

Sympathy strikes threatened against government's restructuring policy

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In August 2005, Malta's General Workers Union threatened nationwide industrial action in sympathy with public employees who are faced with redundancy. The dispute started with a government decision to close a state-owned printing company, which will result in 35 workers losing their jobs.

The government recently announced a decision to close down Interprint, a state-owned printing press employing 35 workers. The General Workers Union (GWU (<http://www.gwu.org.mt/>)) has responded that the government should provide alternative employment to those workers it makes redundant, but the government asserts that it will not continue funding the losses of public entities through taxes. It also maintains that when restructuring of these companies fails, it has no other alternative but to put into practice the redundancy clauses stipulated in their collective agreements.

In a meeting with GWU, the government reportedly argued that when a proposed restructuring could reach the desired objectives, the government would be committed to carry it out taking into consideration all aspects, including the impact on workers. However, whenever discussions on the restructuring lead to no viable conclusion, the government would not hesitate to close the enterprise. GWU deems this policy unacceptable and has warned its members that Interprint could be the first among a series of government-owned companies to fall prey to this policy and that other companies might follow suit.

Action threatened

In reaction to this policy, GWU demanded that the government should call a meeting by 10 August 2005 in order to find alternative employment and to seek solutions for all those workers in both the government and the private sector facing redundancy. GWU warned that if the government refuses to put an end to this 'guillotine' policy, GWU will have no alternative but to resort to industrial action.

The GWU general secretary has given notice of possible industrial action at all the places of work it represents nationwide, in sympathy with workers in government companies who are facing redundancy. He has pledged that, if required, GWU will also organise mass protests. In response, the government has described the threat of sympathy strikes as exceedingly irresponsible and said that it refuses to be coerced into discussing the matter under the threat of looming industrial action.

Referring to Interprint, the Prime Minister said that while the utmost had been done to save jobs, the termination notices have been issued in accordance to the law and only after every means to save the company and its workers had been exhausted. The Prime Minister reiterated that the government is abiding by the terms and conditions as stipulated in the collective agreement that GWU itself negotiated.

The government argues that both parties should honour the contents of a collective agreement, and the Interprint agreement is no exception to this. Moreover, Interprint's collective agreement contains no clause stipulating that the government is obliged to find alternative employment for its workers.

Responses

GWU's announcement of possible widespread sympathy strikes has prompted strong reactions from employers and their representative bodies. The director general of the Malta Employers' Association (MEA (<http://www.maltaemployers.com/>)) expressed his concern for those companies that, although not directly involved in the issue, would nevertheless be negatively affected by the sympathy strikes. He added that, whilst it is crucial for all parties to strive to find alternative employment for redundant workers, it is erroneous to think that public sector workers are immune from being made redundant unless alternative employment is found. While not questioning the legitimacy of industrial action, he urged unions to discontinue the practice of using dramatic threats to accomplish their objectives.

The director general of the Federation of Industry's (FOI (<http://www.foi.org.mt/>)) appealed to trade unions to put an end to 'tough antics' that only cause harm to the economy, and instead opt for dialogue with the other social partners in order to reach acceptable solutions. He added that this was the very motive behind the founding of the Malta Council for Economic and Social Development (MCESD).

The Malta Chamber of Commerce and Enterprise (COC (<http://www.chamber.org.mt/>)) also expressed its concern over the harmful repercussions of sympathy strikes for the economy. Its president argued that workers themselves must be made aware that by participating in drastic industrial action they would be putting at risk not only their own employment, but also that of their fellow workers in various other sectors. He appealed to workers and their unions to come to terms with the fact that there is no such thing as a 'job for life' and that in today's competitive environment no one owes anyone a living. The COC's president added that in the past the Chamber has expressed its concern about the allegedly inefficient work practices in a number of entities in the public sector. In light of the present economic situation, Malta cannot afford to carry on subsidising companies running at a cost, he stated.

The Union of United Workers (Union Haddiema Maghqudin, UHM (<http://www.uhm.org.mt/>)) has also disassociated itself from GWU's stand. Its general secretary stated that no trade union could safeguard the public sector from job cuts. He added that the only guarantee against job losses lie in providing workers with adequate training in order to meet future demands, as well as in creating the ideal economic environment that draws investment. UHM's position was harshly criticised by GWU, as it was seen as being biased in favour of the government and against the workers.

Commentary

The stand taken by government in this case of Interprint is different from that taken in previous similar exercises. In all other restructuring exercises, some of them quite recent ones and involving a much higher number of redundant workers, the government always agreed to give alternative employment to the redundant workers. Hence the GWU trade union is accusing the government of discriminating against these workers and adopting that it terms a 'guillotine' policy. The union is wary that there are other similar restructuring exercises in the pipeline that would result in a much higher number of redundancies. Its present militant action is to pre-empt a similar policy in the near future and safeguard the employment of its members. The government for its part seems to have decided to adopt a new policy and stop acting as a benevolent employer whenever a downsizing or closure of a state-owned enterprise is needed. Both parties seem to be engaged in a 'tug of war'.

GWU seems to have little, if any, support from other quarters. The press, in editorials and other articles, has chided it for its 'irresponsibility', echoing more or less the arguments of the employers that employees in the public sector should not be treated differently from those of the private sector, who have often have to bear the brunt of redundancies. What hurts GWU more is that the other general trade union, UHM, which in the past has been involved in similar restructuring exercises with the government, has not given its support but more or less reiterated the same arguments that have been featured in the press. (Manwel Debono, Malta Workers' Participation Development Centre)