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Tourism in Malta

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## TOURISM IN MALTA

### Summary

Independence, modest industrialization and tourism came to Malta in the mid 1960s. Government measures to stimulate tourism were successful and arrivals between 1960 and 1975 rose from 20,000 to 334,000. There is also a colony of some 3000 permanent tourists or "settlers" who have exerted considerable social and cultural influence. Tourism has greatly increased foreign exchange earnings and employment.

Housing projects for settlers sparked off a property boom that created a severe housing shortage, causing social tensions. Generally, however, there has been little friction between host and tourist. There is some evidence that tourism has generated local pride in things Maltese, and so helped develop national self-confidence.

Decisions affecting the tourist industry are made by the central government which, because of its power, can disregard public opinion. On the other hand, its measures have helped to achieve its 1979 development plan targets by 1975.

The interaction between host and tourist is structured by their mutual view of Malta as a seaside resort with some interesting historical sites. This leads to a minimal mutual exchange of information about customs, social and political attitudes. It has also led to stereotyping and mild exploitation, for the tourist is not seen as a complete person.

Tourists, and settlers in particular, have had considerable impact on local art, theatre, craft and music. Generally they have helped the Maltese appreciate, if not discover, the vernacular.

Research is urgently needed to help establish the optimum level of tourism this densely populated resort can safely absorb.

## TOURISM IN MALTA<sup>+</sup>

The development of tourism in Malta mirrors the explosive growth of the industry in the Mediterranean. Arrivals increased from just under 20,000 in 1960, to well over 300,000 by 1975. The spectacular growth came especially after 1965. Now after the first decade of mass tourism, it is useful to take stock of the way in which the industry has grown and is affecting the lives of the people of this small developing island society located between Europe and Africa.

### 1. Malta: the Background

Malta is composed of three islands, Malta, Gozo and Comino, covering an area of 120 square miles. With a total population of just under 318,000 and a population density of 2,600 persons per square mile, Malta is one of the smallest and most densely populated countries in the world. Malta's history has been greatly influenced by its small size and strategic location in the centre of the Mediterranean. For centuries it was run as an island fortress; first, by the Knights of St. John (1532-1798), then by France (1798-1800), and finally by the British, from whom the country received its independence in 1964.

Malta's experience of self-rule was limited by the obvious difficulty of giving self-government to a fortress. For centuries the islands were ruled by a highly centralized civil/military administration centred in Valletta, Malta's capital. Following the First World War, a system of modified self-government was introduced. Representatives were elected to a national parliament from multi-member constituencies. This highly centralized form of government continued following independence. There are no mayors or town councils. After a closely contested election in 1971, the working-class based Malta Labour Party replaced the Nationalist Party, traditionally the party of landowners, traders, civil servants, and established professionals.

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<sup>+</sup>We are particularly grateful for help in many ways from May Bezzina, Gemma Cachia, Annabel Hill, Hannie Hoekstra, Joan Killick, Tony Macelli, Paul Sant Cassia, Victoria Vitale and from John Pollacco and Paul Galea of the Malta Government Tourist Board.

Malta's economy for centuries was based on furnishing services and goods to the military and naval garrisons of its rulers. Under Britain, growing numbers of Maltese were also employed in the garrison, the naval dockyard, and the civil service. The number of professionals and businessmen expanded as entrepôt commerce flourished following the opening of the Suez Canal in the 19th century.

The balance of power in the Mediterranean gradually passed from British hands. By the late 1950s this was reflected in the drastic decline of the defence establishments in Malta. Teams of advisors finally began to make serious attempts to find alternative economic possibilities. Foremost among these were plans to convert the overstuffed naval dockyard to a viable commercial enterprise. Attempts were also made to attract manufacturing industry, which Britain had systematically kept away to safeguard its monopoly of local skilled labour for the dockyard and the military. The first steps were also undertaken to encourage tourism.

In the late 1960s there was an economic boom sparked off by the arrival of new industries and mass tourism. Since 1970, boom conditions have been replaced by a slower but still vigorous growth. A large number of foreign firms, attracted by various incentives, established themselves in Malta, increasing domestic exports between 1964 and 1974 eightfold. During the same period annual imports also grew, but much more slowly.

Malta was able to capture an important portion of the wave of tourists which in the 1960s began cascading into the sunny Mediterranean from grey industrial centres in Northern Europe. British currency restrictions for non-Sterling areas accelerated this influx. Thousands of British discovered in Malta a Sterling island in the sun. The expansion of industry and tourism raised the gross domestic product from £47.4 million in 1964 to more than £100 million by 1974. This increase was reflected in a considerable rise in the level of prosperity. During this period, for example, car ownership increased from 19,500 to 45,000, from one car for every eighteen persons to one for every seven.

Not all benefits of economic prosperity, however, were evenly distributed. Wage rates of white collar workers and industrial employees lagged far behind those in tourism, building and manufacturing, creating considerable tension. Newly prosperous industrial managers, real estate speculators and building contractors begin to rival the traditional elite of professionals, higher civil servants and traders. The new textile and electronic industries mainly hired women, who generally were more ready than men to accept low wages and poor working conditions. This increased relative male employment. Perhaps the most acutely felt development was the severe housing shortage created by the exploding demand for tourist accommodation. Unemployment, care for socially handicapped and the housing shortage together with economic independence became the issues in the 1971 elections. They continued to furnish themes for the Labour Prime Minister, Dom Mintoff's speeches during the 1975 election campaign as well.

## 2. Government and Tourism<sup>1</sup>

In 1946, a British financial advisor declared that it was quite improbable that Malta could derive much from tourism<sup>2</sup>. Nonetheless, the Government Public Relations Office had a Tourist Bureau attached to it, and in 1955 the Bureau was made an independent office. Between 1955 and 1959, £76,122 was spent on tourism. Although later economic advisors took a more positive attitude on the subject, they were impressed by such difficulties as distance from the U.K. and lack of hotels and entertainment facilities.<sup>3</sup> Little was done. But in spite of pessimistic predictions by foreign advisors and innumerable problems, tourist arrivals have grown at a rate of 22 per cent per annum since 1960.

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<sup>1</sup>Much of this section is based on Portelli 1976.

<sup>2</sup>Woods 1946

<sup>3</sup>Balogh and Seers (1955)

The Maltese themselves began to take a serious interest in tourism as soon as it became fairly clear that the island was sooner rather than later to become independent. This prospect became almost certain when it emerged that Britain was definitely, and again sooner rather than later, going to relinquish Malta as a military base. The date was 1958. In November of that year, a Government Tourist Board was statutorily established with the duty of devising and executing a programme of tourist development. Soon after, still under the British colonial regime in 1959, a first 5-year Development Plan appeared in which it was categorically stated that tourism was to be an indispensable part of the general plan for diversification of the economy" (in lieu of dependence on British Services operations), together with industrial and agricultural development programmes.

Out of an estimated £132.2 million capital investment provided in the Plan, only £545,000 was directly budgeted for tourism, although part of the sum allocated for Industrial Development was also available for hotel building and other tourist resort projects. It was planned that £125,000 was to be spent on advertising in the first two years, after which it was hoped that private enterprise would be doing enough not to need government support in this respect. The other expenditure was almost exclusively for beach development.

The Plan was reviewed in 1961. The allocation for tourism was increased fourfold to £2.2 million: 1 million for hotels and resort sites respectively and the rest for advertising and other promotional activities. But, under the colonial administration, less than one million was actually spent. Tourism was not being pushed according to plan.

In the Second Development Plan for 1964-69, out of a capital expenditure of £38.4 million, tourism was allocated £3.63 million again distributed on similar lines as in the previous plan. This time, however, the money began to be spent. Between 1964 and 1968, 17 new grant-aided hotels began business and six other large hotels were under construction. Tourist arrivals increased from 37,879 in 1964 to 136,995 in 1968. Employment in hotels rose in the same period from 766 to 2,473.

In the Third Development Plan for 1969-74, £14,570,000 was allocated to tourism with about £2 million for hotels, £2 million for resort sites including a yachting centre and the rest for promotional activities. This plan was superseded by the Fourth Development Plan for 1973-80. By that time only two-thirds of the expenditure for the period had been spent, and the fourth plan attributed the slowdown to the "failure to diversify sources of origin". Most tourists came from Britain, because of lack of promotional activities elsewhere, it was said. The average rate of growth of tourist arrivals between 1969 and 1973 was 3.8 per cent as compared to 90 per cent between 1964 and 1968. The "boom" of the sixties was over.

The Fourth Plan now stressed diversification and hotel-accommodated tourists. It aimed at: (1) an average annual growth rate of 10 per cent over the 211,200 arrivals in 1973, (2) gross foreign earnings of £22.6 million in 1979, (3) 10,500 beds in hotels, (4) 4,000 people employed in the hotel industry.

In 1975, tourist arrivals were 334,519 - 26 per cent higher than estimated; gross foreign earnings were calculated at £30 million; there were 9,561 beds with an additional estimated 15,000 beds in holiday flats and villas, and 4,013 people were working in hotels. Everything seemed to have worked faster than was planned. But, in 1976, there were already symptoms that the pace was not being kept up and a critical point has been reached.

### 3. Tourist Types

Tourists who come to Malta may be divided into three categories. These may be ranged along a continuum based on the length of stay. Length of stay, in turn, very largely also determines the impact the tourist has on the host culture. First there is the cruise passenger (1975: 49,219) who spends an average of four hours in Malta. This is long enough to visit Valletta, the capital, some archeological sites and shops for souvenirs. Then comes the holiday tourist (1975: 334,519) who in 1975 spent an average of 13.95 guest nights in Malta. These form the basis of the tourist industry.



Finally, there are the foreign residents, or "settlers", as they are called in Malta (1975: 3,162), who live for all or most of the year in Malta. Most settlers are retired British who were attracted to Malta by the climate, the widespread knowledge of English and the modest cost of living. But perhaps above all, they were attracted by low income tax rates the Government applied in return for their financial patronage. Their cultural and social impact, about which more later, has been extremely important, as has their financial role.

The increase of settlers is almost exactly parallel to that of temporary tourists. It was estimated that permanent tourists paid a total of about £M1.53 million in 1971 in taxes (about 7.7 per cent of Government revenue from the relevant taxes, though permanent tourists form only about 1.7 per cent of the total population). However, it was also calculated that although in 1970 expenditure by settlers was greater than by temporary tourists, because of the higher import content of the purchases by settlers, tourists yielded more foreign exchange.<sup>4</sup>

One certain effect of the settlers was on domestic service. Wages have increased notably, but the numbers of maids has not increased. Their impact on housing and the construction industry is discussed below.

The present government has sought to curb their impact on the grossly inflated property market, has taxed them more heavily, and limited the property they could purchase in Malta to the house they occupy. Thus in 1972 the income tax for new settlers was increased from sixpence in the pound to normal (high) rates applicable to Maltese, and the income they were obliged to bring in was raised from £M1400 to £M4000 a year. Largely as a result of these measures the number of settlers has decreased somewhat during the past few years.

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<sup>4</sup>For further information on the impact of foreign settlers, see Libreri (1972)

The development of the various categories of tourism is set out in Table 1 below.

Table 1 Categories of Tourists

Year	Cruise Passengers (arrivals)	Holiday Tourists (arrivals)	Settlers (currently resident)
1960	8,676	19,689	N.A.
1965	16,937	47,804	N.A.
1970	64,998	170,853	5534
1975	49,219	324,519	3162

Source: Malta Tourist Board and Government Gazette.

#### 4. Balance of Payments

The most striking impact of tourism is its substantial contribution to the balance of payments. In 1975 the gross income from tourism was £M27.7 million, or one-fifth of the total export of goods and services. Although no sound studies exist of the import content of the income from tourism, the Malta Government calculates that roughly half of every tourist pound is spent on imported goods and services. In 1975 the import content of the £M27.7 million was estimated to be £M13.4 million. An exacting study would probably show that this is rather optimistic, since at present no difference appears to be made between the import content of local and tourist consumption, and little is known about the role of foreign capital, and hence about repatriation of profits.<sup>5</sup> But even at a lower figure the tourist derived income is of great importance to a country largely devoid of natural resources other than sun and sea. In large part, thanks to tourism, Malta has had a surplus in its balance of payments since 1960, although the amount has fluctuated widely.

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<sup>5</sup>See Spiteri (1968) and Ghigo (1975), who also conclude, by rough and ready methods, that the import content is between 35 and 50 per cent.

5. Employment

The influence of tourism on employment, especially in the hotel industry, has increased steadily. Employment in hotels rose from 503 in 1960, to 3,833 in 1975. During the same period, hotel employment's share of the labour market increased from 0.6 per cent to 3.5 per cent. (See Table 2)

Table 2 Hotel Employment

Year	No. Beds	No. Employees	Total Labour Force	%
1960	1,388	503	84,539	0.59
1965	2,380	819	88,120	0.93
1970	7,935	2,723	96,099	2.83
1975	9,724	3,833	107,814	3.56

Source: Malta Tourist Board and Annual Abstract of Statistics.

Hotel employment has provided, alongside the more traditional domestic service and the new industries, an important new source of employment for women. Nonetheless they are employed in the most marginal jobs, hence they are affected more severely than the men when economic difficulties loom. This is evident from Table 3 below.

Table 3 Hotel Employment by Sex

Year	Arrivals	Employees		Total	Proportion of Females (%)
		Male	Female		
1970	170,853	1679	1044	2,723	38.2
1971	178,704	2159	1156	3,315	34.9
1972	149,913	1820	866	2,675	32.1
1973	211,196	1965	925	2,890	32.0
1974	272,516	2292	1090	3,382	32.2
1975	334,519	2622	1211	3,833	31.6

Source: Malta Tourist Board

During the momentary slump in tourist arrivals in 1972, following the protracted confrontation between the Malta Government and the British Government over the military bases in Malta, 25 per cent of the female labour force of the hotels were discharged, while only 15 per cent of the men were let go. Since 1971 the Labour Government has specifically encouraged male employment to off-set the growing male unemployment. In 1974 a bill was passed which made it mandatory to employ males rather than females wherever possible.

Furthermore, in September 1975, the Government published minimum staffing requirements for the top five hotel classes. These ranged from one employee for every 1.3 beds in the deluxe class hotels to one for every four beds in hotels classified as II-B. These ratios are applicable only when a certain percentage of occupancy is reached. If during the hotelier year - which ends 31st October - the overall occupancy rate falls below 49 per cent, then a hotel may apply the ratio for the hotel class immediately below it.

Through its multiplier effect, tourism has stimulated the whole economy. There has consequently been a growth in other economic activities, besides hotel keeping. For example, there were no more than a dozen restaurants in 1960. In 1975 there were 79, employing some 558 (males 383) full time and 163 (males 114) part-time workers. The number of hire-cars has also increased sharply from 549 in 1965, to 2,177 in 1975: an increase of almost 400 per cent in ten years. There are a range of other service establishments which benefit from tourism. These include shops near the tourist areas catering for everything from fruit, through sun-tan lotions, to water sport articles. Even doctors, nursing homes and undertakers benefit, for 13 per cent of the holiday tourists and most of the settlers are over 60 and are increasingly in need of medical care.

## 6. Housing and Welfare

Tourism has also benefitted the construction and real estate business and those who service them, such as lawyers and, particularly, notaries. Many of them became extremely wealthy during the property boom of the 1960s.

In the early sixties, the construction industry in Malta suffered a recession. Between 1960 and 1965, over 1,000 construction workers emigrated. In 1964 economic advisors predicted a 25 per cent fall in employment between 1961 and 1969.<sup>6</sup> But the situation changed in 1964. A construction boom in fact began, very largely sparked off by the Santa Maria Project.

The Santa Maria Project, initiated by the privately owned Malta Developments at Mellieha in the north of Malta was begun in 1963. Land (1,000 acres) belonging to the Church and used by farmers was bought for a total annual ground rent of £M5,000 for development into an isolated, first-class garden estate with chalets and villas for settlers. By 1970 the annual ground rents were estimated to be worth £M30,000 to the developers. The project came to be considered the one which gave the big kick to the property boom. It was imitated by many others. Meanwhile there were protests by the farmers who lost the land they had been cultivating. They were offered alternative jobs in the project, but few actually worked full time on their Santa Maria lands and hence could not take up this offer without also giving up their other land.

Settlers were the key element in the boom. They spent £M3 million yearly on housing over the period 1965-70. A labour bottleneck occurred and costs rose. In 1968 the minimum legal wage rate for a construction worker was raised by 17 per cent. But actual wages were usually twice as high as the minimum. Prices of houses in the decade '60 to '70 rose by 10 per cent.<sup>7</sup>

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<sup>6</sup>Stolper et al (1964)

<sup>7</sup>Pisani (1972)

There were many examples of astronomical increases of land values that indicate the boom's dimensions. One was a piece of land in Gozo which, bought at £M600, realized a price of £M4,000 a few years later. A small villa, built at a cost of £M3,500 was sold for £M9,000. Within a year a flat bought for £M4,000 changed hands twice and then was sold the third time for £M10,000.

Ground rents increased equally spectacularly. A plot of land with an original ground rent in 1962 of £M250, in 1967 yielded £M6,500 a year.<sup>8</sup>

By the middle of 1969, there was a decline in sales of luxury buildings. Talk of a proposed but never introduced Butterment Levy and Land Gains Tax may have contributed to it. Many projects - some already initiated - were suspended. By 1970 sales of luxury residential units stagnated at a low level.

The housing boom during the 1960s seriously aggravated the already acute housing shortage. It did this in two ways. First, the luxurious villa for foreigners introduced a new style of housing that Maltese wished to emulate. Quite simply, after visiting these sumptuously equipped, roomy villas set in their own gardens, Maltese were no longer satisfied with their terraced town houses and flats. Second, real estate speculators began snapping up old village and farm houses, which were then marketed to foreigners for many times the purchase price as "old houses of character". Wealthy settlers and increasing numbers of non-resident foreigners in search of investment opportunities competed directly with Maltese from the poorest classes, those who normally lived in the "old houses of character", for the same property. Thirdly, because of soaring costs of construction materials and shortage of labour, construction of government dwellings was severely restricted.

Thus, for various reasons, the housing shortage was increasingly being felt in the late 1960s, especially by engaged couples, searching for houses so that they could marry. Housing became one of the important political issues during the 1971 elections. The Malta Labour Party's promise to do something about it undoubtedly contributed to its victory at the polls then, just as its excellent record in building new housing and introducing measures to curb land

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<sup>8</sup> Examples produced by Albert Mizzi, President of the Federation of Malta Developers and Estate Agents, in a talk at the University of Malta on 6 June 1967.

speculation - such as a sizeable tax on property transfers and limiting foreign ownership to one owner-occupied house - helped it in the 1976 election campaign.

Tourism has also affected Maltese eating habits, although today people consume more meat and less bread and pasta, the traditional staples, this is due more to a generally rising income rather than a demonstrative effect of tourist eating habits. Tourism, however, has stimulated the growth of the restaurant industry and the custom of "eating out" for special occasions. Whether the increased consumption of meat and rich restaurant food is beneficial to the national health is a matter for further study by nutritionists and public health specialists. It seems likely, however, that they will find that these changes in diet correlate positively with an increase in the various diseases associated with increased welfare. Comparative study may well show that tourism "takes off" where adequate nutritional levels already exist, and thus can contribute only unhealthy eating habits.

#### 7. Family

It is felt that tourism loosens the bonds of many traditionally closely-knit Maltese families although no systematic research has been done in this field. It does this in at least three ways. First, tourism has stimulated the growth of and participation in more leisure activities such as discotheques, and other meeting centres. These draw sons and daughters, if not occasionally their fathers too, out of the family circle. Second, tourism generated employment opportunities remove unmarried women from the traditional, mother-controlled, house-bound existence. Employment also provides an economic basis which further reinforces a new measure of independence. This weakens family ties based in large measure upon the jealous, authoritarian control of the children by their parents, particularly the father. Finally, increased contact with foreigners, and persons from other parts of the country, has widened the marriage market considerably. Where Maltese have married foreigners, as they increasingly have, the extended family bonds are weakened by cultural differences and distance as newly married couples settle abroad.

## 8. Community Integration

How has the growth of tourism in Malta affected the island's integration as a whole? In contrast to development in some places tourism in Malta has had only a marginal effect on aggravating inter-group conflict. In fact, there is some evidence that tourism has furthered greater solidarity among Maltese.

As indicated above, the building boom in the 1960s created a serious housing shortage. This had political repercussions and was, in part, one of the several issues on which the Malta Labour Party successfully attacked its Nationalist opponents in the 1971 election campaign. This issue is no longer actual. The building boom, however, did create in the space of a few years a truly wealthy class. Private fortunes jumped from one million pounds to one extreme case of £30 million - the Pace family Bical enterprise, now in liquidation.

The wealthiest classes are also favoured by the income tax laws, for the maximum tax is only 60 per cent, which is also applied annually to all incomes over £2,500! Tourism will thus continue to favour very wealthy entrepreneurs who have committed assets to it. Since prominent members of the two major political parties, as well as the politically important General Workers Union, are heavily involved in tourist related activities, it is not likely that tourism will ferment class-based political conflict in the foreseeable future.

Neither has there been tension between Maltese and tourist, barring a few exceptional cases. One such case was the ill-feeling the exclusive Santa Maria estate caused. Local farmers who lost access to valuable agricultural land when the Church sold the Santa Maria land to developers were furious. Many other Maltese from all walks of life resented the "Maltese not welcome" character of the estate that was symbolized by the red and white striped booms that barred their access. The booms have since been raised and a few Maltese now live on the estate. Other developments have not had the exclusive character of the Santa Maria, and have not caused friction.



Maltese like foreigners and, by and large, are hospitable. This friendliness, in conjunction with the sea and sun, is one of Malta's most important tourist resources. It is, however, possible that with the growth of (lower) middle class mass tourism and the increasing popularity of holiday flats and villas instead of hotels, certain points of friction will develop. The middle-cum-working class tourist competes more directly with the average Maltese citizen for goods and services, since his income is nearly commensurate. The luxury-class tourist confines much of his shopping and swimming to the air-conditioned boutiques and private pools and beaches of his hotel. If he travels, he does so by hired car. The middle and working class tourist, in contrast, shops in local stores, often swims in the over-crowded popular beaches and travels by bus. In short, he visibly adds to the overcrowding of these densely populated islands. Renters of holiday villas and flats also compete directly for goods in the shops. There is considerable grumbling among local housewives that the tourists have driven up the price of fresh fruit and vegetables, even where it is not always true. A case in point was the scarcity of cauliflowers in the spring of 1976. The shortage was due, according to the farmers, to excessive rain; yet the public blamed tourists and settlers. This type of friction at present is limited both in scope and in impact, although it may well increase. Generally tourists are liked and consequently feel welcome and come back. For example, well over half of all British tourists who visited Malta in 1975 came because they visited the islands previously or had friends who had.<sup>9</sup>

The increase of long and short term tourists had also generated a certain self-confidence and even pride among Maltese. For centuries an outpost of empire to which military and the dependents were sent, Maltese have long regarded everyone and everything from Northern Europe as better. Their colonial masters took care to foster this mass inferiority complex. Now foreigners of all classes are choosing to come to Malta for the things that

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<sup>9</sup>Government Tourist Board

Malta has to offer. This has led to a new awareness of not only Malta's long neglected natural and cultural environment and of beaches and historical monuments. The intrusion of a numerous and interested "they" category in a tight little island community also crystallised a more pronounced "we" category. It has obliged Maltese to formulate more clearly for themselves what they are and what they stand for - to think more consistently about their own culture instead of merely taking it for granted or imitating foreign tastes. This has affected the arts in numerous ways, as will be discussed below. Of course, much of the renaissance of Maltese culture which was so evident in the 1960s was influenced by the excitement of developing a national identity after more than four centuries of colonial rule. Nonetheless, tourism was of critical importance in developing this identity; it provided an immediate audience which included wealthy patrons for those actually furthering Malta's cultural independence.

#### 9. Decision Making

Malta, as already noted, for centuries has had a highly centralized government. This centralization increased following post-independence nation building. Its tempo was further accelerated after 1971 by the modified state capitalism of the Labour Government. Thus decisions, whether political or economic, which affect tourism, are increasingly made by the central government. This reflects not only the ideological orientation of the government, but also a growing awareness that tourism cannot be allowed to develop without controls if the country is to derive maximum benefit. Government decisions that affect the tourist industry are made largely by the Office of the Prime Minister, generally on advice of the economic planning unit and, to a lesser extent, the Tourist Board. This latter agency is largely concerned with increasing and monitoring the volume of visitors. The goals of the present Government regarding tourism were set out in the Fourth Development Plan, to which reference has already been made. To achieve its goals it planned to seek more tourists outside Britain, to concentrate on the relatively high spenders, to increase hotel capacity, to improve transportation to Malta, and to raise the quality of tourist services available.

These goals were virtually attained by 1975, although heavy dependence on United Kingdom tourists remained. Concrete measures the Government undertook to realize its aims included the following:

- the establishment of a national air carrier, Air Malta;
- the enlargement and improvement of the airport and runways;
- measures to restrict charter flights on non-national carriers;
- greater promotion on the continent;
- elimination of subsidies for hotel building and a go-slow on building permits;
- a tax on fresh water swimming pools (£M150 for private pools, and from £M250 to £M500 per annum for hotels, depending on pool capacity);
- a very sharp increase in the price of fresh water consumed by hotels (up from £M0.137 per 1,000 gallons to £M2.00 per 1,000 gallons);
- classification of hotels and regulation of minimum staffing arrangement;
- an increase in the airport passenger service charge (up from £M0.50 to £M1 per head);
- a programme of road building and landscaping.

Besides participating in the tourist industry as an airline operator, the Government has also just entered it as a hotel operator. It recently transformed an ex-military camp into a holiday camp and turned it, along with leases to other important properties, over to Air Malta management.

These measures obviously were not received with enthusiasm by all sections of the tourist industry. Medium and small hotel owners in particular resented the hotel classification, the increase in water charges, and minimum staffing requirements. But protest against Government measures has generally been ineffective. An exception was the successful public protest initiated in the late 1960s by the historical and cultural preservation society, Din L-Art Helwa, to restrict the height of a hotel that threatened Valletta's historical skyline. Protests to implement tighter and more imaginative planning legislation and reinforce existing measures to control building, clean up beaches and other public recreation areas, have met with little response by the Government in power.

The lack of success in influencing government policy (or its enforcement) is largely due to the extraordinary centralization and power of government. There are no organized protest groups. Potential members fear victimization if they criticize government. In a small country run by a powerful government there is basis for such fear. Protest is thus neither open nor sustained. Unless an issue is adopted by a political party - as was the "Malta is being sold to foreigners" issue raised by the present government when in opposition - most protest is thus limited to private grumbling and anonymous letters to the editors of the major newspapers. As a result there is virtually no public debate on tourism and its consequences.

Because it is not known how much foreign capital participates in the Malta tourist industry, it is difficult to indicate to what degree foreign interests are able to influence decisions which affect the industry. There is some evidence, however, that the degree of foreign interest in the tone-setting deluxe hotels is increasing. More research in this area is badly needed. Nonetheless, the drop in tourist arrivals in spring and summer of 1978 indicates that essential decisions are made outside the country. Some foreign tour operators decided to drop Malta from their package tour offering; individual tourists chose to go elsewhere or to stay at home.

Owing to absence of a critical public the government must also monitor the impact of tourism. The 1973 Development Plan noted perceptively that "the influx of uncontrolled numbers of tourists can disrupt the social fabric. There are therefore social constraints which bear directly on Malta's ability to accept tourists". As yet there is no evidence that government is attempting to evaluate the impact of tourism, nor that it is studying the very real potential problem of tourist saturation.

## 10. Tourist-Host Encounter

The contacts the tourist has with his hosts are structured by his aims in visiting the country. Tourists visiting Malta, with but few exceptions, do not seek an exotic culture and lifestyle, as do those visiting Italy, Bali or North Africa, for example. Chiefly the tourist seeks sun and sea, with some relaxing nightlife. Local culture in the forms of visits to prehistoric temples, Valletta's bastions and/or a parish festa, is a secondary extra in which he may indulge, if he has the interest, energy and time.

Most of the Tourist Board promotional brochures promote this seaside image of Malta. Local culture is an added incentive to induce the sun lover to a Malta that is portrayed as having a genuinely European way of life. The privately-run advertising agencies and tourist guide books, on the other hand, sometimes touch on "native" aspects, though these are not emphasized. In other words, the "literature" equips the tourist to visit the island and its monuments, not its people.

Such promotion and presentation of self tends to become self-fulfilling. The contacts the tourist has with his host are largely limited to those persons connected with tour operators, airlines, hotel, swimming establishments, monuments, shops, restaurants, and the means of transport he uses to move about. Tourist contacts with taxi drivers, tourist guides, hotel receptionists, and others who serve him, may be unique to him, but for the Maltese such interaction is merely a replication of relations they have experienced countless times. Hence, the interaction, though friendly, remains essentially perfunctory and pragmatic. Direct encounters between tourist and host outside this service relation is limited to chance meetings at beach, restaurant or festa. Of these, those between tourist girls and increasingly more forward Maltese boys are probably the most common. The thousand odd students who visit Malta annually via the National Student Travel Service form a partial exception. They come to attend courses in English, Mediterranean studies, sailing, and often stay with Maltese families. Many thus have considerable contact with Maltese outside the tourist industry. The same applies to members of the very few cultural/artistic tours.

The tourist thus returns to his home having absorbed a superficial knowledge of Malta as a tourist resort that also has a number of interesting monuments. Most remain relatively to totally ignorant about the customs, lifestyles, political aspirations, and social problems of their hosts, with whom they have had no contact outside perfunctory service relations. The tourist sees only what he has been led to expect to see.

#### 11. Impact on Cultural Manifestations

Tourists have had considerable impact on local cultural manifestations, for they have influenced art, theatre, craft, music, and even food. Generally speaking, tourists have helped Maltese appreciate if not discover the vernacular.

There is a major difference between the temporary tourist and the "permanent" tourist, or settlers, in patronage of local arts. It was found out that very few temporary tourists patronize the local theatre (plays in English); on the contrary, the local repertory company have as members of their club (which mainly involves subscribing to a "season" ticket for their performances) 700 settlers out of a total membership of 800.

It was also found that temporary tourists buy pictures of local scenes of a folkloric or historical character (especially sea battles of the past) but few works of authentic artists. On the contrary, the permanent tourists have been principal patrons of the best local artists, none of whom could survive only on their art before tourism began. Now at least one does, and all have been able not only to increase sales in Malta, but also to establish contacts abroad through a few of the permanent settlers who are noted art critics or have other connections with galleries and art journals. The establishment in Malta of notable artists such as Victor Passmore has had even more far-reaching effects. Not only is his own work influenced by the local milieu, but he has himself more or less influenced almost all the local artists in a manner only paralleled by the sojourn of Caravaggio in the island in the 17th century. He has notably helped local artists to become internationally known.

Foreign literary figures resident in Malta such as Nigel Dennis and Nicholas Montserrat, have also published works with strong Maltese colour, but have on the whole not mixed well with local creative writers. There is no doubt, however, that their frequent presence on the island helps to stimulate local cultural life. Again there is a big difference in cultural impact between a tourist who stays for a length of time (if he is an artist) and one who just passes through.

Since the advent of tourism a flourishing handicraft industry has come into being. Using

Maltese materials and motives, both Maltese and foreign craftsmen are making products which range from beautifully styled knitwear, woven textiles, wrought iron and blown glass to entire suits of tinny armour and kitchy trinkets. Both tourists and Maltese buy these products, and increasingly some of the better quality ones are exported. The Government has actively encouraged the industry by making available old quonset huts in some ex-military areas for use as studios and workshops.

There has also been a growing demand by restaurant owners and organizers of "folklore" groups for guitarists and singers of traditional music. Tourists assume - mistakenly in Malta's case - that all Mediterranean restaurants have traditionally served folk music and dance with the food. Their assumptions become self-fulfilling. This has created a modest folk music industry which provides after-hours work for a few authentic singers and guitarists and numbers of young dancers who perform "traditional" folkdances, most of which are only a year or two old. The tourist demand for folk music has unquestionably helped to preserve the limited traditional instrumental and vocal music that existed. It has also helped to make this music acceptable to some young educated Maltese who might otherwise have copied the middle-class disdain with which their parents looked down upon this "peasant" music. Patriotism doubtlessly has also played a role, for the music has provided an authentic iter of local culture to a newly independent country in search of its identity after four centuries of heavy-handed foreign rule.

Although tourism was largely responsible for the way in which the government shifted the carnival celebration from winter to spring, it has as yet had little noticeable impact on traditional rituals. Participants in the colourful religious ceremonies and processions make no distinction between the flashbulbs and cine-cameras of locals and holidaying Maltese emigrants, who are intensely proud of the pageantry, and north European tourists, who are astounded by it. If the parochial fešta celebrations and Good Friday processions are growing more elaborate, this is due chiefly to parochialism and internal tourism rather than international tourism. The more spectators there are, the more the participants enjoy it.

In short, tourism has helped many Maltese discover their own cultural heritage. The way in which foreigners have genuinely admired Maltese monuments, arts, craft, music, and even rural parish feasts, has caused many citizens to view these in a new light. This newly "discovered" cultural heritage has provided an important dimension to the search for a new national identity.

## 12. Conclusion: Values and Attitudes

It is evident that international tourism has had considerable impact on Malta. This is not surprising considering Malta's smallness and the rapid growth of the new industry. Under the influence of both temporary tourists and settlers Maltese have changed their attitude to many things. There is a greater awareness and appreciation of things Maltese. These include not only historical monuments, but also art, craft and even locally produced wine. These, in their turn, have also been influenced by tourist tastes and expectations. The Maltese concept of the good life has also felt the influence of tourism. This is reflected not only in house styles, but also in the utilization of leisure, especially among the slightly better off Maltese. It is reflected, for example, in their increased visits to restaurants and nightclubs and in the booming popularity of sailing.



The presence of large numbers of free spending foreigners has almost unavoidably led many Maltese in the tourist industry to adjust their prices upwards, in spite of government controls. Because he is a once only anonymous visitor, the tourist is often overcharged and/or short changed by taxi driver, shopkeeper, and bus conductor. The we/they distinction in commercial ethics also has its counterpart in boy/girl relations. In the past few years Maltese young men have become considerably more aggressive towards unaccompanied female tourists, many of whom admittedly hold more permissive moral standards than Maltese girls. Youths now often behave in ways that would be quite unthinkable towards Maltese girls although their behaviour is still timid by Italian standards. Unquestionably, too, the permanent holiday sphere and the presence of affluent foreigners bent on a good time has also helped accelerate the erosion among Maltese young women of traditional Catholic moral values of modesty in dress and behaviour.

The Maltese idea of the foreigner has also changed. Twenty years ago all foreigners were "English" (service personnel). Outsiders are now "tourists". The brief, repeated exposure to a variety of nationalities in their pleasure-seeking holiday roles, divorced from the social control of their habitual workday social environment, has inevitably led to stereotyping. For most Maltese then, Swedes are misers who order a bottle of soft drink and share it with several straws; French, and especially Italians, are excessively demanding, impossible to satisfy; Libyans are unreliable women chasers; Germans are earnest and affluent; and British are courteous and undemanding. It is not known what impressions tourists form of Malta and the Maltese during their brief visits. Nor is it known what the long-term impact of such stereotyping will be. It is not unthinkable that such image-forming becomes self-fulfilling and may even have political repercussions. It is another area in which further research is badly needed.

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4. The social and cultural impact of tourism on small seaside communities.
5. The form, content and effect of tourist-host interaction.
6. The tourist image of and attitude to Malta, the way they are formed and their consequences.
7. The effect of differences in socio-economic background on the attitudes towards each other of tourist and host.
8. The social and economic orientation and impact of the community of settlers.