European Elections monitor

Labour Party due to be re-elected in the snap election on 3rd June in Malta

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Analysis

On May 1st last Maltese Prime Minister Joseph Muscat (Labour party MLP) asked the President of the Republic Marie-Louise Coleiro Preca (MLP) to dissolve the House of Representatives, the only chamber of parliament, and to convene early general elections.

The head of government is under attack by blogger Daphne Caruana Galizia who revealed that Muscat's cabinet head Keith Schembri and Energy Minister Konrad Mizzi (MLP) were the respective owners of the companies Hearnville Inc and Tillgate Inc, two Panamanian offshore companies that they are said to have acquired via a Maltese legal firm Nexis BT thanks to the Panamanian counterpart Mossack Fonseca, which was involved in the Panama Papers scandal (the firm is notably accused of having helped foreign citizens and businesses to cheat their national tax administrations).

At the end of April the Prime Minister's wife Michelle Muscat, was accused of being the owner of part of a Panamanian offshore business, Egrant Inc. She has formally denied this. A legal investigation has now been launched. Owning an offshore business is not illegal in Malta but it is still seen however as an attempt to void taxes and launder money.

The outgoing Prime Minister has therefore chosen to stand before the electorate, just under a year before the date planned for the general election "*in a bid to achieve transparency*," he said. "*Everyone knows about the attacks made against my family over the last few days. I have nothing to fear because there is nothing to reproach me with*," he declared on May 1st. "*It not just my duty to protect myself but also to protect my country. I could have said nothing and have waited for my name to clear but that would have been damaging to the economy and employment. We cannot allow uncertainty to slow the pace of the economic miracle that Malta is now experiencing. Therefore I have taken my decision*," he added.

We might recall that Malta holds the Presidency of the Council of the European Union until 30th June.

Labour are the favourites in the general election. According to the most recent poll by Malta Today, published on 7th May the Prime Minister's party is due to win 51.9% of the vote, his nationalist rival 47.5%. The Maltese say they trust the outgoing head of government more (41%) than his rival Simon Busuttil (36.30%).

Joseph Muscat government's results (2013-2017)

"*I am not satisfied with what we have achieved. I am impatient to lead you towards further successes. My dream for Malta is leave office with the country in a better state than it has ever known*," stressed Joseph Muscat. The outgoing Prime Minister is quick to speak of the "*economic miracle*" when he assesses his results as head of the archipelago. Indeed he can be proud of the state of the public finances since Valetta was able to demonstrate its first budgetary surplus in 2016 (+ 1%) since 1981. Moreover the GDP growth rate is high (4.5% in 2013, 3.5% in 2014, 6.2% in 2015 and 4.1% last year) and unemployment is at a very low level (4.1%, the third lowest in the EU after that of the Czech Republic and Germany).

"*We are the ones who act when others just speak. We have honoured 95% of our promises made in 2013: we have reduced taxes, we have increased social allocations, we have built nurseries, we have given students tablets, we have countered poverty and we have treated the elderly with dignity,"* repeats Joseph Muscat. In his opinion "*Malta must choose: continue along the path to success or remain on the roadside."*

The Labour Party is promising to renew the entire road system in Malta, which will cost around 700 million € that would, in part, be financed by the EU. It also hopes to help households, which do not have enough money to access credit so that they can buy their first property and also to include the protection of the environment in the Constitution. Finally, Joseph Muscat wants the Maltese to be able to enjoy bank holidays when these fall at the end of the week.

"*Our rival's slogan is "I choose Malta" but this makes no sense. The question is to know whether Malta wants to be governed by Simon Busuttil or by me. I have made mistakes, some big, some small, and I take full responsibility for them but after four years the country is in a good economic state*," maintains the outgoing Prime Minister.

As its electoral slogan the Labour Party has chosen "*Our country's best days".*

Can the nationalist opposition return to power?

"The problem is clear, it is corruption. Joseph Muscat is synonymous to corruption. This is why we are asking for his resignation and that of all of those who are involved in corruption scandals," repeats Simon Busuttil (Nationalist Party, PN).

The National Party leader and head of the opposition accuses the director of Joseph Muscat's cabinet Keith Schembri of having gained wealth by "selling" Maltese nationality. He maintains that he has evidence that the latter accepted bribes in a Maltese passport sales scandal involving three Russian citizens.

"*The issues raised by corruption are not going to be settled by the elections. Joseph Muscat believes that the election will act like a washing machine. You take Joseph Muscat and the Labour Party, you vote for them and they are cleansed,"* declares Simon Busuttil. Moreover the latter wonders, "*what will happen when the investigation is over and it emerges that Joseph Muscat or Keith Schembri are guilty of malpractice? Will the Prime Minister resign just after having been re-elected?"*

In all events Simon Busuttil says that he does not believe that the outgoing head of government when he maintains that he will resign if the investigation proves that there is a link between him and his wife on the one hand and the offshore company (Egrant Inc) in Panama on the other. We should note that Joseph Muscat has not said what he will do if the accusations that have been brought against his head of cabinet, Keith Schembri, prove to be true.

"*We want new general elections so that the population can live once more in the country that it deserves. Joseph Muscat wants to win so that Malta can remain its property, we want to win so that Malta can truly be the country of the people,"* indicated the opposition leader who presents the election on 3rd June as a choice between Joseph Muscat and Malta, between "*the corrupted "clique" of the Auberge de Castille (the seat of the Prime Minister) and the country of the Maltese of goodwill."*

Amongst the promises made by the Nationalist Party feature the creation of a magistrates post specialised in affairs of corruption, the reduction of taxes on SMEs, the construction of a metro in the archipelago, an increase in the minimum retirement pension (by 22 € per week), the renationalisation of the General Hospital of Gozo and the modernisation of the towns of Hamrun, Marsa, Bugibba and Qwara. Moreover the Nationalist Party has chosen to address the youngest via a manifesto specifically for them. There are many of them who have not yet chosen how they will vote or who say that they will not go to vote on 3rd June.

The Nationalists are campaigning with the slogan « I choose "*I choose Malta* ».

The Democratic Party (PD), founded in 2016 by Marlene Farrugia, former Labour Party MP, is standing as an alternative to each of the two major parties. On 28th April last the Democratic Party signed an agreement

with the Nationalist Party however stipulating that elected MPs under the democratic label will join the Simon Busuttil's party after the general elections. For the time being it is difficult to say whether the Democrats will attract supporters of the Labour Party or whether they will erode the Nationalist Party's electorate.

The Democratic Party is promising a reimbursement of the annual taxes (a sum ranging from 200 to 340€ to 190,000 people who earn more than 60,000€ per year (the cost of this is estimated at 46.5 million €). It is also hoping to help part time workers and entrepreneurs take advantage of a similar tax rebate ranging between 10%-15% of their revenues and to exempt students who are studying for a PhD from income tax for two years. The Democratic Party is also promising an increase of 8€ per week on the minimum retirement pension.

Three other political parties are due to stand as candidates in the general elections i.e. the greatest number since 1962: Democratic Alternative (DA), ecologist movement led by Arnold Cassola; the Maltese Patriotic Movement (NPM), nationalist party led by Henry Battistino, and the Bidla Alliance (AB), Christian eurosceptic party led by Ivan Grech Mintoff.

The Maltese Political System

Since Malta's independence on 21st September 1964 only two political parties have sat in the archipelago's parliament: the Labour Party (MLP) that is positioned on the left of the political scale and the Nationalist Party (PN) that lies on the right. The two parties notably oppose each other regarding Europe, taxation and privatisations. In the archipelago partisan divisions are strong and the electorate's loyalty to their party is also firm. Finally, the Maltese are by far the population whose turnout rate is the highest in Europe at each election.

The Maltese parliament is monocameral. The House of Representatives comprises 65 MPs, elected within 13 constituencies (5 MPs per constituency) for a maximum of five years according to a complex voting method (a proportional representation list system or a single transferable vote) that the island has shared only with two other countries since 1921: Ireland and Australia. Several reforms have been planned to simplify the mode of voting but all has been in vain. In 1987 and 1996 several amendments have been approved, notably to guarantee a majority for the party that comes out ahead in the elections.

The voters choose by order of preference from an alphabetic list of candidates those he/she wants to vote for. He writes the figure 1 in front of the candidate who is his/her first preference then 2, 3, 4 etc. in from of the names of the other candidates from the list. The first counting operation is the calculation of the electoral quotient (Hagenbach-Bischoff), i.e. of the minimum number of votes that a candidate has to have to be elected. This quotient matches all of the votes cast divided by the number of seats available (variable according to the constituencies) increased by one unit. All candidates who achieve this number of votes is declared elected. The surplus votes are then distributed between the candidates who were chosen as a 2nd preference. Anyone wanting to stand in the election has to have the support of at least four voters from his constituency and pay a deposit of 90€ which is reimbursed if he/she wins a number of votes that is higher than a tenth of the electoral quotient.

The Maltese living abroad have to return home to vote in the general election. Air Malta organises flights for them to be able to fulfil their civic duty.

In Malta donations to political parties and electoral campaigns are anonymous (in Europe only Denmark and Andorra still guarantee this anonymous status). There is no law obliging political parties to publish their accounts.

Finally the Maltese parliament elects the President of the Republic for a five year mandate. The latter has very little power and his/her post is mainly an honorary one. The President Marie-Louise Coleiro Preca (MLP) was elected on 4th April 2014.

2 political parties are represented in the present House of Representatives:

- the Labour Party (MLP), a social-democratic party created in 1920 and led by outgoing Prime Minister with 39 seats;
- the Nationalist Party (PN), a Christian-Democratic party founded in 1880 and led by Simon Busuttil, with 30 seats.

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Reminder of the general election results of 9th March 2013 in Malta

Turnout : 93%

Political Parties	Number of votes won	Percentage of votes cast	Number of seats
Labour Party (MLP)	167 533	54.83	39
Nationalist Party (PN)	132 426	43.34	30
Democratic Alternative (AD)	5 506	1.80	0
Others	59	0,02	0

Source : Commission électorale : https://electoral.gov.mt/Elections/General

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