

## Corruption in Malta

On the 16 October 2017, at 3pm, an explosion just outside a small hamlet in the centre of Malta killed its most famous journalist.

'Famous' does not begin to explain the status of Daphne Caruana Galizia in Maltese society at the time of her death.

She was a larger than life character on a theatre stage made for dwarves. She lived in a hamlet just outside town where no more than a hundred houses huddled together. Most of the inhabitants of Bidnija are farmers who take care of the shrinking Maltese countryside like gardeners in the midst of war.

When news spread that a car exploded in Bidnija no one thought of any other possibility except the final and inevitable demise of Daphne. That was not necessarily bad news for everyone. After the initial shock abated many were celebrating privately. Some were celebrating publicly. Many still are.

Her death was a relief to so many people not necessarily because she wrote about them or even because they read what she wrote and did not like it. For them it was like being stripped of conscience. They felt liberated from that inner voice that nags at you when you know you're doing the wrong thing. Now that the mirror that Daphne held up to Maltese society was shattered in a thousand shards, they felt entitled to ignore their own warts and to wallow in their gluttony.

How did it come to pass that a 53 year old mother of 3 men in their 30s would end up blown to pieces in her car because she exercised the hitherto non-hazardous profession of reporting on politics on a Mediterranean island?

That is a question we have been asking ourselves for 17 months now, and though many have sought to interpret the signals from the smoke that bellowed out of her consumed car, there is no definite answer yet. We know who might have expected their lives to improve as a result of her killing. We have hints on who might have had the means to get the job done. We are frustrated that our shared suspicions are not tested by the authorities.

But we also know that the forensic explanation, even right up to the masterminds of this crime if ever they may be known, will not be enough to understand how this could have been possible.

At university, Daphne Caruana Galizia studied archaeology. The methodology of that science was reflected in her interpretations of the findings of her journalistic work. Knowledge is in layers and the deeper one digs, the more fundamental the knowledge that emerges. But the depth in which knowledge is hidden is unknown when you search it from the surface. Only tenacity, intuition, meticulous patience and indefatigable industry can yield results.

The only clue available to the archaeologist before they start digging is context. The likelihood of a find, though by no means the guarantee, is measured by someone's understanding of what has been found before; what is around.

Telling the story of Daphne Caruana Galizia and understanding the causes of her killing cannot therefore be a mere forensic investigation. That may lead to the actors who played a role in the last act of her life but it would bring us no closer to understand where she fit in the grand scheme of things.

She first came on to the scene in her early 20s. She was already a mother of three little boys at the time. She married young and went into journalism after her sons were born. When she started writing, Maltese journalism was the purview of men with white hair who wrote anonymously and reverentially.

Daphne's writing was immediately recognisable. It was caustic and sharp and truly independent. It was so distinctive that almost singlehandedly she forced the end of the convention of unsigned articles. Her style and her indomitable willingness to defy established

power needed to be represented by a distinctive brand. Her name — Daphne — became that brand.

Her dim view of Malta's Labour Party never brightened. She was a child of the 70s and 80s, the years when an iron curtain regime used liberally the tools of violence, street thuggery and state-perpetrated homicide to pursue its obscurantist policies.

As a child she experienced one of those obscurantist policies directly. The Socialist regime of the time wanted to abolish schools run by the Catholic Church, if not through an outright ban, by bankrupting them by abolishing school fees. The dispute led to a lock-down of many months as school children were huddled in basements to continue their classes in hiding like Catholics in the Elizabethan Reformation.

As a 19 year old she participated in a small protest march. That sort of thing wasn't looked upon kindly at the time. She was arrested and locked up in a filthy cell. She was prodded and interrogated by a moustachioed police inspector. That inspector eventually went into politics, naturally with the Labour Party. He is today the President of Malta's Parliament.

Of course the incident is purely symbolic. For most of her career as a journalist the Labour Party campaigned to prevent Malta from joining the European Union. She found isolation and a piracy of cheap cunning of an off shore economy ideologically abhorrent.

And when the generation that used violence to suppress democracy in the 1980s and the generation that campaigned against EU membership up to 2003, passed the helm to the leadership that runs the Labour Party and Malta today, her reasons for pitting herself against that behemoth of Maltese politics became even more urgent and increasingly more frustrated.

The principal antagonist of this drama is Malta's present Prime Minister, Joseph Muscat. He took over the leadership of the party when he was 34 and would become Prime Minister at 39.

As the 2013 election got closer the likelihood of his election was becoming practically a certainty. But Daphne, writing at the time, was arguing that more than the mere logic of alternation in a two-party system was favouring Muscat's Labour.

Since then we have learnt much but the meteoric rise of this new leader and the extraordinary wealth the Labour Party appeared to have come into between its near bankruptcy in 2008 and its stupefying resources in 2013 was already becoming understandable within months of that fateful election in March 2013.

Many things happened in that year that we could see.

Within months of the March 2013 election Joseph Muscat would lead a delegation made of his Chief of Staff Keith Schembri and his Energy Minister Konrad Mizzi to Baku in Azerbaijan. Muscat had known the dictator of Baku, Ilham Aliyev, for many years, harking back to the caviar diplomacy years when Joseph Muscat was an MEP and Ilham Aliyev charmed B-grade politicians with his generous hospitality.

The visits to Baku were unannounced. They excluded any permanent officials and the press was kept away. Eventually Konrad Mizzi would interfere directly to force on Malta the purchase of fuels from Azerbaijan at prices higher than market rates.

He would also close a deal with an energy company to build a new gas-powered power station. A third of the company is owned by SOCAR, the Azeri state energy firm. Another third is owned by a conglomerate of Maltese businesses.

The CEO of that conglomerate, Yorgen Fenech, owns a Dubai company called 17 Black. The PanamaPapers would reveal that 17 Black and another Dubai company whose owner is not known would be paying \$5,000 a day — \$1.8 million a year — to two Panama companies called Hearnville and Tillgate.

These two companies were set up that week in March 2013 when Joseph Muscat was made Prime Minister. The PanamaPapers would reveal that Hearnville and Tillgate belong to Keith Schembri and Konrad Mizzi.

On the same day that Hearnville and Tillgate were set up, a third company called Egrant was set up with them. Its owner — described as more important than the owner of the other two companies — remained a mystery.

Something else happened within months of that March 2013 election. Malta adopted a new law that allowed the government to retail Maltese citizenship to billionaires, entirely unconnected with the country — who never even lived in Malta and never would — but who had reasons to spend six figures on the passport of an EU country.

To run that scheme the country appointed a suave Swiss operator — Christian Kaelin — who introduces himself to the world as a liberator who breaks the shackles and the chains that inhibit people from becoming free citizens of the world. The poor and desperate people he has in mind are Russian oligarchs, Saudi oil sheiks, Nigerian bureaucrats and Chinese tycoons.

We would eventually learn that Christian Kaelin worked in close association with Alexander Nix. A year ago Mr Nix came to prominence when he resigned from a company called Cambridge Analytica that manipulated big data to condition voting behaviour and used dirty tricks to control the outcomes of election results.

Kaelin and Nix worked together in several Caribbean jurisdictions to secure the election of political parties committed to introduce passport schemes identical to Malta's. In one case they worked to secure the implosion of an opposition party that was against it.

Something else happened within months of that March 2013 election. An Iranian 33 year old man without a day of experience in a bank was given a license to open a European bank in Malta. His name is Ali Sadr Hasheminejad. An Iranian passport would have prevented him from acquiring paper clips in Malta. So he presented one of his St Kitts and Nevis passports issued to him by Henley and Partners. I say 'one of' because we know he had at least another one but that had a different date of birth.

He opened Pilatus Bank, a fancy name for an office for 10 people and no sign on the door.

We would eventually learn that Pilatus Bank was a laundry for the ill-gotten gains of dictators. It had but a 180 accounts. Many of them belonged to supremos in the Baku dictatorship, including, most prominently two of the children of Ilham Aliyev who used Malta to clean their dirty money on its way to their expensive lifestyles in the UK.

He had another client: Keith Schembri, the Prime Minister's Chief of Staff, owner of one of the Panama companies lined up to receive millions from the energy consortium he contracted. The PanamaPapers also revealed he paid the Managing Director of Malta's newspaper of record — Times of Malta — some 650,000 euro in bribes in a British Virgin Islands account. And, we would learn, in his account at Pilatus he received kickbacks on the sale of Malta's passports.

Keith Schembri knew Ali Sadr Hasheminejad. He went to his wedding in Florence in 2015. Another prominent wedding guest? Joseph Muscat, the Prime Minister.

We would learn about the goings on at Pilatus Bank from Daphne Caruana Galizia who reported information provided to her from a source who worked at the bank. Eventually the information provided by that source would lead to the European Central Bank shutting down Pilatus Bank.

Ali Sadr Hasheminejad is bailed out in the New York tri-state area awaiting a trial in the United States court starting this October on charges of bank fraud and sanctions-busting that could see him spend the next 125 years in prison.

Daphne Caruana Galizia's source brought another piece of information from inside Pilatus Bank. It held evidence that that third Panama company — Egrant — was the property of Joseph Muscat's wife, Michelle, and it was used to receive six-figure payments from the daughter of Ilham Aliyev.

Needless to say, but I am obliged to, Joseph Muscat, Keith Schembri, Konrad Mizzi, Ali Sadr Hasheminejad, Christian Kaelin, and many other actors in this drama deny any wrongdoing.

All of the story that I told you, in spite of the evidence that backs it up, is branded by Joseph Muscat as the biggest lie in Malta's political history. It is then a fiction conjured by a witch. And the witch is dead, burned as witches must be.

Knowing all this and seeing all this, how is it that Joseph Muscat and his gang of crooks continue to smile inanely at family photos of European Council meetings?

There's a term which was used in the past for Ukraine and eventually for Russia: 'State capture'. It's a state of being when the institutions and trappings of a State become merely a cover for the pursuit of the private interests of those who occupy positions of power.

The Council of Europe's Venice Commission has recently assessed Malta's constitutional and institutional framework and found that the design — inherited from the ever so polite British — relies on the self-restraint of gentlemen and, far less frequently, gentlewomen.

When crooks take over those institutions, any semblance of the rule of law collapses. The Chief of Police is the only person with the legal authority to investigate a crime. Four Police Commissioners were fired by Joseph Muscat until one entirely willing to ignore evidence against his political bosses was found.

The Attorney General is the only person with the legal authority to prosecute a crime. But in our antediluvian design the Attorney General is also counsel to government: to the same crooks who ought to be prosecuted. There is actually a formal excuse for the spineless cowardice of the officers who should enforce the law.

Judges and Magistrates are in theory independent but they are appointed by the Prime Minister himself who has used the last 6 years to stuff the bench with cronies including a former Deputy Leader of the Labour Party and several other former candidates and officials.

In theory we have an independent anti-money laundering intelligence agency. It has indeed investigated Keith Schembri and Konrad Mizzi and found sufficient reasons to believe they have committed money laundering or benefited from proceeds from crime.

But when that is done it goes up to the police officer responsible to move the file from the intelligence agency to the police proper. His name is Silvio Valletta and his wife, of all things, is a Minister in Joseph Muscat's government.

He heads the police's criminal investigation department which also gives him the responsibility to lead the investigations into the assassination of Daphne Caruana Galizia. The Constitutional Court found — twice — that his proximity to likely suspects of the crime makes his headship of the Daphne investigation out of order. There's no reason to think his position is in any better order when he's heading investigations into crimes committed by the Cabinet colleagues of his wife.

He heads the same police department that hounded Daphne Caruana Galizia's source at Pilatus Bank who had the goods on Joseph Muscat. Maria Efimova ran away from Malta, and spent some time in an Athens prison on the back of an extradition request from Malta. The Greek courts — twice — refused Malta's request for her extradition fearing for her life.

But no one protected Daphne Caruana Galizia's life. She was the mirror that told the country this grimy story of its capture by crooks.

At 2.30pm, that hot afternoon of the 16th October 2017, the mirror spoke its last words: "There are crooks everywhere you look now. The situation is desperate".

Her despair was silenced but 30 minutes later. Ours had just begun.

This past year has been a shocking realisation that we have taken our democratic life for granted. We thought our institutions could fix themselves. We believed that ultimately what public anger could not resolve, trade unions could negotiate. What protesters could not secure, courts could settle in judgement. What governments could not deal with, elections would provide for.

Until we came upon a list of questions that had been with us for a while and our country found itself ill-equipped to answer.

There are many institutional failures that we have now listed, and we all share. Our founding statement sums up our disappointment, our frustration and our anger at the utter collapse of the edifice we thought would shelter us from crime, greed and corruption.

There is, of course, one acute failure that has shocked us into looking at our renewal within civil society: the failure of our political parties to answer the questions this country needs us to ask. Tactics, rather than strategy; method, rather than policy; spin, rather than debate have now reduced political discourse to a point where it is entirely unproductive.

We see little to no thought about what life will be in this country for our children and theirs. We have a stinging feeling political party leaderships do have a plan. But in place of ambition and aspiration, we perceive cunning and deceit.

In that emptiness, many of us sought to find ways of 'doing something'. We felt we could no longer wait for men in suits to walk up to a camera and say something we had not already thought of and dismissed.

Some people got marching. Others got writing. Others sat down to tell leaders to their face why they were unhappy. All of that was useful and will continue to be important.

The explosion from Bidnija may have been ignored in Mosta. But it was heard from Washington to Tokyo. It wasn't just a wake-up call to us who lived like spectators in our funeral. It was also an alarm to many around the world who expected better from Malta's promise.

Among these were international organisations who needed to check Malta against the standards we undertook to live up to. The European Parliament, the United Nations, the Council of Europe, international free speech NGOs, the press of the world and so on: these wanted to know how things stood in Malta.

I have in mind one international organisation that reviews its Member States every so many years about an international commitment they make in a convention. I won't be specific because I want to share with you more than I'm allowed. The organisation has on its Rolodex one contact it calls to set up their meetings while in Malta: a senior government official that shall remain unnamed.

They asked the senior official to meet representatives of the Maltese government, and of course, he set that up. They also wanted to speak to the Opposition from whom they got views moderately contrasting the Government's.

And they asked to speak to Maltese civil society. So the official put them in touch with band clubs and sports clubs and NGOs that represent the interests of persons with disability or combat gender imbalance.

All those do essential work. They are pillars of a vibrant civil society.

But like us, they have laboured under the assumption that the fundamental workings of our democracy can be taken for granted. None of them has set down to examine the extent to which powers are indeed separated; to monitor access to justice, protection of fundamental rights, the effectiveness and fairness of the decision-making process in Malta.

The people who get closest to these are NGOs that work on rights of specific minorities: lobbies that have successfully promoted the interests of groups disadvantaged because of economic status, gender, sexual orientation and race. They all have come far, and they all have far to go.

But, we now realise, there are apparent defects even in the ground rules. Even without the aggravation of discrimination, the ambition of government by the people, for the people remains just that: an ambition. Or rather a rhetorical reference point all too often ignored.

In the same way that civil society has organised itself to think and to argue about minority rights and environmental conservation, it is long overdue for civil society to organise its thoughts and to articulate its expectations of the workings of our democracy.

In the same way that the desire to slow and reverse the encroachment of built-up space on nature and countryside should and can transcend partisan interests, there is no reason why the wish for government power to be restrained by constitutional rules should not also transcend partisan interests.

It is convenient for people in power to dismiss us as serving the other party. People who have identified with this movement for democracy have been branded collaborators of the other party by either party. At first, that's shocking. Then it becomes flattering. Now it's become tiresome.

Whoever we are, wherever we come from, whatever we may have been and whatever we may have done, the demands for the rule of law, for fairness, for constitutional restraint are entirely legitimate and are only dismissed by those who benefit from a government of delinquency that favours them above all others and allows them to move unhindered by regulations.

Understanding what we'd like Repubblica to be, starts with understanding what we'd want it not to become.

There is an answer to the questions 'does Repubblica seek to replace existing civil society organisations?' Or 'is all this fragmentation necessary?'

We seek to replace, and we aim to fragment nothing. There is scope for all the work that is ongoing, but there is scope for action that is not currently happening.

Which of course invites everyone's favourite question: 'is this a political party in the making?'

Sorry to disappoint. We came together because we have found that useful and necessary as they are, political parties are not the only tools in the democratic set to build the political discourse that we want to achieve. We need to engage with political parties; we need to ask of them what we expect, we need to expect of them more than they so far have been willing to deliver.

But too long has politics in this country been made of the desire of the opponent's failure. That sort of politics has stuck us in the culture of double standards, of warped realities, of optional and multiple truths that we are now drowning in. And that culture has provided the ideal laboratory conditions for the ongoing race to the bottom in which a pause for reflection and an ethical warning have become objects of ridicule.

It's not just that we cannot win a race to the bottom. It's that the bottom is not where we would like to go. It's not where we'd want anyone to get to either. We realise we may be too late, but that's no reason not to say so.

Perhaps the best way to illustrate the current state of play remains the sale of Maltese citizenship. It is symbolic of many failures: ethical, political, even economic and strategic.

But perhaps more importantly than all those other considerations, it is a cultural failure. For a country that has been a colony for most of its existence; for a nation that is small enough to require little effort to breed a sense of community; for a secular republic that acquired citizenship through decades of effort ... our culture is remarkably indifferent to the very nature of its identity, of the only way it can recognise itself and have others recognise it.

We realise when we see this just how tall our order is. Changing a government is a five-year job for a political party. But given the state we're in we would never be satisfied with accomplishing

that. I am exhausted by people whose only value of utility for public discourse is measured by whether it helps bring about a change of a government or its retention.

We must aspire to more than the change in the face of the middle-aged man who works, wittingly or not, in the service of the faceless masters who hold the strings.

And to borrow some revolutionary rhetoric, the real job is to make people aware of their sovereignty, of their responsibility, of their rights and their duties. Ultimately, to stick to the tone, the job is to make people aware of their power.

That is no five-year job. Changing a culture is not an electoral program.

We seek to catch up for lost time. To redefine our understanding of sovereignty when politicians bank in Panama and their masters bank in Dubai. To redefine our understanding of free press when newspapers teeter on bankruptcy and televisions are owned by political parties. To redefine our understanding of democracy when the creation of false identities, the propagation of fake news, and the demographic targeting of vulnerable audiences are legitimate practices for political parties. What does democratic life even mean today?

We seek to think our ideas through and explain them. To re-imagine our community in thoughts that are marked in hashtags and limited by a quota of 15 short words. To have a conversation with people unwilling to pause from their rapid transactions. To awaken from the cartoonish Wall Street yuppie greed of the 1980s and find today's university students determined not to be distracted from their pursuit of career and profit.

We seek to protect free speech and journalism. To overcome our perplexity that so many around us consider the killing of journalists a consequence of their actions not of their killers. To rebalance the attractiveness of fictitious immediacy of governments and politicians short-circuiting the media to speak directly to fans. To create a distinction between flag waving and crowds and true political engagement and participation.

We seek to define afresh Responsible Citizenship: to reverse indifference and promote commitment; to dampen loyalty and empower discernment; to transform disciples into leaders; to stimulate engagement even in the face of mockery.

We do not underestimate the landscape in which we work.

Instead of outgrowing partisan polarisation, we have sunk deeper into it. People are willing to hold to ever more extreme opinions, and the ability to ignore facts in favour of demigods of one's own making is beyond absurd and now, frankly, dangerous.

The inability of my generation to engage with people 20 years younger is no longer for a Cat Stevens record. The lack of engagement into public discourse by young people is a matter of complete bewilderment. We find conformism and compliance where we expect radicalism and revolution. Change is not bred in acquiescence, yet somehow we have left for those that follow us a world with which they feel they must agree to survive.

Politics is transactional. The voting document is a currency that is not merely a threat in the hands of the greedy voter but a package deal offered by the realistic politician. 'Switching' is not an act of principled defiance, but a herd movement of a crowd chasing a pied piper who plays a tune that sounds like shuffling stacks of cash.

Corruption is rife. But it is also mainstream. It is legitimised by impunity and protected by a corrupt attitude to corruption. A stash in an off-shore jurisdiction is a mark of honour like a pinky-ring and a double-breasted suit on a New York wise-guy circa 1985.

Information is restricted and mainly in the control of the State. Institutions employ the majority of journalists whose first profession is propaganda couched as information.

A culture of fear is growing. There are no cells with political prisoners, no vanishings or exiles, no horrors of classical authoritarianism. There is an understanding that you either drink at the cocktail parties of the powerful or you stay outside in the cold. Reprisals are real. They are

made of exclusion, isolation and elimination which for being social rather than physical — with one clamorous exception — is hardly less undesirable.

Inclusion is not just for employees, for contractors, for licence holders and money makers. Even NGOs work in the shadow of government power, their purse strings held by the flow of public money and their independence engorged by the constant threat of suffocation.

But this realism does not make us fatalistic.

We do not suggest there is a civic desert that scorches around us. People here have stood up for the rights of people other than themselves. Although incomplete, the intent of charity and the solidarity displayed in the spectacles of giving is after all an embryonic sense of belonging and a vague calling to actually 'do something' — to use that phrase again.

That is energy we must learn to harness.

And political activism is not all partisanship. It is not all self-serving. It is not all corrupt and money-grabbing. In the suffocating stench of our time, we forget that many first got into politics because they saw it as a force for good. Not everyone is in government or seeks to be in it for their profit. Government is, in democratic theory, a force for good: a means to secure social cohesion, to spread out well being, to support everyone's desire to live a better life.

That is energy we must learn to harness.

As we do that we fulfil some immediate needs.

Firstly, when others would seek to hide, it's our job to try to reveal. We must be providers of information: sincere, reliable, competent and critical. We must make up for a media landscape that has become telegraphic and in many places misleading and misdirecting.

Secondly, when others would seek to hide, it's our job to try to reveal. We must challenge corruption wherever we find it. And not being a political party we have the privilege of being equal opportunities critics. Not for us the double standards of political convenience. Lowering standards to the lowest common denominator is not a solution to let everyone pass this exam.

Thirdly, when others would seek to hide, it's our job to try to reveal. It is time to challenge the ground rules of institutional and democratic life in Malta. And that challenge must be a very public affair. We cannot abide our Constitution being debated in a smoke-filled room by architects who seem to think the house they are building is just for them to live in. We will engage in the debate on institutional reform, but we will not serve the interests of the powerful. Constitutional reform as we see it is a tool for greater restraint of concentrated power, of greater accountability, of a more just and equitable society that protects the poor and the marginalised and restrains those who exploit them.

And then we must reach out beyond our immediate needs. Repubblika wants to take the time to contribute to the cultural transformation we should all be aspiring to, and yet we don't yet know it.

We want to challenge the notion that a high voter turnout and tight crowds at political rallies demonstrate political engagement or active citizen participation. Real citizenship participation happens when institutions act without waiting to be asked to do so. In any case, today even asking them to move does not get them to flinch.

We want to bridge the tragic disconnect between ethics and public and community life, to outgrow base notions that it's ok if no one is hurt, that it's okay if it's not illegal, that it doesn't matter if we all get to dip in.

And to top it all an even more fundamental mission. If we were a political party, we'd say we have three priorities above all others: education, education and education.



Our country faces many challenges, and some feel more overwhelming than others. But for us whose mission is to foster renewed citizenship and renewed democratic life, the greatest challenge is the renewal of our citizens.

The lack of anger at the environmental degradation of both our urban and natural landscapes is not only a product of collective greed. It is also the absence of appreciation of beauty, a marked lack of aesthetics in our culture and our shared sensibilities. Beauty and the desire to foster and nurture it, are looked upon as intellectual snobbery of people incapable of tweeting their thoughts, lost as they are in hugging forlorn trees.

The lack of anger at the apparent corruption of international money-laundering, cross-border bribery and perverse public procurement is not only a product of a corrupt culture. It is also the absence of appreciation of how banking works, how money flows, and what is proper and what is not because no, not all is fair in love, war and business.

The lack of anger at politicians caught lying, having to change their versions or not even bothering to do that when confronted with facts is not only a collapse of community values. It is also the absence of appreciation of what truth is. That there is a reality outside one's head and facts are what they are, no matter what you'd like them to be.

This is the challenge of all challenges: a renewed vision for education that fosters responsible citizens.

We seek to build a republic of universal women and men: who have a grasp of economics from which they learn what works and does not work; who have a grasp of science from which they learn to determine what is true and what is not; and who have a grasp of the humanities from which they learn what is right and what is wrong.

If we manage to become a locus for these ambitions, we would indeed become useful contributors to a better life in this country. People who want to dismiss us and would rather everyone disregards us measure us by the ambitions of old dual politics. For ourselves, we do not seek positions or rewards. But it will be a great reward if future leaders of our community grow out of civil society, equipped with the values that we uphold and we seek to impart.

We're not going to do all that today. Nor are we going to do all that this year or maybe even in our lifetime.

But we're going to do something that hasn't been done properly yet. We're going to start.