

INDUSTRIAL RELATIONS –

WORKER PARTICIPATION

The legal implications of worker participation may be better understood by considering the many viewpoints on the issue. Below is a personal approach to the subject by **Michael J. Mallia** as presented in his contribution as a panel member in the Forum on the Development of Worker Participation organised by the Department of Commercial Law of the University of Malta. The Forum was held at the Aula Magna, Old University Buildings, Valletta on Thursday, April 14th 1983.

THE DEVELOPMENT OF WORKER PARTICIPATION IN MALTA

Michael J. Mallia

Being here on a personal basis, I wish to express straightaway my genuine pleasure at having been invited to form part of a panel in a forum that in reality is dealing with the shape of industrial relations and activity in Malta.

I say this, for a particular personal reason. Today I happen to be President of Malta's Employers Association, a union of employers that I strongly believe in.

Not so long ago, I was an active member of a trade union. I feel therefore, that in a small way, I may perhaps be able to contribute towards the development of industrial relations in our island.

This forum is considering a topic which is a very complex one. On the international level the forms of participation under consideration range from the concept of self-ownership and management to the other concept of considering collective bargaining as the maximum realisation of worker involvement at the workplace. A number of areas can be considered within the participation concept, such as :- **technical questions** relating to production, organisation, equipment, work methods and performance; **personnel questions** concerning the individual at work

Michael J. Mallia, a former trade unionist, is today President of the Employers' Association in Malta.

and in some cases outside work; **economic and financial policies** (including the distribution of profits); questions of over-all policy, such as appointment of managers, partial or total closure, and other reorganisation measures.

The overall problem of "concept" definition, has, however, continued to be a foremost one. I believe, in fact, that it is generally agreed that it is not possible to arrive at an internationally agreed definition of participation, as this is interpreted **differently** by **different** categories of people in **different** countries and at **different** times. I am therefore deliberately avoiding specific discussion of any one particular model at this point in time.

I would now like to go into the Malta situation. The general local background has already been covered in studies that have been carried out; I also **presume** that the existing data is also being well-digested by the Worker Participation Development Centre which is part of the University. I say 'presume', because to date my own Association has been unable to participate in this centre, despite its standing request for inclusion.

As an employer in industry, with a trade-union background, I feel that the aspects that were raised in the past in Malta regarding worker-participation are still operative to this day:-

(a) Education

The process of producing national awareness of what participation is or can mean is still generally lacking. The WPDC, despite employer exclusion, is a good step in this direction.

Personally, I feel that if there is to be any meaningful form of participation it has to follow on from a very broad process of "education" in its proper sense. This should not only encompass workers and their unions; it must definitely include employers and their unions. It is also vital that Malta's managers and administrators are "educated", that they may be able not only to comprehend what is going on but also to implement it, and, more important still innovate on it.

Another problem area that has to be the target of intensive reorientation in Malta is the middle management area, as this level of management is the one that is often the worst-affected initially and the one that feels most threatened, where processes of participation have been introduced.

The process of education must also include careful consideration of the results obtained elsewhere through the various methods adopted and a clear awareness of the prevailing circumstances in Malta. We cannot expect to bring about, overnight, situations that have taken other countries a very long period of time to evolve; at the same time we have to be careful not to copy blindly. We have to modify concepts to our particular political, social, economic and geographical realities.

(b) Principles

Following closely on the heels of an "education" process, we must categorically make our national choices or, if you like, choose our principles for the future. We cannot operate forever in a state of uncertainty; my own definition is that we must have an "ideological settlement", that is a clear guideline as to where our politicians wish to go.

Both our political parties have endorsed participation in principle, but where do we go from here? On our side as employers, we are constantly seeking clear-cut definitions of principle. To us, the principle of private enterprise is a basic one; so is the profit motive; so is our belief that it is private enterprise, working in harmony with the state, can create the economic benefits out of which social development can occur. It is therefore evident, that we cannot endorse concepts of self-management which would in effect exclude private ownership; at the same time we find no objection to any group of persons owning and operating their own enterprise, where this has been freely handed over by the owner. Nor are we against producers' cooperatives, where the members of such cooperatives are simultaneously workers, owners and directors of an undertaking managed by a committee and staff elected or appointed by them.

In principle, I also believe that the imposition of any system of participation by legislation would be counter-productive.

The development of the concept in Malta requires lengthy and un-imposed experimentation. The role that can best be played by the State, once it endorses participation, is:- to encourage employers to evolve it within their enterprises; to develop and maintain it within its own administrative structures, and in public enterprises; and to evolve machinery for National investigation, monitoring and updating of developments, locally and abroad. In short, to ensure a co-operative effort all-round for the successful development of the concept.

(c) Profit Sharing

Another aspect that is often debated as part of the process of participation is profit sharing. To me, this would appear as the least problematic of all, even as regards the mechanics of its implementation. Several enterprises had already adopted a system of special bonuses prior to the statutory introduction of an annual bonus to all employees; even today, a number of enterprises have paid extra bonuses beyond the statutory ones, where the performance of their particular enterprise enabled them to do so. In the current economic situation, however, several enterprises are in a precarious state where losses rather than profits are in evidence.

(d) Information and Influence on Decision Making

Personally, I feel that information sharing is an aspect of participation that can be adopted without any major problems or side-effects, provided that workers display maturity in the way they handle the information made available. The dissemination of information at the workplace can take place in several ways; once it is an established practice it should not be difficult to evolve it into a mechanism whereby workers can and do influence the taking of management decisions.

I feel I have touched on a few major points involving participation. It was not my idea to indulge in detailed study or analysis, but it is my hope that I have said enough to stimulate debate within, and without, this gathering.

Before I conclude, I wish to stress once more that I have mainly expressed personal viewpoints. The latest official viewpoint from the Employers Association of which I am president, was published in 1981 and I would like to read out the Association's latest views on participation:-

Participation...is endorsed in principle by both political parties and its development is not obstructed by employers. We must, however, make it clear that we cannot immediately arrive at those points that have taken other countries several years to evolve. We must also be conscious that we must fashion ideas to our particular circumstances. It is therefore the duty of the state to 'educate' our society first as to the meaning and impact of participation or co-determination. On our side, as employers, we are definitely against certain extreme forms, already circulated in our Island, such as full worker takeover of private enterprise, the so-called worker self-management idea. Nor are we for very narrow definitions which merely lead to profit-sharing schemes. This does not mean that we are against any group of persons owning and working their own enterprise, such as the Drydocks case where the enterprise was voluntarily handed over to the employees by the owner, that is Government. (Even this in itself, is a dynamic operation which needs careful monitoring and guidance). In the immediate term what we seek is for the State to evolve machinery for a thorough investigation of the options available before any particular idea is embarked upon. Such machinery should be very broadly based and devoid of political pressures.