

Address given by George Vella on relations between Malta and the European Union (Brussels, 25 November 1996)

Caption: On 25 November 1996, at a meeting of the General Affairs Council held in Brussels, George Vella, Maltese Foreign Minister, outlines the main thrust of the European policy to be pursued by the new Maltese Government.

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Address by the Hon. Dr. George Vella, Deputy Prime Minister and Minister of Foreign Affairs and the Environment at the General Affairs Council of the European Union (Brussels, 25 November 1996)

Excellencies,

I would like to express my appreciation to the members of the General Affairs Council for giving me the opportunity to discuss with them my Government's objective for enhancing Malta's relationship with the European Union.

The basic message I wish to convey is positive and straightforward. The Maltese people in their overwhelming majority, I could indeed say in their totality, recognise the Union's unique and fundamental contribution to peace and prosperity in Europe. In the elections held just four weeks ago they gave my party a clear mandate to seek as close a relationship with the Union as is compatible with Malta's particular economic and geo-political circumstances, while mindful of the Union's acquis and its framework of operations.

In defining its Foreign Policy Malta's new Government immediately gave priority to placing in the right perspective our objective for an enhanced relationship with the Union. It has been our particular endeavour to ensure that the new directions which we are proposing, while entailing a shift of focus in terms of specific actions, are not misinterpreted or misunderstood as implying any change of sentiment or commitment towards Europe.

My first visit abroad as Foreign Minister was to the Council of Europe in Strasbourg two weeks ago, where I reiterated Malta's abiding commitment to the values of democracy, justice and human rights enshrined in that organisation. Today I am here in Brussels exploring with you the manner in which Malta can forge closer ties with the Union on a viable and sustainable basis. In less than two weeks' time I will be travelling with my Prime Minister to Lisbon where we will reaffirm Malta's commitment to its continuing involvement and participation in the European process of security and co-operation.

A few days ago I addressed to the Council Presidency, and copied to all Council member states, an Aide Memoire outlining our thinking on the nature of the relationship which we envisage between Malta and the Union. I also touched upon the rationale behind our basic proposal that Malta's relationship with the Union should be as close as possible in all areas of potential co-operation, short of full membership.

We start from the premise that, as a very small and vulnerable economy, Malta is not in a position to absorb the impact of full Union membership. Any strenuous attempt to overcome this hurdle would only be disruptive in the short term, and in any case remains unsustainable in the longer term.

The size and nature of our Agricultural and Fisheries sectors, which in Malta have a disproportionately significant social and economic function, create no meaningful points of reference with the agricultural and fisheries policies of the Union. The commitments required through membership of the Union would not only threaten the very survival of our Agriculture and Fisheries sectors; it would also create severe price dislocations in sensitive areas of the food sector in Malta. We cannot lose sight of the fact that while Agriculture and Fisheries sectors account for only 3% of Malta's GDP their relevance in the context of food security is very high.

An important part of our economy depends upon a combination of mainly small-scale entrepreneurship servicing the local market, and small to medium sized export oriented, largely foreign-owned, investment. The specific measures required to promote and sustain this sector cannot be fully synchronised with the internal regulations of the Union under the prevailing conditions.

In the area of Services, which is another mainstay of the Maltese economy, the sectors of tourism and ship-repairing require special attention in view of their particularly intimate placing in Malta's socio-cultural setting. In both these sectors it has been evident all along that, in the eventuality of EU membership, Malta

would have needed significant safeguards in the shape of derogation from applicable Union regulations and practices. In fairness both to Malta and to the Union, it should be acknowledged that in the light of the significance of these two sectors in the Maltese economy any viable arrangements satisfying Malta's needs would be incompatible with its full membership of the Union.

These considerations are made without any prejudice to my government's commitment to policies promoting international free trade, and fair competition. We are an active member of the World Trade Organisation and share and support the basic objectives of this organisation. Nevertheless it stands to reason that the pace and thrust of our actions in this regard need to be different from those of the Union in their specificity, though remaining convergent in their broad directions.

The suggestion that the Union's special funds could somehow compensate for, or redress, the impact of Malta's full membership of the Union in our view misreads the nature and purpose of these funds as much as it misjudges the nature of Malta's economic interests. However small and fragile, ours remains a national, not a regional economy. It is in relative terms a healthy and balanced economy, standing at levels which are comparable to those of some of the Mediterranean members of the Union. It is virtually a contradiction in terms to propose that such funds as the Structural or Cohesion Funds could be used to buttress or protect an economy such as ours from the negative impact of membership.

The ultimate consideration is indeed very stark - in economic terms Malta stands to sacrifice and lose a lot from full membership of the Union.

There are related considerations in other areas of socio-economic activity, as well as in the broader area of environmental concerns. We recognise the validity of the concepts and objectives underlying the measures towards the single market, and the formation of a Monetary Union. We fully endorse the principles contained in the Social Chapter. At the same time we have to acknowledge that for quite evident social as well as economic reasons Maltese society will, for the foreseeable future, not be able to accommodate such measures as those aimed at full freedom of movement of labour, and unrestricted ownership of property by non-Maltese citizens. We recognise that present trends in the process of European integration and the constraints these impose, cannot be reconciled with the derogations which Malta would require to protect these fragile sectors.

In my aide memoire I stated that the adoption by Malta of the Union's acquis, both actual and potential, would contradict the basis of Malta's neutrality, as defined in our constitution. The declaration of Malta's neutrality in the late seventies was a response to fundamental geo-political realities of Mediterranean life - realities which have intensified rather than disappeared with the end of the cold war. Our location at the strategic centre of this highly volatile region makes us particularly sensitive to the actual and potential causes of instability and discord residing in its long-standing cultural and economic disparities, in its residue of historical antagonisms and in its more recent threats arising from environmental degradation, drug and arms trafficking, terrorism and illegal immigration.

Malta's neutrality is a deliberate political act aimed at asserting and reinforcing the alternative potential for dialogue and co-operation, which we are convinced also resides in the Mediterranean in spite of existing difficulties. Through our neutrality we seek to underline the fact that the existing differences between the northern and southern shores of the region should not translate themselves into antagonism and division. In our view Malta's participation in a process aimed at forging a common defence identity on the European continent would contradict the essential thrust of this neutrality. We are convinced that we can make a more valid contribution to Euro-Mediterranean dialogue and co-operation by leaving undiluted the message of our neutrality, rather than by seeking to circumscribe or deflect it within generic or legalistic definitions.

It is precisely in this spirit that in my Aide Memoire I felt it necessary to clarify that the Government of Malta is in no way implying some judgement about the manner by which other European States define their particular approach to neutrality or how they implement it. The application of our neutrality is defined solely and exclusively in terms of the geo-political context in which we operate, and cannot under any circumstance be extrapolated into other contexts.

I submit these considerations in explanation of my Government's proposal for a very close relationship between Malta and the European Union with every assurance that I am doing so with a full and clear mandate from the Maltese electorate. The extensive debate undertaken in advance of the recent elections in Malta, and the results obtained leave no room for ambiguity in this regard. The Maltese people have looked carefully at the options involved and have made their choice in a democratic and mature manner.

I also sense that the considerations which I have just submitted will not be completely alien to the audience I am addressing. Misgivings about the feasibility of Malta's full membership in the European Union are painfully manifest in the avis published by the European Commission in June 1993, both with respect to the economic implications of membership, as well as with respect to the question of Malta's neutrality. If one does not wish to read between the lines of the Avis, one could hardly ignore the political message residing in the fact that the enlargement of the Union in 1995, while leaving Malta out, brought in three new members all of whom had submitted their membership application well after Malta had submitted hers in 1990.

Prior to the elections of 26 October 1996 the outgoing Maltese Government made strenuous efforts to enforce an accelerated process of economic adaptation with the Union in response to the misgivings contained in the Avis. It also sought to sidetrack or ignore the implications of membership in the Union on Malta's constitutional status of neutrality. In this context the verdict of the Maltese people, as recorded in the recent elections, is particularly sharp and dramatic.

I started my comments by stating that I bring a straightforward and positive message. I have been straightforward in my analysis of the reasons why full membership of the Union is not considered feasible for Malta. This in itself is intended as a contribution to the positive element of my message, namely the expression of the genuine wish of the Maltese people to develop the best and closest relationship feasible between Malta and the European Union, in their mutual interest. This mutual interest cannot be reasonably guaranteed in the absence of a clear and pragmatic acknowledgement of the realities involved.

We are fully appreciative of the fact that one important aspect of these realities lies in the extensive economic, and other links which already exist between Malta and the Union, as well as in the fund of goodwill which exists within the Union towards Malta.

Our aim is to move as far forward as possible in the direction indicated by these encouraging elements. We seek to develop Malta's economic and commercial co-operation with the Union well beyond the contractual relationship under the existing Association Agreement. One of our main objectives in this regard would be the conclusion of an industrial free trade zone between Malta and the Union. This would come into force following a transition period under terms to be agreed between the two parties.

We seek improved financial and technical co-operation beyond the existing agreements in this regard.

We seek to continue, expand and place upon long-term and predictable bases the various measures of co-operation in culture, education and youth exchanges which are already in place.

Under what the Union defines as third pillar matters Malta seeks a contractual relationship which could take the form of specific agreements providing for regular mechanisms for consultation and co-ordination covering such aspects as drug trafficking, contraband and arms smuggling and illegal immigration. Malta has in recent years been steadily enlarging its bilateral co-operation in these areas with various EU members. It is our wish and intention to continue developing this co-operation at both the bilateral and where possible and feasible the wider levels.

Malta largely defines its security in terms of the processes of multilateral co-operation, preventive diplomacy and the general promotion of dialogue and understanding. These processes are most suited to our neutral status, and we are encouraged to see that they are increasingly becoming the norm in the conduct of international relations. Acting upon the mandate given it by the electorate my Government has withdrawn Malta's participation from NATO's partnership for peace, which is considered incompatible with our neutrality. At the same time we will continue our active participation and involvement in the OSCE and our

full support for actions and decisions of the United Nations, including where these involve humanitarian or peace-keeping activities. We are also interested in exploring with the European Union the possibility of concluding a separate bilateral agreement providing for agreed measures of co-operation in cases of a violation, or a threat of violation of the sovereignty, neutrality, unity or the territorial integrity of Malta. Within the bilateral framework we will also continue to seek opportunities for appropriate co-operation activities.

We also would wish to place our enhanced relationship with the Union within the framework of a visible and regular process of political consultation at diplomatic, parliamentary and political levels. At the diplomatic level in all appropriate international fora there would be regular consultation and co-ordination between representatives of the Government of Malta and of the European Union. There would be ongoing and regular consultations between the Maltese and European Parliaments. At the political level there would also be the opportunity for regular meetings and consultations which, among other things, would monitor and oversee the general direction and progress of the relationship. Within the framework of the proposed political consultations the possibility of a separate Malta/EU agreement on security could be further examined.

We are aware of the very heavy agenda of decision-making and negotiation which lies before the Union. To this awareness we couple our wish to map out future developments between Malta and the Union in a pragmatic manner, retaining and building upon major structures of co-operation that have been laid out in the past years, replacing or modifying only what is necessary in the light of new circumstances.

In this spirit we express our readiness to continue using the existing structures of co-operation, even those which in formal terms may encompass objectives which are no longer applicable, until an opportunity presents itself to introduce appropriate modifications. Alternatively we could enter into immediate discussions to consider afresh what new structures of dialogue and co-operation between Malta and the Union are relevant given the changed circumstances.

Whichever approach is adopted, it is the clear wish of the new Maltese Government to maintain continuity, while pursuing progression, in our relationship with the Union. Our objectives are designed to promote the best interests of the citizens of Malta and of Europe, in line with the decision taken by the Maltese people on the 26 October 1996.

Once again may I express my sincere thanks for the opportunity given to me to make a presentation and to explain my Government's position regarding the forging of a new relationship with the European Union. In this regard, I would like to propose that as a first step in this important dialogue, discussions be started at the earliest possible between Malta and the European Commission in order to explore modalities for enhancing our relationship with the Union in the light of existing relations. With this in mind I would also be most willing and prepared to elaborate in greater detail our new approach to individual Ministers here in Brussels or, at a mutually convenient date in the near future, either in your respective capitals or even in Valletta, where we would be most pleased to extend to each of you our traditional hospitality.

Thank you