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A look at the employment reforms

The Labour government is carrying out a silent revolution on work-life balance, but on other reforms there is a dose of conditionality



Michael Briguglio
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Universal free childcare centres, breakfast clubs and the expansion of universally-accessible summer schools are reminiscent of strong social models, previously regarded as token gestures by the previous government

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The Labour government has announced a number of reforms in relation to employment policy. The reforms propose a number of changes which however confirm the hybrid status of Malta's welfare state, with a mix of universalistic social policies and conditional welfare.

Such reforms include in-work benefits through which low-income earners retain social benefits for three years; full state payment of maternity benefits coupled with a small increase in the national insurance contribution by employers and increased expenditure and prioritization of training and of inclusion of groups such as persons with disability.

They are coupled with universalistic policies such as the introduction of universal free childcare centres, breakfast clubs and the expansion of universally-accessible summer schools. Such policies are reminiscent of strong social models, and they were previously regarded as token gestures by the previous government which clinged upon the conservative belief that the State should play a minimal role in such services.

“ the State should introduce clear legislation against precarious employment, thus giving priority to principles such as equal pay for equal work; and the need for job-permanence.

In this field, the Labour government is carrying out a silent revolution which can improve the quality of life of many persons who were previously trapped in inflexible and outdated policies related to the work-life balance

On the other hand, other reforms announced by the government have a dose of conditionality. Persons who are registering for employment will be forced to accept jobs within the same ISCO category, should they register for non-existent jobs, otherwise they will lose their benefits. At the same time, however, minimum wage earners will get a top-up paid by the state in the region of €1,500 per year.

Some questions come to mind on the reforms in question.

If an unemployed worker has no choice but to accept employment on offer, what happens if the job in question is precarious? Here one has to keep in mind that Malta is witnessing the steady increase of contractual employment, even with respect to public service contracts. This points to two important considerations.

“ Private pensions are not normally afforded by low-income earners. Can we be heading towards the intensification of class inequality amongst elderly persons? Hopefully not.

First: That the State should introduce clear legislation against precarious employment, thus giving priority to principles such as equal pay for equal work; and the need for job-permanence.

Second, that universally accessible benefits should not be parcelled out of Malta's welfare system. This consideration is important not only to compensate those who find themselves unemployed, but also because there are various groups, categories and individuals who, for a number of reasons, cannot enter the labour market, either permanently or temporarily. Forcing such persons to take up a job might only increase hardships on their everyday life.

As regards the tapering of benefits for a three-year period, what will happen to affected persons following the third year of employment if their job is low-paid? Would it still be worth it to work? And if one does manage to find a job, which, however, is

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Another question which I would like to ask has to do with the State top-up given to minimum wage earners. Whilst this top-up is most welcome, will its value be reflected in the pension received by such workers once they retire? In this regard, it is pertinent to note that the government is due to announce reforms with respect to third-pillar pensions. Such private pensions are not normally afforded by low-income earners. Hence, can we be heading towards the intensification of class inequality amongst elderly persons? Hopefully not.

Government's bold reforms are taking place in a context where, despite Malta's comparatively low unemployment rate, the country still has a comparatively employment rate – around 62 per cent – even though this has increased in the past years. The government is aiming to raise this percentage to 70 per cent by 2020, for persons aged 20-64.

In this context, foreign workers have increased from 2 per cent to 7 per cent, and at the end of October last year the number of foreigners on full-time and part-time work in Malta totalled 15,094, of whom 9,670 came from the EU and 5,424 from outside. As is the case with Maltese workers in other countries, such workers are contributing to Malta's economy and to their own quality of life. The State should make sure that precariousness is avoided even amongst such workers, and should avoid discourse which, even if unintentionally, can give rise to moral panics.

Talking about moral panic, I appeal to progressives to disassociate from neo-liberal assertions on welfare recipients as if they have some predisposition to abuse the system. To the contrary, an egalitarian discourse should value the various contributions made by persons, including those who are not employed, to their own quality of life, to their significant others, to their communities and to society in general.

Despite their worth, opinion surveys, monetary figures and statistical considerations can never measure characteristics of human worth such as love and care, for example of a single parent towards her or his child. Nor can it portray the existential angst of those who find themselves in situations such as precarious employment, precarious relationships, illness and other hardships.

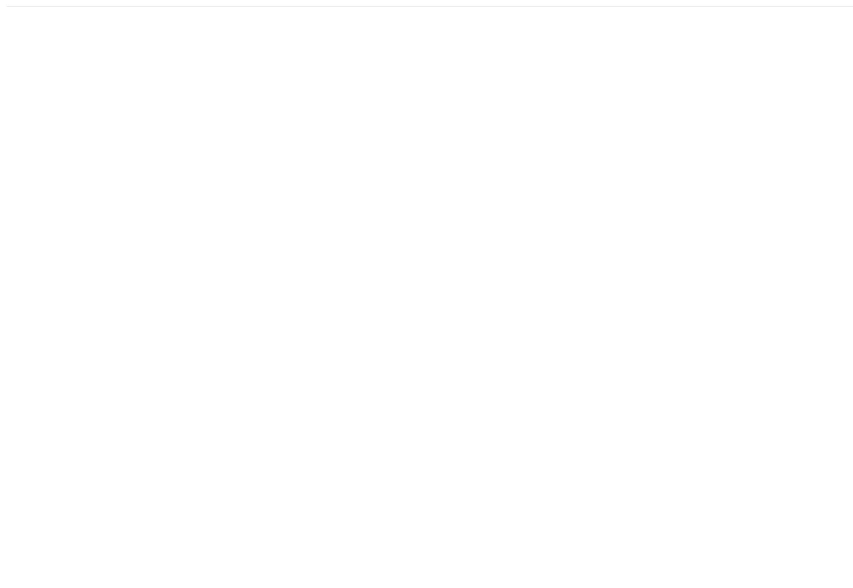


Michael Briguglio is a sociologist and senior lecturer at the University of Malta

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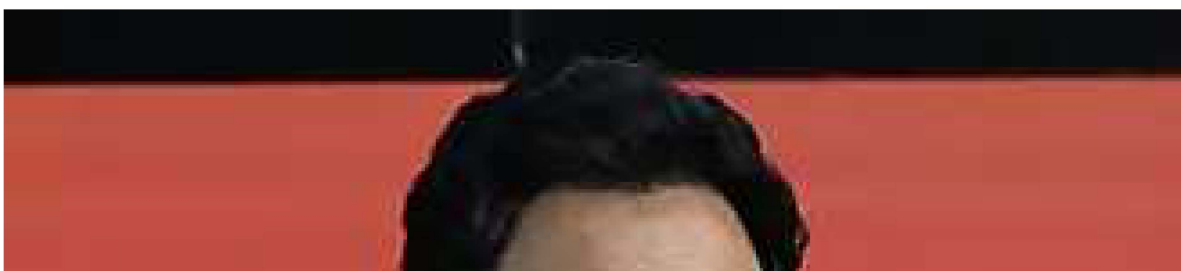
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