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**MONOGRAPH ON THE SITUATION OF SOCIAL PARTNERS IN NEW MEMBER
STATES AND CANDIDATE COUNTRIES**

Construction sector

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Malta

1. Description of the sector

1.1. - Delimitation and scope of activities

The Employment Training Centre (ETC) in its statistics about the sector spread of workers in the Maltese labour market includes quarrying and oil drilling in the Construction sector. In the Labour Force Survey (LFS), conducted by the National Statistics Office (NSO), quarrying and oil drilling are separated from the construction activities. The NSO adheres strictly to the NACE standardised nomenclature of activities.

1.2. - Socio-economic features

The construction industry in Malta during the year 2002 registered an increase of 12.1% over the same period of 2001¹⁰⁷. The value added stood at Lm48.4 million or 3.4% of the Gross Domestic Product¹⁰⁸. The speeding up of work on a new general hospital, the increase in the outlay on construction and upgrading of roads and work in progress at the ferry terminal linking Malta with Gozo contributed significantly to this higher turnover¹⁰⁹. These are all Government outlays on construction which were higher than in 2001. In 2003, the nominal contribution of the Construction and Quarrying sector to the GDP decreased marginally to 3.3 per cent from 3.4 per cent in 2002¹¹⁰. The value added attributable to this industry went down by Lm0.3 million to Lm48.1 million, a reduction of 0.7 per cent over the previous year. Employment income remained unchanged at Lm32.6 million, with the public sector reducing its share and the private sector registering a 6.1 per cent increase in labour costs. During the year under review the profit component diminished by Lm0.3 million to 15.5 million, a year-on-year drop of 2.0 per cent (NSO; 58/2004).

Employment in Construction, Quarrying and Oil Drilling

1999	2000	2001	2002	2003
5539 (4.0%)*	6036 (4.2%)*	6759 (4.8%)*	6916 (5.05%)*	6868 (5.0%)*

Source : Employment Training Corporation (ETC). * percentage in relation to gainfully occupied.

The great majority of workers employed in Construction are males (96%). The majority of people working in Construction are employed as craft and related trades workers (52%). Elementary occupations and plant and machine operators and assemblers are two other occupations that are considerably represented in the sector (17% and 12% respectively). The majority of females employed in Construction work as clerks (55%). The employment rate in Construction has a tendency to fluctuate because it depends on the number and type of construction projects which are underway. This can explain the surge in employees in 2002, when compared with the previous and subsequent years (about 800 more employees). However, when one looks at the specific occupations of these employees some consistent trends are noticeable. In the past three years, the number of people categorised as legislators, senior officials and managers, professionals, and elementary occupations has decreased. On the other hand, the number of technicians and associate professionals, and clerks has increased considerably. While, as was argued earlier, the number of craft and related trades workers fluctuates considerably, their relative importance compared to the other categories of workers is increasing every year. Although the majority of people working in the Construction sector are employees (73%), the proportion of self-employed is not negligible (18%). As regards the professional status of employees, in the past three years no trend can be identified, but we note that 96% of

¹⁰⁷ Central Bank of Malta, 2002 p.34.

¹⁰⁸ NSO; 58/2004.

¹⁰⁹ Central of Malta, 2002, p.34.

¹¹⁰ This downward trend in 2003 is not reflected in the Labour Force Survey (LFS) of the National Statistics Office (NSO). The LFS, designed to satisfy concepts and definitions outlined by Eurostat, comprises all people who during the reference week worked for at least one hour for a wage or salary in cash or in kind, employees who were not at work due to undergoing training and even unpaid family workers such as people who worked without pay in family business. The LFS figures therefore tend to be higher than those provided by the ETC which are based on those registered as gainful employed people. In fact the LFS figure for employees in the Construction sector for 2003 is 11,214 (NSO 53/2004), representing 7.6 per cent of total employed people.

those who work in Construction are employed on a full-time basis. In line with other employment sectors, this figure drops down to 84% in the case of females. A marginal increase (6%) in the proportion of part-time employees was registered between 2001 and 2003. The ratio of men working in Construction increases with age; 19% are in the 15-24 age bracket and 27% are in the 45-54 age bracket. A sharp decline is, however, noticeable in the 55-64 age bracket (10%). While the female figures should be treated with caution, due to under representation, they still show indications of different trends from those of males. The largest number of female employees in this sector are concentrated in the 15-24 age group (39%). This decreases, reaching a minimum in the 35-44 age group, but increases again in the 45-54 age group. These figures are in line with the general work-related patterns of female employment in Malta. Married women tend to stop working during the child-bearing age and go back to work when the children grow older. Nevertheless, the figures for 2003 did not reflect the trends shown in the previous two years. While the number of workers of the 45-54 age group decreased in 2003 the number of workers in the 15-24 and 25-34 age bracket continued to show increases. Up to 2002, the number of employees in the 45-54 age groups were more than double those in the 15-24 age bracket. In 2003, this difference narrowed down considerably. On the other hand, the ratios of the 35-44 and 55-64 age brackets have remained constant. The weighted average weekly wage rose from Lm81.90 in 2002 to Lm83.65 in 2003. This increase of Lm1.75 represents an increase of 2.1 per cent¹¹¹. It should also be noted that public sector workers in construction amount to only about two per cent.

According to the chairperson of the Building Industry Consultative Council (BICC) it is very difficult to quantify the underground economy. However, according to one of the major contractors, who is the President of the Federation of Building and Civil Engineering Contractors (FOBC) the number of people in the underground economy would be approximately one thousand, which would be equivalent to about ten per cent of the workers employed in the Construction sector. Multi-national Companies (MNCs) in the construction industry operate on an *ad hoc* basis in the sense that they make their presence felt when there is a tender issued by the government for a big project such as the building of a new hospital. The tender for the major part of this project is undertaken by an MNC. Atypical work exists but it cannot be quantified because it tends to be seasonal or according to schedule of work.

The competitive strategies adopted by firms are based mainly on cost. This was confirmed by the chairperson of BICC and the secretary of the Technology and Electronics Section (under whose charge the Construction sector falls) of the General Workers Union (GWU). However the chairperson of FOBC stated that their federation has continuously insisted in the meetings held by BICC on making a classification of firms (similar to the grading of hotels) so as to facilitate bidding processes. He insisted that there are firms who have invested heavily in equipment and resources and they can therefore be differentiated from others. The President of the Building and Construction Section of the Association of General Retailers and Traders (GRTU) tends to concur with the latter view. He said that there are a number of small firms which can undertake only a part of a large project, whereas there are a few big contracting firms which can undertake the whole range of tasks of a project.

At present, the construction industry in Malta is suffering from a shortage of labour. All those interviewed confirmed this view. Even the Annual Report of the Central Bank of Malta comments on the mismatch between supply and demand for skilled workers in this sector leading to a higher operating cost of labour¹¹². According to the president of the FOBC this shortage is due mainly to two factors namely: workers being attracted to other sectors and lack of training at every level for the necessary level of skills demanded by the industry. As this shortage is acknowledged by all the actors involved in this sector, the FOBC insists that its request to issue work permits to foreigners, especially those from the Balkan countries, should be granted by the public authorities¹¹³. The industry is in a state of flux. There seem to be neither signs of expansion nor of any serious shrinkage. Construction in hotels has reached saturation point and once the two major projects (building of a new hospital and ferry terminal) are completed the industry may go through a sluggish time. However, the other projects under development, namely the new cruise liner terminal and harbour development should keep the demand for employment in this sector at similar levels for the coming years.

¹¹¹ Economic Policy Division, 2003, pp.148-149.

¹¹² Central Bank of Malta, 2002, p. 35.

¹¹³ Business Weekly 5-11 April 2001.

Contextual data¹¹⁴

Companies

Sub-sectors (Nace)	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
45.11	75	42.7	52	5.3	
45.21	988	55.6	40.6	3.4	0.4
45.22	26	61.5	38.5		
45.23	31	6.5	54.8	38.7	
45.24	6	33.3	33.3	33.3	
45.25	23	52.2	43.5	4.3	
45.31	477	68.1	28.1	3.4	0.4
45.32	8	87.5	12.5		
45.33	109	74.3	22.0	3.7	
45.34	138	84.1	15.2	0.7	
45.41	830	80.0	19.6	0.4	
45.42	22	54.5	36.4	9.1	
45.43	463	89.4	10.6		
45.44	195	94.9	5.1		
45.45	228	81.1	18.0	0.9	
45.5	49	87.8	10.2	2.0	
Total of the sector	3668	72.1	25.5	2.2	0.2

Source Business Statistics Unit

Workers

Sub-sectors (Nace)	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
45.11	221	164	0.1	2.0	1.3	
45.21	3306	2490	2.0	15.7	18.2	16.2
45.22	39	21		0.4		
45.23	408	405	0.3	0.9	7.2	
45.24	59	56		0.1	1.0	
45.25	54	39		0.5	0.3	
45.31	1438	1057	0.8	5.1	8.0	8.2
45.32	8	1				
45.33	218	127	0.1	0.9	1.7	
45.34	186	67	0.1	0.6	0.7	
45.41	1002	277	0.2	4.0	1.5	

¹¹⁴ n.b. The data of the Business Statistics Unit is derived from a census among all the companies operating in Malta. The statistics and table in the text are derived from the Labour Force Survey which consists of a questionnaire sent to individuals. The figures between the two sources do not usually tally.

45.42	74	56		0.2	0.9	
45.43	500	63	0.1	1.3		
45.44	205	12		0.2		
45.45	301	103	0.1	1.4	0.6	
45.5	80	33		0.5	0.2	
Total of the sector	8099	4971	4.0	34.0	41.6	24.4

Source: Business Statistics Unit

2. Description of the industrial relations in the sector

2.1.- Description of the tripartite concertation

The tripartite concertation in this sector takes place at Building Industry Consultative Council (BICC). It is non statutory. The BICC is the main forum for tripartite concertation at sector level in the building industry in Malta. It was set up in 1997 by the government to allow greater participation of non-Government entities, with direct interests in building and construction, to recommend a framework of policies and procedures which should govern this industry. BICC provides a forum in which the problems and issues of building industry are discussed. Another major role is to advise the government and the private sector on ways of upgrading and monitoring of the building industry, taking into account the specific situation of Malta. The consultation that takes place is not about industrial relations issues, it is more about technical issues such as: Standard Conditions of Contract; Minerals Subject Plan; Policy and Design Guidance; Building Regulations; Tendering Procedures. Courses are organised for Professional Development, Middle Management and for masons. The BICC is used as a platform for discussion about government policies and local plans, issues of health and safety, the sharing of knowledge in the sector, public private partnership projects and continuing professional development of workers in the sector. At present, it is running two courses on 'Basic Road Design and Construction' and 'Stone Preservation Techniques'. The Government also consults BICC in the formation of new construction companies. Issues regarding CAs are not addressed in this tripartite concertation institution.

The social partners are among the main actors involved in this concertation exercise. The General Workers Union (GWU), the Confederation of Malta Trade Unions (CMTU), and the Union of United Workers (UHM) have a representative in this Council. From the employers' side, there are The Malta Federation of Industry (FOI), The Chamber of Commerce and the Association of General Retailers and Traders (GRTU) with a representative in the Council. The Federation of Building and Civil Engineering Contractors (FOBC) which has recently joined the FOI is also represented. The government is represented by the Ministry of Education, the Housing Authority and the Lands Department. Other institutions represented in the Council are the Malta Environment and Planning Authority, the Health and Safety Authority, the Association of Estate Agents, the Chamber of Professional Engineers, and the Chamber of Architects. According to the chairperson of BICC, two other organisations which ideally should form part of the Council are the Malta Resources Authority (MRA)¹¹⁵ and Malta Enterprise (ME)¹¹⁶.

BICC is mainly funded by government but it also tries to generate money by means of training courses which it organises on a regular basis. As an institution it provides premises, organisation and administrative support that enables tripartite concertation to happen on regular basis. However since the forum is of a consultative nature it cannot enforce any agreements even though it can put pressure on the players to conform to the rules and regulations relating to the industry.

2.2.- Description of the bipartite social dialogue

Bipartite social dialogue takes place at enterprise level. Naturally the trade unions are the key players involved in this bipartite social dialogue. Most of the workers, who are trade union members in this sector, are covered by the Technology and Electronics Section of the GWU. According to the secretary of this section, there is a lack of an effective link between the three different levels, that is sector, higher than enterprise and enterprise level, because the industry is too competitive. This competitive element is also visible amongst workers. Due to the shortage of labour in this sector (the mismatch between supply and demand has already been referred to), attempts are made by employers to

¹¹⁵ The MRA is a public corporate body with regulatory responsibilities relating to water and energy utilities, industrial enterprises exploiting resources such as oil exploration, quarry operators and private abstractors of groundwater, retailers, operators and tradesmen in the regulated sectors.

¹¹⁶ The ME acts as a single point of contact for all enterprises considering trade, investment or commercial links with Malta. It provides a range of practical services and solutions to Maltese enterprises seeking to internationalise their operations and to international companies seeking to trade or invest in Malta.

poach workers. This may dent the solidarity of workers, who think that they have enough bargaining power in this highly competitive market for labour. Moreover the amount of sub-contracting tends to make the industry too fragmented.

The Construction industry can be divided into three phases. The first phase entails the building and includes stone-masons, plasterers and brick-layers. Workers in this phase tend to be either self employed (or what may be termed as 'one man companies') or work in small businesses. These are very difficult to unionise. The second phase consists of installation work and the third phase is what the section secretary termed 'the finishing phase'. The GWU has recognition of representativeness of workers in the last two phases. The procedure of putting agreements into practice is through CAs. There has never been an issue of recognition since the GWU has a majority of members in 11 plants in this sector. This is confirmed by the other general trade union, Union of United Workers (Union Haddiema Magghudin, UHM) whose general secretary stated that there are only about 200 workers in this sector covered by a CA signed by this union. They have not signed any CA with a construction firm, but have signed three agreements with firms which were defined as service providers. The number of CAs signed by the GWU is 23. They are signed by the employer, the union secretary and the shop steward. These agreements are divided into three sections; Duties, Conditions of Employment and Benefits. The latter generally includes an increase in wages over and above the annual mandatory increase in pay announced in the budget. The duration of each CA is normally three years. However there may be some agreements which cover a one year or a four year period. The coverage rate of these CAs according to the GWU section secretary can be classified as follows:

- 1st phase (the first stage of the building process – stone-masons, brick-layers etc) can be just around 2% in the sense that there can be some individual cases where the GWU may be asked to step in for negotiation purposes.
- 2nd phase (installation) and third phase (finishing) about 80% of companies and 60 % of employees (about 1000). The companies are all small and medium sized (SMEs). The number of workers fluctuates, since it depends on the number and type of contracts won by the company.

Apart from the international organisations to which the GWU is affiliated, the union section is affiliated with the International Federation of Building and Wood Workers.

There is no bipartite social dialogue at sector level. No procedures exist for extending CAs to parties that are not signatories to the agreement.

3. Description of the organisations active in the sector

3.1.- Workers' Organisations

a) General Workers' Union (GWU)

The GWU is by far the largest trade union in Malta. It boasts a wide representation, reaching 'all sectors' of the Maltese economy, and is especially strong in the public sector and in state owned or controlled enterprises and corporations. The GWU was founded in 1943 in the Naval Dockyard (subsequently named the Malta Drydocks), as a reaction to British colonial policies. The union has eight sections dealing with different employment sectors. The Construction sector falls under the Technology and Electronics Section. The General Workers' Union is funded through the members' subscription fees and through several subsidiary companies and publications.

The GWU has a total of around 47,254 members¹¹⁷. Data about the different categories (e.g. workers, retired etc) is not available. As said above, it has around 1000 members working in the Construction sector and its CAs cover around 60% of all employees working in the "installation" and "finishing" phases of the sector. Data regarding different kinds of membership (e.g. staff/white collar workers, manual/blue-collar workers, managers, and particular professional categories) within the Construction sector is not available. The officials and members of the GWU's Executive Committee are elected by the section's delegates in a General Conference held every two years. The delegates in the conference represent all the groups of GWU members organised in the section. The conference also elects the section's representatives in the National Council-the governing body of the union. The shop steward is the workers' representative at plant level. The number of delegates depends on the size of the industry. The delegates of the section along with shop stewards and group committee members for each and every organised workers' group are elected through general meetings of organised groups every two years. The organisation takes part in consultations at enterprise level. It has the ability to sign CAs. All agreements are signed at the enterprise level. The GWU has signed 23 agreements in this sector.

On an international level, the GWU is affiliated to various networks of other unions and confederations amongst which is the International Confederation of Free Trade Unions¹¹⁸ to which the GWU is one of the founding members. The GWU represents the Maltese workers in the International Labour Organisation (ILO¹¹⁹), Geneva conference and is affiliated

¹¹⁷ Registrar of Trade Unions, 2003.

¹¹⁸ <http://www.icftu.org/>

to the Commonwealth Trade Union Council (CTUC)¹²⁰ and the European Trade Union Confederation (ETUC)¹²¹. The Union is also affiliated to a lot of International/European Trade Secretariats (ITS)¹²². At a national level, the GWU is affiliated to one organisation called: "Din L-Art Helwa" which is an environmentalist non governmental organisation.

b) Union of United Workers (Union Haddiema Maghqudin, UHM)

The UHM was founded in 1966, under the name of Malta Government Clerical Union (MGCU), with membership restricted to clerical employees in the Public Service. In 1973, it changed its name to Malta Government Employees Union (MGEU) and membership was extended to all categories of workers in the Public Service, Parastatal Bodies and Public Corporations. Industrial unrest in 1977 resulted in MGEU being renamed Union Haddiema Maghqudin which, besides widening the aims of the Union, also opened its doors to all workers irrespective of class, sector or grade, and was officially registered in 1978. Most smaller unions merged with the UHM and a large number of workers, from all sectors, joined its ranks. Within a very short time the Union's membership shot up considerably, becoming Malta's second largest union.

The UHM is mainly funded by members' subscriptions. It has around a total of around 25,882 members¹²³. Its CAs cover around 200 workers in the Construction sector. Data regarding different kinds of membership (e.g. staff/white collar workers, manual/blue-collar workers, managers, and particular professional categories) within the Construction sector is not available. The UHM has 25 SW. The UHM's structure is composed of four elements: the group committees, the sections, the general council and the general conference. The group committees are elected on a yearly basis by the rank and file members. They are composed of a chairman, a secretary and three or four members. A group committee is set up for every category of employees. The members also elect the group's representatives on both the section's executive committee and delegates to the section's annual and other meetings. Depending on the group's size, the chairman and/or secretary automatically become members of the section's executive committee. Sections consist of groups of categories of employees. Currently there are seven sections. The Construction sector falls under the Manufacturing and Allied Services section. Each section has an executive committee whose function is to govern the section in accordance with the general policy of the union. The general council is responsible for the administration and general control of the union. It is composed of four officers: the president, vice-president, general secretary and treasurer; and a number of representatives from each section together with a representative for Gozo (Malta's sister island). The general conference elects the officers. This meets annually and is responsible for adopting administrative and financial reports, considering new rules, amendments and motions.

The UHM has been a full member of the International Federation of Employees in the Public Service (INFEDOP) since 1971. The Union is also affiliated to the European Organisation of Public Service Employees (EUROFEDOP). Moreover, through its affiliation with the CMTU, the Union has very good and close relations with the World Confederation of Labour (WCL), the European Trade Confederation (ETUC), the Commonwealth Trade Union Council, and the European Federation of Retired and Elderly Persons (FERPA). The UHM has also contacts and good relations with quite a large number of foreign trade union organisations.

As was mentioned above, both unions take part in tripartite concertation.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	T	CB	National affiliations		European affiliations*		International affiliations*	
Original name	English name	Type	Number	Number	%	yes/no	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
General Workers' Union	General Workers' Union	All categories of workers	47,254	1000	15	yes	yes	MCESD	Din L-art Helwa	ETUC and others		ICFTU	
Union Haddiema Maghqudin	Union of United Worker	All categories of workers	25,882	200	3	yes	yes	MCESD		ETUC and others		WCL	

¹¹⁹ <http://www.ilo.org/>

¹²⁰ <http://www.commonwealthtuc.org/>

¹²¹ <http://www.etuc.org/>

¹²² ITF, IUF, IFBWW (<http://www.ifbww.org/>), PSI, ITGLWF, IMF, ICEM, UNI, IFWEA, ETF, EFFAT, EPSU, ETUF-TCL, EMF, EMCEF, UNI Europa, EURO WEA, FERPA.

¹²³ Registrar of Trade Unions, 2003.

3.2.- Employers' Organisations

a) Federation of Building and Civil Engineering Contractors (FOBC)

The Federation of Building and Civil Engineering Contractors (FOBC), set up three years ago, is the first ever initiative by employers in the construction industry to form a federation. The aims of this federation as outlined by its president on its launching in December 2000 are: to ensure that all its members will adhere to a suitable Health and Safety Programme; to establish and enforce a standard form of contract and conditions throughout the industry; to eliminate barter arrangements which are draining the contractors' cash flow; to introduce a code of practice for building contractors¹²⁴. At the beginning of this year, in order to strengthen its voice, it joined forces with the Malta Federation of Industries (FOI). The FOBC membership in the FOI is giving the construction industry a more solid and unified voice within a national employers' organisation that comprises virtually the most important actors in this sector. The FOBC president was elected on the FOI Council.

The FOBC does not take part in CB. It is funded by membership fees. It has twenty enterprises within its fold which represents about 60 per cent of the major building contractors and construction engineering companies. The number of SW employed in these companies is about 3500 which represents about 50 per cent of the workers in this sector. Among its members, there are no small companies engaged in building such as tile-layers, stone masons and plasterers. This is a kind of a sub-sector (defined by GWU official as 'first phase') which tends to consist either of very small companies or self employed (what GWU official termed 'one man companies'). The underground economy tends to be quite rampant in this sub-sector. According to the FOBC president, it may be close to the one thousand mark, which, in that case, represents about ten per cent of registered workers in this sector. FOBC is also represented in BICC. It has urged this Council to set up a grading system to classify contractors in order to establish a benchmark for the bidding and awarding of tenders. The FOBC president lamented about the fact that no licence is required to operate as a contractor in Malta. With this state of affairs, he contends that with European Union accession, Maltese contractors may be the victims of unfair competition. Maltese contractors are already suffering from a disadvantage when bidding for a tender. A project, before it starts its real operation, generally needs to go through the preliminaries which consist of such tasks as hoarding, providing lights, employing a watchman, quality control and health and safety measures. These preliminaries involve a lot of expenses which the Maltese contractor, contrary to the big foreign firm, may find it difficult to assimilate. FOBC has been urging the government to give advance payment to allow firms winning a tender to absorb some of the initial cost. The need to conform to European standards such as ISO 900 and to good quality control and safety standards costs money. The small firms bidding for some of the projects generally do not conform to these standards and because of their small size no pressure is exerted on them to conform. This added cost of big firms can put them at a disadvantage in the bidding processes. These are some of the issues raised by the FOBC in the FOI Council and BICC. It has also commissioned the BICC to conduct a survey about the number of trade people in the sector. This is being done because the FOBC requires a breakdown of the categories of workers according to trade. This data is not being provided by the official statistics.

The FOBC therefore acts more as a lobby group rather than as a negotiation institution. However the chairperson does not exclude the fact that, in the near future, it may play a more prominent role at sector level. The code of practice which it has laid down as one of its aims is to reduce the unhealthy competition among its members, which very often leads to poaching of workers.

b) The Association of Retailers and Traders (GRTU)

The GRTU has five divisions under which entrepreneurs can join the Association as members. One of these divisions is the 'Construction and Development division. The sections included in this division are: Hardware Stores; Estate Agents; Concrete Suppliers; Whitewashers and Plasterers; Metalworkers; Tile layers, Tile Manufacturers and Marble Work; Carpenters and Joiners; Stone Works and Building Contractors, Electricians and Plumbers; Handymen; Crane Hire and Drivers (Excavation Work); and Sprayers and Fibreglass Works. The president of this division is also president of the Quarry Owners Association and he represents the GRTU on the Health and Safety Board.

This division does not sign CAs in this sector and is not involved in any negotiation with trade unions. Workers in this division tend to be non-unionised as confirmed by the GWU official, when he referred to work in this division as the 'first phase'. Workers have to be very flexible and multi-skilled to survive in this industry. This factor coupled with the fact that in their work they have to face the forces of nature, tends to instil an element of pride in their work which may not be displayed by other manual workers. They therefore feel that they need no trade union. Indeed a poster displayed at the workplace of a big building contracting firm reads '*Time is money. The shop steward is me*'. According to Manwel Aquilina, the president of this division, most of the workers employed in these sections subscribe to the view expressed in this statement. The president corroborated the statements made by other players about that type of competition, which leads to poaching of workers by employers. The division generally deals directly with government officials, very often about issues such as the transposing of European Union directives and any other policy measures which may affect these sections. The president stated that on average, they have meetings with the President of the Republic four times a year, with the prime minister two times a year and with the Minister under whose portfolio the

¹²⁴ Business Times – 27th Dec 2000 – 2nd January 2001.

Construction sector falls eight times a year, and sometimes even more. During these meetings, the discussions are about the rules being introduced to harmonise with European Union directives. As an example, the president referred to the European Union directive on the weight and size of bricks, which does not take into consideration the type of stone being quarried in Malta. The division had also discussion about working time rules and the problem relating to dust. The president emphasised that the aim of these meetings is to find solutions to problems that might be harmful to the industry rather than to adopt a confrontational approach. These meetings take the form of a bipartite social dialogue between construction firms and the government. The GRTU maintains that it was instrumental in the upgrading of standards, in making the government effect payments to contractors due to them for work done and in the reduction of taxes on sale of property imposed by government, deemed by the association to be too high and harmful to the construction industry.

No precise figures could be given with regard to the number and size of enterprises within this division. However Mr Aquilina estimates that 60 % are small enterprises with less than 20 workers; 35 % are SMEs and the remaining 5% are large companies. The large enterprises have the necessary technological equipment and means to perform a wide range of tasks and can therefore take the work of a whole project. Some of the owners of these large enterprises have also ventured into the hospitality industry (owners of four or five star hotels) and even in entertainment industry (owners of a cinema). The number of workers in these enterprises fluctuates a lot depending on the contract work of the company.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	T	CB	National affiliations		European affiliations*		International affiliations*	
Original name	English name		number	number	%	%	yes/no	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Federation of Building and Civil engineering contractors (FOBC)	Federation of Building and Civil engineering contractors (FOBC)	Building Contractors & engineering Firms	22	3500	33	50	yes**	no	no	no	no	no	no	no
Association of Retailers and Traders (GRTU)	Association of Retailers and Traders (GRTU)	Construction and development	ND	ND	ND	ND	yes	no	no	no	Union Europeenne De L'artisanat Et Des Petites Et Moyennes Entreprises (UEAPME)	no	Confédération Internationale Des Agents en Douane (CONFIAD)	no

* Specify if it is an observer member

** Through its representation in BICC and its membership in FOI