



## COVID-19 in Malta: A New Reality of Working Life

### **ABSTRACT**

The economy of Malta, heavily dependent on the services, could not remain unscathed from the adverse effects of COVID-19. The disruptions caused by this pandemic and the subsequent new realities in the world of work proved to be a testing ground for the social partners. Indeed throughout the pandemic, by being highly active at the level of tripartite national social dialogue, they attempted, and managed, to act as effective brokers about the measures and policies being adopted by government in its policies to cope with the nuances of the pandemic. The most vociferous trade unions were those representing the workers, who due to work-related social interaction, tended to be more exposed to the risks of infection. These comprised the doctors, teachers and nurses together with other hospital employees. In their actions and vocal protests these trade unions tried to assert their political weight by brandishing the professional know-how of their members and the high discretionary power inherent in their work practices.

### **PROCEDURAL ISSUES**

During the pandemic, the cause of the trade disputes tended to be about procedural rather than substantive issues. Indeed, in 2020, most of the trade disputes were about the policies being adopted or the measures taken to control the spread of the pandemic. The most active in this regard were the trade unions representing workers, who due to the social interaction that characterises their work, are exposed to greater risks of being infected with the virus. These were the Medical Association of Malta (MAM) representing the

doctors, the Malta Midwives and Nurses Association (MUMN) and the Malta Union of Teachers (MUT).

The industrial actions taken by these trade unions, very often partial, do not lend themselves to measurement in terms of workdays or hours of work lost. The disruption of services offered by primary health clinics caused by the industrial action taken by MAM may be an apt example of an industrial action which cannot be measured in statistical terms such as workdays or hours of work lost. Nevertheless, whilst not reflected statistically, it appears that due to COVID-19, industrial action was more frequent in 2020 than in 2019.

An apt example of a trade dispute about procedural issues was the dispute between the MUT and the Ministry of Education over the reopening of schools after the summer recess. As September reopening approached, the MUT insisted that on-line schooling adopted during the second phase of the pandemic should continue to be the practice for the 2020/2021 scholastic year. The Minister for Education, Owen Bonnici, did not agree with this suggestion and declared that schools were to reopen during the last week of September. The MUT stated that it would oppose this reopening unless the restrictive measures and their enforcement are guaranteed (Times of Malta, 2020a). Following intense discussions between the Ministry of Education, MUT officials and the Superintendent of Public Health an agreement was reached on the protocol which schools were obliged to follow. This protocol included clauses related to the wearing of masks, physical distance, sport activities and alternating timetables (Office of Superintendent of Public Health, 2020). Following an agreement about the provisions of this protocol, the opening was delayed by a week and staggered over a seven-day period. Church schools were bound to follow the same protocol.

### **TRADE DISPUTE AT AIR MALTA**

This prevalent trend wherein procedural rather than substantive matters had been the cause of a trade dispute issues was not prevalent in Air Malta. The lock down policy announced by the government proved to be a prime mover for a trade dispute between government and Air Malta employees. As the operations by Air Malta dwindled to a mere two flights a day in contrast with the normal 20 a day, the pilots were asked to accept a reduction in their pay. However, an agreement with the Malta Airline Pilots Association (ALPA) could not be reached. While insisting that the burden must be borne by all employees, ALPA stated that it wanted to know the airline's plans for a post COVID-19 future (Times of Malta, 2020b).

In the meantime, Government announced that an agreement was reached with the union representing the cabin crew which waived all rights listed in the 2016 collective agreement. As part of the agreement the cabin crew agreed to be paid a guaranteed sum and could earn more on the basis of the hours flown (see section below). Another agreement was reached with the engineers which stipulated that a review of the situation will take place every 28 days. This mood of compromise was lacking between ALPA and the government. Air Malta stated that it was not in a position to accept the “unreasonable demands” made by ALPA. On sixth June 2020 the government announced that half (69 out of 134) of Air Malta pilots have been declared redundant. The economy minister, Silvio Schembri, accused ALPA of attempting to place a stronghold on Air Malta’s existence “at a time when it operations had been dealt a severe blow by the pandemic” (Times of Malta, 2020c). On the other hand, ALPA accused the airline that it used the pandemic as an excuse to settle all scores and bring to a premature end the collective agreement which was due to expire at the end of 2022 (ibid).

### **CONCESSIONARY BARGAINING**

It is to be noted that in this trade dispute between Air Malta and the Airline pilots an attempt was made by government to resort to concessionary collective bargaining in the negotiation process among the social partners. In this type of collective bargaining employees are generally asked to forfeit some of the benefits listed in the collective agreement in exchange for protection against layoffs. Given the precarious situation of Air Malta, due to the closure of the airport, the government assured the employees of this company that their job would be retained if they were to acquiesce to the benchmark wage of €1,200 per month which other workers in the same precarious employment had accepted.

In this concessionary bargaining government established a new benchmark in its wage policy. This new wage benchmark formed part of the COVID-19 Wage Supplement, a state support measure aimed at boosting the industries which had been badly affected by the pandemic crisis. One of the measures included in this aid package was a grant of €800 per month to employees operating in sectors that had been suffering drastically during the crisis or had to temporarily suspend their operations. The employer was bound to pay the remaining amount (up to €400) to ensure a higher level than the statutory minimum which for the year 2020 was €724,32 for four weeks of work. This measure by government constituted a benchmark of a monthly

wage packet of €1,200 (€800 + €400) which was to be applied in the collective bargaining process throughout the period of the pandemic. The Malta Airline Pilots Association (ALPA), representing the pilots employed by Air Malta, refused to accept this benchmark wage as it claimed that the government failed to give a plan of the new scenario in the post COVID-19 period (Times of Malta, 2020b). It therefore kept on insisting that the provisions of the last collective agreement should be honoured.

## **DIGITALISATION OF WORK**

These episodes and events were taking place in a labour market characterised by new employment relations. One of the most glaring changes in the Maltese labour market brought about by the pandemic was the acceleration of the digitalization process at the work place and in the daily life of the Maltese citizens. Although home-based teleworking has very often featured in the agenda of the social partners, attempts to implement it had been few and far between. Empirical data clearly point out that the onset of COVID-19 pandemic accelerated its developments. The Malta National Office of Statistics (NSO) in its finding of the survey of the labour market noted that many employers had made the necessary arrangements for their employees to work remotely from home. Indeed the NSO data indicate that in the last two weeks of March 2020 about one third (33%) of the employed persons were working from home. This marks an increase of 21% over the same period in 2019 (NSO, 2020).

The increase of this work trend was also confirmed by another survey conducted by PwC Malta in May 2020. According to the data of this survey the majority (71%) of the 850 respondents confirmed that they were working remotely while 61% stated that this was their first experience of remote working (PwC Malta, 2020). Two out of three employees taking part in this survey expressed positive views about teleworking.

In order to encourage remote working, government issued a scheme to assist employers to invest in technology to provide teleworking arrangements for their employees. The benefits of this scheme could be availed of by all the undertakings which had employees who did not have an active teleworking agreement prior to 15<sup>th</sup> February 2020. The benefit to employers consisted of a grant of up to €500 per teleworking agreement limited to a maximum of €4,000 per undertaking. This toll, which government had consented to pay to address the adverse effects of COVID-19, brought about a higher degree of sensitivity to a consensual ethic among the social partners. This does not however mean that consensus was total

## THE POLITICAL WEIGHT OF TRADE UNIONS

The trade unions representing the workers defined as front liners, such as doctors, nurses and teachers, were very active in this new industrial relations scenario. As has already been noted, during the pandemic crisis the trade unions which made their presence strongly felt were the Malta Union of Midwives and Nurses, the Malta Union of Teachers and the Medical Association of Malta. In their actions and vocal protests these trade unions tried to gain political weight by brandishing the professional know-how of their members and setting themselves apart from the other trade unions with which they are affiliated. The policy adopted by government to incorporate the social partners within its decision making policy in order to enhance the legitimacy of its actions prompted these trade unions to demand a higher and more direct form of consultation about anticipatory measures.

Conversely, the lack of these skills among the immigrant workers, especially the third country national, rendered them expendable. These foreigners were the first category of workers who had to bear the brunt of the COVID-19 crisis. Many of them had to be repatriated to their homeland (Times of Malta, 2020d). At one time these foreigners made up 25% of the Maltese labour force. The drastic decrease of these foreign workers caused by this repatriation is likely to affect the multi-cultural set up of the Maltese labour market which had become a visible feature of the Maltese society. The relative small decrease registered in the unemployment figures suggest that the adverse effects of the epidemic have created a reserve army of Maltese workers who have been pushed to fill the gaps caused by the departure of foreign workers.

## CONCLUSION

One of the conclusions that can be reached from the events and episodes that unfolded during the pandemic crisis in Malta is that timely intervention by the state is vital as it provides a prop to enable ailing companies to sustain their survival and resilience. Without the state's financial aid to industry many firms would have succumbed to what may be perceived to be the inevitable or unavoidable.

These measures were complemented by the practices of flexibility among the actors and stakeholders engaged in the labour market. The practice of this type of flexibility has been made possible by an educated workforce that possesses the necessary computer literacy skills. The implementation of this flexibility by several work organisations operating in the Maltese labour market has given proof that the discourse about the benefits of investment in

education is far from being mere glib talk. Malta is far from being a model of a flexible education system that caters for a diversity of skills and knowledge. The number of early school leavers in Malta which averages one in six is still high by European standards. The Maltese government has pledged to bring down the figure to 10 per cent by 2020. The fewer opportunities for new recruits in the Maltese labour induced by the pandemic may compel pupils who reach the compulsory school leaving age to prolong their school experience and thus decrease the relative high Maltese rate of early school leavers.

These interventions by the state in the labour market were sustained through the mechanism of social dialogue and consultation practices. The Malta Council for Economic and Social Development (MCESD), the tripartite national institution for social dialogue, acted as an effective brokerage agency in the designation of the remedial measures that had to be taken to cope with the nuances of the pandemic. This however does not mean that there was total convergence about the strategies and policies being adopted to combat the nuances of the pandemic. Indeed the pandemic may have caused an alteration to the power relations between the actors involved in industrial relations.

In this instance the Superintendent of Public Health proved to be additional actor involved in the social dialogue mechanism. In its quest to assert the logic of its decision making and the formulation of its policies, Government was consistently claiming that its actions were based on the expertise and knowledge of the health sector whose professional advice it was always seeking and heeding. Due to their lack of expertise on this matter the trade unions generally acquiesced to the measures taken and the policies adopted by government. This convergence was not however total as the Medical Association of Malta (MAM) claimed that among its members it has a repertoire of knowledgeable persons with the same level of expertise in health matters. Thus the main divergence of opinions among the social partners stemmed from the conflict between MAM and government. Indeed MAM was vocal in its disapproval of the decision taken by government to reopen the airport on the 1<sup>st</sup> of July. It also ordered a partial industrial action as a protest against the decision by government to sanction an event of social gathering which eventually was the cause of increase in the number of infections. These actions by MAM might have caused a dent in the trust relationship among the social partners. This dent did not however undermine the mechanism of social dialogue.

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