's future within the European Union as well as the achievements of the Nationalist Party, be they employment, development and standard of living. The Nationalists also portrayed Alfred Sant as an untrustworthy politician, emphasising his role as President of the Malta Labour Party during the 1980s.

Commenting on the electoral campaign, Dominic Fenech recalls that the mailing campaigns of the political parties were so intensive that the volume of mail exceeded that of the Christmas period. Fenech also mentions the fact that for the first time in Maltese political history, the Opposition Party was in a position to give its own version of the events on the television, given that Labour had its own television station, unlike the Nationalists (Fenech, D., 1997: 165). Another observation made by Fenech was that the electoral campaign was characterised by a Presidential style, with the leaders of the dominant political parties being given major attention (1997).

The Malta Labour Party cruised to victory in the 1996 elections, obtaining a one seat majority over the Nationalists, thus ending nine and a half years of Nationalist rule. From a 13,021 vote deficit, the Malta Labour Party won the elections by 7,633 votes, reflecting a swing of 20,654 votes - the largest ever in the history of Maltese politics. The turnout for the elections – 96.2 per cent - was basically equivalent to that of the previous two general elections. Labour obtained 50.7 per cent of votes, while the Nationalists obtained 47.8 per cent. Labour's majority was the smallest ever majority obtained in Maltese elections. *Alternattiva Demokratika*, representing 1.5 per cent of voters failed to win parliamentary representation, given the Maltese electoral system.

¹⁵ Tr. from Maltese: 'Malta comes first and foremost'

¹⁶ Tr. from Maltese: 'future'

This system was by now even more favourable to the two dominant political parties. In fact in 1995, the law was amended so that the party with the relative majority of votes would be awarded an absolute majority of seats, provided that only two parties would have obtained parliamentary seats.

The New Labour Government

Alfred Sant's first address to the nation as Prime Minister, broadcast on state television, was a remarkable eulogy to the new slogan wherein *min mhux kontra taghna huwa maghna*. In his words,

“It is not true that elections produce losers and winners if we keep before our eyes the ideal of a united people, a people who lives together as one society, as one family. There will be differences between us. It is inevitable to have differences within a democracy. Many times differences give citizens the chance to choose. But once the choice has been made, unity would still remain in existence. Unity, within which all of us would feel part of a small country, true, but a country with big values, solid traditions, one family which produced much in the past and by means of which much good was produced. We intend to keep on building on the good things that have been done and to remove all that was perhaps not done well in the past, whoever did it, and we will look forward. We want to be a Government of all Maltese and Gozitans in the fullest democratic sense wherein the Opposition would have the fullest opportunity to express itself, explain its

views and affirm the values which it believes in as much as we believe in them ourselves” (Agius, F., 1996: 82).

Sant’s first decisions as Prime Minister included Malta’s withdrawal from N.A.T.O.’s *Partnership for Peace* programme – carried out a mere forty-eight hours after taking office – and the freezing of Malta’s application to join the European Union, a decision which was criticised by various constituted bodies.

Upon appointment as Prime Minister, Alfred Sant also ordered that no transfers be carried out in the Civil Service (Muscat, J. 1998: 42). Some heads within the Civil Service and Public Corporations retained their place, which in itself was something new in Maltese political history. Perhaps the most notable example was that of Marin Hili, who remained head of the Malta Freeport. Hili was a member of the same family that was labelled as being made up of ‘barons’ by the Labour opposition a few years and again months before taking office.

The Labour Government also appointed a tribunal to investigate injustices committed by the Nationalist Government before the establishment of the Ombudsman (Muscat, J.: 1998: 42). Another early decision was the withdrawing of two controversial development projects proposed during the previous administration - the construction of an airstrip in Gozo as well as the construction of factories on agricultural land in Marsa (1998: 38).

The new Government also carried out decisions that reflected its gender-oriented policies. The new Speaker of Parliament was a woman - Ms Miriam Spiteri Debono. Besides, a Parliamentary Secretariat for Women was set up, within the Office of the Prime Minister. These decisions were

other 'firsts' with regard to gender equality carried out by the Malta Labour Party. One similar decision in this area was the appointment of Agatha Barbara as President of Malta during the 1980s by the Labour Government.

Two other significant decisions were the assignment of a cabinet member whose portfolio was the self-employed – another first in Maltese politics, and, reform within the power structure of the Drydocks, wherein contrary to what was promised before the elections, the Council was now dominated by the Government and not by workers' representatives.

One of the first tests for the New Labour Government was a hunger strike carried out by activists of the '*Front Against the Hilton*', an alliance made up of activists from movements such as *Moviment Graffiti*¹⁷ and Friends of the Earth. The Front had been carrying out a campaign against the proposed Hilton development project, which was being criticised for causing much environmental damage on land which until then belonged to the Government. The developers purchased the land involved in the area from the state for a mere Lm191,000. The characteristics of this project were very similar to those of other projects that the Labour opposition labelled as having to do with 'barons' (Briguglio, M., 1998).

Protests against the Hilton development project had been organised a few days prior to the 1996 elections, including direct action on the development site a few days before the elections. The Malta Labour Party had instilled hope in the Front members that it would look into the matter. But when it became evident that this would not occur, a hunger strike was held by three activists¹⁸ who were later on joined by another two. The hunger strike was held in front of the

¹⁷ Tr. from Maltese: 'Graffiti Movement'

¹⁸ I was one of the activists.

Office of the Prime Minister and ended after six days, when the Ombudsman decided to investigate the development project (1998: 38-42).

The Ombudsman subsequently concluded that while the granting of land was not illegal, it constituted “a case of bad administration without due consideration to the national interest.” (Ombudsman, 1997: 13). Prime Minister Sant declared that his Government would follow the Ombudsman’s recommendations, but remained silent on the Hilton project itself (Briguglio, M., 1998: 44).

The Hilton project - now christened ‘*Portomaso*’ - kept on going ahead, amidst the silence of the Labour Government and the Nationalist Opposition (1998: 50-52).

In the meantime, the owners of Portomaso – the Tumas Group - had acquired a substantial share (25%) of the Fort Chambray project, which Labour had heavily criticised when in opposition, and was also granted a beach concession for its Dolmen Hotel in Bugibba (1998).

Alfred Mifsud, the financial controller of the developers, Easysell Ltd (later on renamed Tumas Group) and main spokesperson for the group in the Hilton project Public Hearing, had also been the architect of Labour’s fund raising campaign during 1992-96 (1998: 35). Upon Labour’s electoral victory, Mifsud was appointed Chairman of the Mid-Med Bank (now HSBC) – one of Malta’s leading banks, in which, at the time, Government was the major-shareholder. Mifsud was also given other important duties within the New Labour Government (1998: 38).

A few months after being elected, the New Labour Government presented its first Budget. On presenting it, Economic Affairs and Finance Minister Lino Spiteri stated that the Labour Government inherited a financial situation much worse than expected - the deficit was three times as much as that projected by the Nationalist Government in the previous year's Budget, resulting in a deficit of 9.3 percentage points of the Gross National Product. Indeed, for the first time in Maltese history, the Nationalist Government had left a deficit between Revenue and Expenditure (Ministry for Economic Affairs and Finance, 1997a: 5-6).

Among the measures decided upon in the Budget, Spiteri mentioned the prioritisation of the Education sector, the containment of overtime costs in the public sector; further allocation for the controversial San Raffaele Hospital Project; and the strengthening of investigation of tax returns of companies and individuals (1997).

With regards to the VAT issue, Spiteri stated that the new customs duty that would replace VAT would remain at 15 per cent on all EU imports except for food, medicines and educational products. On the other hand, the tourist industry would be subject to 5 per cent taxation instead of the 15 per cent which were being paid under VAT. Regarding the issue of fiscal receipts upon payment – a hot issue in the previous electoral campaigns – Spiteri proclaimed that providers of goods and services would still have to issue such receipts upon payment (Ministry for Economic Affairs and Finance, 1997a: 85).

Other Budgetary measures included various increases in duties, registration taxes, and charges on services. On the other hand, the Budget gave the go-ahead for the implementation of a scheme

whereby British-service pensioners who had their State pensions reduced would now start receiving full pensions.

By the time of the 1997 Budget, the New Labour Government had introduced a new word in its vocabulary – *'hofra'*¹⁹ – referring to the deficit and debt which was left by the Nationalist administration. As a matter of fact, Labour continuously started referring to the adverse economic situation. In this regard, psychologist Edward J. Clemmer states that “ ‘doom and gloom’ have generally been the drumbeat of Labour, before, during, and after its brief term in government” (Clemmer, 2000: 71).

During March 1997 – a few weeks after presenting the Budget – Lino Spiteri resigned from his post as Minister of Finance, to be replaced by Leo Brincat. Spiteri’s declared main reasons for resigning included his lack of agreement with the Labour Government over the European Union and VAT issues.

In the meantime, the New Labour Government process for the removal of VAT was heavily under way. Various consultation and information meetings were held with the public in general and the self-employed. Eventually, during the summer, the replacement of VAT was introduced and christened ‘Customs Excise Tax’ or CET. This new tax was to be charged at 5 per cent on services and tourist services, as against the 15 per cent taxed under VAT. Small industries producing for the local market enjoyed preferential treatment under the CET, as their raw material imports could be purchased free of tax. Therefore, value added locally was being taxed less than imports. Indeed, excise duties for EU imports were calculated to increase to 21%. Besides, CET dismantled the refund system that existed under the VAT regime.

The Nationalist Party immediately criticised CET, as did various constituted bodies such as the Confederation of Malta Trade Unions, *Union Haddiema Maqghudin*²⁰, Employers Association, and the Chamber of Commerce (The Malta Independent, 26th October 1997).

During Summer 1997, the New Labour Government made two more unprecedented political moves. The first was that in July 1997, Prime Minister Alfred Sant appointed the Commission for the Future of the Family, which was to discuss the possibility of introducing divorce in Malta. The absolute majority of members of the Commission agreed that this right be introduced in the country (Muscat, J.: 1998: 33). The second political move was that on 21st September 1997, Alfred Sant became the first ever Labour Prime Minister to take part in the celebrations of Independence Day (1997: 10).

In October 1997, Dom Mintoff started to show signs of disagreement with Sant's Government. At this time, the Nationalist Opposition presented a motion to discuss Malta's relationship with the European Union. Mintoff stated in Parliament, that he did not agree with the Opposition's motion, but that he also did not agree with the way in which the Government was leading the country (Nationalist Party Information Office, 1999: 26).

On November 5th, 1997, the New Labour Government presented its highly controversial second Budget, which kick-started a series of conflicts that would ultimately lead to its downfall. Minister Leo Brincat stated that government deficit, which had reached a record figure of Lm107.2 million (excluding Lm3.2 million foreign loans) in 1996, was projected to reach

¹⁹ Tr. from Maltese: 'hole'

²⁰ Tr. from Maltese: 'United Workers' Union' (UHM)

Lm121.1 million in 1997 (after excluding Lm4.2 million foreign loans). This amount was calculated to represent 9.4% of Malta's Gross Domestic Product (Ministry of Finance and Commerce, 1997: 25).

The Budget included various austerity measures that, according to Leo Brincat formed part of a three-year strategy that would spread out the imbalance in an "appropriate way" (1997: 67). The measures in question included the following:

- Recruitment in the public service would be put on hold, save for areas of health, care of the elderly and education; and a Cabinet committee would monitor the requirements and advise Government on the issue;
- A 5% reduction on the Government's recurrent expenditure regarding non-fixed costs;
- The introduction of a fee of Lm1 for every medical certificate issued by doctors in Government service to public employees;
- The introduction of a 50c fee for every medical prescription by Public Health giving medicines for free;
- Increases in charges on licences, registration taxes, service charges and duties;
- The re-introduction of compulsory declaration on Capital Assets;
- Steep hikes in electricity and water consumption rates, doubling the old tariff rates;
- The introduction of a new sewerage tariff;
- Price increases of liquid petroleum gas;
- Reduction of stipends to University students (save for students attending the Institute of Health Care), wherein 50% of the stipend would be by way of a loan, as against the previous system wherein the full amount of the stipend was a grant (1997).

The Budget also included a privatisation programme. The Government was to sell 40% of the assets of the TeleMalta Corporation and the Malta International Airport Authority. Minister Brincat stated that discussions with the Unions would start immediately and that 20% of the proceeds from these sales would be used to help restructure and modernise the country (1997: 104-5). Besides, the private sector was invited to participate in the management of certain companies (1997: 95).

There were various reactions to the 1998 Budget. The two major trade unions, the *Union Haddiema Maqghudin* and General Workers' Union resorted to contrasting measures. The former criticised the Budget strongly and carried out mass-demonstrations, while the latter announced that it would carry out a scientific study of the impact of the Budget on workers. Other notorious reactions included that of university students, who, during Budget speech held a mass protest in front of Parliament against the reforms in the stipend system. The protest formed part of a week-long campaign against the new system.

However the most politically significant reactions to the 1998 Budget – and to the New Labour Government in general - was Dom Mintoff's. From now on the stability of Sant's Government was heavily threatened. On November 10th, Dom Mintoff voted against a Government motion on the procedure for discussing the Budget, but the motion obtained a majority of votes due to a mistake on the part of a Nationalist member of Parliament, Francis Agius. The vote was characterised by tension and much noise (Nationalist Party Information Office, 1999: 41).

By then Mintoff's parliamentary interventions were directly criticising the New Labour Government on various aspects. On November 19th that year, Mintoff stated that the New Labour Government's cardinal error was forgetting that the Malta Labour Party was a workers' – rather than a citizens' – party, "because its belief is to protect the worker" (*Il-Mument*, 23rd November 1997). During his interventions Mintoff also spoke about Malta's foreign policy, and appealed for co-operation between the two Parties in Parliament (The Malta Independent, 16th November 1997).

Mintoff frequently abstained from voting with regards to the Budget, for example in connection with specific Ministries' budgets. This was after his questions were ignored by Labour speakers. On each occasion, the casting vote of the Speaker of the House had to be used. However, Mintoff finally voted in favour of the Budget and Labour remained in power. Yet he kept on criticising Sant's Government, appealing for a discussion during the Labour General Conference. But this seemed to fall on deaf ears.

In March 1998, a motion presented by the Nationalists condemning the Labour Government's foreign policy, did not gain a majority of votes. However, a Government motion in favour of the policy did not gain a majority of votes, too.

In April 1998 the New Labour Government suffered its second major casualty following the resignation of Lino Spiteri from the post of Minister of Finance – Party Deputy Leader for Party Affairs. Dr. George Abela resigned from his post of consultant to Prime Minister Dr. Alfred Sant.

On April 28th, a major feat occurred with regards to New Labour's 'Switzerland in the Mediterranean' policy. Malta, represented by Minister for Foreign Affairs and the Environment Dr. George Vella - who also happened to be Labour's Deputy Leader for Parliamentary Affairs - signed an agreement with the European Union which, among other things, stated,

“The Association Council recognised that a free trade area between the EC and Malta should be fully WTO²¹ compatible and cover substantially all trade”
(European Community – Malta Association Council , 1998a: 1).

With regard to agriculture, a hot issue in New Labour's EU-related policy, the agreement said “The respective agricultural policies of each Party should be taken into account, including the sensitivity of certain products” (1998a).

The agreement also stated that Malta's industrial restructuring programme was to include changes in Malta's taxation system – including CET – which would conform with the Association Agreement and the World Trade Organisation. Among the issues highlighted by the agreement wherein bilateral co-operation could be developed, one could find energy, environmental protection, industrial co-operation and regional and cross-border co-operation (1998a).

Robin Cook, Minister of Foreign Affairs of the British New Labour Government and President of the EU Association Council, delivered an official speech on the joint agreement between Malta and the European Union, in which he highlighted the main points within the agreement, adding that

“Such a free trade area should cover substantially all trade without excluding any sector. Agricultural trade should be progressively liberalised taking as a starting point traditional trade flows”

(European Community – Malta Association Council , 1998b: 2).

In June 1998, the New Labour Government fell into deep crisis. The Government tried to achieve parliamentary approval for a resolution on a 99-year lease of government-owned land at the Birgu seafront, to Cottonera Ltd., for the construction of a yacht marina. The land in question is in the heart of the pro-Labourite and working class second district, and is a popular leisure area. The motion was presented on June 2nd. On the following day, the Nationalist opposition presented an amendment to the motion, and On June 5th Nationalist Leader Eddie Fenech Adami addressed a press conference and asked for more information on the project (*Il-Mument*, 6th June 1999).

Following the Government’s proposal, Dom Mintoff declared that he would have to vote against the project, although he was not against development in Cottonera (Nationalist Party Information Office, 1999: 97).

Indeed, on June 8th, Mintoff voted against the Government over the Cottonera project. Alfred Sant counter-acted by informing the Labour parliamentary group that he was not ready to remain their leader unless he had the support of the majority. On that same day, amidst much pro-Sant propaganda on Super 1 Radio, the Malta Labour Party declared that it would hold a press conference the following day in Birgu (*Il-Mument*, 6th June 1999).

²¹ World Trade Organisation

On June 9th, Alfred Sant addressed the conference-turned-mass-meeting in Birgu, and offered the leadership of the Government to anyone within the Party who could gather a parliamentary majority. He also asked for Dom Mintoff's resignation from Parliament. Sant did not mince his words and said, "if Mintoff really believes that Malta is first and foremost then he should resign immediately from Parliament." (*L-Orizzont*, 10th June 1998). The Prime Minister also alleged that Mintoff was conspiring with the Nationalist Party and with Shadow Minister for Foreign Affairs Professor Guido de Marco, and that he was talking with the Libyans behind everybody's back. Sant ended his speech with a bombshell. In fact he declared that he would not pronounce the slogan '*Malta l-ewwel u qabel kollox*'²² because it had been betrayed. The national anthem was played at the end of the Prime Minister's speech (1998).

On that day, too, the National Executive of the Malta Labour Party declared that it had full confidence in Alfred Sant and that it did not want anyone to replace him. Mintoff's behaviour was condemned without any reservations by the Executive of the Malta Labour Party. Executive member Alex Sceberras Trigona - who had served as Minister of Foreign Affairs between 1981 and 1987 and who was then a parliamentary backbencher - voted against the motion (*Il-Mument*, 6th June 1999). However, the Labour parliamentary group - in the absence of Dom Mintoff and Lino Spiteri - unanimously declared its absolute loyalty to Dr. Sant. The Party's Candidates' Section followed suit (*L-Orizzont*, 11th June 1998).

Long discussions in Parliament about the Cottonera project followed for a number of weeks, and Mintoff himself spoke for about nine hours in Parliament. Thousands of Maltese people were glued to their radios, listening to Mintoff's marathon speeches. As journalist Saviour Balzan put

it “Radio Malta has never had such a faithful listenership and World Cup²³ viewing such a lousy following.” (The Malta Independent, 21st June 1998).

During the parliamentary sitting on June 16th, Sant kept on appealing to Mintoff to resign, stating that the second vote on the project would also be a vote of confidence in his Government. If the vote was lost Dr. Sant would resign and ask the President of the Republic for fresh elections. Even if Mintoff abstained and forced the Speaker to vote, this would still be considered as a vote of no-confidence (*Il-Mument*, 13th June 1999).

The declarations by Sant and the organs of the Malta Labour Party seemed to have no effect on Dom Mintoff. The octogenarian now heavily criticised Alfred Sant for his grip on the Party machinery, which, according to him, was resulting in a situation where the Deputy Leader for Party Affairs Dr. George Abela was rendered powerless. The former Prime Minister proceeded by stating that “it was the soul, the beliefs, that made the Party, and that was the crisis now facing the Malta Labour Party.” (The Times, 21st June 1998).

Amidst a barrage of criticism against Dr. Sant, Mintoff said that once the Prime Minister withdrew his charge of treason, he “would be prepared to help him, in the interests of the Party and the country, to come out of this situation with the least possible harm and with honour.” (1998).

²² Tr. from Maltese: ‘Malta first and foremost’

²³ The ‘France 1998’ football World Cup was taken place during the time. World Cup football games are viewed by thousands of Maltese people, and tensions are very high during the competition, especially due to the rivalry between frantic supporters of the English and Italian national squads.

In the meantime, various mediation meetings were being held between Dom Mintoff and prominent members of the Malta Labour Party. However they did not seem to produce any tangible results (*Il-Mument*, 20th June 1999).

On 7th July Mintoff voted against the Cottonera project for the second time, after declaring that he was abstaining, and thus the project was outvoted. Prior to the voting, the Government had ignored an appeal for the re-negotiation of the Cottonera project (The Times, 8th July 1998). During that heated parliamentary session, Alfred Sant, in contrast with the calm and civil image he had usually tried to project, stated that “from now on the Government is declaring war... war... war... on the Nationalist Party.” (*Il-Mument*, 4th July 1999).

Tensions ran very high during that parliamentary session. Mintoff and Sceberras Trigona were insulted by various Labour deputies, and a heated argument between Lino Spiteri and Labour deputy Anglu Farrugia arose. Eventually, Mintoff and Transport Minister Joe Debono Grech ended up grabbing each other by the shirt after the latter accused Mintoff of being a traitor. When Mintoff left Parliament, various Labour supporters started insulting him, calling him ‘traitor’ (Nationalist Party Information Office, 1999: 124).

The Malta Labour Party proceeded to hold an extraordinary General Conference – ‘*Ir-Rebha Taghna Terga’ Tkun*²⁴ - between July 9th and 10th, 1998. 93 per cent of delegates present for the conference condemned Mintoff’s behaviour. He was also prohibited from contesting elections on behalf of the Malta Labour Party, and Alfred Sant was given the right to call for early general elections when “it would be politically and materially possible in the interests of the country.”

²⁴ Tr. from Maltese: ‘Victory Will Be Ours Again’

(Galea, 2000: 244). Out of 880 delegates who were eligible to vote, 715 gathered their vote and 665 voted in favour of Sant's motion. During the conference, Deputy Leader George Abela made it clear that he did not agree with the decision to hold general elections, declaring that he was ready to "stop here." (*Il-Mument*, 4th July 1999). George Abela's opinion was shared by Alex Sceberras Trigona, John Zammit Dimech and International Secretary Michael Falzon, who stated their opinions on the second day of the conference. On July 11th, Alfred Sant confirmed that early general elections would be taking place and Dr. George Abela officially resigned from the post of Deputy Leader of the Malta Labour Party (*Il-Mument*, 11th July 1999).

On 6th August 1998, Alex Sceberras Trigona wrote to the General Secretary of the Malta Labour Party, Jimmy Magro, informing him that he would not be contesting the general elections. Sceberras Trigona stated that if elections took place, they would not bring about social justice, but would only pit one Labourite against another. He criticised Labour for lacking social justice, and for having used its supporters as 'puppets' since October 1996. The former Minister of Foreign Affairs during the 1980s also stated that in the recent General Conference, as well on the Party's television and radio stations, only one version was being heard (*Il-Mument*, 7th March 1999).

Dom Mintoff did not participate in the general elections for the first time in fifty-three years. Mintoff had previously contested all fourteen elections since 1945 and had been elected in all of them. Between 1950 and 1981 he was consistently the most popular candidate, always obtaining the highest number of votes and being elected from both districts in which he stood for election. In the 1996 elections Mintoff obtained 6,208 first count votes in the Cottonera district (*The Times*, 13th August 1998). Former Ministers and Labour heavyweights Lino Spiteri and Alex

Sceberras Trigona did not contest the general elections, either. On the other hand, Joe Brincat, former Deputy Leader who had fallen out with the Malta Labour Party under Sant's leadership, resigning from the Party while maintaining his parliamentary seat up to 1996, decided that he was to return and contest once again with the Malta Labour Party.

In its electoral campaign, the Malta Labour Party used the slogan '*Valuri Sodi – Vizjoni Moderna*²⁵', and in its electoral manifesto with the same name, made many proposals and promises that it had already made in the 1996 electoral campaign (Malta Labour Party, 1998a). The electoral manifesto proposed that of completion on the free-trade zone agreement with the European Union in between five and seven years' time,

“a Labour Government would once again consult its citizens and ask them to consider and decide whether they preferred to continue to develop ever closer relations with the European Union according to the same model and parameters adopted by the present Labour Government or whether they would opt for taking a further step towards full European Union.” (The Malta Independent, 1st September 1998).

With regard to Labour's agreement with the EU, the programme declared that Agriculture would be excluded from the Free Trade arrangement with the Union and that necessary changes to the CET system for the setting up of a Free Trade Zone would start to be implemented by the following year (Malta Labour Party, 1998a).

²⁵ Tr. from Maltese: 'Sound Values – Modern Vision'

Commenting on the electoral campaign, Dominic Fenech states that the Malta Labour Party put much emphasis of the differences between the new and the modern on the one hand, and the old and the outdated on the other. The former category was being considered as representing New Labour. On the other hand, the latter category was clearly referring to the Nationalists and Dom Mintoff (Fenech, D., 1999: 196).

The Nationalist Party re-used its 1996 theme which depicted Labour's leadership as untrustworthy. The Nationalists also promised to cut back the utility rates and to reverse various unpopular measures imposed by the Labour Government. Besides, the Nationalists promised to keep on following the road taken prior to 1996, and thus re-introduce VAT and to pursue EU membership.

On its part, *Alternattiva Demokratika* participated under the moniker of '*Alleanza Gustizzja Socjali*²⁶', amidst rumours that Dom Mintoff would be participating with the Party.

By 1998 the economic situation was relatively worse-off than that inherited from the previous administration. Indeed, Gross Domestic Product increased from the 1996 level - Lm1,052.9 million - to Lm1193.6 million at the end of 1998, but at a slower rate, down from 4 per cent to 3.1 per cent (Ministry for Economic Services, 1999: 43, 211). Unemployment and inflation both increased – the latter from 4.4 per cent at the end of 1996 to 5.0 per cent in September 1998, (1999: 213) the former from 2.5 per cent in 1996 to 3 per cent in 1998 - double the figure of advanced economies (1.5 per cent) and the European Union (1.4 per cent). (1999: 11).

²⁶ Tr. from Maltese: 'Alliance for Social Justice'

That did not augur well for Sant's Government, particularly in a country where, according to Anthony M. Abela, materialist values continued to be prioritised by many Maltese people (Abela, 2000: 217). Besides, as Political Scientist John C. Lane puts it in his analysis of the Maltese electoral system, "At the end of the 20th century, there are signs of some loosening of traditional party loyalties and a lessening ideological division between the parties." (Lane, 2000: 218).

The Nationalist Party reversed the electoral result of 1996 back to the 1992 situation, obtaining a 13,000 vote majority, which resulted in a 5 seat majority, an increase of 2 seats under the previous Nationalist Government. The Nationalists obtained 51.8 per cent of votes, against the 47 per cent obtained by Labour and 1.2 per cent obtained by *Alternattiva Demokratika*. Once again, the Greens did not win parliamentary representation.

When the election results were out, it became clear that Labour had suffered its greatest losses in the Labour strongholds, and notably in the second district - Mintoff's home constituency (Fenech, D., 1999: 196). Besides, two Ministers, Professor Edwin Grech and Freddie Portelli - whose responsibilities included social issues such as Health and Housing - failed to get elected (*Il-Gens*, 11th December 1998).

When publicly announcing electoral defeat, Alfred Sant – who became the first Prime Minister in modern Maltese politics to lose his majority after only 22 months in power - stated that "I will not apologise on anything and to anyone." (*Partit Nazzjonalista*, 2000: 4).

Alfred Sant was re-elected as leader of the Malta Labour Party, being uncontested and obtaining 98.4 per cent of votes of the delegates present. He immediately labelled the new Nationalist

Government as 'illegitimate' on the argument that his Government had to call for early elections due the fact that it only had a one-seat majority in Parliament, which did not reflect Labour's 8,000-vote majority. Sant said that on the other hand the Nationalists, with a 13,000-vote majority had obtained a 5-seat majority in Parliament, thus pointing out an inconsistency between votes obtained and parliamentary seats. He concluded that therefore the illegitimacy of the Nationalist Government reflected gerrymandering in the way in which the confines of electoral districts had been decided on (Galea, 2000: 245). Sant also made it clear that there could be no consensus with a party that conspired to bring down his Government (Fenech, D., 1999: 197).

Conclusion

This chapter has shown how, following the defeat of Old Labour in 1987, the Malta Labour Party was transformed into New Labour, resulting in the electoral victory in 1996. In the process, the Party's merger with the General Workers Union was disbanded, and the Party managed to win support from various categories and classes which it had previously alienated. New Labour also did away with the violent and socialistic image of Old Labour, presenting itself as a modernised and moderate party. However, as shown above, New Labour itself had its problems once in government, including the struggle with Dom Mintoff, and a lack of popularity with regard to various economic measures.

One can see that throughout its history the Malta Labour Party functioned within different social contexts and political settings, and also adopted particular strategies in different electoral campaigns. Of special interest to this thesis is the way in which Old Labour developed into New Labour. Following a brief analysis on New Labour and the Third Way in Britain and Europe, the

following chapters will analyse Old and New Labour by applying the theoretical concepts which are being utilised in this thesis.

Chapter 5

New Labour and the Third Way in Britain and Europe

Introduction

One important factor which should be taken into consideration when analysing changes within the Malta Labour Party is to give due importance to changes carried out in other Social Democratic parties around the world. Particular emphasis will be given to literature describing shifts from Old Labour to New Labour in Britain. The British example will be taken into consideration not only because of the possible parallels between the British Labour Party and its Maltese counterpart, but also because the British Labour Party tends to be considered a pillar of international Social Democratic politics. In fact, various changes which have been carried out in the Labour Party have influenced, or at least have been complemented by, changes in other Social Democratic Parties around the world.

Old Labour and Social Change and Britain

Similarly to other post-war Social Democratic parties in industrialised societies, the Labour Party had, particularly until the 1970s, a strong electoral base among the manual working class. The

Party adopted Keynesian demand management economics that revolved around a particular type of welfare state. According to Anthony Giddens (1998), its main characteristics included the following:

- A national economy which operated within clear borders;
- The dominance of mass production in basic sectors of the economy;
- A strong state bureaucracy;
- A homogeneous labour market mostly made up of male manual workers;
- A social system based on families in which the husband was the breadwinner and the wife the housewife and mother;
- A very common tendency in which employment for its own sake and materialist values were given more importance than quality of life and post-materialist values;

The Labour Party during this period adopted policies that enhanced the working class and national industry. Hence, in Labour's 1974 Budget, the Chancellor of the Exchequer stated that its policies were "the first step in the irreversible transfer of wealth and power to the workers and their families" (Polito, 1998: 32). Such statements are nowadays synonymous with what is popularly known as 'Old Labour'.

Old Labour, both in government and in opposition, emphasised the role of the state within the economy in order to enhance the working class. The Party's 1983 losing manifesto promised a five year national plan to co-ordinate expansion and public spending. That would involve worker and trade union participation at every level, as well as discretionary price controls. A new Department of Economic and Industrial Planning would be created, with powers to invest,

purchase and even control individual companies. Public enterprises would be given the go-ahead to increase their share within the market, and nationalisation would be carried out. Workers' co-operatives would be promoted, and the state would play a leading role in various sectors such as the electronics, and pharmaceutical ones. Former Labour media strategist A. McSmith, who gives particular importance to the 1983 manifesto in his analysis of Old Labour, refers to this document as 'socialist'. (McSmith, 1996: 2).

During the Labour Party's eighteen years in opposition from 1979 to 1997, fast changes were taking place in British society. The British economy, operating within an increasingly globalised and interdependent world economy, witnessed a decline in its industrial base and a simultaneous expansion in the service industry and the middle class. Thatcherite politics resulted in large-scale privatisation as well as changes within the welfare state, which brought about an increase in disparities. The British manual working class kept on declining and at the same time millions of women entered the labour market, thus bringing about shifts in family set-ups and patterns. Values changed. Giddens states that the evidence points to two trends of changing values - "a shift, as suggested, from 'scarcity values' to 'post-materialist values', and a changing distribution of values, which fits neither class lines nor the right/left dichotomy" (Giddens, 1998: 20-21).

Anthony Giddens, one of the leading gurus of 'New Labour' and the 'Third Way', concludes that given the vast changes within British society and indeed within developed countries, "Social Democratic parties no longer have a consistent 'class bloc' on which to rely. Since they can't depend upon their previous identities, they have to create new ones in a socially and culturally more diverse environment" (1998: 23).

Towards New Labour

A report commissioned by the Labour Party entitled '*Labour and Britain in the 1990s*' stated that given the changes within British society, Labour's policies had become irrelevant and out of date. (Mandelson and Liddle, 1996: 40). Writing on Old Labour in 1997, New Labour Prime Minister Tony Blair echoed the findings of this report by stating that

“For many years in opposition, the British Labour Party was seen – however unfairly – as the party of big government, nationalisation, anti-enterprise, soft on crime, unconcerned with family life, gripped by pressure groups, and favouring more tax and spending across the board. We were also regarded as poor managers of public services, under the thumb of trade unions and producer interests and too little concerned with choice and quality. The right was able to turn privatisation and free markets into universal panaceas” (The Times, 21st September 1998).

The situation had been looking inauspicious since Labour's worst ever post-war electoral defeat in 1983. The Labour Party had to reinvent itself if it wanted to be elected. Keynesian economic policy could no longer deliver in terms of policies such as full employment. It had indeed, become a major drawback, hindering electoral success.

New Labour ideologues Mandelson and Liddle state that successive Labour leaders Neil Kinnock and John Smith started blowing the winds of change in the Party as from the mid-1980s. According to Mandelson and Liddle, Kinnock and Smith were essentially involved in a “ground-clearing operation” (Mandelson and Liddle, 1996: 3) which had two basic tasks – first, the

ridding of Bennite socialist 'excesses' which had led to the humiliating defeat in question as well as to the successive split which resulted in the new Social Democratic Party. Secondly, enhancing unity and democracy within the Party.

Commenting on Kinnock's leadership, McSmith (McSmith, 1996: 113) states that one of Kinnock's main aims was to reduce the power of trade unions within the Labour Party. These unions had considerable power by means of block votes. They also enjoyed an ideological upper hand due to Clause IV within the Party's constitution. Written in 1918, the clause committed Labour to 'secure for the workers by hand or by brain the full fruits of their industry...upon the basis of the common ownership of the means of production, distribution and exchange'. Kinnock did his utmost to urge unions to let go of some of their powers. This was not all. The Kinnock leadership also carried out various ideological reforms, and expelled members – such as those belonging to the Trotskyist 'Militant' group - who were considered too extreme for a modernised and moderate Labour Party. In the publication entitled *'Faces of Labour: The Inside Story'* McSmith gives a vivid account of such expulsions (1996).

Giddens states that the first systematic attempt to modernise Labour's policies took place in the Party's Annual Conference in October 1987. Given the degree of social change and the hegemonic success of Thatcherism, a general consensus was attained by Labour, favouring greater emphasis on the individual and on personal choice. The Party effectively discarded plans to extend public ownership of industry, and reduced dependence upon the unions. In a metaphorical sense, Keynes was pronounced dead. Giddens noted that such changes were occurring even within other continental Social Democratic parties. Issues such as economic productivity, participatory politics, community development and ecology started appearing on those parties' agendas, to such an extent that social democracy "moved beyond the arena of

resource distribution to address the physical and social organisation of production and the cultural conditions of consumption in advanced capitalist societies” (Giddens, 1998: 18).

Giddens, Mandelson, Liddle and McSmith show that the foundations of a modernised Labour Party were built during the middle and late 1980s. As McSmith put it, “though he was to fail in his great ambition to become Prime Minister..., Neil Kinnock had at least made a bed in which his protégé, Tony Blair, could lie comfortably” (McSmith, 1996: 143)¹

When Tony Blair was elected leader of the Labour Party in 1994, one of his statements about the need for modernisation of the Party was very upbeat. Writing in the *New Statesman*, he stated that “the reason we have been out of power for fifteen year is simple – that society changed and we refused to change with it” (Marxism Today, 1998: 11). A new hegemonic project had to be created. Christened *New Labour*, it carried out various ideological and strategic shifts which permitted Labour to achieve electoral success after all those years in opposition.

New Labour Ideology

N. Thompson, commenting on the economic literature produced by the Labour Party since the late 1980s, shows how the Party moved away from Keynesian demand-management socialism in favour of supply-side socialism “which aims to increase the flow, enhance the quality and improve the use of factor inputs; the primary objective being to increase productive efficiency, reduce unit cost and, crucially, enhance Britain’s international competitiveness” (Thompson, 1996: 39). In itself this was a major ideological and paradigm change.

¹ John Smith’s leadership was very short due to his untimely death.

While Kinnock and Smith had the merit of paving the way for the abandonment of Keynesian economics, it was Tony Blair who carried out the most outstanding economic reforms. One such reform could be singled out: *the decision to rewrite Clause IV*.

Within the Labour Party Clause IV was generally understood to imply full nationalisation of the economy. It was rather difficult to be interpreted otherwise given that it committed Labour to ‘secure for the workers by hand or by brain the full fruits of their industry...upon the basis of the common ownership of the means of production, distribution and exchange’

The Tony Blair leadership considered this clause to be very harmful to Labour’s electoral prospects, portraying the outdated economic policy of an anti-private sector and a classist trade-union party, to the advantage of the rival Conservative Party’s propaganda machine. Hence, in the words of Mandelson and Liddle, “for Labour’s new leader, rewriting Clause IV was indispensable to his mission to create a fresh agenda for the left and centre in British politics” (Mandelson and Liddle, 1996: 52).

New Labour successfully replaced parts of Clause IV with new wording that embraces the ‘enterprise of the market and the rigour of competition’ in an economy with ‘a thriving private sector and high-quality public services’. Mandelson and Liddle state that by means of this stark change, the Party “has demonstrated an understanding of what is required in order for a modern economy to work both efficiently and fairly in the public interest” (1996: 52).

Therefore New Labour ideology did away with class-based analysis and no longer spoke in terms of struggle between unions and management and between employees and employers. New

Labour became synonymous with the market economy and accepted substantial private-sector involvement even in those sectors that Labour traditionally relegated to the State. Indeed, McSmith states that by 1997 (when New Labour won the national elections),

“the Party was now so thoroughly imbued with free market ideology that when Tony Blair floated the possibility that his Government might privatise one of the dwindling number of enterprises still run by the state, the National Air Transport Service, which handles air traffic control, there was no audible resistance from his followers” (McSmith, 1996: 2).

In 1998, Tony Blair himself defined New Labour’s economic orientation in this way:

“In the economy, our approach is neither laissez-faire nor one of state interference. The Government’s role is to promote macro-economic stability; to develop tax and welfare policies that encourage independence not dependence; to equip people for work by improving education and infrastructure; and to promote enterprise, particularly the knowledge-based industries of the future. We are proud to be supported by business leaders as well as trade unions” (Blair, 1998: 18).

This key statement by Tony Blair implied that New Labour ideology, instead of giving importance to state control, class struggle and equality – as would have been the case with Old Labour - gives much importance to a stable and competitive market, social inclusion and the attainment of economic growth. In Blair’s words, “higher educational standards are the key to international competitiveness and an inclusive society for the future” (Blair, 1998: 18).

Another important ideological aspect of New Labour is its international outlook. Whereas Old Labour was rather nationalistic, giving much importance to the rigid borders within which economic activity would take place, New Labour gives importance to its standing within a decentralised European Union and indeed is bent on making Britain join the European Monetary Union. Co-operation with other democracies is a priority for New Labour. The Party “stands for a strong, decentralised Europe, enlarged to the east and able to tackle cross-border problems effectively but with integration only where necessary” (Blair, 1998: 18).

The New Labour ideology takes into account the various social changes that have taken place in British society during the last decades of the twentieth century. This ideology gives great importance to the competitive edge of the British economy within an increasingly competitive global economy. Its emphasis is modernisation, be it socially, economically or politically. An interesting aspect of its discourse is that it does not speak in terms of conflict, but rather seeks to create and unite. It is not only influenced by the Labour tradition, but also “move[s] forward from where Margaret Thatcher left off, rather than... dismantle every single thing she did” (Mandelson and Liddle, 1996: 1).

Mandelson and Liddle provide the readers of their *‘The Blair Revolution’* publication with a neat definition on New Labour ideology:

“New Labour does not accept the classic view of the left-right divide, in which both sides are seen to be locked in permanent conflict.....New Labour believes that is possible to combine a free market economy with social justice liberty of the individual with wider opportunities for all; One Nation security with efficiency and competitiveness; rights with responsibilities; personal self-fulfilment with

strengthening the family; effective government and decisive political leadership with a new constitutional settlement and a new relationship of trust between politicians and the people; a love of Britain with a recognition that Britain's future has to lie in Europe" (Mandelson and Liddle, 1996: 17).

New Labour Strategy

Concurrently with an ideological renewal, New Labour has carried out a strategic renewal in order to form a successful hegemonic project and therefore a historic bloc. Synonymous with such renewal is the Blair leadership's managerial methods.

McSmith states that amateur activists - whose main drive is their personal conviction - no longer run New Labour. In his words, "the Party now is increasingly run by professionals, who believe they can make direct contact with the electorate through the mass media, opinion polls and market research, and maintain their support within the Party through direct mailing, telephone banks and postal ballots" (McSmith, 1996: 5).

Such methods are analysed by J.Bleifuss, who focuses on the public relations strategies used by various political parties, including the U.S. Democratic Party and New Labour. Bleifuss states that electoral majorities are now built upon political agendas based on opinion management. Political consultants, scientific opinion polls, television advertisements, spinmeisters, and focus groups feature prominently in the tools used by political parties in order to be electable. Successful strategies become politically situated in "a nebulous centre" (Bleifuss: 1999: 28).

Bleifuss refers to political consultant Dick Morris, whose, *'The New Prince: Macchiavelli Updated for the 21st Century'*, states that "to win and to govern successfully, a candidate of either party must take care not to be captured, branded and held hostage by the extremists and ideologues in his own party. He must transcend party and appeal to the middle." (Bleifuss, 1999: 28). Such a strategy could be considered as being at the heart of New Labour strategy.

Gramscian author Stuart Hall states that a key feature of New Labour strategy is its reliance on the 'Middle England' social consistency. Referring to the way in which New Labour speaks about the family, social values and diversity discourse, Hall states that Blairite discourse is "deeply conventional" (Hall, 1998: 13). Such discourse appeals to the "profoundly traditionalist and backward-looking cultural investment" (1998) in Middle England.

Robin Blackburn agrees with Hall in that the moderate message conveyed by New Labour has helped the Party achieve success in areas that had never previously supported Labour. Basing his arguments on exit-polls during the 1997 elections, Blackburn also states that various citizens within the middling working class, "the so-called C2 skilled manual workers and the C1 non-managerial office workers," (Blackburn, 1997: 4) returned to the Labour fold after switching their support elsewhere in 1979.

Membership within New Labour is another indicator of the Party's strategy aimed at capturing the middle class. Mandelson and Liddle state that the most important organisational priority of New Labour has been the recruitment of new members, who in general tend to be younger. Relatively few new members have been recruited through the Party's union-affiliated organisations. The two political thinkers give empirical evidence of their assertions when they quote some remarkable statistics. A survey of new members within the Party during the mid-

1990s showed that 47 per cent described themselves as professional, 25 per cent as retired, 10 per cent as manual workers, 9 per cent as students, and 9 per cent as unemployed. Mandelson and Liddle echo Hall's analysis of the Middle England factor when they state that "it is particularly helpful that 60 per cent of the new members have joined in the electoral crucial areas of the Midlands and the South" (Mandelson and Liddle, 1996: 218-220).

Conversely, New Labour has continued the purges of radical socialists within its ranks as carried out during the Kinnock and Smith years. Both McSmith and Hall give evidence of New Labour intolerance of socialist dissidents. The former states that "socialists are no longer a welcome minority in the Party" (McSmith, 1996: 4), and shows how activists of the Tony Benn, Arthur Scargill and Ted Grant types have been expelled or excluded by the Party. Hall states that New Labour strategy discredits critics by labelling them into categories such as 'outdated', 'mad', or 'intellectual' – or to be more concrete, they are "shooting-match branded as 'Old Labour'" (Hall, 1998: 13). He concludes that given New Labour's ideological shifts, the Party has effectively abandoned the "working classes, underclasses, chattering classes, manual workers, lone parents, black families, trade unionists, public sector workers [and] rank-and-file Labourites" (Hall, 1998: 13). Instead, according to Hall, New Labour enjoys a good relation with businessmen.

Hence, unlike the strategy of its precursor, New Labour strategy is not based on class-distinction. It is not biased in favour of the working class. Instead, New Labour puts forward an all-embracing strategy that focuses on *community*. The enemies of New Labour are no longer portrayed as belonging to the ruling or middle classes, but are those who are portrayed as harming the community. Mandelson and Liddle state that such enemies include those who are unaccountable, those whose vested interests go against community interests, the inefficient, and those who neglect their families (Mandelson and Liddle, 1996: 20).

Such ideological and strategic shifts are therefore very different from Old Labour ideology and strategy which gave prime importance to class struggle. As Tony Blair puts it, New Labour is “literally a new Party” (1996: 21). Blair is upbeat about the success of the Party, and implies that it has formed a historic bloc:

“The centre-left may have lost the battle of ideas in the 1980s, but we are winning now. And we have won a bigger battle today: the battle of values” (Marxism Today, 1998: 13).

History will show whether New Labour has formed a durable historic bloc, but what is sure is that Blair led the Party to electoral success in 1997 and 2001.

New Labour in Practice

Any sociological analysis of the New Labour Government in practice must take account the social context within which it has operated. One cannot ignore the fact that New Labour came into power after eighteen years of a Conservative Government during which Thatcherism prevailed. As stated above, the Tory era was characterised by a more globalised economic situation, fully-fledged privatisation, and growth of the service and entertainment industries. The image of the macho working class became a thing of the past, symbolically represented by Thatcher’s victory against miners and other working class groups during the 1980s. Thatcher created a historic bloc which on the one hand carried out neo-liberal economic policies, and on

the other hand appealed to 'British' values such as 'Rule Britannia', symbolised by the Falklands victory.

New Labour therefore inherited a very much-transformed British post-industrial society. At the same time it inherited one of the most unequal of the advanced capitalist societies of the period. Robin Blackburn quotes an OECD survey that ranked Britain in the seventeenth place out of twenty-one members with regards to the proportion of GDP spent on social security, health and education. Blackburn also states that the poorest tenth of the population actually became 13 per cent worse off in 1997 than they had been in 1979 while the richest tenth twice as well-off (Blackburn, 1997: 11).

Among the most important reforms carried out by the New Labour Government in its first years, one may mention the following:

- the setting-up of Scottish and Welsh Parliaments;
- the welfare-to-work schemes;
- progress within Irish peace agreements;
- the minimum wage;
- the incorporating of human rights into British legislation;
- family tax credit;
- a school and hospital building programme;
- the move towards devolution;
- the drive towards constitutional reform in a House of Commons where hereditary peers still hold much power.

At the same time, New Labour has maintained various policies adopted by the Conservative Government, the most notable of which include the pro-privatisation policies.

Many authors hold that New Labour ideology, strategy and policies can neither be defined as 'Old Labour' nor 'Tory'. Various literature on this subject points to the formulation of something new simultaneously with the creation of New Labour: *the Third Way*.

The Third Way

Speaking at a Labour Party conference in September 1998, Tony Blair stated that within politics there are three choices. The first two choices, namely resisting change, or letting change happen with a *laissez-faire* attitude, were rejected by Blair given their respective flaws, namely futility or lack of Communitarian emphasis. The alternative proposed by Blair was entitled the Third Way. Within it "we change, modernise, reform" (Marxism Today, 1998: 25). The Third Way has since then been propagated around the world by various Social Democratic parties.

Blair situates the Third Way in the left of centre of the political spectrum. In his words it does away with statism and "outdated ideology" (Blair, 1998: 18) and instead "takes the essential values of the centre and centre-left and appl[ies] them to a world of fundamental social and economic change; and to do so free from outdated ideology" (1998). The Third Way is thereby considered as uniting democratic-socialism and liberalism, which, according to Blair have been traditionally separated from each other to the detriment of progressive politics.

Like Tony Blair, Anthony Giddens, a main theorist of the Third Way, considers the Third Way as transcending both old-style social democracy and neo-liberalism. Giddens also considers Bill Clinton's Democratic Party (which at that time was in power in the U.S.A.) as forming part of the Third Way (Giddens, 1998: 25-26).

Giddens states that the basic principle within Third Way politics is the deepening and widening of democracy. This could be attained by forming a partnership between government and various agencies within civil society, in what Giddens defines as "the new mixed economy" (1998: 69). Such an economy could function within highly modernised welfare institutions that take into account various social changes which have took place in the last decades of the twentieth century.

He states that in relation to globalisation, Third Way politics should be positive and avoid economic and cultural protectionism as this "would create a world of selfish and probable warring economic blocs" (1998: 65). On the other hand the British sociologist states that Third Way politics "should not identify globalisation with a blanket endorsement of free trade" (1998: 65). What the Third Way should do, according to Giddens, is emphasise the values of democracy and inclusion.

Renewal of Social Democratic Parties

The concept of the Third Way has in a sense transcended the British political scene and gone global. It has come to represent renewal in various Social Democratic parties that faced negative prospects during the early 1990s. Indeed, during the first couple of years after the collapse of the Berlin Wall and Soviet Socialism in general, the neo-liberal, new-right and conservative free

market ideologies gained the upper hand. The Republicans had been holding power in the US under the successive Presidencies of Reagan and Bush, the Tories in Britain had been in power since 1979, while various Social Democratic parties, such as the German one, had been in opposition for a number of years. A few Social Democratic governments did exist, but as Giddens puts it, electorally as well as conceptually “Social Democracy fell into a state of depression” (Giddens, 1998: 154-155).

The winds of change began blowing when Bill Clinton’s Democratic Party won U.S. presidency in 1992. Other centre-left and leftist parties soon followed suit. Wim Kok became Prime Minister in Holland, Lionel Jospin came to power in France, Romano Prodi in Italy and Gherard Schroeder in Germany. The New Labour victory in Britain was considered by many as representing victory over “the very symbol of the Social Democratic crisis of the 1980s, Thatcherite conservatism” (1998: 155).

Giddens also states that in spite of the various Social Democratic electoral victories, “a new and integrated political outlook” (1998: 24) still has to be created among Social Democratic parties. However, Giddens gives importance to the Third Way, which could interact left-of-centre political parties around the world. In this sense, the Third Way could indeed be globalised in a successful manner.

Attempts have already been made to formulate a globalised centre-left ideology. One such attempt was made on 3rd June 2000, when Clinton, Schroeder, Jospin and eleven other world leaders from the centre-left, including the Italian, Canadian and Dutch Prime Ministers Giuliano Amato, Lionel Jospin, Jean Chretien and Wim Kok, the Presidents of Argentina, Brazil and Chile, Fernando de la Rúa, Fernando Henrique Cardoso and Ricardo Lagos, as well as South

African President Thabo Mbeki, met at a Berlin summit to try to create a common centre-left strategy (Incidentally, Tony Blair had to drop out of the meeting to be with his new- born baby).

The summit was characterised by proponents of the Third Way on one hand, such as Clinton and Blair (despite his absence) and proponents of a more traditional type of socialism, such as Jospin on the other. However, a joint declaration was formulated, in which the leaders stated that “we believe market economies must be combined with social responsibility in order to create long-term growth, stability and full employment” (The Sunday Times, 4th June 2000: 3).

Although various divergences do exist within centre-left and leftist politics, the Third Way has been fruitful in various aspects. Whether it will be successful in the long term and create historic blocs is another matter. Indeed, various critics of the ideology have much to say in this regard.

Critique of New Labour and the Third Way

Language professor Norman Fairclough, in his seminal work “New Labour, New Language?” (2000) states that there is a sharp break between the politics of New Labour and that of Old Labour in Britain. The major reason for the break is New Labour’s acceptance of the new international economic liberalism “as an inevitable and unquestionable fact of life upon which policies and government are to be premised” (Fairclough, 2000: 15). Besides, Fairclough identifies what he considers to be inherent contradictions within the Third Way ideology, namely the contradictory combination of what he considers to be new right, social democratic, and communitarian discourses.

New Labour is considered by Fairclough to be attempting to create the Third Way by building a wide alliance, in particular between the traditional 'core' of Labour supporters and the middle class. This alliance reflects the inherent tensions and shifts within the Party. New Labour is therefore facing a contradictory situation, seeking to achieve rhetorically what it cannot achieve in reality – a reconciliation of neo-liberal 'enterprise' with 'social justice'.

Stuart Hall, focusing on New Labour strategy, states that one main flaw within New Labour politics is its effort to be all-inclusive. Hall states that Third Way discourse puts forward a view which does not envisage any conflicting interests that cannot be reconciled. It therefore puts forward "politics without adversaries" (Hall, 1998: 10). This is unacceptable for the celebrated Gramscian author, since, according to him, "a project to transform and modernise society in a radical direction, which does not disturb any existing interests and has no enemies, is not a serious political enterprise" (Hall, 1998: 10).

Former 'Marxism Today' editor Martin Jacques criticises what he defines as the "London/Washington version of the Third Way " (Jacques, 1998: 3) for giving too many concessions to neo-liberal ideology. Jacques states that the Jospin and Schroeder Governments - which include coalitions with other leftist parties such as the Greens - are more radical than the Third Way Governments. Jacques observes that this type of leftist politics is indeed becoming more and more popular in other countries such as Sweden.

Not that a more radical version of leftist politics does not exist within Third Way parties. As Marquis puts it in his analysis of New Labour,

“it would be a mistake to conclude that the Party as a whole is ‘Blairised’. Across the membership, in the trade unions, in Parliament and even in the Cabinet, reservations about Blair, his ‘project’ for the Party, and the course of his Government are widespread” (Marquis, 1997: 130).

Conclusion

New Labour and the Third Way are considered as representing renewed Social Democratic parties, which, given social changes, attempt to widen their electoral appeal beyond their traditional working class constituencies. Besides, such parties also incorporate post-materialist values together with materialist ones. The free market economy is taken on board together with a reformed welfare state, and globalisation is considered an inevitable fact that could be tackled best by supra-national bodies such as the European Union. Such changes will be taken into consideration for the scope of this thesis.

The following three chapters, which will apply the theoretical framework of this thesis in order to explain the possible shifts from Old Labour to New Labour in Malta, will also take account of the changes within British Labour and other European Social Democratic parties. It will be shown that certain changes carried out by the Malta Labour Party in the construction of New Labour were similar to the changes highlighted in this chapter.

Chapter 6

Old Labour in Malta

Introduction

This chapter will analyse Malta's Old Labour in a social context while chapters 7 and 8 will analyse Malta's New Labour in a social context. Categories dealing with Overdetermination and Conjuncture, Political Ideology and Strategy, Hegemony and State Power, and Crisis of Hegemony will be analysed by referring to economic, sociological and political literature on the issues in question.

Overdetermination and Conjuncture

The Economy

During the period from 1971 to 1987, Malta's economy was transformed from one depending on military expenditure to a developing economy in which export-oriented manufacturing and tourism were the major earners of foreign currency. Economist Lino Briguglio states that during the 1970s, the major economic problems faced by the Labour Government were the international energy crisis and unprecedented inflationary pressure (Briguglio, L. 1988: 190). Foreign

investment in exporting industries was rendered harder during that period especially due to international competition arising from conjunctures such as the oil crisis.

Briguglio notes that between 1970 and 1974, although Gross Domestic Product grew - albeit at a slower rate than in the preceding and following five-year periods – the labour force did not grow in a significant manner. Besides, much new employment was created by the Government in its labour corps¹ (1988: 192). In this regard Koziara (quoted by E.P Delia) states that in the mid-1970s the Maltese labour market was characterised by a high rate of emigration, high unemployment, low wages, an increase in female participation as well as high geographic mobility (Delia, E.P., 1994: 462).

On the other hand, Briguglio states that between 1975 and 1979, Gross Domestic Product and employment achieved fast growth rates, and unemployment decreased. One major reason for that was the rapid growth in the tourist industry (Briguglio, L., 1988 : 193).

Briguglio argues that during the 1980s, following Malta's freedom from the British military, the Maltese economy was adversely affected. That was due to the international recession as well as certain economic policies of the Labour Government. Delia adds that as the Maltese had no employment opportunities in the British military sector (which had employed as many as 26 per cent of workers in 1957), the Maltese had to find employment either through emigration or within the private or public sectors. Yet "it was the public sector which replaced, to a great extent, the UK defence establishment as the focus of attraction for employment security" (Delia, E.P., 1994: 463).

The sub-period from 1980 to 1984 is considered by Briguglio as the worst economic period under Labour Governments. Economic growth was very low, employment decreased at a faster rate and unemployment reached a relatively high 8.6 per cent rate (1988: 193).

Overall, the major shifts in the Maltese economy during the period in question included the decline of British military expenditure, down from 15 per cent of GDP in the early sixties to 0 per cent during the 1980s (1988: 193); the rise in the manufacturing industry – particularly in the textile, clothing and machinery sectors, from 17 per cent of GDP in the early 1960s to 33 per cent in the late 1970s; and the corresponding increase in employment in this sector during the same period, from 18 per cent during the first half of the sixties to 32 per cent during the 1980s (1988: 193-5).

Delia gives much importance to emigration during the period in question. He states that between 1946 and 1990, about 155,000 Maltese people emigrated, one-fourth of whom later returned to Malta. However, after 1975 the emigration rate slowed down, especially since Australia, Canada and the United Kingdom had become more selective. That helped increase labour supply, “pushing up temporary employment in the labour corps set up for the purpose” (Delia, E.P., 1994: 468). In turn the labour corps were eventually absorbed in the public sector. By 1980 that sector employed 26,838 workers from a total workforce of 120,138 (Nationalist Party Information Office, 1981a: 2).

The following table illustrates changes in Gross Domestic Product and unemployment rates from 1969 to 1986:

¹ By 1977, 7,360 workers formed part of the labour corps (Nationalist Party Information Office, 1981a: 2)

GDP at Factor Cost and Unemployment (official figures)

	1969	1974	1979	1984	1986
GDP (Lm million)	70.8	118.6	293.7	421.4	430.6
Unemployment Rate (%)	3.7	5.8	2.7	8.6	6.9

(Briguglio, L. 1988: 190)

Class Structure

During the Old Labour years in government, various changes took place within Malta's class and occupational structures, which were largely conditioned by the changes in the Maltese economy referred to above.

Up to the 1980s not much data was available on occupational-class structure, distribution of wealth and social mobility in occupational terms². No national census was held during the 1970s, and the last census before that was held in 1967. This lack of information is noted by Mario Vassallo (Vassallo, M., 1979: 227).

However, one can say that by the mid-1980s, Malta's class structure included a relatively large working class. This is mentioned in the "Census '85" (1985), which states that a trend was first noted in 1967, within which a shift was taking place from own-account workers to wage/salary earners. While, in 1967, 20.4 per cent of gainfully occupied males and 22.9 per cent of gainfully occupied females were own-account workers, by 1985 those figures had decreased to 12 per cent and 4.2 per cent respectively. On the other hand, while in 1967, 77.5 per cent of males and 76.7

per cent of females were wage/salary earners, these figures had increased to 85.3 per cent and 95.1 per cent by 1985 (Central Office of Statistics, 1086: 87). Indeed, the 1985 national census gives the following figures:

1985 Census: Malta’s Labour Force (N: 105,293)

%	Number of Persons	Occupational Status
2.2	2,315	Employers
10.2	10,695	Own-account workers
87.6	92,283	Wage/salary earners

(Central Office of Statistics, 1986: 87-88)

(Sultana, 1994: 45)

1985 Census: Breakdown of Wage/Salary Earners’ Occupation (N: 92,283)

%	Number of Persons	Occupational Status
7.7	8,106	Professionals, technical and other related workers
5.2	5,506	Administrative, managerial, and other related workers
19.2	20,229	Executive, clerical and other related workers
35	36,923	Skilled and semi-skilled workers
20.4	21,519	Unskilled workers

(Central Office of Statistics, 1986: 35-36, 87)

(Sultana, 1994: 45-46)

² One important study in this regard is that of David M. Boswell (1979). He carried out a survey on occupational and residential prestige, wherein he concluded that a high degree of consciousness existed , in Malta, regarding social

Another change in the occupational structure during Old Labour rule was the increase in female employment as a percentage of total gainful employment, from 18 per cent first during the first half of the sixties to, 26 per cent during the second half of the 1970s. Once again the largest growth rate was within the manufacturing sector (Briguglio, L. 1988: 195).

Ideology

The ideological³ framework of the Maltese social formation during the Old Labour years was such that by the 1980s, the Maltese prioritised traditional and materialist values within a polarised political setting. Post-materialist values were present, too, although at a lesser extent than materialist ones.

Jeremy Boissevain observes that the polarisation between the Malta Labour Party and the Church, which dominated Maltese political life during the sixties, was replaced by polarisation between Labour and the Nationalists. Writing in 1993 about the post-sixties, he asserts that “Politics has become a corrosive zero-sum contest characterised by factional loyalty that reaches a veritable frenzy just before elections” (Boissevain, 1993: 150).

Boissevain also notes the importance of patronage, which according to him was still present in Malta. He also notes that with the centralisation of power – which was the order of the day under Old Labour - Government ministers became “the new super ‘saints’” (1993: 154), taking the place of old patrons such as members of the clergy and of the traditional professions.

prestige of residential areas. He relates this to socio-economic characteristics (Boswell, D.M., 1994)

According to sociologist Anthony M. Abela, in the 1980s the Maltese had a very strict morality which cherished marriage, the family, the Church and religion (Abela, 1994: 257-8). Intolerance in political matters was commonplace, as was the lack of trust in others (1994: 261). He states that the most important priorities for the Maltese were the materialist values regarding the upkeep of social order and the control of prices, followed by the post-materialist values of freedom of speech and giving people more say in important government decisions (1994: 265). A high percentage of Maltese citizens were very proud of their nationality, and a little less than half of the population expressed trust in the European Community (1994: 267).

By the general elections of 1987, the Maltese people had witnessed higher living standards, better standards of education and greater chances of social mobility than in previous generations.

Political Ideology and Strategy

Economic Policy

The Old Labour administrations emphasised the state's role within the economy, thus carrying out various nationalisations and setting up a number of state-owned enterprises. That policy was given importance in the Development Plan 1973-80 (Office of the Prime Minister, 1974). Yet the same plan also spoke about the need to attract foreign, industrial, export-oriented investment, which would benefit from a disciplined workforce and "very competitive local wage levels" (1974: 13). One major foreign company to invest in Malta under Old Labour was SGS-Thompson. The Development Plan which followed, that of 1981-85 (Office of the Prime

³ The Althusserian concept of ideology is being referred to, defined as "the system of ideas and representations which dominate the mind of a man or a social group" (Althusser, 1984: 32). Therefore, it has much to do with what

Minister, 1981), acknowledged the fact that local export-oriented investment was lacking, and similarly to the successive 1986-88 plan (Ministry for Trade and Economic Planning, 1986), it acknowledged that the state had to intervene in sectors where there was no capitalist class.

Import substitution, bulk-buying and wage/price freezes were resorted to, so as to ensure cheap prices as well as economic viability of local industry. One of the major economic objectives in this regard was the attainment of full employment. The Malta Development Plan 1973-80 states that that was needed not only in order to provide gainful occupation to workers, but also “to ensure that available human resources are used in the most productive manner” (Office of the Prime Minister, 1974: 94).

Hence Old Labour Governments sought to modernise Malta by means of increased productivity in an industrial economy, to such an extent that, according to sociologist Edward L. Zammit, Dom Mintoff constantly emphasised the supremacy of work over all other activities as well as the values of *ghaqal*⁴ and *bzulija*⁵. As Mintoff would put it, “[he or she] who works the hardest receives most in return. The lazy ones get nothing” (Zammit, 1984: 60).

When the wage freeze was introduced in 1983, it was justified as a necessity to attract investment. Mintoff’s successor Karmenu Mifsud Bonnici constantly defended the policy by affirming the Labour Government’s prioritisation of work. He did so for example during the Malta Labour Party General Conference on the 1st November 1985. Mifsud Bonnici also added that before attaining full employment, the Government should not succumb to any pressure to improve the conditions of those who were gainfully occupied with a decent pay. In his words,

many sociologists refer to as values.

⁴ Tr. from Maltese: ‘prudence’

“today we have to give priority to those who are without a job, those who need most help, if we want to be called socialists” (Malta Labour Party Department of Information, 1987: 97-99).

Mifsud Bonnici also opposed an increase in salaries, on the grounds that it scared investment, particularly in export-oriented industry and tourism. (Malta Labour Party Department of Information, 1987: 166).

A few weeks before the 1987 general elections, during his tenure as President of the Malta Labour Party, Alfred Sant, wrote that Karmenu Mifsud Bonnici’s main aim was to fight unemployment. In his own words, “[Karmenu Mifsud Bonnici] surely measured all initiatives taken under his leadership in terms of their effectiveness in the struggle against unemployment” (Malta Labour Party Department of Information, 1987: 5).

Therefore, the economic policies of Old Labour prioritised industrial development in order to create new jobs. Local industry was helped by means of such policies as import substitution, and at the same time foreign investment was welcome. The policy in favour of low wages and lack of rights to categories of workers such as those within the labour corps was countered by social policies such as free health care, free schooling, children’s allowance, very cheap housing, an increase in pensions, and the introduction of the minimum wage.

Foreign Policy

Foreign policy played a very important role under Old Labour Governments. Non-alignment with the Western and Eastern blocs was emphasised within a policy which emphasised Malta’s

⁵ Tr. from Maltese: ‘diligence’

Mediterranean – rather than European – dimension (Malta Labour Party Department of Information, 1987: 105). Mintoff's Government also took a third-worldist approach by joining the Non-Aligned Movement and the Group of '77. However, most importantly, the Old Labour administrations were pragmatic in reaching vital strategic and economic agreements with diverse countries such as Italy on one side and Libya on the other.

On the other hand, the Old Labour rhetoric regarding its relationship with Western Europe definitely did not bring about a cosy relationship between the two. In this respect Henry Frendo states that

“the Government's bargaining stance rather soiled – although never spoilt altogether – relations with Western Europe, which Mintoff had the gall to refer to in a Strasbourg meeting as the ‘Europe of Cain’ in relation to the Eastern half!” (Frendo, H., 1991: 215).

Old Labour's foreign policy was such that only those countries which were ready to embark on economic relations with Malta were considered friends. On the other hand, those countries which Karmenu Mifsud Bonnici defined as “nit-pick[ing] on Malta's democracy, human rights and pluralist system” were not (Malta Labour Party Department of Information, 1987:105).

In line with its protectionist economic policies, Old Labour embarked on a policy by means of which Malta would not buy products from other countries unless those countries brought Maltese products. During a Mass Meeting at San Gwann on June 15th, 1984, Karmenu Mifsud Bonnici declared that his Government had already stopped buying Japanese products, and would stop buying products from France, Italy and England if they refused to purchase Maltese products. In his own words, “Malta has to be ready to buy a Czech fridge instead of a French car or fridge if

the Czechs are ready and willing to buy Maltese products!” (Malta Labour Party Department of Information, 1985: 45). The justification used by both Mintoff and Karmenu Mifsud Bonnici in their foreign policies was the nationalistic *‘Malta l-ewwel u qabel kollox’*⁶.

Commenting on Old Labour’s foreign policy, Dominic Fenech states that during that period the Malta Labour Party “had seen itself as Mediterranean rather than European, seeking a role as bridge between Europe to the north and the Arab countries to the south, thus complementing its policy of equidistance from East and West” (Fenech, D. 1988: 136).

Class Interests

From its early days, the Malta Labour Party had declared itself to be the party that represented the interests of the working class. That self-proclaimed mission – especially in the Party’s relationship with the General Workers’ Union - was emphasised under Old Labour Governments.

In his days as Prime Minister, Dom Mintoff defined the Malta Labour Movement as existing to serve the interests of workers.

“We are a Union and a Party who are there for those who work. A union of all workers: some with their hands, others with their minds, with the pen, some play musical instruments, while others sing – all work” (Zammit, E., 1984: 60).

⁶ Tr. from Maltese: ‘Malta first and foremost’

Nevertheless, there were various critics of the relationship between Old Labour and the General Workers' Union. Michael Schiavone states that the high number of strikes carried out by the Union prior to the 1971 general elections had a strong partisan bias. Indeed, although Old Labour was involved in much industrial conflict with a myriad of trade unions during its administration, it was the opposite case with the General Workers' Union. Schiavone also mentions the fact that at the time of the GWU strikes prior to the 1971 elections, at least three Labour members of Parliament held high positions within the Union: Lorry Sant, Wistin Abela and Rokku Abdilla. Sant and Abela would later on become Labour ministers (Schiavone, 1990: 50).

Writing about the merger between the Malta Labour Party and the General Workers' Union, Lino Briguglio⁷ stated that for Mintoff, effective control over the General Workers' Union would be advantageous for the carrying out of the Labour Government's policies. Briguglio highlighted Labour's industrial policy that was based on the need for wages to be kept as low as possible and on the need to control industrial conflict. "In order to control the Union, changes had to take place within the statutes of both organisations" (*L-Invell*, October 1978).

The merge between the Malta Labour Party and the General Workers' Union was considered by both sides to be in the interests of Malta's working class. Indeed, the joint electoral programme for the 1981 general elections states that by means of the merger, "the workers have managed to elevate the Maltese people to a nation free from all foreign interference" (Malta Labour Party/General Workers Union, 1981: introduction).

⁷During the mid-1970s Lino Briguglio served as member of Labour's National Executive but was expelled from the Party in 1978 due to his disagreement on the merger with the General Workers' Union and the Government's policies on the University of Malta.

On the other hand, as shown in the previous chapter, Old Labour was involved in various industrial conflicts with other trade unions. Besides, those who disagreed with the merger between the Party and the General Workers' Union were discarded. Apart from Lino Briguglio who was expelled from the Party, another high profile figure who clashed with the Malta Labour Party was Joe Attard Kingswell, who was publicly attacked by Dom Mintoff and lost his place as General Secretary of the Union (*L-Invell*, October 1978).

Old Labour did not enjoy very good relations with other social classes. Mario Vella argues that the development of modern industrial capitalism brings about various crises of pre- and proto-capitalist social classes within a social formation. Thus, the changes that materialised especially during the 1970s resulted in "socio-economic tremors throughout the country's traditional rural and urban social structures" (Vella, M., 1989a: 171-172) especially through those who were losing their economic and social privileges. They included those who belonged to traditional middle classes and categories, such as merchants who imported foreign products, doctors, and teachers, all of whom were greatly affected by Labour policies.

Not that Old Labour gave much importance to these classes. During a mass meeting at Siggiewi a few months before the 1987 general elections, Karmenu Mifsud Bonnici could not have been more direct.

"We want to keep on winning on the strength of our socialist beliefs, and we want to keep on growing due to our honest work. We do not need manipulation, conspiracies, and collisions to gain unfair advantages, neither from the lawyers, nor from the specialists in hospital, University lecturers or magistrates. We do not need these things" (Malta Labour Party Department of Information, 1987: 225).

Therefore, while Old Labour was involved in conflict with various categories and classes, the same party created an alliance with the General Workers' Union and acted as a largely absent industrial capitalist class.

Party Interests

Old Labour was frequently associated with the Mintoﬀian slogan '*min mhux maghna kontra taghna*'⁸. The fact that various acts of violence as well as cases of political discrimination and corruption took place under Old Labour Governments gave the impression that during those years some people were more equal than others. In this regard Henry Frendo states that within this "increasingly abrasive and intolerant" brand of socialism, "the party card became precious" (Frendo, H., 1991: 215).

Writing in 1981, Michael Frendo, who at the time was a young student activist, uses strong words to describe the political situation during the previous decade.

"Since 1971 tolerance has been replaced by an acute polarisation engendered by autocratic Government and fanned by the State-run media. The major trade union has been incorporated within the ruling party. Progress has officially become synonymous with Government activity and consequently Government's critics have become reactionaries and dangerous seditious elements. As Mintoﬀ continues to address the Nation while sporting his Party's emblem, and as his speeches to the party faithful at the Labour Party conferences are transmitted

direct by the State media, the distinction between Party and State has become uncertain” (Nationalist Party Information Office, 1981a: 1).

Violence was particularly symbolic of the fact that certain persons stood to gain under Labour Governments, to such an extent that in the words of Boissevain “Physical violence gradually became an overt political instrument” (Boissevain, 1993; 153). Lino Briguglio examines the violence under Old Labour in his publication entitled *‘L-Elementi Kriminali w Vjolenti Fi Hdan il-Partit Laburista’*⁹ (Briguglio, L.: 1986), wherein he also queries whether the violent and criminal actions carried out by elements of the Malta Labour Party formed part of the Party’s strategy. He constructs a typology of the violent and criminal elements within the Malta Labour Party during the 1970s and the 1980s. According to him these included the following categories, that had material or political interests to preserve the status quo.

- Common criminals;
- Militant Labourite Dockyard workers;
- Certain Labourites with unruly tendencies;
- People with close ties to powerful people;
- Certain high-ranking political appointees within the Police and the Armed Forces;
- Powerful people within the Malta Labour Party including some ministers; (1986: 3-6).

Briguglio states that all of these categories of people had been involved one way or another in violent incidents against the rivals of the Malta Labour Party, but they appeared to be acting in a co-ordinated manner during the incidents at Tal-Barrani, Zejtun (1986: 6-7, 23). He mentions the

⁸ Tr. from Maltese: ‘Those not with us are against us’

⁹ Tr. from Maltese: ‘The Criminal and Violent Elements Within the [Malta] Labour Party’

fact that barricades were set up the night before the Nationalist Party meeting, that there were many weapons as well as other instruments in peoples' possession.

However he concludes that these violent and criminal acts did not form part of Mintoff's strategy, but on the other hand Mintoff knew that he could not control these elements. Mintoff did not admit that he had no control over these elements, because he wanted to project the image of a serious leader (1986: 17).

With regard to the criminal and violent acts committed under the Mifsud Bonnici leadership, Briguglio states that Mifsud Bonnici, whose authority was granted and legitimated by Mintoff, inherited the consequences of many years of arrogant leadership which attracted violent and criminal elements within the Malta Labour Party. By the time that Mifsud Bonnici became leader of the Party, these elements were rooted within the Party. Karmenu Mifsud Bonnici – who was much calmer and more polite than Mintoff – had much less power than Mintoff over these people. As Briguglio puts it,

“many of these elements had become closely tied to ministers and other big heads within the Government and had cushy jobs, sometimes within ministries, or other jobs within which they could do whatever they liked.....Others set up businesses by means of special arrangements as a form of compensation for their roles as helpers to some ministers, which put them in advantageous positions next to their competitors” (Briguglio, L., 1986: 18).

Briguglio identifies a conflict of interest between Mifsud Bonnici and the Party's formal leadership on one hand and the criminal elements within the Party on the other hand. An example

of this conflict is that while the Party's electoral strategy was based on the image of Peace and Progress, all violent actions, such as those in Zejtun and Gudja, contradicted the slogans in question. Michael Frendo states that although violence could easily be controlled in a small country such as Malta, the truth was that Old Labour did "virtually nothing" to stop its supporters from resorting to violence, save for making a few public appeals. He adds that the amount of violence used by political thugs was sufficient to silence ordinary citizens (Nationalist Party Information Office, 1981a: 21-22). As he puts it, the violence used brought about fear and pointed towards an attempt to instil "the feeling of helplessness that is congenial to authoritarian rule" (1981a: 21-22).

The fact that Labourites and those close to the Malta Labour Party and/or Labour Ministers stood to gain from the Old Labour Government, brought about a lack of confidence towards the Government and its apparatuses by non-Labourites. Indeed, a survey carried out by Gallup during this period revealed that only 50 per cent of the respondents in Malta had confidence in the Police, unlike countries such as England and Ireland, wherein 86 per cent of respondents trusted the Police (*Partit Nazzjonalista*, 1987: I[13]).

Power of the Leader

During the Old Labour years in general and the Mintoff years in particular, the party's organisational structure was such that the leader was very powerful. Dom Mintoff was not only a strong leader, but he also possessed the qualities of what Weber would define as a 'Charismatic Leader'. Mario Vassallo argues that as from the time when he took over the reigns of the party in 1949 he "avowed himself in favour of a deep structural alternation in the traditional ordering of

Maltese social mores” (Vassallo, M., 1977: 239). Besides, Mintoff had lead the party for such a long time that its structures were highly influenced by his actions.

Jeremy Boissevain observes that Labour supporters would many times refer to themselves as *Mintoffjani*¹⁰ and would never question his leadership or decisions. Some of them would even copy his style of dress, wearing large belt-buckles or shirt and tie according to what Mintoff was wearing. Given the Mintoffians devotion to their leader, Boissevain concludes that he had a secure base to rely on (Boissevain, 1994: 412).

Both Boissevain and Zammit hold that by means of Mintoff’s speeches people felt united within a mass movement. By means of his rhetorical skill he was able to strengthen his arguments, which were themselves based on what Boissevain considers to be ‘transcendental’ values such as self-determination, self-pride, patriotism, and care for the people’s money (1994: 420). Boissevain also holds that Mintoff’s speeches in favour of a projectionist state capitalism is a “a common sense extension of the peasant *ghaqal*” (1994: 420). Therefore, Mintoff’s discourse fitted very much with materialist and traditionalist values. Besides, according to Joe Inguanez, Mintoff also managed to instil certain values in his supporters, to the extent that among people with a strong ego this turned from self-confidence into arrogance (Inguanez, 2001¹¹).

In his turn, Zammit adds that Mintoff’s followers considered him to be a man sent from God¹², just like patron saints of Maltese villages (Zammit, 1984: 58). Band clubs displayed pictures of their patron saints on their walls. Similarly, the Malta Labour Party clubs – which Mintoff made it a point to establish in a large number of towns and villages around Malta and Gozo – had

¹⁰ Tr. from Maltese: ‘Mintoffians’

¹¹ This opinion was expressed by Joe Inguanez during a conversation with the author.

pictures of Mintoff hung up on their walls, too. As devout Catholics the Maltese had pictures of their patron and favourite saints in their homes. Similarly, Labour supporters had pictures of Dom Mintoff and their favourite Labour candidates (Inganez, 2001¹³).

Boissevain states that Mintoff could be harsh and cruel, punishing those who opposed him or those that he considered incompetent. Similarly to Macchiavelli's Prince, he was both respected and feared. Indeed, Boissevain adds that at times he could be very charming and hospitable, radiating an aura of confidence. In a nutshell,

“He behaved, in short, like the traditional Maltese father – aloof, mainly harsh and looked after his own. The authoritarian figure was familiar to all Maltese. Most of them had grown up in and formed part of families dominated by such fathers” (Boissevain, 1994: 411).

One of Mintoff's best shows of force was when he faced the loss-making Dockyard workers in 1973, many of whom were the hard core of supporters. For this occasion Mintoff was not wearing casual clothes, as he usually did for public meetings. On the contrary, he faced them in a dark suit, white shirt and tie. According to Boissevain, Mintoff was “emphasising his distance from them and the seriousness of his message” (Boissevain, 1994: 415).

The Dutch anthropologist argues that the way Mintoff insulted the Dockyard workers – telling them that they ‘had no balls’ – was a very powerful message to Mediterranean men. Besides, the manner which he gave the workers three choices, to be voted upon by means of a show of hands,

¹² Many times Mintoff was referred to as *is-Salvatur* (the Saviour).

¹³ This was remarked upon by Joe Inganez during a conversation with the author.

is defined by Boissevain as “rhetoric on a grand scale” (1994: 415). Mintoff’s power as leader of the Malta Labour Party was defined as follows by Boissevain,

“Under his leadership the organisation of the Malta Labour Party was strengthened. He became the Party’s chief symbol, its undisputed leader. His tactical skill, knowledge of the political scene, his eloquence and energy all combined to endow him with unprecedented power” (Boissevain, 1994: 411).

Mintoff’s all-embracing paternalist image was strongly criticised due to his authoritarianism. Lino Briguglio states that the Malta Labour Party was made up of various categories of activists and supporters. These included those who believed that Mintoff was the only person capable of uniting the various factions within the Party, those who were trapped in Mintoff’s populist tactics and most of all, those who were in the Party for their personal material interests. The latter category, according to Lino Briguglio, criticised Mintoff in private but praised him in public. He also states that the sciences and the arts were also trapped in the process of strengthening the Mintoff personality cult. Indeed, Mintoff “has been transformed into a superhuman” (*L-Istudent*, October/December 1978).

Michael Frendo states that Mintoff’s rule had brought about near-dictatorship. As he puts it,

“Post Independence confidence has given way to neo-colonial subservience to an all-embracing father figure. To achieve this, Mintoff’s Government has had to chastise the Academics and the Students, the Doctors, the Lawyers, the Self-Employed, the Trade Unions, and many others, both individuals and groups who

stand in the path of monolithic Government” (Nationalist Party Information Office, 1981a:1).

When Karmenu Mifsud Bonnici replaced Dom Mintoff as Prime Minister and leader of the Malta Labour Party, he had many words of praise for his predecessor, thus projecting himself as a fervent follower. During a Labour meeting in Sliema on December 9th 1984, Mifsud Bonnici described Mintoff as the man who had transformed the Maltese population from a poor, ignorant and hungry one to a population which worked hard, is *biezel*¹⁴ and respected all around the world. Mifsud Bonnici added that Mintoff had dedicated his life to the country, saving Malta, liberating it from foreigners and transforming it into a nation that created work and wealth (Malta Labour Party Department of Information, 1985: 135). Mifsud Bonnici’s eulogy was so powerful that he added that “We will keep on blessing him [Mintoff] until the last breath of our life!” (Malta Labour Party Department of Information, 1985: 135).

In another speech during a Socialist Youths meeting, Mifsud Bonnici addressed his “Mintoffian brothers”, telling them that Dom Mintoff had made the history of the last thirty years of the century. He praised him to such an extent that he claimed that Mintoff’s ideals had now become part of the Party’s religion. In his words, “we could describe our faith and religion not only as Labourism, not only as Socialism, but as Mintoffianism” (Malta Labour Party Department of Information, 1987:12).

It was a time when Dom Mintoff personified and symbolised Old Labour, while practically all ranks within the Party identified themselves politically with him. In turn, Mintoff was capable of presenting discourse that fitted very well with the prevailing ideologies of his followers.

Old Labour's Ideology

If one were to take into consideration the various policies as well as interests of Old Labour, one could broadly define the Party's political ideology as verging on socialism on one hand and nationalism on the other hand, both of which ideologies formed part of the Maltese overdetermining characteristics, such as patronage.

As regards the link between socialism and nationalism, Edward Zammit notes that on assuming power in 1971 Old Labour created a legitimating ideological framework, within which workers who were governed by the Malta Labour Movement were told to pursue the national interests by means of restraint (Zammit, 1984: 51).

In his analysis of the 1987 general elections, Dominic Fenech considers the Malta Labour Party of the time socialist, although not extremely so. His line of reasoning derives from what he considers to be the Party's emphasis on equal opportunities, levelling out of incomes and a mixed economy (Fenech, D. 1988: 134). On the other hand, Mario Vella states that the ideology of the Malta Labour Movement, apart from being Social Democratic, also included populist and third-worldist strands (Vella, M., 1989a: 194).

An analysis of the political documents produced by Old Labour as well as the public speeches of the leaders of the Party demonstrates that ample reference is made to the Party's professed beliefs in democratic socialism.

¹⁴ Tr. from Maltese: 'active'

The 1971 electoral programme, '*Malta Maltija fil-Paci u l-Progress*'¹⁵, emphasised Labour's democratic-socialist credentials, the setting up of various reforms in social welfare, and the implicit belief in equality, both economic and cultural (*Moviment tal-Haddiema*, 1971).

In the 1976 electoral programme entitled '*Lejn Malta Socjalista 'l Quddiem fis-Sliem*'¹⁶ the term 'socialist' featured prominently. Indeed, it was stated that the Labour Movement believed in democratic socialism, and that Malta could evolve into one big "socialist family". Besides, the programme declared that the first requirement for human emancipation was work (*Moviment tal-Haddiema*, 1976: 15, 87).

The 1981 manifesto '*Mit-Tajjeb għall-Ahjar*'¹⁷ affirmed the socialist mission of the Malta Labour Movement, which, in turn, believing in democratic socialism, "derives its strength from the unity of workers who share the same beliefs and who want to live free from all misery in a democracy based on the principles of social justice" (Malta Labour Party/General Workers Union, 1981: 3).

Once again, the 1987 programme emphasised Labour's democratic socialist principles and the belief that Malta comes first and foremost. Labour's declared mission was to bring about a modern society, characterised by workers' participation, a mixed economy as well as the participation of citizens in general and consumers and women in particular (*Moviment tal-Haddiema*, 1987).

The way Old Labour emphasised its credentials also gave importance to workerism and Catholicism. As regards the former, the terms 'worker' or 'working class' featured invariably in

¹⁵ Tr. from Maltese: 'Maltese Malta in Peace and Progress'

¹⁶ Tr. from Maltese: 'Towards a Socialist Malta, Moving Forward in Serenity'

Old Labour, Mintoff and Mifsud Bonnici communiqués. One notable statement in this regard was that by Dom Mintoff during a mass meeting in Blata l-Bajda a few days after Malta achieved freedom. Mintoff told the very large mass that the Maltese nation-state was "the only European nation built by the working class -whereas all others have been founded by the bourgeoisie" (*L-Orizzont*, 28th April 1979).

As regards Catholicism, although Old Labour did not enjoy the best of relationships with the Church, this did not prevent its leaders from stating that socialism and Christianity had much in common. For example during a mass meeting in Sliema in 1978 Mintoff professed that the Malta Labour Party was socialist and in favour of Christ at the same time (Nationalist Party Information Office, 1981b: 75). Karmenu Mifsud Bonnici – himself an activist in the Young Christian Workers movement during his youth – reiterated this albeit in a more moralistic tone. During a Malta Labour Party seminar on October 12th, 1986, he declared strongly, regarding this issue:

“We socialists practised the beliefs of Christ in whatever we did. We put Christ’s teachings into practice and we have the right to say that there is no true Christian unless he is a socialist. Our socialism is based on the same commandment ‘Love your neighbour more than you love yourself’” (Malta Labour Party Department of Information, 1987: 149).

The socialism that was emphasised by Old Labour was at times European and at times Third Worldist. At times it emphasised its working class roots, at other times it emphasised the national overdetermining characteristics.

¹⁷ Tr. from Maltese: ‘From Good to Better’

Hegemony and State Power

The political and ideological strategies of Old Labour could only be successful if they took account of the overdetermining factors of the Maltese social formation. The following section will analyse some major actions taken by Old Labour Governments and verify their success in terms of creating hegemony.

State Power and State Apparatuses

As shown elsewhere in this thesis, the Old Labour Governments believed in widespread state intervention as well as stringent price, wage and import controls. Both Mintoff's and Mifsud Bonnici's Governments were determined to participate directly in the economy, especially where the private sector did not take the initiative.

According to Mario Vella the Labour Movement brought great economic changes in Malta as from 1971. Vella suggests that within societies in which an industrial capitalist class is missing, parties or movements who derive their political strength from the working class carry out the industrial process of the country. Therefore, given that the industrial capitalist class was unable to be hegemonic, Vella holds that the Malta Labour Party acted as a functional substitute for a non-existing "national democratic manufacturing bourgeoisie," by forming a contradictory social bloc made up of a new industrial bourgeoisie and the majority of the working class, and by using populist discourse (Vella, M., 1989a, 1989b).

Vella holds that the Malta Labour Movement adopted the role of “demolisher of social obstacles to the development of an industrial capitalism” (1989a: 166). On the other hand, he considers the Nationalist Party the “representative, on the political level, of merchant – as opposed to industrial – capital and the petty bourgeoisie” (1989a: 166).

In this regard, Antonio Gramsci affirms that where the working class achieves power in a backward country without a well-developed civil society, the state would initially have significant power due to the fact that various sectors would be heavily dependent on it. Gramsci referred to this period as one of *statolatry*, which, as observed by Simon, is nowadays generally referred to as *statism* (Simon, 1991: 76).

In separate writings, Briguglio (Briguglio, L., 1978: 13) and Schiavone (Schiavone, 1990: 54) analyse Old Labour’s adoption of the industrial policy built on low wages and control over industrial conflict. Schiavone also refers to various Old Labour policies that had negative effects on thousands of workers. One of the most notable policies in this regard was the creation of labour corps that functioned under military discipline and did not allow workers to join unions.

On the other hand, Dominic Fenech states that the Old Labour policies were class-conscious, as they emphasised the distribution of national wealth, by means of which lower-paid workers benefited at the expense of workers with higher incomes. Fenech states that a clear example of this was that the new incomes policy lessened the gap between different scales of the wage scale, to a high extent. The former general secretary of the Malta Labour Party adds that the Mintoff and Mifsud Bonnici Governments intervened to protect jobs and real wages by means of strict controls over profit margins, through bulk buying and import substitution (Fenech, D. 1988: 134-135).

The Old Labour state apparatus complemented its economic apparatus with various measures from the ideological state apparatus and the repressive state apparatus.

One important aspect concerning the ideological state apparatus is the fact that during the Labour rule between 1971 and 1987, local television and radio were entirely state-run. Private and opposition newspapers – such as *The Times* and *In-Nazzjon Taghna*¹⁸ – were avidly bought and read, though, and the Maltese also received and watched Italian television. Writing in a Nationalist Party publication entitled '*Is Malta Burning*' (1981a), Michael Frendo stated that this was a dangerous situation, even more so when the Government and the major trade union were tied together. Frendo said,

“Progress has officially become synonymous with Government activity and consequently Government’s critics have become reactionaries and dangerous seditious elements. As Mintoff continues to address the Nation while sporting his Party’s emblem, and as his speeches to the Party faithful at the Labour Party conferences are transmitted direct by the State media, the distinction between Party and State has become uncertain” (Nationalist Party Information Office, 1981a: 1).

With regard to the repressive state apparatus, it has already been highlighted that Labourite elements and State organs carried out various acts of violence and intimidation, as well as transfers from one place of work to another, because of political allegiance, during Old Labour rule.

Such repressive acts were criticised in public not only by the Opposition but also by disillusioned Labourites and trade union leaders. For example, in 1983, former General Workers' Union General Secretary Attard Kingswell said that never before were workers' rights violated as they were then. In his words, "By using various methods, the present Government has managed to weaken all workers' organisations together with the apparatus which was set up in their interests" (Schiavone, 1990: 156).

Historic Bloc

Old Labour could not have remained in power for sixteen years without winning the general elections. Given that in two out of the four general elections between 1971 and 1987 Labour won the majority of votes, this implied that, at least from 1971 to 1981 the Malta Labour Party formed a historic bloc which carried out various changes within Maltese society. Labour's close ties and eventual merger with the General Workers' Union were the prime actors of this bloc.

According to Mario Vella, given that the Malta Labour Movement had to take up the role of the non-existing "national democratic manufacturing bourgeoisie, " (Vella, M., 1989b: 4) it had contradictory roles to play. Thus, it often resorted to self-contradictory discourse – "a modernising discourse dressed in costumes of the past" (Vella, M., 1989a: 181).

Therefore, while the Government was a self-proclaimed workers' Government led by the Malta Labour Party and the General Workers' Union, the same Government had to carry out various

¹⁸ Tr. from Maltese: 'Our Nation'

economic tasks and act as employer in various areas other than the civil service, too. The support of the General Workers' Union was vital in this regard.

The General Workers' Union was by far the largest organised movement in Malta besides the two major political parties and the Catholic Church. By 1980, two-thirds of Maltese organised labour force of 39,238 workers, were members of the General Workers' Union (Nationalist Party Information Office, 1981a:2).

Dominic Fenech states that the participation of the General Workers' Union delegates in government cabinet meetings was very fruitful, to such an extent that it brought about an unprecedented stability in industrial relations which attracted investment (Fenech, D. 1988: 136).

On the other hand, Michael J. Schiavone says that the Union adopted an uncritical stance of the Labour Government, thereby ignoring workers' interests (Schiavone, 1990: 83). He gives various examples to prove his point. These include the following:

- The Union's silence when the Government introduced the labour corps under military discipline and with no union representation;
- The Union's lack of objection towards the reduction of public holidays and reduction of leave;
- The Union's silence towards the Government's stance that it would not tolerate partial industrial action;
- The Union's silence towards the Government's failure to enforce the Industrial Relations' Act to the full;

- The Union's lack of action against various injustices that were being carried out daily (1990: 83-84).

Schiavone also asks whether the two Union representatives in the Cabinet knew about the 1983 wage-freeze before the Budget was announced (Schiavone, 1990: 108).

The General Workers Union therefore played a pivotal role within Labour's historic bloc. Yet, there were other factors which enhanced support for the Malta Labour Party, not least of which was the wide range introduction of social benefits and social measures to all Maltese people. Another crucial factor was the bulk-buying policy that aimed to secure low prices and to combat inflation. Sociologist Noel Agius notes that although this scheme was unpopular with the middle-classes due to their cultural and financial background, "Ideologically this gelled very well with the Maltese materialist mentality by labelling selected goods as essential and placing importance on accessibility and utility value, rather than on consumerist principles such as choice and taste" (Agius, N. 2000: 20). This observation is even more credible when one considers that during the 1970s and 1980s Malta was a predominantly working-class society.

Crisis of Hegemony

Labour's historic bloc eventually crumbled. By 1981 the Malta Labour Party had lost the support of the majority of voters, thus experiencing a crisis of legitimacy. In 1987, Maltese society was very much different from the society inherited by Labour in 1971. Standards of living and levels of education were higher, and social mobility increased. Besides, the various acts of violence

that occurred during the late 1970s and the 1980s must have left their mark, too, especially on non-Labourites who were becoming wary.

Class Contradictions

Mario Vella observes that during the 1970s many persons whose background was related to petty-commodity relations of production such as smallholding farming started to seek wage-earning employment within industry, tourism, services or the State. Given that more people were entering these sectors, Vella argues that the social privilege of civil servants, teachers and other categories within the middle-class started to diminish. The academic community also began to lose its privileges due to an increase in students within functional courses such as accounting and management. This political economist maintains that this was especially the case with the medical profession. The introduction of a national health service diminished the status of doctors whose private practice would no longer enjoy the status it had until then. A similar example earmarked by Vella was the private schools' issue. This was probably due to the fact that the status of teachers was being diminished by government policies in education and by failed negotiations between the Malta Union of Teachers and the Government. The teaching profession aligned itself against the integration of private education into state education (Vella, M., 1989a: 172).

Malta's traditionally Nationalist mercantile capitalist class was also missing out. Dominic Fenech says that due to Labour policies such as bulk-buying, businessmen who imported various products fared badly (Fenech, D. 1988: 135).

Although popular with those earning low incomes, bulk-buying was unpopular with members of the middle-class who gave importance to choice and taste and to many importers themselves who were denied the right to import a wide range of products as normally found within a market economy.

On the other hand, Labour's social measures as well as the merger with Malta's largest trade union did not mean that Labour had the support of the entire working class. There are many arguments that could prove otherwise, including the following, all of which have been referred to above:

- The lack of basic workers' rights in various fields;
- The submission of the General Workers' Union to the Malta Labour Party;
- The various industrial disputes such as those with the Malta Government Employees' Union (later on renamed as *Union Haddiema Maqghudin*¹⁹);
- The various cases of political discrimination;

As the 1980s moved on, a major factor which negatively influenced the strength of Labour's historic bloc was the fact that more workers were experiencing upward social mobility.

Economic Contradictions

Noel Agius notes that during the period in question more people were buying goods such as cars and televisions. At the same time, through the 1982 Budget, the Labour Government imposed measures of belt tightening, import substitution, high tariffs, trade restrictions, and the wage

freeze. It was very difficult to buy certain products such as colour televisions. But it was absolutely impossible to buy other products such as foreign chocolate bars. Agius observes this contradiction, stating that it caused problems for the Malta Labour Party. He adds that the contradiction was even more acute because at that time the recently established private Italian television stations started achieving popularity on the Maltese airwaves. "Channels were now not only full of programmes that showed the ideal Western middle-class life but also advertised products which though not available at home, were only a short ferry-ride away in Sicily" (Agius, N. 2000: 24-25).

Future Labour leader Alfred Sant gave vent to this contradiction in 1984. In an article in *It-Torca*²⁰, he asked whether the Malta Labour Movement could be losing support from certain categories of people who had experienced upward social mobility during the thirteen years of Labour administration. Sant observed that

"some of these 'new' workers are no longer recognising that their interest was the same interest of all workers in the country. The problem will arise if some of the children of workers no longer think of themselves as workers, but as forming part of another class which does not depend on work for its living and prestige" (*It-Torca*, 11th November 1984).

According to Sant the solution to such a problem was that the Labour Government keep itself open to new ideas and aspirations with a sense of humility and determination, and without making compromises to the detriment of the country and the working class.

¹⁹ Tr. from Maltese: 'United Workers Union'

²⁰ Tr. from Maltese: 'The Torch'

Counter-Hegemony

At the same time that Labour's historic bloc was losing support, the Nationalist Party led by Eddie Fenech Adami was constructing a counter-hegemonic project.

According to Dominic Fenech, the Nationalist Party had always been a middle-class party with middle-class values and a warm relationship with the Church. On the other hand, Fenech defines the Malta Labour Party as a working-class party that did not advocate class struggle. Given that by 1987 various social changes had occurred within Maltese society, Fenech observes that both major parties were trying to win votes from beyond their traditional bases of support. The Nationalists recognised that support from the working class was lacking, and, according to Fenech, took pains to project a more pro-worker image (Fenech, D. 1988: 134).

Mario Vella puts forward an observation along the same lines, stating that the Christian-Democrat populism propagated by the Nationalist Party attracted intellectuals and "intelligent young people" (Vella, M., 1989b: 6). Indeed Vella states that the Party presented itself as the solution to the contradictions that had arisen under Labour Government.

"to the wage earner who was asked to renounce to higher wages it promises higher wages, to the middle class consumer of goods and services whose 'right of choice' was limited by economic policies it promises unlimited choice, to the importer it promises free trade, to the industrialists it promises continued profits, to traditionalists it promises tradition and to those eager to adopt the patterns of behaviour of the metropolises it promises modernity" (Vella, M., 1989a: 166).

Under Fenech Adami's leadership the Nationalist Party also presented itself as the Party for national reconciliation. It augured an end to political violence and discrimination as well as a more democratic society along European lines. The Nationalist strategy finally managed to dismantle Old Labour in 1987.

Conclusion

The chief overdetermining factors during the conjuncture led by Old Labour were mainly connected with the fact that Malta's economy was moving away from its dependence on the British military base and developing into an economy dependent on the export of manufacture and on tourism. While the Maltese economy had grown in the 1970s, the 1980s were characterised by relative stagnation and higher unemployment rates. The class structure at the time was mainly working class yet upwardly mobile, and the dominant ideologies were materialist and traditionalist within a highly polarised political situation. The Maltese people tended to give importance to post-materialist values too. By the end of Old Labour rule, the Maltese people enjoyed a much higher standard of living than that of their previous generations. At the same time they faced a situation wherein their materialist and post-materialist aspirations could not be met due to the lack of economic freedoms.

Together with the international crises such as the 1970s' oil crisis and the 1980s' recession, many policies of the Old Labour Governments directly influenced the economic situation in Malta. The Old Labour state apparatus heavily favoured direct state intervention within a mixed-economy, both in terms of ownership of enterprise as well as in policies such as income-substitution and

bulk-buying, leading to a situation with less choice for consumers. Work for the sake of it was prioritised over trade liberalisation and better working conditions. The wage/price freezes were direct examples of this policy.

Old Labour's foreign policy stressed Malta's Mediterranean dimension, maintaining equidistance from North and South and from East and West and was highly nationalistic. The philosophy behind that policy was the attraction of foreign investment and the availability of markets for Maltese products.

The Mintoff and Mifsud Bonnici Governments declared themselves to be working in the interests of the working class, strengthening their convictions by means of the merger between the Malta Labour Party and the General Workers Union. Yet the Government also wanted to bring about industrial capitalism, acting like a capitalist by means of economic intervention. This resulted in the historic bloc that incorporated Malta's largest trade union on one hand, and conflicts with various other classes, categories, unions and associations on the other hand.

Party interests were given priority under Old Labour, and discrimination against non-Labourites was common practice, together with violence, threats and arrogance, as has been mentioned before. Within Old Labour, Dom Mintoff held almost absolute power, functioning as a charismatic leader equipped with evident rhetorical and communicational skills.

The main reasons for Old Labour's hegemonic crisis were the rising discontent with the prevailing instability and with the Government's restrictive economic measures. These reasons were deeply related to Old Labour's conflicts with various sectors of Maltese society, including the middle classes, the alienation of the upwardly mobile categories, as well as the success of the

Nationalist opposition in presenting itself as a populist, moderate and modern alternative which prioritised work, justice, freedom and national reconciliation.

Old Labour could be considered as incorporating both socialism and nationalism in a workerist ideological set-up, together with ideological strands heavily biased towards populist traditional values such as patronage.

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).

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

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

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 than 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 grassroot, 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 Korzybski, 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 positiveVote 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*” 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.

Chapter 8

Malta's New Labour in Government

Introduction

When New Labour held the helms of government, it had the opportunity to create a historic bloc made up of the alliances it had gelled together through its strategy prior to the 1996 elections. New Labour, failed, however, to create that historic bloc because it remained in power for less than two years. The reasons for the its downfall will hereby be analysed, within the context of New Labour's ideological and strategic characteristics.

Overdetermination and Conjuncture

The Economy

When the New Labour Government announced its first Budget a few months after assuming power in 1996, it revealed that there was another side of the coin as regards economic growth and higher standards of living. It had inherited a financial problem from the previous administration: *public debt*.

Lino Spiteri made this clear during his Budget speech, when he announced that Malta’s public debt and Government guarantees on other loans exceeded Lm900 million. Besides, for the first time in Maltese history, the Nationalist Government had left a deficit between Revenue and Expenditure, amounting to around Lm112 million. Spiteri added that that amount was almost three times as much as the amount projected by the Nationalist Government in the previous Budget. Therefore, “The real deficit is equivalent to 9.3 per cent of the Gross National Product and not 3.2 per cent as was stated” (Ministry for Economic Affairs and Finance, 1997a: 5-6).

Dominic Fenech states that the biggest economic difference between 1987 and 1996 was the fact that in 1987 the Nationalists inherited a healthy financial situation and low national debt. The 1996 New Labour Government, on the other hand, faced a high national debt. According to Dominic Fenech, tackling that debt was one of the biggest challenges facing the New Labour Government.

During the two years of the New Labour Government, the economic situation of the country slowed down in various aspects. The following tables give a brief outline of Gross Domestic Product, unemployment rates, and inflation in the two years of New Labour Government.

GDP at Factor Cost and Unemployment (official figures)

	1986	1996	1997	1998
GDP (Lm million)	430.6	1052.9	1117.5	1193.6
Unemployment Rate (%)	6.9	4.4	5.0	5.1

(Briguglio, L. 1988: 190)

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

Inflation: Consumer Prices (%)

	1996	1997	1998
Advanced Economies	2.4	2.1	1.5
European Union	2.5	1.8	1.4
Developing Countries	14.1	9.2	10.3
Malta	2.5	3.1	3.0

(Ministry for Economic Services, 1999: 11)

Unemployment Rate (%)

	1996	1997	1998
Advanced Economies	7.3	6.8	6.7
European Union	11.3	10.4	9.6
Euro Area	12.4	11.7	10.9
Malta	4.4	5.0	5.1

(Ministry for Economic Services, 1999: 12)

Gross Domestic Product at Constant Market Prices (annual % change)

	1996	1997	1998
EUR 15	1.8	2.7	2.9
EUR 11 (EMU)	1.6	2.5	3.0
Malta	4.0	4.9	3.1

(Ministry for Economic Services, 1999: 43)

The above figures reveal that under New Labour, unemployment increased, as did Gross Domestic Product, although the growth rate of the latter slowed down in 1998. In both these cases, the Malta percentages were better than those of European Union and Advanced Economies, although the trend showed that while the Malta figures were generally deteriorating (save for GDP in 1997 and inflation – by a mere 0.1 per cent – in 1998) the opposite was happening in the economic areas in question. Malta's inflation rate had increased from 1996 to 1998, contrary to what was happening in European Union countries and Advanced Economies. In fact Malta's inflation rate in 1998 – 3 per cent - was double that of the countries in question.

As regards Government finance, the budgetary deficit kept on increasing under the New Labour Government (<http://www.magnet.mt/economy/budget99/bspch02.htm>), partly due to the difficulties in reducing government expenditure which had gathered momentum in the previous years, and even due to the fact that Customs Excise Tax brought about less government revenue than Value Added Tax.

Class Structure

New Labour had inherited the effects of the vast changes what had taken place in Malta's class-structure during the 1980s and the 1990s. During that period wherein Maltese society became more upwardly mobile, and the middle-class kept on increasing in numbers. In this regard, the situation between 1996 and 1998 was basically similar to the situation described in the 1995 national census, and analysed in the previous chapter.

Ideology

Ideologically, the value-system of the Maltese people under New Labour was in many aspects identical to the one in the previous decade or so. Indeed, Anthony M. Abela - who carried out another European Values Survey in 1999 - states that at the end of the decade “Maltese society emerges as predominantly traditional and materialist. Maltese people mix traditional, materialist and postmaterialist values” (Abela, 2000: 217).

The materialist values regarding the family and work kept on being given priority by the Maltese people, followed by religion, leisure, friends and politics. Maintenance of high economic growth kept on being the number one priority for the respondents of Abela’s survey. However, Abela acknowledges that a better analysis of materialist and post-materialist values in Malta should give weight to inter-generational factors (Abela, 2000). In this regard, political commentator J.G. Vassallo states that contemporary Maltese society is characterised by “the coming of pluralism, the spread of education and the coming of a young generation thirsty for change and new experiences and achievements” (*Il-Gens*, 11th September 1998).

However, some changes were taking place, especially when one compares the dominant values in the late 1990s with those of the 1980s. Abela suggests that possibly due to the political and socio-economic achievements in the 1990s the Maltese were gradually giving greater importance to leisure and friends. Besides, the work ethic of the Maltese was being transformed in such a way that it was gradually also giving importance to the personal and social dimensions of work (The Sunday Times, 7th November 1999).

Abela observes too, that political polarisation and politicisation, which were the name of the game in the 1980s, mellowed down and given way to a calmer involvement in politics. As Abela puts it, “It seems that quite a few have a restored confidence in politics, and no longer avoid to discuss political issues for fear of tarnishing their relationship with their friends” (The Sunday Times, 14th November 1999). Coupled with this, Abela observes a trend taking place in the late 1990s wherein more Maltese people were adopting a political middle-of-the-road opposition, as well as a steady decline in the number of adherents of the “Old Left” political ideology. The sociologist adds that “The political shift towards the left manifest in the 1995 study was short-lived” (1999).

Political Scientist John C. Lane agrees with Abela’s findings regarding the decrease in polarisation and politicisation. Lane observes the loosening (to a certain extent) of traditional party loyalties as well as the decrease in ideological conflict between the political parties. Lane concludes that these phenomena and the corresponding modernisation of the economy could result in party re-alignments as well as “a renewed concern about the operations of the electoral system” (Lane, 2000: 218) – although change in the electoral system is acknowledged as being very difficult to occur.

Political Ideology and Strategy

Economic Policy

A few days after assuming power in 1996, Prime Minister Alfred Sant told *The Malta Independent* that his Government believed in an economy powered by the private sector, which

would create “a framework of social justice that has full scope, ensuring that policies which affect lower income people and middle income people fit together like a glove, providing the country with systems of solidarity” (The Malta Independent 3rd November 1996).

In New Labour’s first Budget, Lino Spiteri reiterated that the private sector should be the motor of the economy, while emphasising the importance of education, hard work and honesty (Ministry for Economic Affairs and Finance, 1997a: 111). Although that Budget had a downbeat tone and prepared the Maltese people for the *hofra* context, it was New Labour’s second Budget which was the more significant in terms of New Labour’s economic policy. In that second Budget that New Labour’s privatisation programme took off. As Dominic Fenech states, the revenue-raising measures of the 1998 Budget, such as the “virtual doubling of water and electricity rates” hit the lower income groups the worst (Fenech, D., 1999: 195).

Economist Anne Mintoﬀ (the daughter of Dom Mintoﬀ) analysed the two Budgets by the New Labour Government. In an article that appeared in *The Sunday Times* a few weeks before the 1998 general elections. Ms. Mintoﬀ maintained that the 1997 Budget only provided benefits to a “dwindling group of elderly in receipt of pensions from UK services” (The Sunday Times, 9th August 1998). She also added that this Budget was not a redistributive one. In fact, she maintains, the 1997 Budget had stated that social measures were conditioned by the financial situation (1998).

Anne Mintoﬀ proceeded to analyse Budget 1998, whereby she noted that within the modern management techniques of New Labour a more progressive and efficient taxation system did not feature. Besides, she added, the improvements in social security benefits “make quick reading” (1998). She also mentioned the fact that contrarily to the Malta Labour Party’s promises, with

the removal of VAT, inflation had increased. Thus, while income from employment increased at a slower rate under the New Labour Government, then “spending power for all working households has been eroded in general; and for lower income brackets in particular” (1998).

Therefore, New Labour emphasised the importance of the private sector and the free market, as opposed to Old Labour’s prioritisation of work and state intervention. Management techniques to reduce the deficit were prioritised over the redistribution of wealth, which had been pioneered by Old Labour especially by means of the welfare state.

Foreign Policy

With regards to foreign policy, the New Labour Government came up with the slogan ‘*Dar Maltija fl-Ewropa*’¹. This slogan symbolised the Party’s insistence that, relations with the EU were to be based on the economic, geographic, social and constitutional realities of Malta, and therefore were to strengthen Malta’s freedom and sovereignty, allowing Malta to control its own destiny (*KullHadd*, 24th May 1998).

On May 24th, 1998, a prominent pullout in the Labour newspaper *KullHadd* stated that Malta’s identity would be at stake if Malta joined the European Union, and the country would lose its sovereignty. The pullout stated that Malta would have to face problems connected with EU citizens’ right to work in Malta, receive social benefits, and purchase property, the eradication of Malta’s agricultural sector, increase in unemployment, and unsuitable policies on the Dockyards (1998).

Similarly to the Old Labour arguments dealing with foreign policy but in a much less militant manner, New Labour continued to prioritise all things Maltese in its statements. The setting up of a Free Trade Area with the European Union and the “protection” of Malta and the Maltese were given more importance than any other issues dealing with the European Union.

Class Interests

One of New Labour’s most important tasks was to maintain a balance between the different alliances it had formed. On the one hand New Labour had to carry out policies in the interests of the working class – especially the members of the General Workers Union – and on the other hand it had obligations towards its newly found political allies, the self-employed and the General Retailers and Traders Union-lobby.

From the early days of New Labour Government, *class* interests were sidelined in favour of *citizens* interests, the term ‘citizen’ which was so successful in the 1996 electoral campaign. Indeed, in his Budget speech Lino Spiteri made it very clear that class conflict was not the business of New Labour.

“In a democratic and open society, it is the citizen who is the ‘pivot’ of everything. As the determinant of the economic process. As a worker. As an owner. As a producer. As a consumer. As the person who needs and expects public services of good quality from the Government of the day, produced efficiently and providing value for money. After all, it is the citizen who pays for these services by way of taxes, in some form or another, and by shouldering the

¹ Tr. from Maltese: ‘A Maltese House in Europe’

burden of the public debt. The Citizen continues to be the basis of society, irrespective of changes in government administration from time to time” (Ministry for Economic Affairs and Finance, 1997a: 1).

Dominic Fenech observes that New Labour was walking on a tight-rope as at the same time, as it “strove to expunge itself from old stigmas which had earlier turned the electorate away from it, while taking great care not to alienate the old core” (Fenech, D., 1999: 195). According to Fenech, once in government New Labour faced a strained balance between ideological continuity and revision.

As regards the self-employed, Immanuel Mifsud gives importance to the fact that the New Labour Government was the first-ever Maltese Government to have a cabinet member responsible for the self-employed. Therefore, while Old Labour had representatives of the General Workers’ Union within its cabinet, New Labour had a cabinet member voicing the interests of the new allies of the Party. (Mifsud, I., 1997: 145). Cabinet meetings were also attended by Labour Deputy Leader and General Workers’ Union legal advisor George Abela during the period when he served as consultant to Alfred Sant.

The introduction of Customs Excise Tax (CET), was of benefit to the self-employed within the services sector and tourist operators in the fact the tax rate was reduced to 5 per cent. On the other hand, while New Labour promised to hold discussions with the General Retailers and Traders Union on the use of cash registers which produced fiscal receipts, no discussions were ever held (*Partit Nazzjonalista*, 2000: 4). The cash register issue was particularly significant with regards to declaration of income from sales and taxation. Besides, refunds for business costs – which were previously provided under VAT - were not provided under the CET regime.

New Labour's relationship with the working class depended on the trade unions in question. As to the *Union Haddiema Maqghudin* and the Confederation of Malta Trade Unions, the relationship was not a very good one. Indeed, after a year of New Labour Government, Alfred Buhagiar of the Confederation of Malta Trade Unions told the *Malta Independent* that under the New Labour Government the level of employment decreased. Gaetano Tanti of the *Union Haddiema Maqghudin* told the same newspaper that New Labour was imposing excessive burdens on the workers without giving them adequate compensation (The Malta Independent, 26th October 1997). New Labour's relationship with the *Union Haddiema Maqghudin* deteriorated following Budget 1998. Industrial action and demonstrations were carried out by the union to protest against the austere measures imposed by Sant's Government.

With regards to the General Workers' Union, the decision by means of which government assumed control of the Dockyards, not only went against an electoral promise by Sant, but also against the historic reform carried out by Old Labour. It was also significant that while New Labour tried to give the impression that Malta would be flooded with foreign workers on joining the European Union, at the same time it wanted to import cheap Chinese and Polish workers to work at Malta Shipbuilding. As a response to this, the 1997-99 Biennial Conference of the Dockyards (Metal) Section of the General Workers Union passed a motion that declared that preference should be given to Maltese workers.

New Labour in opposition had managed to form an inclusive class-alliance using a strategy which contrasted sharply with the strategy of Old Labour. But once New Labour was in government, managing the alliance did not turn out to be so smooth.

Party Interests

Besides having problems with regard to the class issue, New Labour was also facing problems dealing with the Party grassroots. New Labour had had a successful trump-card when it declared that once in government it would work with all citizens, no matter their political orientation. It would also do away with the old '*min mhux maghna kontra taghna*²' slogan.

The violent and criminal elements which had been so synonymous with Old Labour and which appeared to have been exorcised by the New Labour in opposition did not crop up under the New Labour Government. This was one major difference from the Old Labour Government.

Coupled with this was New Labour's insistence that people be treated as 'citizens' and not as Labourites or Nationalists. From his first address to the nation as Prime Minister, Alfred Sant made it clear that his Government would be the Government for all the Maltese and Gozitans and not just for Labourites.

Renee Laiviera, the Chairperson of the Commission for the Advancement of Women commented favourably about this policy. As she put it, "Citizens are no longer being assessed according to their political beliefs. Rather, persons are being given credit for what they are as individuals" (The Malta Independent, 26th October 1997).

However, the policy to retain some non-Labourites in various positions within the public sector did not go down well with many Labourites who expected to be given first preference by their Government. In this regard Mario Vella wrote a significant article in *The Malta Independent* on

the first anniversary of New Labour's electoral victory. Vella puts forward a sarcastic, albeit optimistic, apology for the methods used by New Labour, wherein he contrasts national interests with party interests.

"Perhaps we have been too much of a Government and too little of a Party. Perhaps we have thrown too few parties and the few that we threw were not lavish enough. Perhaps we have been too much managers and too little political. Perhaps we concentrated excessively on counting public *liri* and have neglected the counting of potential votes. Perhaps we are doing more book-keeping than polling..... Perhaps we should have mesmerised ourselves into believing that money is truly not a problem and an economy could run on wishful thinking alone.....Perhaps we have sinned against party-political common sense by turning away the card-carrying supporter who knocked on our door demanding a government job as messenger or watchman. Perhaps we ought to have been cast into the abyssal depths tied by our neck to a grinding stone, for not having replaced all chairpersons of public authorities and corporations appointed by the previous Government thereby scandalising friend and foe alike...Perhaps we have sinned for attempting to break with this country's hallowed and hollow traditional belief that someone out there owes us a living, be it the Queen or Brussels. Forgive me for not recalling more grievous possible faults. But for the ones I have listed, oh Lord, do not forgive us, for we believe we know what it is that we are doing" (The Malta Independent, 26th October 1997).

² Tr. from Maltese: 'those not with us are against us'

Given that this piece of writing came from the President of the Malta Labour Party himself, it was evident that New Labour was conscious that its supporters expected more favours from the Government. Nevertheless, it seemed to prefer the rational, modern image that placed nation over party.

Power of the Leader

The amount of controversial decisions taken in two years of New Labour Government, required a strong leadership structure. As stated previously, this was present in Sant's approach that was equipped with his Party machine and public relations strategy.

Alfred Sant's Party machine was heavily criticised by Dom Mintoff who considered it controlled by Alfred Sant (Nationalist Party Information Office, 1999: 68). Indeed, Mintoff often referred to the Party machine during his marathon speeches in Parliament, stating that Alfred Sant – helped by Evarist Bartolo especially in the Party media machine – controlled it, together with the Cabinet, the Labour parliamentary group, as well as the daily newspaper of the General Workers Union, *l-Orizzont*³ (1999: 77-78).

The New Labour Party machine acted in such a way that dissident Labour views were not reported on the Party media apparatus. Before the general elections it was Mintoff's mass meetings which had been completely ignored. Under the New Labour Government the same treatment was given to dissident voices in the Government's crisis. For example, when former Foreign Affairs Minister Alex Sceberras Trigona wrote to the General Secretary of the Malta Labour Party, Jimmy Magro, informing him that he would not be contesting the general elections

and stating that only one voice was being heard within the Party's General Conference and on Super 1, the letter never appeared in any of Labour's media (*Il-Mument*, 7th March 1999).

Edward J. Clemmer labels Sant's leadership style as domineering, hierarchical and absolutist. He suggests that Sant's paternalistic vision could perhaps have been modelled on Dom Mintoff's. Clemmer observes that a Freudian analysis of the leadership of the Malta Labour Party "would suggest that, if Mintoff was the dreaded primal father, then Sant was his replacement as the patricidal youngest son. In this case, the spellbinding drama was enacted in Parliament between Sant and Mintoff, and heard by most of us on the radio, before the collapse of Sant's Government in 1998" (Clemmer, 2000: 7-8). Clemmer adds that the resignations of Lino Spiteri and George Abela, the Dom Mintoff issue and the departure of MLP delegates at the 1998 pre-electoral General Conference are all strong evidence of Sant's control of New Labour (Clemmer, 2000: 8-9).

The modern and professional approach that had been used by Sant in Labour's electoral strategy leading up to the 1996 victory was therefore accompanied by the domineering tradition brought about by Dom Mintoff. The difference between them was stylistic. One was charismatic, tough and rhetorical, the other was modern, managerial and equipped with a professional Party machine.

New Labour's Ideology

New Labour in government had to deal with the "delicate balance between ideological community and revision" (Fenech, D., 1999: 195) which was aptly referred to by Dominic

³ Tr. from Maltese: "The Horizon"

Fenech. On the one hand, New Labour had to be loyal to its ideological roots in order to maintain support of its old core, but on the other hand New Labour had to abide by its ideological changes in order to avoid alienating its newly found allies.

Mario Vella observes that New Labour tackled this contradiction by adopting a pragmatist approach, which, according to him helped strengthen the de-ideologisation of Maltese politics. Vella affirms that this approach was brought about by means of New Labour's systematic decrease of the "yawning gap between what one really does when in government and what one says about what one is doing" (*The Malta Independent*, 21st August 2000). Vella concludes that this approach is much more pragmatic than the one adopted by Old Labour, "when political rhetoric and practical policies were sometimes as distant from each other as the contradictory personalities of a schizophrenic" (2000).

The Chairperson of *Alternativa Demokratika* at the time, Wenzu Mintoff, heavily criticised the issue of pragmatism by the New Labour Government, considering it to be short-sighted and taking the place of the Party's leftist ideology. Wenzu Mintoff states in *The Malta Independent* that an example of this shift was New Labour's decision to introduce more taxes and public expenditure cuts instead of attacking Malta's black economy (*The Malta Independent*, 26th October 1997).

Co-founder of the Greek Socialist Party, Professor Vassilis Filias, strongly criticised New Labour a few days before the 1998 general elections. Declaring that socialism implies the creation of acceptable living conditions of the masses, plus creation of jobs as well as minimising the gap between the higher and lower strata, he told *The Malta Independent* that New Labour had

abandoned its socialist roots and instead, similarly to Britain's New Labour, adopted American-style tactics (The Malta Independent, 1st September 1998).

Therefore it can be said that New Labour's ideology was not socialist, as it did not prioritise the re-distribution of wealth. The 'pragmatic' tag tied to it by Mario Vella is very much in line with Alfred Sant's declared views on modern politics, which, similarly to the British New Labour ideological standpoint, would counter-balance the market with the interests of the citizens. On the other hand, New Labour in Malta maintained the nationalistic rhetoric of Malta's Old Labour, albeit in a less militant tone.

Hegemony and State Power

As shown above, the Old Labour state apparatus was characterised by economic and ideological state apparatuses which were heavily dominated by the state as well as a repressive state apparatus which was associated with acts of violence, intimidation, political favouritism and exclusion. On the other hand, in opposition, the New Labour counter-hegemonic winning strategy projected an image wherein the state apparatuses would be inclusive, allow economic and ideological freedom, and do away with violence and political patronage. New Labour in government more or less followed this route in a number of aspects.

State Power and State Apparatuses

New Labour's economic policies were to be found within the framework of the market-oriented strategy adopted by the previous Government. However, similarly to Old Labour, Sant's

Government maintained its bias in favour of enhancing the local manufacturing sector, although in a less aggressive way than during Old Labour rule. The changes brought about by CET could be considered to be a case in point, due to the fact that small industries producing for the local market, apart from benefiting from levies on certain imported products, were enjoying preferential treatment. This was due to the fact that their raw material imports were being purchased free of tax. As Lino Spiteri put it “The CET system taxes value added locally less than it does equivalent imports” (The Times, 17th December 1997).

Dominic Fenech states that the central challenge of the Labour Government was to inject life in the slowing economy and to tackle the unsustainable structural deficit and high public debt. Fenech observes that the Government was both unwilling and unable to keep on fuelling the economy by means of public spending, and thus gave maximum space to private enterprise. At the same time, was a sector which New Labour was trying to gain support from. Indeed, such a policy was defined by Fenech as being “uncharacteristic” of a Labour Government, even more so when the 1998 Budget was introduced (Fenech, D.: 1999: 195).

With regards to the ideological state apparatus under New Labour, the days of state monopoly over television and radio were a thing of the past. This had been done away with under the Nationalists, when they embarked on a programme of pluralisation.

The repressive state apparatus under New Labour was also very different from the under Old Labour. The days of political violence had come to an end under the Nationalists, and this characteristic was maintained by Sant’s Government – for example protests and direct action were treated in a professional and calm manner by the police. To illustrate this, the police kept

their cool during the students' protests against the new stipends regime. This contrasts sharply with the behaviour of the police against students and environmentalists during the 1970s.

As I had observed in *State/Power: Hiltonopoly* (1998), economic growth was the major issue for the Maltese state apparatus, whatever the government. The Hilton issue exemplifies this analysis, wherein different governments acted in an identical manner in tackling the problem confronting them. In fact I had concluded that in the Hilton issue

“The State and land developers form part of a power bloc through which both stand to gain from the exploitation of land. The State gains through the generation of economic growth. Land developers legitimate the exploitation of land through the State Apparatus” (Briguglio, M., 1998: 85).

It can be said that the state apparatuses under New Labour had much more in common with those under the post 1980s' Nationalist Governments than those under Old Labour.

Historic Bloc

Unlike both Old Labour and the Nationalist Party during the 1980s and the 1990s, New Labour was incapable of forming a historic bloc. Suffice it to say that Sant remained Prime Minister for only twenty-two months, a post-war record.

As shown elsewhere, New Labour faced both internal and external conflicts. But the conflict with Mintoff was the determining factor, due to the fact that Mintoff held the Government hostage

because of its one-seat majority. Sant did not manage to solve the conflict, and this resulted in premature general elections.

Of particular significance was New Labour's relationship with its traditional ally, the General Workers' Union. Contrarily to the *Union Haddiema Maqghudin*, the General Workers Union did not protest against the 1998 Budget. But, as already shown previously, the General Workers Union did not remain silent. The 'scientific study' that it carried out on the impacts of the Budget estimated a 2.4 per cent impact on the cost of living. The General Workers Union also declared that the measures had to be reviewed immediately to avoid "social pain and economic unease" (The Sunday Times, 9th August 1998). Another significant aspect in the relationship between the General Workers Union and the New Labour's Government was that by April 1998 – when George Abela resigned as consultant to Alfred Sant – the Union's (informal) representation at cabinet meetings was brought to an end.

Crisis of Hegemony

New Labour's failure to create a historic bloc meant that the Sant Government failed to be hegemonic. The reasons for its crisis were very different from those that led to the downfall of Old Labour, though.

Electoral Characteristics

One factor that helped bring about the crisis in the New Labour Government was the electoral system. As shown earlier in this thesis, Malta's system of proportional representation by single

transferable vote does not always result in a number of seats that correspond to the proportion of votes obtained. When this anomaly was amended in 1987, it was agreed that should a party obtain over 50 per cent of the votes, it would be entitled to appoint enough additional Members of Parliament to make up a majority of one. Further amendments were carried out before the 1996 elections, by means of which a party with a relative majority of votes would be entitled to govern, provided that only two parties obtained seats. In practice this meant that New Labour, which won a majority of votes but three seats fewer than the Nationalists in the 1996 elections, was secured a one-seat majority.

The one-seat majority is considered by Dominic Fenech to be one of the main reasons that brought about early elections in 1998 (Fenech, D., 1999: 194). Fenech observes that Mintoff's behaviour stood out due to the fact that Malta's political culture is usually based on "compromise and negotiation within the Government ranks" (1999). Therefore, this historian observes that when Mintoff started questioning the Government's decisions, it looked like trouble.

Fenech's analysis makes even more sense when one considers that, according to Dom Mintoff himself, he contested the 1996 elections on certain conditions. As he put it during a parliamentary intervention on 10th November 1997,

"One of the conditions was that I do not agree with the policies of the electoral programme. The second condition was that I would have the liberty to speak as I deem fit on these issues and to be free to hold meetings in my district. The third condition was something that had nothing to do with these reasons – it was not a

condition for a post or favour from the Government – but it had to do with the Party internally” (Nationalist Party Information Office, 1999: 11).

Another factor leading to New Labour’s crisis, and also connected with the electoral system, was that, at least according to recent elections, the electorate itself was behaving in a more flexible manner than in previous years. Fenech observes that the electorate had become less forgiving (Fenech, D., 1999: 193). J.G. Vassallo argues along the same lines, stating that the issue of floating voters was a major reason for New Labour’s downfall (*Il-Gens*, 11th September 1998).

Thus, New Labour faced a situation of democratic blackmail, from Dom Mintoff on one side and from the increasingly uneasy and unforgiving electorate on the other.

Class Contradictions

Another reason that largely influenced New Labour’s downfall was the Party’s departure from its traditional working class roots. Fenech argues that the most visible example in this regard was the water and electricity bills issue. He acknowledges that Sant’s Government could have solved this and similar issues if it had stayed in government for a full five-year term, but on the other hand he strongly holds that, at least in the short run, New Labour’s policies contradicted the Party’s principles (The Malta Independent, 25th September 2000) Besides, the Malta Labour Party and the General Workers’ Union, while being very supportive of each other, did not enjoy the very close relationship that was in place under Old Labour.

On the other hand, various self-employed did not get exactly what they had bargained for before the 1996 general elections. As stated previously, cash registers that issued fiscal receipts remained in place, and the CET regime did not provide refunds for business costs. On top of this the self-employed also faced the tough budgetary measures of 1998.

The New Labour Government, which had aimed to be inclusive and representative of all citizens, failed to attain this objective. It also faced too many economic contradictions.

Economic Contradictions

The austere economic measures under Sant's Government were unpopular with the public and even left their impact on the national economy. In this regard, following New Labour's first Budget, Lino Briguglio said that the introduction of new taxes would probably have a negative effect on economic expansion (The Malta Independent, 26th October 1997).

Besides, when CET replaced VAT, it became evident that CET was not any better than its predecessor. Besides the fact that VAT had a system of refunds associated with it whereas CET did not, the effective CET rate on imported products sometimes reached 21 per cent – a much higher percentage than the 15 per cent VAT rate. Besides, although sectors such as locally oriented manufacturing and the service industry were supposed to benefit under CET, in reality the cost of living increased. Apart from the statistical representations quoted above, other exercises could show the rise in prices. A shopping basket which Alfred Sant had presented as an anti-VAT media-stunt before the 1996 general elections cost Lm10 then, but the exercise was repeated (not by New Labour) under Sant's Government, and the basket cost Lm12 (*Partit Nazzjonalista*, 2000: 6).

Criticism to CET came from different sectors representing different social classes and categories, such as the *Union Haddiema Maqghudin* and the Chamber of Commerce (The Malta Independent, 26th October 1997). Writing in *The Times* on September 18th, 1997, Lino Spiteri said that the new tax was not any more efficient than VAT, and he even expressed his doubts as to whether it would improve fiscal morality (The Times, 18th September 1997).

The austere 1998 budgetary measures surely left their mark. This was even more significant when one considers that prior to the 1996 elections Sant had promised to tackle the cost of living, to lower water and electricity rates, to lower the price of medicines, and to maintain the University stipend system. All of these economic policies had now gone astray (*Partit Nazzjonalista*, 2000: 4).

Following New Labour's electoral defeat, J.G. Vassallo commenting on these measures, stated that New Labour did not give anything back to the citizen for carrying out such austere measures (*Il-Gens*, 11th September 1998). Anthony M. Abela ties this to the fact that the dominant value system in Malta is materialist and traditionalist. Due to this social fact, Abela says that "the promises which affected one's pockets, such as water and electricity bills, taxes, work, strengthening of the family and similar ones are important" (1998).

In a society prioritising economic growth and other materialist values, it was evident that belt-tightening economic measures would be highly unpopular.

Party Contradictions

New Labour during its hegemonic crisis had reached a situation not only precarious due to broken promises and class and economic contradictions. New Labour's own internal problems also aggravated the situation.

As stated previously, Sant's commitment to stop vindictive transfers within the Civil Service and to treat people as equal citizens irrespective of their political beliefs, did not go down well with various Labourites who expected to be given preference over non-Labourites. In this regard J.G. Vassallo states that a large number of Labourites expected to be given more attention by the Party because they felt they had been badly treated by the previous administration and wanted some form of redress (*Il-Gens*, 11th September 1998).

New Labour's Joseph Muscat earmarked this problem in a Malta Labour Party book that was published a few days before the 1998 elections. Muscat observed that the work carried out by the Tribunal for the Investigation of Injustices was being perceived by Labourites as working slowly, adding that various Labourites needed time to get used to the cultural change expected by New Labour (Muscat, J., 1998: 10, 43).

Coupled with the problem of 'citizens' versus 'Labourites' was the fact that despite all the electoral propaganda on 'barons' during 1995 and 1996, the enquiries held by New Labour in government did not bring about any tangible results. No one was arraigned in court and no one was found guilty (*Partit Nazzjonalista*, 2000: 4). To add insult to injury (to the hardcore Labourites) certain so-called 'barons' retained their posts or collaborated with New Labour. The confirmation of Marin Hili as Chairman of the Freeport was the culmination of this phenomenon.

Writing on the subject a few weeks before the 1998 elections, Anne Mintoﬀ asked, “What were we promised about the barons? Instead haven’t they been promoted?” (The Sunday Times, 9th August 1998).

Another major internal problem, the Dom Mintoﬀ clash, which ultimately led to the downfall of New Labour was grossly mismanaged by Sant. As early as 1993 Mintoﬀ had made it clear in a number of articles in *The Malta Independent* that he did not agree with the new direction of the Malta Labour Party, criticising its academic, bureaucratic and technocratic leanings. He even compared the new direction to “ringworms [that] are eating up...[Labour’s] moral substance (The Malta Independent 3rd October 1993) Mintoﬀ’s judgement of the new leadership could not have been more negative. In his words,

“it will not be long before the verdict of history will show how these new paper gladiators will have made less impact on Maltese socialism than a flea on an elephant’s back” (The Malta Independent, 19th September 1993).

Mintoﬀ’s differences with New Labour were also evident during his 1996 mass meetings. As stated before, the Old Labour symbology and discourse were revived by Mintoﬀ during these meetings. Symptomatically, these were not reported by the New Labour media machine.

Mintoﬀ’s clashes with Sant’s Government were on two levels - on the ideological and on the personal. The old politician made it clear many times during his parliamentary speeches that he utterly disagreed with New Labour’s economic and foreign policies.

However the clashes between Sant and Mintoff reached their climax when Alfred Sant labelled Dom Mintoff a traitor. This took place in Gavino Gulia square at the heart of Bormla, an essential part of Mintoff's constituency. Visibly hurt by this label, Mintoff declared that he would be ready to take the crisis to safe waters once Sant withdrew his accusation of treason (*Il-Mument*, 13th June 1999). But Sant did not retreat from his position. This meant that compromise could never have been reached with Mintoff. This can be seen as a gross miscalculation on Sant's part, especially when one considers that Mintoff had already split the Malta Labour Party once during the Boffa years.

New Labour's other internal clashes left their imprint, too. Upon resigning from his post as Minister Lino Spiteri declared that he would remain loyal to Labour (*The Sunday Times*, 30th March 1997), but the Party was already looking shaky. George Abela – who according to Dominic Fenech had fallen out with Alfred Sant over the new water and electricity rates (Fenech, D., 1999: 196) - resigned from the post of Deputy Leader in the most delicate of times, when he disagreed on the holding of early elections. The loss of Alex Sceberras Trigona added weight to the precarious situation facing New Labour.

Dominic Fenech states that the loss of such important exponents had a two-fold effect. On the one hand it alienated some core-Labourite figures and supporters, and on the other hand it did away with the moderate and centrist image it had presented in the 1996 elections. With regard to core-Labourites, in the 1998 general elections the Party suffered its greatest electoral losses in traditionally Labour strongholds such as the second district (Fenech, D., 1999: 196).

Counter-Hegemony

Given the ideological and strategic errors by the New Labour Government, the Nationalist Party had a field day to setting up a counter-hegemonic strategy. This was even more so due to the facts that, firstly, New Labour was not hegemonic, and secondly, as observed by Fenech, the electorate had become less forgiving yet it remained entrenched within a two-party system. Fenech's argument is based on the fact that *Alternattiva Demokratika* fared worse in 1998 than in 1992 and 1996. He observes that people tend to switch vote to Labour or Nationalist rather than vote for the third Party (Fenech, D., 1999: 193).

According to Fenech the Nationalist strategy for the 1998 general elections was based on three main premises. First, the Party recycled its 1996 theme that depicted Labour's leadership as being untrustworthy, basing its arguments on Sant's broken promises and internal squabbles within his Party. Second, the Nationalists presented themselves as more socially conscious than New Labour, especially when they promised to do away with various unpopular measures (such as the surge in water and electricity bills). Last but not least, the Nationalists promised to keep on following the road taken prior to 1996, meaning that VAT would be reintroduced and Malta would once again strive for EU membership (Fenech, D., 1999: 196). The Nationalists also reminded the electorate that life in Malta under the previous Nationalist Government had been stable.

Conclusion

The overdetermining characteristics of the Maltese socio-economic structure that were faced by New Labour were in various aspects different from those of Old Labour.

During the 1990s there was a market liberalisation process including the removal of import controls on various products. The economy kept on growing amidst much higher consumption rates and lower unemployment. However the public debt burden had grown to unprecedented proportions. Under New Labour the economy did not perform well: unemployment and the cost of living went up, and the various austerity measures negatively affected both the working and middle classes.

Ideologically, Malta's political divide was no longer as deep as in the days of Old Labour, and the impact of floating voters became significant during general elections. The Maltese remained as materialistic as ever, giving priority to economic growth, work and the family. But postmaterialism was on the increase. The 1990s also saw an expansion of the middle classes, wherein white-collar jobs ranging from the clerical to the professional accounted for almost half of the Maltese occupational structure.

New Labour had reformed itself in order to attract the middle classes – with special emphasis on the self-employed - as well as other categories such as hunters and trappers. The Party was now made up of a professional Party machine which moved away from its workerist image, employed professionals, owned its own television and radio stations and considered it important to market its political product by means of modern public-relations techniques.

New Labour's leader Alfred Sant did not possess the charismatic qualities of Dom Mintoff. Nevertheless he was capable of holding his grip on the Party by means of his managerial approach. And although his approach was milder, he could be just as authoritarian as Mintoff, managing to get rid of the violent and unruly image of Old Labour as well as of what he perceived undesirable elements. This approach was successful in Alfred Sant's relations with Dom Mintoff, who had dominated the Party for nearly half a century and who had become the Party's anti-hero by then.

In the economic sphere New Labour's policy emphasised the pivotal role of the private sector within a market economy, as well as the need for across-the-board austere measures with the aim of solving the deficit problem. The economic and ideological leanings of New Labour in government were in many ways similar to those of the Nationalists in government between 1987 and 1996. Old Labour repression became a thing of the past. Besides, New Labour discontinued the Old Labour policy of assigning preference to Labourites.

As regards foreign policy, New Labour remained nationalistic and emphasised its anti-EU membership stance. But Alfred Sant also proposed a Free-Trade Area with the block that would progressively liberalise the economy and conform to the EU taxation framework.

Although New Labour adopted an inclusive policy with regard to different social classes and categories, the austere measures it put into practice once in government resulted in the Party's failure to form a historic bloc with either the working classes or the middle classes. Besides, New Labour's relations with the General Workers' Union was not as close as Old Labour's relations

had been. And moreover, the economic austerity measures conflicted directly with the materialistic aspirations of the Maltese people.

Apart from the economic austerity measures, the reasons for New Labour's downfall included internal conflicts and contradictions, not least of which being the Dom Mintoff issue; the departure of influential elements and the backlash from its own supporters arising from the lack of political patronage. Besides, the Nationalist counter-hegemonic opposition was successful in portraying itself as more credible and socially conscious than New Labour, promising a return to the stable situation between 1987 and 1996.

The concluding chapter will compare and contrast the major characteristics of Old Labour and New Labour, in order to identify the ideological and strategic shifts from one to the other, as well as the aspects in which the latter evolved from the former.

Chapter 9

Conclusion

From Old Labour to New Labour: Shifts and Evolution

In this thesis the ideological and strategic shifts from Old Labour to New Labour in Malta have been analysed. Research using the historical and comparative approach has been used. A Gramscian and Althusserian theoretical framework has been applied in order to understand the shifts in question within their respective social contexts.

This thesis has used a number of theoretical concepts, which can be grouped under the following headings:

- A. Overdetermination and Conjuncture
- B. Political Ideology and Strategy
- C. Hegemony and State Power
- D. Crisis of Hegemony

In turn, variables in each theoretical concept have been compared and contrasted by means of a systematic comparative approach which singles out unique features in each concept, in order to

explain change and/or continuity. In this way, an analysis of ideological and strategic shifts has been conducted, incorporating important variables within the Gramscian and Althusserian theoretical frameworks. These revolve around hegemony and overdetermination.

This methodological approach permits a systematic analysis of data, in such a way that arguments are based on evidence, related to discourse or empirical evidence such as statistical data.

The overdetermining factors that have been taken into consideration reveal that Old and New Labour in Malta were operating within conjunctures which were different in many aspects yet similar in others. Between the early 1970s and the late 1990s economic, political and ideological factors that differed included the role of the state, the class structure, international political influence as well as a less polarised political scenario.

It has been shown that during the period in question, the Maltese economy underwent various shifts within a mixed-economy industrial framework. It was transformed from a newly industrialised economy with heavy state intervention, import controls and wage/prize freezes to an increasingly liberalised economy within which consumption rates increased by hefty amounts. Therefore, by the time that New Labour was in power the state had a much less central role in the economy. The economic changes were accompanied by a shift within the class structure of Maltese society, which changed from being predominantly working-class during the Old Labour era to being predominantly middle-class during the New Labour era.

It has also been shown that both Maltese society and the Malta Labour Party were influenced by the economic, political and social changes within an international framework. The post cold war

political setting had become increasingly globalised. In many instances free markets and liberal democracy replaced command economies and state centralism. Social Democracy in Britain and Europe witnessed several shifts. Various Social Democratic Parties, including Britain's Labour Party, moved from the concept of traditional Social Democracy which relied almost exclusively on working-class support and which was based on a post-war traditional welfare state, a national economy and strong state bureaucracy, to a renewed idea of Social Democracy. This also incorporated and still incorporates the middle-classes, and which was and still is based on a free-market economy, social responsibility and a reformed welfare state within a globalised framework and with pro-European Union policies. Certain ideological and strategic shifts carried out by the British and European Social Democratic Parties – such as the incorporation of the middle class within its strategy and the ideological commitment to open up markets - influenced the Malta Labour Party. However, a major difference concerned their foreign policies – for example the Malta Labour Party did not incorporate pro-EU policies. At the same time, while Old Labour was very much influenced by anti-colonial politics which emphasised national liberation, this did not apply to New Labour.

On the other hand, one important factor that was quite similar in Malta between the 1970s and the 1990s was the peoples' prioritisation of materialist and traditionalist values. Post-materialist values were present in both periods, most probably to a larger extent among the upcoming generation of the 1990s, but materialism and traditionalism consistently prevailed as the dominant ideologies. Thus, the dominant ideologies during the two periods evolved. This means that if one were to use Mill's method of agreement (See Chapter 2), one could conclude that while all other factors greatly influenced the changes within the Malta Labour Party, the similarity of value systems between the 1970s and the 1990s was an important factor which had to be prioritised by both Old and New Labour in order to be electable and hegemonic.

Regarding political polarisation, however, there were differences between the two Labour eras. During the New Labour era Malta was much less politically polarised than during the Old Labour era. This showed a shift from political polarisation to political openness.

With regard to political ideology and strategy, one conclusion of this thesis is that the resultant shifts which took place from Old Labour to New Labour included the Party's *ideological* embracing of a free market economy within a stable modern democratic framework which optimises efficiency, deficit reduction and pluralism. While both Old and New Labour emphasised the importance of the mixed economy and a strong welfare state within an industrial framework, New Labour no longer stressed heavy state intervention and the State's obligation to provide or guarantee work, as was the case with Old Labour. Under Sant's leadership the Party experienced a shift in its economic policy with regard to its emphasis on the private sector as the motor of the economy, as well as in the priority of austerity measures to tackle the country's deficit.

The shifts also included the Party's *strategic* method. Old Labour was strategically *exclusive*: It aimed to be pro working class and created a durable historic bloc with the General Workers' Union, thereby ushering in state capitalism and enhancing industrialisation. It was also repressive in certain aspects and discouraged pluralism. The Mintoffian slogan '*min mhux maghna huwa kontra taghna*¹' summed up the strategy of Old Labour.

Conversely New Labour was strategically *inclusive*. It aimed to include the middle class together with the working class in its strategy, thus creating a historic bloc. It also aimed to be

government for all Maltese citizens, irrespective of their political beliefs, thus doing away with Old Labour repression and lack of pluralism. New Labour strategy could be symbolised by Alfred Sant's slogan '*min mhux kontra taghna huwa maghna*²'. Therefore, a shift towards inclusiveness occurred from Old Labour to New Labour. New Labour managed to emerge victorious in the 1996 general elections, but, unlike Old Labour, it failed to bring about a historic bloc.

As regards ideology, the major shift from Old Labour to New Labour was that *pragmatism was now prioritised over socialist ideology*. While Old Labour emphasised socialism, workerism and patronage, New Labour emphasised pragmatism and accepted change. On the other hand, New Labour evolved from Old Labour in some other aspects, thus maintaining continuity with its predecessor. These included the *prioritisation of materialist aspirations*, whether in terms of Labour's strong nationalistic tendencies or in terms of the Party's prioritisation of industrial growth within a strong welfare state.

Regarding Labour's foreign policy, Old Labour emphasised the need for neutrality and non-alignment, Malta's Mediterranean credentials, and the economic dimension of international relations within a nationalistic ideological setting. New Labour's foreign policy was also based on nationalistic ideology, and prioritised Malta's Euro-Mediterranean credentials. New Labour opposed Malta's membership within the European Union. While the foreign policy of New Labour evolved in various aspects from that of Old Labour, a shift occurred in that New Labour emphasised the need for free trade in its international policies.

¹ Tr. from Maltese: 'those not with us are against us'

² Tr. from Maltese: 'those not against us are with us'

One important aspect of the evolved continuity from Old to New Labour was the strength of the Party's leader. Both leaders had extensive control over the Party, but they used radically different leadership styles. This degree of power could be related to the traditionalist Maltese values which legitimise the authority of the father figure. Thus, while Dom Mintoff was a charismatic leader whose personality cult also prevailed under Mifsud Bonnici's leadership of the country, Alfred Sant was a leader who used modern managerial methods and who controlled the Party machine. Although the degree to which Dom Mintoff was able to control the violent and corrupt elements of the Party is a matter of debate, it could be argued that Mintoff did not do much to stop such elements from causing havoc.

With regard to the downfall of Old Labour and New Labour, materialist values within Maltese society had a very important role to play. On the one hand one reason why Old Labour crumbled could be related to its conflicting economic policies. The inward-looking and protectionist policies did not meet the economic aspirations of certain classes and categories of people. Indeed, Old Labour experienced conflicts with or lack of support from sections of middle class as well as parts of the working class such as the upwardly mobile ones.

On the other hand the austerity measures taken by New Labour did not go down well with people who had become used to a relatively stable and comfortable economic situation brought about by the economic liberalisation policies under the Nationalists. This alienated working-class voters and disappointed the self-employed who expected much more from the New Labour Government.

Both Old and New Labour faced unstable situations during their years of rule, the former principally due to violence and the instability after the perverse result of the 1981 elections, the

latter primarily due to the fact that the Government, having a one-seat majority, was held ransom by Dom Mintoff.

With regard to internal Party struggles, this factor was not of major significance under Old Labour, but on the other hand many non-Labourites were alienated due to repression and patronage. Conversely New Labour faced considerable internal struggles, resulting in the departure of influential members. Moderate elements such as Lino Spiteri and George Abela and Mintoffian elements like Dom Mintoff himself and Alex Sceberras Trigona were alienated from the Party. Besides various Labourites were dissatisfied with the New Labour '*min mhux kontra taghna huwa maghna*' policy.

Both Old and New Labour faced Nationalist counter-hegemonic forces which were perceived by the majority of the electorate as being more socially conscious and conducive to a better economic situation and political stability. The Nationalist Party under Old Labour rule presented itself as a populist, modern and moderate alternative which would bring about national unity. Under New Labour, the Nationalist Party presented itself as being socially conscious, moderate and credible.

In short, in its development from Old Labour to New Labour, the Malta Labour Party was characterised both by ideological and strategic shifts as well as by an evolutionary process.

Further Research

It is suggested that further studies should be undertaken to enrich the sociological analysis of the relationship between Old Labour to New Labour in Malta.

- *A quantitative survey on peoples' perceptions of Old Labour and New Labour:* Such a survey would interview people by means of quantitative techniques, whereby the respondents would be asked to give their opinions on what they think of Old Labour and New Labour, whether they identify shifts and similarities, and their opinions of the successes and failures of the two variants of the Malta Labour Party from the 1970s onwards.
- *A qualitative survey of the perceptions of Labour's key figures:* This would involve extended interviews with key figures of the Malta Labour Party, who would be asked to give full accounts of what they consider Old and New Labour to represent.
- *A comparative study which also incorporates the pre-1971 Malta Labour Party:* This could utilise methodological and theoretical frameworks similar to those used in this thesis, wherein stages of development and possible shifts within the Party could be analysed.
- *A study on the strategy and ideology of the post-1998 Malta Labour Party:* This study would utilise methodological and theoretical frameworks similar to those used in this thesis. It would be verified whether post-1998 Labour is an extension of New Labour, or whether it represented another phase in the history of the Party.
- *A study on change in leadership styles from Old Labour to New Labour:* This study would adopt a Weberian approach to analyse the possible shift from a Party led by a charismatic leader to a Party led by a legal-rational leader and equipped with a professional bureaucratic party machine.

Conclusion

This thesis has tested the hypothesis that various strategic and ideological shifts have taken place from Old Labour to New Labour in Malta and that simultaneously, Old Labour and New Labour also shared common evolutionary features. The hypothesis also stated that the shifts and evolutions from Old Labour to New Labour, as well as the respective degree of political success were directly related to economic, political and ideological factors arising from the social contexts within which Old and New Labour operated.

The findings, have confirmed the hypothesis. Therefore, the thesis concludes that various strategic and ideological shifts have taken place from Old Labour to New Labour in Malta. These include ideological shifts in economic policy and the role of the state, as well as strategic shifts in political strategy and class and Party interests. Old Labour was characterised by its pro-working-class and pro-Labourite exclusive strategies and policies, as well as its ideological commitment in favour of heavy state intervention within the economy. On the other hand New Labour was characterised by its inclusive strategies which also aimed to incorporate, among others, the middle class and non-Labourites, and by its ideological stance in favour of the dominant role of the private sector within the economy. Within the industrial mixed-economy, Old Labour emphasised the obligation to provide or guarantee work, while New Labour stressed the need to tackle the deficit problem.

The shifts in question were very much influenced by the political and economic changes in Maltese society between the 1970s and the 1990s. By the 1990s the world had become

increasingly globalised. The free market and liberal democracy had gained the upper hand over centralised statism of the command type. In turn Malta was transformed from a newly industrialised mixed-economy with heavy state intervention to a progressively liberalised mixed-economy with high consumption rates. During the period in question Malta was also transformed to a middle-class society and political polarisation decreased considerably.

On the other hand Old Labour and New Labour shared common evolutionary features such as the ideological emphasis on the importance of the (industrial) economy, nationalism and the welfare state. They also were both similar in that the Party leader was very powerful within the Party. The evolutionary features were very much influenced by the continued dominance of materialist and traditionalist values among the Maltese.

By means of this thesis that I have shown that Old Labour and New Labour were not characterised by simple straightforward continuity. Neither were they two forms of distinct entities, with no relationship to each other. It was a question of shifts and evolution at the same time.

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