

The Industrialization of Malta: A Historical Analysis of the Formation, Control and Response of Labour

1. Introduction

Economic systems are traditionally considered to be the organised flows and processes within a given social structure which deal with the allocation of resources according to choice, need, purchasing power or opportunity cost. Within this context, four factors of production are generally abstracted – land, labour, capital and entrepreneurship. These are combined together in efficient and effective permutations in the sphere of production and each in return receives a just compensation for its involvement in the distribution of wealth which results from the sale of produced goods and services.

This vision of the economic system is, broadly speaking, the prevalent one transmitted by the textbooks most frequently used in educational circles.¹ The vision has been criticized on a number of counts. Prominent among these is that the consideration of labour therein is of a mere factor of production – a unit devoid of humanity, to be managed, supervised and/or drained as far as is legally and legitimately allowable and only employable if its marginal cost does not exceed marginal revenue. Labour is only one cost in the overall pursuit of profit maximisation.

It is hereby proposed that economic systems can be alternatively considered as systems of labour control. Instead of focusing on the financial transactions, factor allocations and other anonymous concepts (consumption, income, investment . . .), one may focus on the essential conditions of the control of labour inputs, the extraction and direction of labour power in pursuits determined by others (e.g. management) and to restrain the share of labour (e.g. wages, allowances, benefits) at the level of distribution. A system of labour control can be considered as a distinct set of ideologies, strategies and technologies used by those in control of production to reap a surplus and to maintain and increase the productivity of labour.²

This approach is useful because it sees the economic sphere within a 'total social context' perspective.³ Indeed the most powerful elements of control – socialization, education, belief in social mobility, belief in the

sanctity of managerial authority and surplus extraction – are engrained outside the workplace, mainly in the family and in the school⁴ and through other cultural influences.

What this paper proposes is to recount briefly Malta's passage through industrialization from the perspective afforded by treating the Maltese economy as a labour system. In this sense, the account will discuss the main strategies and devices used to control industrial labour and extract labour power and how labour in turn responded to these. This analysis of industrial relations will be undertaken from a historical perspective within which four distinct sub-periods can be identified. The paper concludes with an evaluation of the contemporary situation of Maltese labour and policy recommendations for a labour strategy. The paper should make interesting reading, especially when compared and contrasted with more traditional approaches to the subject matter.⁵

The proposed approach of course has its deficiencies. It indeed appears suspiciously similar to the classical Marxist perspective.⁶ A discussion of labour formation, labour control and labour reaction may be taken to read as a discussion on working class oppression. This is not however the intention of the study. The fundamental Marxist dynamic of class consciousness and class struggle may indeed apply to the manufacturing sector of the Maltese economy. This however only involves a small percentage of the Maltese population.⁷ There remain other locations of production which are certainly not directly subject to wage relations and/or to the extraction of surplus value: the school desk, the household, the government department, the family business, the self-employed workshop and the workers' cooperative. It is argued that different social relations of production are ascendant at these sites.⁸ Furthermore, one can also debate whether social relations in manufacturing industry are predominantly class based. Power domination may be established also on the basis of gender, race, age, education and/or other criteria besides ownership and/or control of the means of production.⁹ The contemporary condition also suggests a fragmentation of the property prerogative even at the site of gainful employment.¹⁰

2. The Period of Indigenous Industry

In spite of a dry and barren landscape and the liability of dispossession and attack by feudal lords or sea pirates, the Maltese Islands have, on and off for hundreds of years, sustained a modest but successful local industry, consisting of cotton manufacture and processing.¹¹ The industry benefited from lucrative trade links in an Aragonese 'Western Mediterranean common market' as far back as the thirteenth century.¹² Sacking and plundering by Moslem corsairs subsequently disrupted the trade and made the export of cotton difficult.

A low ebb was apparently reached around 1524 when the Knights of the Order of Saint John sent an investigatory commission. This reported that the islands' main products were honey, cotton and cumin which the inhabitants – about 17,000 – traded for corn and wood with Sicilian merchants.

During the period of administration by the Order (1530-1798), Malta drew wealth from two main sources. One was visible manufacturing and trade, the chief component of which was the export of cotton twist and cloth. The second was the foreign income derived from the Order's estates, tax revenues and receipts of special grants.

When Malta changed hands at the end of the eighteenth century, the cotton industry suffered a series of major setbacks. Malta's major cotton export markets in France and Spain were closed following the French Revolution and as a result of Napoleonic policy. The British, who liberated Malta following a brief French occupation in 1800, declared Malta a free port and this introduced foreign competition for the first time into the cotton industry, in the form of American and Egyptian crops. The British also imposed a duty on Malta-grown cotton, while British traders introduced cotton goods manufactured in Britain which began competing for the local market. The strategy was similar to that introduced elsewhere in the colonies: restructuring the colony's economy so that it serves as a market for the ruling country's manufactories. The raw materials are derived from the colony, but employment creation and practically all the value added is enjoyed by the ruling country.

By 1838, a Royal Commission reported that the islanders were in a miserable condition. Cotton prices had gone down miserably. Many farmers were in debt and no credit was available. The average cotton spinner was working about seventeen hours a day, earning less than a penny. A cotton weaver was earning almost three and a half pence a day, working thirteen hours. Undernourishment and unhealthy living conditions led to the outbreak of cholera, killing 4% of the population.¹³

The meagre natural resources and the lack of alternative means of livelihood meant that the Crown had to take upon itself the responsibility for job generation if it were to remain in effective control of Malta: a precondition for having a secure military base is having a trouble-free local population. Thus following the 1838 Royal Commission's recommendations, storage and bunkering facilities in the harbour region were increased and new markets were opened for Maltese entrepot trade around the Mediterranean.

The result was a generation of new industrial employment opportunities and the emergence of an indigenous business and commercial class. This of course made the state of the indigenous cotton industry even more precarious. The industry remained surprisingly competitive only by virtue

of depressed wages.¹⁴ The 1861 Census indicated that there still remained almost 9,000 workers occupationally described as cotton spinners and weavers and some 200 beaters and dyers. They made up almost a fifth of the economically active population.¹⁵ 96% of these were females, many of whom were only seasonally engaged;¹⁶ male labour was generally used only in the final stages of cloth preparation. When the American Civil War stopped the supply of cotton to Europe, the Maltese cotton industry bloomed for the last time. Following 1865, the cotton trade receded from Malta for good. Agricultural workers shifted to the cultivation of grain or joined the growing industrial labour force in the harbour region. The families which had thrived on cotton production and which could not take easily to either agricultural or industrial activity became destitute.¹⁷ For such workers, emigration was almost unavoidable.

The industry had included all processes from the growing of the indigenous staple annual crop to the manufacture of cloth. Actual operations were carried out almost entirely by casual individual workers in their own homes and were linked only by merchants specializing in this trade. In many cases, the merchants supplied seeds to the farmers on a crop-sharing basis. In all cases, they brought the picked lint and then distributed quantities by weight to 'out-work' spinners. These would return the yarn, which had been prepared by primitive traditional teasers and spinning wheels, and were paid by weight and according to the fine quality of the yarn. The village merchant would store the yarn until he received an order for cloth and would then make similar contracts with domestic weavers.

It is quite clear that the industry was completely controlled by these merchants who determined wage rates, production quotas and tempo. Their control was never threatened by virtue of the fragmentation and isolation of the workforce and the latter's complete dependence on the merchant for work and wages. It is also rather likely that, particularly in the nineteenth century, these workers were quite content to have a means of livelihood, however frugal, because of the lack of other opportunities and the general deterioration of the rural economy.

3. Colonial Industrialization: In the Service of the Crown

The decline of the cotton industry was not simply a result of the impact of trade and lack of competitiveness with cotton goods from Britain. It was strongly affected by the emergent availability of employment and self-employment opportunities in the harbour region. This area became a haven for shipbuilding, ship-repairing, and related industries and services including bunkering, trade and finance.

With the opening of the Suez Canal, the strategic importance of Malta as a bulwark of British military and commercial interests increased greatly.

The harbour underwent a major development programme. A drydock was constructed in 1844, employing 360 officers and men. It was followed by another in 1871. A commercial harbour was built in 1859. Certain occupational groups doubled in numbers between 1871 and 1881. (See Table 1)

Concurrently, as from 1871, the rural workforce began to decline.

TABLE 1: Functional Increases in Occupations in Malta: 1871-1881

WORKERS - Labour connected with port activity -	100% increase
Labour connected with Commercial Activity	27% increase
Labour connected with Transportation (coal heavers, porters, carriers)	129% increase
SMALL RETAILERS	25% increase
SHOPKEEPERS	11% increase
GENERAL MERCHANTS AND TRADERS	8% increase

Source: Busuttil, S. (1973, p. 14)

Gradually, a pattern of affluence and poverty established itself. The rampant population growth,¹⁸ the decline in agricultural employment (including the demise of the cotton industry) and the attractive wages offered by the new industrial and related job opportunities¹⁹ soon made the bulk of the Maltese labour force dependent upon the British Colonial Administration for employment. And such employment opportunities fluctuated with the effect, not of market forces, but of the exigencies of military security. Such events as the Napoleonic Wars (1801-1814), the Crimean War (1854-56) and the First World War (1914-18) brought about practically full employment. The return of peace was the harbinger of a downswing because public expenditure dropped. The trade boom, which was considerably independent of Colonial policy and somewhat less affected by war and peace, also began faltering towards the end of the nineteenth century. Competition from other Mediterranean ports and the increased potential of vessels to travel long distances without refuelling led to a decline in Malta's provision of entrepot and coaling station services.

Thus, the Colonial administration was faced with rampant unemployment whenever public expenditure dropped. Such a situation was potentially dangerous because it could spark off anti-British sentiment and perhaps a national uprising.²⁰ Two general policies were successfully implemented to defuse this situation. One was embarkation on an extensive construction and public works programme which, at the same time, served defence interests. While the Island's system of fortifications left behind by the Order was modernized, new defence works were constructed, barracks

and military hospitals erected, and a large breakwater system built. There was extensive spending on services like schools, drainage, waterworks, electricity and roads. Such programmes were labour-intensive and kept a substantial proportion of the labour force occupied, but only for given periods. A second policy option was to resort to mass emigration. Settling permanently in North Africa and other Mediterranean sites was encouraged. By the end of the nineteenth century, there were well over 50,000 Maltese scattered in such settlements.²¹

Other policies were not so successful. Large tracts of barren land were leased out to landless workers in the hope that this would provide them with a means of livelihood and at the same time improve the output of the agricultural sector. A number of new fields were successfully established but the amount of labour absorption was minimal. In general, attempts at creating new industries not in some way associated with the British services failed.²² Indeed, many of the existing indigenous craft industries declined because of competition from cheaper imported goods.

This situation persisted well into the twentieth century. The Fascist Threat (1936-39), the Second World War (1939-45) and the Cold War Period (1949-55) led to relatively full employment. However, from 1957, a radical British defence review took place in which it was decided that Malta was no longer of crucial importance to British defence interests. A rundown was put into operation. Within a short period of time – eventually extended to 1979, following pressure by Maltese governments – the British presence on the island would come to an end.

In 1957, 24% of the gainfully occupied population was still engaged with the British services, not to mention the many others who earned a living directly or indirectly from the resident and/or visiting British. (See Table 2)

Even for the British, it was quite clear that considerable alternative means of employment had to be created to make up for the loss of thousands of jobs. A report by Sir Wilfred Woods in September 1945 saw mass emigration as the only hope for the Maltese.²³ However, a 1950 report by Schuster was less dismal, suggesting a diversification of the economy to include promotion of agriculture, fishing, tourism and export-oriented industry.²⁴ A third report, drawn up by Balogh & Seers in 1955 also emphasized the necessity and viability of industrial production.²⁵ The effort to achieve economic diversification was stepped up. Extensive survey work was carried out on the general state and potential of the economy, eventually to serve as the basis for Malta's First Development Plan (1959-64). With a substantial part of the envisaged expenditure supplied by Britain in the form of loans and grants, the main target was the establishment of new industries. An industrial estate was laid out, firms were offered tax free holidays, low rents, tariff protection and the availability of generous grants and loans. The largest enterprise on the island, the Dockyard, was handed

TABLE 2: DISTRIBUTION OF MALTESE LABOUR FORCE: 1948-1985 (by %)

Sector	1948	1953	1958	1963	1968	1973	1979	1985
Manufacturing Shiprepair/Shipbuilding	9	11	10	18	21	30	33	28
Construction and Quarrying	8	7	8	7	10	4	5	5
Agriculture and Fisheries	24	11	9	9	7	7	6	4
Commerce	9	14	12	13	13	12	10	9
Transport/Banking and Private Services	11	13	14	14	17	18	21	22
Government Services	13	17	19	18	19	20	22	24
Defence Establishment	24	26	24	14	9	5	-	-
Registered Unemployment	2	1	4	7	4	5	3	8
Absolute Total (i.e. 100%)	92,171	85,297	92,330	93,515	100,019	102,546	120,020	122,091

Sources: - *Malta Development Plan 1981-85*, p. 49

- *Economic Survey Jan.-Sept. 1985*, Ministry of Trade & Economic Planning, p. 24

- Kester (1980, p. 39)

over to a private British commercial firm in 1958. Agriculture and tourism were not allocated major importance in the Plan. However, agricultural productivity was rising and the potential of a flourishing tourist industry led to a private sector initiative in the buildup of holiday flats, restaurants and hotels. Infrastructure was also greatly strengthened. The ground was apparently being laid for a 'take-off' Rostow-style into a period of rapid development. This coincided with the granting of political independence in 1964.

3.1 Labour Control

During the long period of British rule, the exigencies of the defence of Malta led to the development of a new male-dominated industrial labour segment concentrated around one specific locality, the harbour region. This labour force to a certain extent displaced the previous indigenous female-dominated but spatially fragmented cotton industry. The new workforce was generally skilled, was paid good wages and occupied a highly strategic position. However, there was no security of employment. Thousands of workers could be laid off when demand for their skills slackened – as indeed did happen. The perpetual threat of redundancy was one major instrument of labour control. A more subtle and equally effective instrument was a diffusion of benevolent paternalism. The British, like the Order before them, sought not to interfere in the daily, local life of the Maltese. They maintained good relations with the strong Catholic Church – perhaps the only institution which could pose a strong threat to the Anglican colonial administration – and encouraged it to develop a dominant role in local, village affairs. Petty theft and a resort to patronage were mildly tolerated, since these served to satisfy individual needs and to mitigate the development of collective consciousness. Also, the large Maltese labour force the British helped create was encouraged to develop internal rivalries, to remove the possible threat of a united labour front. The industrial working class and the new middle class in fact took different stands on what were at first minor issues in the late 1800s; but these developed to become the basis of contemporary political party and trade union organization.²⁶

3.2 Labour Response

Various responses were developed by the Maltese in the face of this colonial experience and the associated long years of powerlessness and paternalism. One can in fact abstract a set of four distinct 'ideal type' response patterns: *Compliance with paternalism* involves a deferential, servile disposition to what is perceived as a benevolent colonial master at the national level; *Withdrawal into Localism* entails a displacement of commitment and involvement from the national to the local erupting in a

strongly symbolic and rallying role for the Catholic Church and involving a frenzied enthusiasm for 'festa partiti' – religious celebrations with strong political overtones;²⁷ *Individual Manipulation*, a resort to patronage networks which undermine class and trade union consciousness; *Political Activism*, which, unlike the former three responses, does not accept the legitimacy of the status quo but rather resists it and strives to replace it.

These response patterns are based on the structural functionalist Mertonian categories.²⁸ In this context, however, they are seen to represent the ascendant consequences of different and specific power relations and physical experiences – apart from personality factors – within the common, generalized colonial condition. Thus the political activist response assumed primacy among the industrial working class centred on the Dockyard because of the specific power relations to which the latter was for many years exposed. Such relations were influenced by the relative spatial isolation and concentration of the worksite, which fostered a high level of group consciousness and solidarity.²⁹ Exposure to British trade unionism through interaction with British workers, sailors and passengers,³⁰ as well as the strategic nature of the work involved, have moulded the Drydocks labour force into a 'labour aristocracy',³¹ the cradle and vanguard of the Maltese Labour Movement.

Already in 1894, an attempt was made to set up a fully-fledged 'Fitters' Union', at a time when the social climate was not at all supportive of such initiatives.³² Successful but small craft unions were developed in the period 1917-1920, several being supported by British unions or inspired by progressive British workers. A Malta Government Workers' Union was set up at the Dockyard and organized a strike over a pay claim in 1917 which was successful. However, the inexistence of any institutional machinery for negotiation³³ made unionism ineffective until 1943 when faced with mass redundancies in view of the imminent conclusion of the world war, the first general union, the General Workers' Union (GWU), was formed. Within a year, the GWU had over 20,000 members. A 'labour front' was established with the Malta Labour Party (MLP) in 1946 and its pressure contributed to the enactment of labour legislation.³⁴ This established the framework of a rudimentary industrial relations system which was essentially bi-partite and laissez-faire based on collective bargaining. It also recognised basic workers' rights concerning occupational health, safety and minimum working conditions and regulated industrial and vocational training.³⁵

The founders of the GWU were Dockyard workers and these have remained prominent within its leadership and core membership. The willingness of these workers to resort to industrial action and to pursue it adamantly until their objectives are fulfilled has been quite unmatched in Malta. Up till the present day, they are still to be found in the forefront of political confrontation and articulation. They had gone on strike during

wartime to lobby for permission to hold the first GWU public meeting and they undertook violent industrial action in 1947 to press for a five day week.³⁶ The fate of their industry was a major issue when the British announced their intended rundown in 1957. When the transfer of the Dockyard to a small private Welsh firm was announced in 1958, it sparked off serious violent action. The GWU adopted a policy of non-collaboration with the new management, while the latter sought to undermine it by individual negotiation. But industrial dispute flared up again in 1960 and this was only settled by the granting of a substantial wage increase. The GWU kept management under continuous pressure with higher demands. Industrial action was severe and frequent, even following a change of Management. Losses were being registered year after year. After the Dockyard was nationalized by the Nationalist Government in 1968, two separate wage agreements created differentials unacceptable to the GWU. Negotiations reached a deadlock and a crippling 7-month strike by key workers brought the enterprise to a complete standstill with very damaging economic consequences. The Drydocks crisis is believed to have contributed substantially to the change in Government in the June 1971 elections.

4. Post-Independence Industrialization: Phase One

Malta's post-independence industrialization strategy had already been laid out in the first Development Plan (1959-64). Major plans for radical economic diversification included industrial legislation, an industrial estate, industrial incentives, port development, encouragement of tourism and an overhaul of the educational system starting with the introduction of technical education. The Plan hoped to encourage the growth of a private industrial sector geared towards the export market by means of a varied incentive package. This included grants and loans, tax and duty concessions and the availability of relatively cheap Maltese labour. Concurrently, the Plan formulated the public sector's role as mainly supportive, focusing on a wide-ranging infrastructural investment programme. Government's role as provider of 'non-service' livelihood would decline; private industry was to become the main employer and driving force of the economy.

The overall target of the Plan was, to say the least, formidable. It was to replace the centuries-old fortress economy of Malta with a new industrial one, based mainly on foreign capital:

'Rapid technological developments and the changed economic position of the United Kingdom have led to changes in defence policy . . . this means that the wealth which Malta has in the past derived securely and comfortably as a result of the crucial strategic role will inevitably decline . . . The aim of economic and political policy must, therefore, be to make a considerable diversification of the economy in the next few years, the

shock of the change being cushioned by the still continuing and *substantial*, though declining, services spending. Put briefly, it means that Malta must get out into the world and earn its own living in other ways than it has done in the past.³⁷

In the past, 'experts' had already expressed scepticism regarding the setting up of Industry in Malta.³⁸ The island lacks natural resources and mineral deposits; the domestic market is also too small to generate sufficient demand to achieve economies of scale. These conditions gave Malta no choice but to opt for an export-oriented strategy. And the lack of local resources (other than industrial skills) made it imperative to offer substantial inducements for overseas industrialists to invest in Malta. One advantage of having a small size factor is that the problem is kept manageable. Malta's needs are such that she has to capture 'no more than a fraction of one per cent of the world's (growing) trade'.³⁹

The development strategies pursued following Independence in 1964 did not vary significantly. The Second Plan (1964-69) and the Third Plan (1969-74) were similarly oriented towards the achievement of economic diversification built on a viable export-oriented manufacturing industry, although emphasis was also laid on tourism and agriculture. Government's role remained supportive, providing infrastructural services, encouraging private sector intervention and establishing appropriate financial and institutional structures.

As it turned out, the factories on the first industrial estate, and on others which were built later, were quickly taken up. However, the generous inducements offered tended to attract a host of light, labour-intensive industries, mainly textile and clothing firms, which during that period were moving out of Western Europe in search of cheap labour, taking advantage of grants and tax concessions while these lasted.⁴⁰ The mistake was realised and a more selective choice of firms to qualify for aid was pursued as from the Second Plan. It was also realized that granting aid irrespective of the origin of investment might create an economy dependent on foreign capital; tariff protection was thus made milder and was intended to result eventually in a freely competitive domestic market. Also, the large amounts of finance capital needed for implementing those three plans had to come mainly from foreign sources. War compensations and special development funds were initially available from the British Government. However, these gave way to long-term loans and to a growing national debt.

The outcome of this development strategy was an economic boom in the 1960s. A number of manufacturing concerns were established, although these tended to be female labour-intensive and therefore did not re-employ males made redundant by the British Defence Services Sector.⁴¹ But an even more spectacular growth was registered by the tourist industry. It led

to a building boom and an expansion of private services which together absorbed a substantial proportion, mostly male, of the labour supply. (See Table 2)

In spite of the declining size of the British Services Sector, expanding population and labour force growth and an increased female activity rate,⁴² unemployment actually fell to just 3% in 1969. A United Nations Mission, assisting with the production of the Second Development Plan, had suggested that up to 10,000 Maltese had to emigrate every year between 1964 and 1969 to prevent massive unemployment.⁴³ But this was drastically reduced to 2,400 in view of the rapid generation of new jobs.⁴⁴ It also helped to reduce the loss of skilled labour which, in the early 1960s, had made up a fifth of all emigrants.⁴⁴

4.1 Labour Control

The pursuit of an export-oriented industrialization strategy made the issue of labour control a key one, particularly since the relatively low wages were a main component of the incentive package. To make this possible, a uniform wages and incomes policy was deliberately avoided. In its place, the employers and employees in each particular enterprise were supposed to negotiate a satisfactory arrangement within a bipartite system of industrial relations. The function of employers' associations and trade unions was institutionalized within plant-level collective bargaining. Procedural rules for resolving industrial conflict were uncertain and, if agreements were at all reached, these were not always protected.

Within a short period of time, however, work conditions and wage settlements began to vary between branches of industry and between enterprises in the same branch of industry. These disturbed relativities led to perceptions of relative deprivation and consequently to newer demands.⁴⁶ Malta Drydocks, a key industry, was suffering increased industrial action and registering even higher losses. A number of Wages Councils were established to introduce some regulation and control over this problematic phenomenon. But the stage had been set for a wage spiral which would partly erode the comparative advantage of Malta's industry in terms of labour costs and which was contributing to increased industrial action. An attempt was made at enacting legislation which would have established an industrial court, forced settlement of trade disputes and prohibited strikes under certain conditions.⁴⁷ But opposition to the Bill was very strong, particularly from the trade unions which, in the meantime, were increasing their membership strength substantially among the new industrial workforce. (See Table 3)

The Bill never became law.

TABLE 3 - TRADE UNION MEMBERSHIP (1961-75)

Year	Trade Unions		Employer Assoc.		Mixed Assoc.*	
	No	Strength	No	Strength	No	Strength
1961/2	38	29692	14	2234	7	2466
1963/4	39	30067	17	1953	7	2360
1965/6	33	30969	11	1859	8	2627
1967/8	34	31038	15	2275	6	2302
1969/70	27	32836	14	2407	9	2295
1971/2	28	39668	17	2516	12	2078
1973/4	33	38452	17	2599	9	1700
1975/6	34	39132	16	2893	10	1436

*This category which included the self-employed was discontinued after 1975.

Source: *Reports of Registrar of Trade Unions*, Dept. of Labour (1961-1976)

4.2 Labour's Response

The successful industrialization policy and the tourist/construction boom of the 1960s led to a strong demand for labour. Particularly in 1969, labour demand was so strong that trade union bargaining secured wage and salary advances of greater magnitude than had taken place in a decade. At the same time, income relativities also widened owing to plant-level negotiation. These, together with the permissive legislative framework, fomented a relatively high degree of industrial unrest.⁴⁸ (See Table 4) This was due generally to wage dissatisfaction resulting from the perception of relatively better financial gains made by traditional reference groups and by 'wage leaders' - those in Government employment and those working with the British defence establishments.⁴⁹ Such industrial action was also more successful owing to increased union membership strength. Within the trade union movement, the GWU was a giant among dwarfs, commanding 70% of total membership. The 'social contract' which the GWU had established with the social democratic Malta Labour Party (MLP) back in 1946 had become stronger through a series of common stands and dramatic episodes. In the Sixties, it was already difficult to differentiate between the GWU and the MLP in terms not only of policies but also of personalities.

The GWU became thus increasingly involved in a political struggle. With the existence of a sympathetic political party, it was felt that the GWU could satisfy worker demands best through a political alliance. The MLP was in fact victorious in the 1971 general elections having put forward a manifesto jointly with the GWU.

TABLE 4 - INDUSTRIAL ACTION IN MALTA (1961-1983)

Year	Strikes and Lockouts	Workers Involved	Striker Days
1961	3	514	20,426
1962	2	140	338
1963	6	7,082	8,605
1964	-	-	-
1965	3	687	4,154
1966	9	615	11,599
1967	8	7,838	27,314
1968	19	21,220	58,333
1969	17	5,892	41,445
1970	26	23,979	148,499
1971	23	2,103	24,070
1972	42	11,999	14,677
1973	60	12,513	42,300
1974	36	8,573	15,069
1975	30	5,262	14,136
1976	17	3,724	6,971
1977	62	10,980	75,894
1978	15	6,715	28,401
1979	19	3,619	50,412
1980	12	764	5,819
1981	14	1,594	1,340
1982	12	2,415	6,422
1983	17	651	1,372

Source: Labour Reports, Department of Labour, Valletta (1961-1983) and Attard (1984, p.104)

5. Post-Independence Industrialization - Phase Two

The 1971 change of Government ushered in a reformulation of industrialization policy. The Third Plan, which was intended to run until 1974, was discarded and a new Seven-Year Plan launched.⁵⁰ The Plan's main goal was the productive absorption by the economy of all the workers engaged in the British Defence Sector, since this would disappear by the end of the Plan period. In this respect, the plan did not differ from its predecessor.

However, the manner in which this goal was to be achieved relied more substantially on a mixed economic structure. Initiative was not exclusively the private sector's responsibility but the State had a positive role to play as well. Within a few years, the major banks, gas, electricity and broadcasting were nationalized, a number of labour corps were established to provide

temporary employment opportunities, state-owned airline and shipping companies together with a number of export-oriented manufactories were set up. Excluding the corps, over 6,700 jobs were found in this public enterprise sector by 1978.⁵¹

Apart from this novel feature, grants and loans were to be reduced so that manufacturing firms more adept at withstanding foreign market competition would be attracted.

The manufacturing sector had a central role to play for the successful implementation of this Plan. The sector was expected to create additional employment, expand the domestic economy and earn more foreign exchange. The sector was also expected to diversify its range of products. It was felt necessary to reduce the dependence on textiles and clothing in view of import quota restrictions, trade barriers and competition from low-cost production zones. The large ship-repair industry would also be further expanded, branching out into related services and into shipbuilding.

Most of these targets were indeed met. Employment did increase in manufacturing but much less than was envisaged because of an unexpectedly high rise in labour productivity. (See Table 2)

The contribution to GDP by the sector more than doubled⁵² and exports rose by 16% per year. New industrial processes were set up including spectacle frames, tobacco, hydraulic components and pharmaceutical products. The Drydocks managed to break even in 1974 and registered profits for the duration of the Plan period.

Female participation in gainful employment rose further during the Plan period.⁵³ The number of female workers increased from 26,760 (1973) to 31,800 (1979). This development has to be seen in the context of the introduction of equal pay for equal work as from April 1976.

Two major issues of concern emerged during the execution of the Plan. The first was the persisting dependence on the textile, clothing and footwear sectors;⁵⁴ the second was a deterioration of the terms of trade.⁵⁵ The former issue was indeed severely hit by the recession of the 80s and led to a contraction of the manufacturing sector's share of total employment. (See Table 2) Measures to improve these two pressing conditions were put forward in the subsequent Development Plan.⁵⁶

The Fifth Development Plan's principal objective was to 'increase self-reliance' through 'a deep national commitment to the development drive and a sustained effort to generate and mobilize local resources to the fullest extent'.⁵⁷ Within the Maltese context, self-reliance cannot mean self-sufficiency but implies control, as far as possible, of economic decision-making mechanisms and a promotion of flexibility and initiative.

The manner of reaching this target was to be as follows: the textile, clothing and footwear firms were to seek quality improvements to shift into more stable and secure markets; these sectors were also to increase

verticalization in the local economy; the dependence on imports was to be reduced whenever possible; countertrade was to be promoted as a means of procuring foreign goods without having to pay foreign exchange and with the assurance of local exports; traditional enterprises including small-scale handicraft and artisan workshops were to be encouraged to venture into the export market; an indigenous technological and research base was to be set up and adequate industrial skills nurtured through the educational system and as a pre-condition for the establishment of joint ventures. Plans were also made for developing Malta as a transshipment site. The manufacturing sector would also absorb further labour so that, by 1985, manufacturing employment would represent over 30% of the projected labour force.

In retrospect, the objectives of this Plan have turned out to be rather ambitious. The advent of the trade recession has led to a decline in manufacturing demand and output. (See appendix)

Because of enforced minimum wage and social security legislation, a substantial number of firms were forced to close down. The slump in the ship-repair and shipbuilding industry has meant a running loss for the Drydocks since 1982.

5.1 Labour Control

Since the MLP had been elected to power by predominantly working class support and in alliance with the largest and strongest trade union, its major instrument for controlling labour has been *corporatism*. The corporatist paradigm may be understood as a political structure which integrates organized socio-economic producer groups through a system of representation and cooperative mutual interaction at the leadership level and of mobilization and social control at the mass level.⁵⁸ The major organized socio-economic producer group thus co-opted has been the GWU. The Annual Budget was prepared with GWU consultation and incorporated across the board cost-of-living increases. Where the GWU had strong positions the Socialist Government introduced co-optative participatory systems: co-determination at the Drydocks was followed by a form of self-management; worker-directors were appointed or elected on the Boards of Parastatal Corporations; Management Committees were established within manufacturing parastatal enterprises. The GWU was also offered two seats on the Cabinet of Ministers where top policy issues are discussed and formulated. In 1978, the MLP and GWU actually fused together by statute in a 'marriage' which has sparked off a wide ranging polemic.

A political party-trade union collusion does not in itself imply that it is a form of labour control; the position *may* enable the trade union to wield even greater power and exercise greater and more effective pressure from within the party's organizational structure. Assessing the peculiar power

balance between the MLP and GWU is no easy matter in view of the difficulty of separating one organization from the other, even in terms of individual activists. The GWU gained by adopting a political platform and supporting a political party to whose electoral manifesto it had contributed. It entered into a number of experiments with workers' participation and self-management,⁵⁹ an institutionalized position on the cabinet of ministers and the ability to pre-empt or promote particular legislation and policy, rather than merely react to 'faits accomplis' by industrial actions as a traditional trade union would have done. But it may be argued that the GWU enjoyed such far-reaching capabilities even *before* the historic 'marriage'. The fusion may be seen as an institutionalization of an association which was already there. Thus, the bond may have been intended to cement a unity of purpose in the face of Malta's new economic status after the then looming departure of the British garrison. The merger may have served to prevent any real challenge to Prime Minister Mintoff's industrial policies.⁶⁰ The collusion removed the likelihood and the embarrassment of industrial action and of demands for increased wages or better conditions from the GWU on behalf of the labour segments it controls within the public sector.⁶¹

The situation is different in the large private sector, where the GWU and the other trade unions still pursue an antagonistic role, centred on collective bargaining. The machinery and the institutional framework of industrial relations has become more formal and structured and increasingly tripartite following the enactment of the Industrial Relations Act (IRA) of 1976. Through it, the Department of Labour and the Minister of Labour have wider powers in promoting quick settlements of industrial disputes.

The Labour Government's more aggressive attitude with respect to the non-GWU organized workers can be evidenced from its handling of industrial disputes involving such workers. The number of industrial disputes by such workers increased during the 1970s as the Government encountered their opposition while implementing its particular programmes. The number of workers involved in each such case was usually small and specific to a single trade or interest group. In this way the opposition was isolated and therefore easily controlled. (See Table 4)

Doctors, farmers, bakers, bank employees and teachers took up industrial action in defence of perceived infringements of rights and privileges and to fight for pay increases. The Labour Government tended to denounce such actions as irresponsible and subversive, essentially making the issue at stake no longer economic but party-political.⁶² Such an attitude continued to isolate the protesting union from wider sympathy, particularly that of the GWU, and to make ostensibly legitimate and just a staunch refusal to negotiate and to break the strike by the Government.⁶³ Thus Maltese workers in the public sector were presented with a choice in tactics, either option resulting in strong labour control over the period 1971-1987: co-

option and cooperation with the possibility of exercising power only from within the Malta Labour Party; confrontation and an apparent inability to make headway from outside the MLP.

In the private sector substantial energies are still being wasted at shop floor level in determining which union has the right to bargain on behalf of workers. With an unknown degree of dual union membership, it is possible to have at least two unions commanding more than 50% membership in a particular enterprise. Since the IRA of 1976 does not specify what procedure to follow in such a situation,⁶⁴ the result is a series of disputes over recognition and a variety of compromise 'ad hoc' solutions varying from case to case.⁶⁵ These situations are ripe for capitalization by private entrepreneurs who may play their own part in fragmenting worker solidarity at the workplace and who therefore find only a weak countervailing force to their attempts at further profit maximization. Even where one trade union commands an exclusive representation, worker solidarity may be undermined by inter-union poaching owing to different party political allegiances within the same trade union membership.

5.2 Labour's Response

The Socialist Administration, by and large, had managed to pursue its industrialization strategy without the wage spiral inflationary demands and economically damaging industrial disputes which had plagued the previous Nationalist Administration. At the same time, industrial harmony and cooperation from the GWU was justifiable because the Government was to some extent delivering the goods. A wide variety of policies led to substantial improvements for certain groups of workers without their having to resort to industrial action. These included automatic flat rate annual cost of living increases; introduction of a national minimum wage; reduced income differentials; improved social services and benefits; equal pay for equal work for women; reduced cost for basic foodstuffs through bulk buying; a price and wage freeze since 1982 in the face of the recession which for some time even led to marginal negative inflation. All this is substantive evidence which supported the ideological proclamation: It has been a 'Workers' Government' since 1971 which has acted in the workers' best interests. Therefore it makes no sense for workers to confront 'their' government.

Nevertheless, the adherents to the above rationale have not included just over half the voting population and almost 40% of today's unionized labour force.⁶⁶ For this group, the ideology of trade union opposition and autonomous operation are cardinal principles. They take pride in trade union independence from political parties and pursue their interests in the tradition of collective bargaining. Most of these unions organize middle-class and professional workers together with a number of working class pro-

Nationalist supporters.⁶⁷ These unions have a less militant tradition.⁶⁸ But their role perception changed with the transfer of power in 1971, with the increasingly cooperative stance that the GWU was taking with the MLP and with the consequent erosion of their influence. They undertook isolated protests during the seventies but made no headway. Their first attempt at collective protest was in 1977, when a series of solidarity strikes in support of dismissed workers took place. (See Table 4) Following Government's tough reaction which broke the strikes, these unions have tended towards mergers to improve their bargaining position. A confederation of Maltese trade unions, the CMTU, incorporating the main non-GWU unions, had been established in 1959.⁶⁹ In recent years, this has been increasingly seen as a countervailing weapon to the GWU, not only by workers but by the Nationalist Party Leadership. Thanks also to the appeals of the latter, the CMTU has been gaining numerical strength in recent years, particularly among private sector employees.

The political dimension to the growth of the CMTU and GWU membership since 1981 has meant that practically no trade union has remained outside the two blocks. (See Table 5) Workers and Unions have been forced to take sides.⁷⁰

TABLE 5: TRADE UNION POWER BLOCKS* (1970-1986)

Year	Total Union Membership	Number of Unions	GWU (%)	CMTU (%)	Rest (%)
1970/1	36841	29	69.2	20.4	10.4
1971/2	39696	28	69.8	19.2	11.0
1972/3	36897	30	69.9	22.7	7.4
1973/4	38452	33	66.8	20.5	12.7
1974/5	39118	35	64.7	17.0	18.3
1975/6	39132	34	71.1	22.5	11.5
1976/7	39092	35	67.4	23.0	15.3
1977/8	38915	37	67.5	23.0	14.6
1978/9	38890	23	69.7	27.0	8.1
1979/80	39238	19	70.0	28.0	6.9
1980/1	42415	22	68.4	26.5	8.4
1981/2	49912	20	66.4	31.0	5.1
1982/3	48609	14	63.1	34.5	5.0
1983/4	46434	13	60.6	37.2	2.2
1984/5	52297	14	58.3	39.8	1.9
1985/6	53008	16	58.7	40.0	1.4

Source: Reports of Registrar of Trade Unions, Dept. of Labour - 1971-1986.

*Note: Figures disguise an unknown degree of dual trade union membership.

6. What Future for Labour?

In the face of the increased escalation of polarization of trade union membership, the two main political parties have adopted different tactics. The MLP, now in opposition persists in appealing to all workers to join in the 'Workers' Movement'; the NP, now back in government, is encouraging workers to do the opposite: to leave the GWU and join the 'free' trade unions. Both strategies are divisive and corporalist, providing increased room for manoeuvre by Capital to better control Labour.

As things stand, both trade unions are handicapped in their capabilities. The CMTU is arguably free of political control but has remained economicist in outlook and in its demands, resorting to a confrontative collective bargaining strategy which is most unsuitable to a developing country seeking to minimize costs and obstacles to economic growth. The GWU has recognized this latter dilemma and has opted for direct involvement in the decision-making process at public enterprise and national level; however, its fusion with a political party limited its bargaining potential. Both union blocks pursue collective bargaining in the private sector, though the GWU has tended to be more militant in its actions and progressive in its demands. Both union blocks tend to be reactive, defence mechanisms, with limited, short-term horizons.

It can be convincingly argued that there is little hope for the trade union movement in Malta unless a united labour front or truly confederate body is set up. Such a front is becoming increasingly important with imminent changes in the structural composition of the labour force due to the impact of new technology. So far, the impact of modernization has been cushioned. Computerware has only been allowed to enter the country under the guarantee that will not lead to redundancies; between 1982-1987, any redundancies in the private sectors have been subject to approval by the Minister of Labour. The effect of such and similar policies has been a preservation of employment in the short-run; however in the long-run, inefficiencies, reduced productivity and reduced competitiveness will result. The overmanning, inefficiency, low productivity and lack of motivation among public sector employees – now comprising about 30% of the total labour force – is generally acknowledged. However, this condition is not generally considered problematic. There is a whole cultural tradition which considers the State as the provider of employment and job security, irrespective of productivity and efficiency.

A condition which may be expected to exacerbate the above condition is the projected increase in the local labour supply in view of the population increase⁷¹ and the barriers to emigration imposed by receiving countries.⁷² The introduction of new technology and a restructuring of the public sector to improve its output and productivity may be expected to have negative

consequences on labour unless a strong and unified labour front is present. One could visualize various strategies the trade unions could adopt and pursue to improve the competitiveness of the Maltese economy and the efficiency of the public service without resulting in real losses for Labour. Negotiation on the reduction of working time may preserve or actually increase employment by dividing the fruits of increased productivity between capital and labour, rather than prohibiting technology or making labour the exclusive victim of its implementation. Demands for worker education and retraining programmes would improve labour's flexibility and the ability to cope with structural change in labour demand. Some formula of participatory management may restore efficiency to the public sector by making workers responsible for their output and avoiding privatization options. On these and other counts, a unified and compact power bloc by Labour is indispensable for effective negotiation.

7. Conclusion

The Maltese economy has always been predominantly a labour economy. Its small internal market makes economies of scale difficult to achieve, with the consequence that export-oriented growth appears to be the only viable development policy. Export-led industrialization is however forced into a vicious circle. Competitiveness depends on low labour costs; so local industrial employment is only secured by foregoing higher wages and better living standards. This, in a country with a western culture and its associated consumeristic and growth expectations, is very difficult to maintain. The sheltered colonial market depended on benevolent paternalism and redundancy threats for controlling industrial labour. The latter reacted by vigorous and militant trade unionism. Local populist governments subsequently subscribed to nationalistic appeals and corporatist tactics. Labour reacted by either consenting to the tactics or rejecting them, hence establishing the present partisan political polarisation which one may argue has penetrated even the trade union movement. Further investment in local industrial production (particularly by foreign entrepreneurs) in the meantime seems favourable. A workforce divided politically and trade unionistically paradoxically provides one of these favourable conditions.

Year	Gross Domestic Product LMm	Industrial Output LMm	Imports of Goods LMm	Exports of Goods LMm	Trade Deficits (Imports-Exports) LMm	Industrial Employment (1000)	Total Gainfully Occupied Labour (1000)
1975	253.6	77.4	239.6	83.4	156.2	26.1	107.8
1976	311.0	100.9	295.4	131.5	163.9	27.9	110.5
1977	328.2	108.4	324.9	155.4	169.5	31.3	114.4
1978	356.9	119.9	314.6	166.5	148.1	32.8	116.4
1979	389.5	132.6	360.7	181.4	179.3	34.5	118.8
1980	400.2	132.4	371.6	171.0	200.6	34.5	118.8
1981	401.8	124.9	341.9	159.6	182.3	39.9	115.2
1982	406.7	121.6	316.3	146.0	170.3	30.0	110.5
1983	410.7	118.0	311.3	139.2	172.1	29.4	110.6
1984	421.4	124.7	330.5	164.8	185.7	29.6	111.3
1985	425.0	124.0	349.0	168.0	181.0	29.6	110.2

Units = Millions of Maltese Liras at 1985 constant prices
Source: *Annual Abstract of Statistics (1975-1985)*

Notes

¹ The various editions of Lipsey (1963) and Samuelson (1955) have found a place in the large majority of educational establishments worldwide as standard textbooks in economics. Malta is no exception.

² This is the definition suggested by Harrod (1986). A similar definition is suggested by Scase (1976).

³ Unlike orthodox economics which fails to adopt an interdisciplinary, holistic perspective to social events. Marx criticized 'vulgar' economics in this sense, in contrast to political economy. See Marx (1970, p. 85).

⁴ Bowles & Gintis (1976) have argued that a correspondence principle exists between the power relationships at the workplace and those at the school such that the latter has had a historical role in producing and reproducing workers under capitalism.

⁵ See for example Sant (1984) and Briguglio (1983).

⁶ Giddens (1973) provides a well-written review of the Marxist position.

⁷ Never more than 10%.

⁸ A similar position is held by Harrod (1986) and Cox (1971).

⁹ This neo-marxist position is held by Aronowitz (1981); Bowles & Gintis (1981); Giroux and Beechey (1977) among others.

¹⁰ See, for example, Berle & Means (1932) on the rise of the new managerial class; Galbraith (1958) on the technocratic elite; Dahrendorf (1959); Lash (1984) and Offe (1985) on the transition to disorganized capitalism.

¹¹ The Roman Orator Cicero accuses Verres, Praetor of Sicily and Malta, of abusing his position and plundering the territory given in his charge of, among other things, a large amount of Maltese cloth, renowned for its fine quality. See Blouet (1967, pp. 39-41).

¹² See Luttrell (1965).

¹³ Details from the report of the 1938 Royal Commissioners, J. Austin and G.C. Lewis, quoted in Busuttil (1973, pp. 7-8).

¹⁴ 'In 1842, 25% of the gainfully occupied population claimed to be operatives in the industry, although it is certain that the majority of these persons were in work only fitfully' - Blouet (1967, p. 183).

¹⁵ Bowen-Jones et al. (1961, p. 124).

¹⁶ The 1861 Census was taken in the off-harvest season.

¹⁷ As reported by an investigating commission in 1874. See Busuttil (1973, p. 15).

¹⁸ The population almost trebled between 1842 and 1956 - See Bowen-Jones et al. (1961, p. 140).

¹⁹ The weekly wages for the first Dockyard workers amounted to 14 shillings, higher than what a top ranking professor earned at the local University - Busuttil (1973, p. 10).

²⁰ A climax was reached in 1919 when four Maltese were shot dead during rioting. See Zammit (1984, p. 25, Note 46).

²¹ See Blouet (1967, p. 178).

²² Such as, for example, a silk industry. See Blouet (1967, p. 181).

²³ See Woods (1945).

²⁴ See Schuster (1950).

²⁵ See Balogh & Seers (1955).

²⁶ See for example, Frendo (1979).

²⁷ See for instance Boissevain (1966).

²⁸ The corresponding Mertonian categories are the Deferential or Conformist, the Ritualist and Retreatist, the Innovationist and the Rebel - see Merton (1968). Their application to the Maltese context has been undertaken by Zammit (1984).

²⁹ This high degree of group solidarity and militancy is apparently a worldwide phenomenon among dockyard workers. See Sandbrook (1981, p. 18).

³⁰ It was also an Englishman, Matthew Giles, who came specifically from Britain to Malta to reorganize Drydocks workers into three branches of one national labour union in 1920. Zammit (1984, pp. 44, 52).

³¹ The meaning of 'labour aristocracy' in this context refers to a group of workers who have achieved a high status ranking – and high wages – among workers by virtue of class consciousness and radical unionism.

³² This union was forced to change its function into that of a mutual aid society for the sick. Its name was also changed to Società Operaia Cattolica San Giuseppe. See Kester (1980, p. 24).

³³ The earliest favourable labour legislation was the Trade Union Act and the Workmen's Compensation Act of 1929.

³⁴ The Trade Union and Trades Disputes Ordinance (1945); the Industrial Training Act (1948); the Conciliation and Arbitration Act (1948) and the Conditions of Employment (Regulations) Act (1952).

³⁵ These details are taken from Kester (1980, pp. 26-7).

³⁶ A historical autobiographical account of Malta Drydocks is found in Ellul Galea (1973).

³⁷ *Development Plan for the Maltese Islands 1959-64*, p. 2.

³⁸ For example, the Royal Commission on the Finances, Economic Position and Judicial Procedure of Malta (1912) mentioned, among the peculiar difficulties of Maltese Industrialization, the following: No river or permanent water supply, no timber and a soil and climate unsuitable for afforestation, no coal or iron, highly fluctuating wage rates, varying according to the lack of risk-taking by local capitalists who prefer to invest in foreign securities. (Quoted in Spiteri, 1969, pp. 7-8). The Woods (1945) and Stolper (1964) reports were similarly dismal in outlook.

³⁹ Spiteri (1969, p. 32).

⁴⁰ See Grech (1978) for an analysis of the Textile and Clothing Industry in Malta up till the late 1970s.

⁴¹ This was no doubt affected by the demand for female labour by new manufacturing concerns which contributed to the change in the social outlook of the Maltese woman – hitherto almost invariably a housewife. This provided the legitimation for paying females lower wages since they were not breadwinners. In manufacturing industry the average hourly wage for men was 33 pence; for women doing the same work, less than 20 pence – Boissevain (1966, p. 14).

⁴² This grew from 14% in 1957 to 21% in 1969 to 26% in 1979.

⁴³ W.F. Stolper et al. (1964).

⁴⁴ Delia (1985, p. 5).

⁴⁵ Blouet (1967, p. 232).

⁴⁶ See Kester (1980, pp. 29-30).

⁴⁷ This was the Industrial Relations Bill, tabled before Parliament in 1969.

⁴⁸ Kester (1971, p. 3).

⁴⁹ Koziara (1975a, pp. 67 et seq.).

⁵⁰ *Development Plan for Malta: 1973-1980* (Malta, Office of the Prime Minister), 1974.

⁵¹ Sant (1978, p. 108). The parastatal industries ran into difficulties – their technology was outdated, the technical and professional personnel required not available and it has also been reported that Maltese private entrepreneurs boycotted their products, locally and abroad. In any case, these enterprises were turned into joint ventures with Government now holding only a minority shareholding.

⁵² From Lm115.8 million in 1973 to Lm245.8 million in 1979 at constant 1973 market prices.

⁵³ See Note No. 42.

⁵⁴ These still accounted for over 50% of manufactured exports and provided employment for 13,031 workers (11% of the total gainfully occupied population) in 1979. These sectors had a higher ratio of material and import content and reported lower rates of increases in value added than other industries – Busuttill (1970, pp. 14-15).

⁵⁵ Total merchandise exports did increase but the import bill increased even more strongly. This was due to international inflation, increased local demand for industrial supplies, semi-finished products and capital equipment as well as a rising level of private and public consumption - See Appendix.

⁵⁶ *Malta: Guidelines for Progress - Development Plan 1981-85* Malta, Office of the Prime Minister, 1981.

⁵⁷ *Ibid.*, p. 57.

⁵⁸ Panitch (1977, p. 66). Schmitter (1974, p. 88) defines corporatism broadly as 'an institutional relationship between the systems of authoritative decision-making and interest representation'.

⁵⁹ In 1979, almost 26% of the total labour force was working under some form of participatory management. See Kester (1980, pp. 155-7).

⁶⁰ Zammit (1984, p. 62).

⁶¹ These include both the parastatal sector (banking, gas, electricity, telecommunications, airline, shipping) and a significant portion of public employees. The condition also applies to the Malta Drydocks, where the GWU had adopted a policy of co-operation with the self-management structure. Practically no official GWU industrial dispute has in fact taken place in all these sectors to date since 1978.

⁶² This is not to deny that such industrial action may indeed have been essentially political in intent.

⁶³ A doctors' strike was countered by obtaining the services of foreign doctors; a teachers' strike led to volunteer teachers taking over schools and classrooms; a farmers' strike was countered by importing agricultural produce, etc.

⁶⁴ The phenomenon of dual membership in 1976 was insignificant and certainly not foreseeable.

⁶⁵ Examples range from worker balloting; refusal to recognise either union; recognition of both unions; recognizing union representation only for its respective membership. . .

⁶⁶ Union Membership figures, particularly since the general election of 1981, are to be treated with suspicion because they hide an unknown degree of dual membership.

⁶⁷ The Nationalist Party in opposition has publically encouraged workers to leave the GWU 'which has lost its teeth' and join the 'free' trade unions since 1981.

⁶⁸ The first industrial action by Maltese white-collar employees was in May 1967.

⁶⁹ The GWU did not join the CMTU because of disagreement on representation. The CMTU's main trade union affiliates are: The Unjon Haddiema Maghqudin (15,954 members) - the only general union apart from the GWU; the Malta Union of Teachers (3,684) and the Movement of United Bank Employees (1145 members). The GWU in contrast has 31,092 members. Figures are from the 1985/86 Registrar of Trade Unions' Report - *Government Gazette* Sept. 1986, p. 2842.

⁷⁰ One recent escalation of this trade union cum party political confrontation occurred in Autumn 1984 when the CMTU organized a one-day strike in solidarity with striking members of its affiliate, the Movement of United Teachers, who had been locked out by Government following the resort to a work-to-rule to press for wage increases.

⁷¹ At the current rate, population will double in 77 years - Delia (1985, p. 7).

⁷² The 1981-85 Development Plan, cognisant of this trend, proposed to contain labour supply growth by (1) publicizing to Maltese communities abroad the need to regulate the flow back to the mother country and (2) make available family planning methods. Such measures did not however have any significant impact. The subsequent 1986-88 Development Plan made no reference to this problem.

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