



2.2 Thirteen Years Later: Trade Unions in the Maltese Private Sector Revisited

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A study was carried out to examine the evolution of trade unions in the Maltese private sector between 1995 and 2008. The proportional coverage of collective agreements in the private sector decreased by 6.2% during the period under study. The number of collective agreements in force fell from 212 in 1995 to 168 in 2008. Only around a fourth of full-time employees in the private sector were covered by a collective agreement in 2008, down from around a third 13 years before.

Rationale and methodology

Practically the whole public sector in Malta - which includes both civil service and statutory corporations, comprising around 40,600 workers (NSO, 2009) - is covered by sectoral collective agreements. But what about the private sector which is some 103,055 strong, including the self-employed (NSO, 2009)? How significant is the presence of trade unions where market forces prevail and where trade unions need to obtain recognition for the purpose of collective bargaining from private employers in Malta?

To answer these questions, employment statistics for 2008 by economic sub-sector obtained from the Employment and Training Corporation (ETC) were cross-tabulated with the lists of collective agreements in force during 2008 obtained from both the Department of Employment and Industrial Relations and the respective trade unions covering employees in the Maltese private sector. The results of this study were then compared with a similar one, using a similar methodology, undertaken on the basis of 1995 data (Baldacchino, 1996). This permitted a comparative critique of trade union membership trends over the 13-year (1995 to 2008) period. Data from the National Statistics Office (NSO) for 2008 was used to determine the number of full-time employees engaged in the Maltese economy.

The distribution of collective agreements in the private sector

Table 1 provides a snapshot of the respective penetration of trade unions in the private sector by NACE economic category in 2008, as measured by the securing of collective agreements (CAs).

The data in Table 1 suggests that local gross collective bargaining coverage in 2008 stood at just over a quarter (26.7%) of the full-time private sector labour force. Financial intermediation, education, manufacturing

NACE Code	Economic activity (by Sector)	Private sector firms with CAs in 2008	% of employees covered by CAs
01	Agriculture, hunting and related services activities	-	0
05	Fishing, fish farming and related services activities	-	0
10-14	Mining and quarrying	1	4.1
15-37	Manufacturing	61	47.1
40-41	Electricity, gas and water supply	-	0
45	Construction	3	7.1
50-52	Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods	16	4.2
55	Food and Accommodation	15	15.6
60-64	Transport, storage and communication	12	44.4
65-67	Finance and insurance intermediation	9	66.1
70-74	Real estate, renting and business activities	13	13.5
80	Education	10	58.1
85	Human health and social work	8	12.6
90-93	Other community, social and personal services	13	15.3
	Totals	161	26.7

Table 1. Collective agreements in the private sector

and transportation and storage lead the pack as the four economic sectors with the highest density of collective agreements (covering 66%, 58%, 47% and 44% of full-time employees respectively). Together, these four sectors

provide employment to close to 36,000 full-time employees, or just over 40% of all such employees in the Maltese private sector. In contrast, all the other economic sectors report a much lower density of collective agreement coverage, ranging from 0% to around 15% of full-time employees.

Looking more closely at each of the key sectors offers some additional insights. The finance and insurance sector has the highest relative proportion of firms with collective agreements in place in 2008. The sector includes banks, brokers, financial consultants, financial advisors and insurance companies. Out of 22 licensed banks in Malta, four had a collective agreement in force. And out of 46 registered insurance-related companies, two had a collective agreement in force in 2008.

The level of employment in the education sector reflects the expansion of private education in Malta over recent decades. A closer look at the figure of 58% as collective bargaining density reveals that this is made up of 11 collective agreements struck with 10 entities. Most of the employees benefiting from a collective agreement in this sector are covered by a single agreement: that for the 1,459 teachers engaged in some 81 'church schools'. Otherwise, seven other privately run 'independent schools' had a collective agreement in place in 2008.

The manufacturing sector remains the one with the largest number of full-time employees in the private sector. The ten largest manufacturing firms – each with 300 full-time employees or more - remain firmly unionised: they are responsible for more than two out of every three unionised full-time employees in manufacturing in 2008 (a total of some 6,250 employees). The remaining 3,000 or so employees covered by collective agreements in this sector are distributed across no less than 51 other firms. Over one third (38%) of all private sector collective agreements in force in Malta in 2008 were in manufacturing.

There were just five relatively large firms with collective agreements in place in 2008 in the transport, storage and communication sector. Of these five, four had a previous life as part of the public service or as a statutory body where the state had a controlling interest.

Trade union infiltration in the private sector

Table 2 is a comparative analysis of trade union coverage in the Maltese private sector over a span of 13 years.

Sector	Total F/T Employees June 2008	F/T Employees covered by CAs 2008	As % of workers in sector 2008	Total F/T Employees March 1995	F/T Employees covered by CAs 1995	As % of workers in sector 1995
Primary	993	16	1.6%	1,002	-	0%
Secondary	25,856	9,708	37.5%	31,818	14,305	45%
Tertiary	58,929	13,155	22.3%	34,440	7,823	22.7%
Total	85,778	22,879	26.7%	67,260	22,128	32.6%

Table 2. Trade union infiltration comparative analysis: 1995-2008

Thirteen years have been enough to permit an identification of some significant changes in employment distribution and trade union penetration. Some 6,000 full-time manufacturing jobs have been lost over this period, while some 24,500 service sector jobs have been created. With employment in the primary (extractive) industries practically unchanged, this has meant a net increase of over 18,500 full-time jobs in the private sector.

The total number of full-time employees in the private sector increased by 28% - from 67,260 in 1995 to 85,778 in 2008. Collective bargaining coverage overall has also increased marginally: 22,879 full-time, private sector employees were covered by a collective agreement in 2008 as against 22,128 in 1995.

However, the proportional coverage of collective agreements in the private sector decreased by an overall net 6.2% (from 32.9% to 26.7%) during the 13-year span. The secondary sector experienced a trade union coverage decline of a net 7.5% (from 45% to 37.5%). Collective agreement coverage in the services sector expanded in the 13-year period to include an additional 5,300 workers or so. However, this expansion of coverage was not enough to match the sector's increase in employment, resulting in an overall slight decline in collective agreement coverage in the services sector (from 22.7% to 22.3%).

This loss of trade union presence and clout in the Maltese private sector over the 1995-2008 span is also evident in the falling number of collective

agreements in force in the same sector: from 212 in 1995 to 168 in 2008. The data suggests that the main loser in this domain has been the General Workers' Union (GWU) (one third less collective agreements signed in the private sector in 2008 compared to 1995). See Table 3.

No of Collective Agreements	GWU	UHM	MUT	MUBE	Others	Totals
2008	109	42	7	4	6	168
1995	158	42	3	4	5	212

Table 3. Collective agreements by union 1995-2008

Commentary

The data provides useful information on trends and evolution of private sector trade unions in Malta. In 2008 only around one full-time employee in four in the private sector was covered by a collective agreement signed between an employer and a trade union in Malta: a decrease from a unionisation rate of around one full-time employee in three in a span of just 13 years.

*A slightly longer version of this article was published on the website of the European Foundation for the Improvement of Living and Working Conditions: <http://www.eurofound.europa.eu/eiro/2009/10/articles/mt0910019i.htm> as well as: Baldacchino, G. & Gatt, R. (2010). *Thirteen years later: Trade unions in the Maltese private sector revisited*. *Bank of Valletta Review (Malta)* (40), 29-45.*

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