



2004 Annual Review for Malta

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This record reviews the main industrial relations developments in Malta during 2004.

Political developments

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European Parliament and local elections were held on 12 June 2004. There was a high voter turn-out of 82%. Both elections were won by the Malta Labour Party ([MLP](#)), the party currently in opposition. The NP, which had secured Malta's membership to the EU, won only two of the five European Parliament seats contested, while the MLP, which had opposed EU membership, secured three seats. MLP's victory was mostly attributed to the strong

performance of the small green party, Alternattiva Demokratika ([AD](#)), which won over a considerable proportion of traditionally nationalist voters, but this was insufficient to secure them a seat.

Local council elections were held in 22 localities, representing a third of the Maltese local councils. MLP won 50.17% of the vote while the NP won 46.43%. MLP interpreted the result as a call by the electorate for a change in government. The next local elections will be held on 12 March 2005 and will involve another third of the local councils.

Collective bargaining

Collective bargaining is carried out at company level in Malta. However, details on the number of collective agreements negotiated in 2004 were unavailable at the time of writing.

Pay

According to the Ministry of Finance, the average collectively-agreed increase in weekly pay was 1.6% in the year to September 2004. The transport equipment subsector registered the highest wage increases in percentage terms, followed by the machinery subsector, within the direct production sector. In the market services sector, the largest wage increase in percentage terms was in the wholesale and retail trade subsector.

Working time

No statistical data regarding working time developments is available, though most collective agreements specify a normal weekly working time of 40 hours. During the 2005 budget speech given in November 2004, the government stated that the practice of awarding leave in lieu for public holidays that fall on weekends would be discontinued. This proposal, which will result in the loss of four days of leave in 2005, was heavily criticised by unions.

Job security

Job security was one of the main focuses for trade unions in 2004. Due to the various restructuring exercises proposed or carried out by the government, unions had to struggle to avoid redundancies ([MT0405102F](#), [MT0405101N](#) and [MT0411102F](#)). Voluntary early retirement tends to be used to reduce employees with government-run or -owned enterprises.

Equal opportunities and diversity issues

In an effort to increase equal opportunities, the government set up a National Commission for the Promotion of Equality for Men and Women in January 2004. While the Commission's tasks include monitoring the implementation of national policies on the promotion of equality for men and women, there are no indications about whether it has had any effect on collective bargaining.

Training and skills development

There is no relevant information with regard to provisions on training and skills development within collective agreements in 2004.

Other issues

Collective bargaining in Malta is normally carried out between the trade union that represents the majority of employees in a particular enterprise and the employer. However, in May 2004, an innovative rescue plan agreement for the airline Airmalta was reached between the government and four trade unions representing different sections of the national airline's employees - the Airline Pilots Association (ALPA), the Union of Cabin Crew, the General Workers' Union ([GWU](#)), and the Association of Airline Engineers. The agreement was described as Malta's first 'social pact' at company level ([MT0407101N](#)).

Legislative developments

In 2004, the Maltese government enacted the following three employment-related regulations:

- the European Works Council Regulations (2004), which are intended to improve the rights of employees to be informed and consulted through the establishment of a European Works Council or equivalent arrangements. These regulations repealed the European Works Council (Information and Consultation) Regulations (2003);
- the Employee Involvement (European Company) Regulations (2004), which 'establish the arrangements for the involvement of employees in the affairs of European public limited liability companies as referred to in Regulation (EC) No 2157/2001, thereby giving effect to the relevant provisions of Council Directive 2001/86/EC of the 8th October 2001 supplementing the Statute for a European Company with regard to the involvement of employees'; and
- the Equal Treatment in Employment Regulations (2004), which 'put into effect the principle of equal treatment in relation to employment by laying down minimum requirements to combat discriminatory treatment on the grounds of religion or religious beliefs, disability, age, sexual orientation, and racial or ethnic origin'.

The organisation and role of the social partners

There were no major changes in the organisation and role of the social partners during 2004. Trade unions maintained 2003's membership levels apart from the GWU and the Malta Union of Midwives and Nurses (MUMN). Membership of the GWU decreased by 1.6% while that of the MUMN increased by 14% during 2003.

Overall, the employers' associations also maintained the previous year's membership levels. Noteworthy decreases occurred in the Meat Sellers Association (Assocjazzjoni tal-Bejjiegha tal-Laham), the membership of which fell by 16% and the Hotels and Restaurants Association for Malta and Gozo (Assocjazzjoni tar-Ristoranti u Lukandi ta'Malta u Ghawdex), the membership of which dropped by 6%.

In November, eight trade unions not directly represented on the Malta Council for Economic and Social Development ([MCESD](#)), the country's highest forum for tripartite concertation, joined forces in an attempt to persuade the government to change legislation and include their representative on the council. These unions are the MUMN, the University of Malta Academic Staff Association (UMASA), the Airline Pilots Association (ALPA), the Association of Airline Engineers (AEE), the Union of Cabin Crew (UCC), the Union of

Architects and Engineers within Government Organisations (Union Periti u Inġiniera tal-Gvern u Parastatali), the Union of the Planning Authority Professionals (Union Professjonisti Awtorita' tal-Ippjanar u Ambjent) and the Union of Central Bank Employees (Union Haddiema Bank Central, UHBC). However, the government rejected the request of these unions, which together have around 3,000 members.

Industrial action

Data on the level of industrial action in 2004 was not available at the time of writing. Notable disputes over the year includes an industrial dispute in August staged by the General Workers' Union at the Malta Freeport after the government refused to consider the union's demand for a major pay increase ([MT0410101N](#)). In May, Malta's national postal service, Maltapost, became involved in a dispute over staffing levels with the Union of United Workers (UHM). The dispute escalated when UHM instructed employees to refrain from carrying out several work-related tasks. The conflict was finally settled after several meetings involving UHM, Maltapost, and government officials ([MT0406101N](#)). Further, in August, the Public Transport Association (PTA) took limited industrial action in support of demands for higher subsidies from the government in order to make up for the increased expenses of its members that own and operate bus routes ([MT0409101N](#)).

Employee participation

2004 saw the loss of two worker directors within the state-owned Malta Drydocks and Malta Shipbuilding due to a restructuring exercise finalised at the end of 2003 ([MT0312102N](#)).

On the other hand, the rescue plan agreement signed for Airmalta in May 2004 provides for the setting up of a works council composed of nine members representing the interests of the organisation and the employees. The council's task is to ensure that organisational targets are being reached and that adequate dialogue between unions and management is maintained ([MT0407101N](#)).

In 2004, the GWU held talks with the Malta-based Corinthia Group of Companies on setting up an EWC. However, by the end of 2004 the EWC had not yet been established ([MT0409103F](#)).

Absence from work

In order to curb abuse of sick leave, many collective agreements provide for the services of company doctors to certify sickness. Government departments adopted this system in 1999. Controversy broke in January 2004 when a newspaper reported that government had sent warning letters to 200 doctors who were accused of abusing the system. The Medical Association of Malta (MAM) denied these allegations, stating that 'the frequency of sickness certification is similar to that reported in other European countries'.

Psychological harassment

Psychological harassment or bullying is not an issue in Malta. There have been no recent legislative initiatives aimed at combating this problem, nor have the social partners expressed any particular views on this.

New forms of work

There are no comprehensive statistics regarding new forms of work in Malta. Further, no legal framework exists for temporary work agencies.

Figures from the National Statistics Office (NSO) reveal that 92% of employed people have a full-time job as their main occupation, while 1% have a full-time job with reduced hours and 7% work part-time. Between 2003 and 2004 there was a marginal decrease in the percentage of full-time employed women when compared with those working full-time with reduced hours and those working part-time - see table 1 below.

Table 1. Full-time jobs, full-time jobs with reduced hours and part-time jobs, 2003-4

	Sex				Total	
	Male		Female		Number	%
	Number	%	Number	%	Number	%
April-June 2004						
Full-time job	98,786	96.0	35,438	82.2	134,224	91.9
Full-time job with reduced hours	176*	0.2	1,099*	2.5	1,275*	0.9
Part-time job	3,981	3.8	6,564	15.2	10,545	7.2
Total	102,943	100.0	43,101	100.0	146,044	100.0
June 2003						
Full-time job	99,274	95.8	35,687	79.0	134,961	90.7
Full-time job with reduced hours	536*	0.5	2,513	5.6	3,049	2.0
Part-time job	3,828	3.7	6,980	15.4	10,808	7.3
Total	103,638	100.0	45,180	100.0	148,818	100.0

* = *under-represented*

Source: NSO.

NSO statistics show that 3.1% of employed people were working on a temporary or fixed-term contract in the period from April to June 2004. This proportion has decreased slightly since 2001 - see table 2 below. A larger proportion of women are employed on a temporary or fixed-term basis than men (5.1% and 2.2% respectively). Between 2003 and 2004 the proportion of men in temporary work or working on a fixed-term contract decreased by 1%.

Table 2. Permanent/indefinite and temporary/fixed-term work, 2001-4
% within main occupation

	Permanent work or indefinite contract			Temporary work or fixed-term contract		
	Males	Females	Total	Males	Females	Total
June 2001	97.0	93.5	96.0	3.0	6.5	4.0
June 2002	97.0	94.4	96.2	3.0	5.6	3.8
June 2003	96.8	95.0	96.2	3.2	5.0	3.8
April-June 2004	97.8	94.9	96.9	2.2	5.1	3.1

Source: NSO.

Outlook

In 2005, the government is expected to privatise the Bank of Valletta, one of the largest two banks operating in Malta, and Maltacom, the country's main telecommunications and related services provider. The port reform is also expected to continue in 2005. One controversial aspect of this reform is that it could potentially affect the finances of the GWU ([MT0411102F](#)).

The government is determined to reform the Maltese pensions system, which it believes is becoming unsustainable. A white paper has been drafted and the social partners will examine it in the early months of 2005. Reform of the healthcare system will also be on the government's agenda. Considerable public debate is expected on all these issues.

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