

The price of a fresh start for Malta: Robert Abela at the European Council

Blog post by Associate Alessandra Baldacchino, 19 February 2020

This week's extraordinary European Council will again highlight the lack of common ground between national governments dealing with their own Eurosceptic pressures. As Charles Michel looks for a leader to articulate the European, rather than national interest, he may find an ally in the EU's smallest member state and newest head of government.

Less than a month ago - and with no previous executive experience - Abela succeeded the controversial Joseph Muscat as Malta's prime minister, who resigned midway through his second term. Abela's strategic imperative this week must be to reset perceptions of his ruling centre-left Labour Party, in the hope that recognition from fellow leaders could calm demonstrations at home that have raged since November 2019 and overshadowed a strong economic performance.

Those protests focused on the murder of anti-corruption investigative journalist, Daphne Caruana Galizia, but triggered wider international scrutiny of Malta's governance, which saw Malta drop six places in the Corruption Perceptions Index in the last five years.^[1] This included criticism of high-level corruption, money laundering and schemes such as Malta's "golden passports", seen as conferring free movement rights in the European Union for wealthy overseas elites. The European Parliament organised two fact-finding missions in the last two years whereby MEPs threatened a version of the Article 7 proceedings that have dogged Poland and Hungary over their judicial and media reforms. Separately, commission vice president for justice, Didier Reynders, wrote to Malta in December demanding urgent reforms to strengthen the prosecution service and end political interference.

Abela's challenge is therefore to preserve as much of Malta's international investment attractiveness as possible while reinforcing the independence of the judiciary, media and policy. No small challenge for a prime minister who won office by positioning himself as a 'continuity candidate' to a party electorate that has been in office since 2013, and who does not have a personal base of supporters. He has made some cautious progress: tweaking the process of appointing police commissioners and allowing the makeshift Caruana Galizia memorial to remain in place, rather than be cleaned. Commission president von der Leyen hinted in late January that this will not be enough, but those gestures could be important in showing the direction of travel.

This week, Abela has two important cards to play. First, while securing EU funds has been crucial in modernising Malta's economy and enabling infrastructure upgrades, this is less important than it was after the government's introduction of the 'golden passports scheme' and the country's dramatic economic transformation into the "blockchain island" and a hub for e-gaming, luxury marine and financial services. He can therefore afford to play the role of peacemaker between increasingly polarised groups of net contributor and net recipient countries. Second, he can engage seriously with the recently formed Democracy, Rule of Law and Fundamental Rights Monitoring Group. This group is developing mechanisms that would subject member states to regular reviews and updates. It is likely ultimately to be blocked by others in the council but offering some cautious support would show a

^[1] Transparency International, www.transparency.org/cpi2019

significant break with the Muscat era at a time when new presidents of the European Commission, Council and Parliament are also keen to look forward.