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**STUDY ON THE REPRESENTATIVENESS OF THE SOCIAL PARTNER
ORGANISATIONS IN THE CHEMICAL INDUSTRY**

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¹ Its approval by the Commission does not imply the approval of any of the European organisations as to its content.

MALTA

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1 Delimitation and scope of activities in the sector

The figures and estimates about the chemical sector in Malta given by the organisations do not tally with the official statistics. This is due to the fact that the chemical sector, as classified under the NACE Nomenclature, is not big enough to warrant an exclusive section by the trade union to cater for the workers in this sector. Firms whose operations are related to the products classified in NACE 24, but not strictly in line with it, are associated with this sector. Thus workers employed by two trans-national companies (TNC) which have plants in Malta – one producing plastic toys (Play Mobil) and another one producing rubber seals and washers (O Rings) are organised under the Chemical Section of the General Workers' Union (GWU). These firms do not fall within the NACE Nomenclature for chemicals, for they do not manufacture plastics (24.16) and rubber (24.17) in primary form. These two firms combined employ more than 1000 workers, and by Maltese standards, are considered to be large enterprises.

The National Statistics Office (NSO) generally follows the NACE standardized nomenclature. However in the latest statistics released by this office, the 'Chemicals and Chemical Products' sector comprised sections 23 and 24 from NACE nomenclature. Maybe section 23 (Manufacture of Coke, refined petroleum products and nuclear fuel) was deemed to be closely related to the chemical sector and for the purpose of statistical comparative analysis was included in this sector.

1.2 Socio-economic features of the sector

The Chemical Sector in Malta is a very small one, mainly due to the fact that Malta does not have natural chemical resources. The share of chemical products sector in total manufacturing stood²⁶³ at 3.7%, almost unchanged from the share recorded in September 2003 (Economic Survey, January-September 2004). This was equivalent to 0.75% of the total working population. The structural change that the manufacturing sector has been undergoing, which generally entails downsizing, has had its impact on the chemical sector. Indeed over recent years, a reduction in the number of employees in this sector has been registered. From 1,197 persons employed in September 2000, the number decreased to 1,022 in September 2004 (Economic Survey, January-September 2004). These represent about 0.69% of all the employees in Malta. The Maltese Chemical Sector consists of a number of firms that produce pharmaceuticals and toiletries mainly for the export market, and a number of other companies, mostly oriented to the local market, that produce products such as paints, detergents and insecticides. (Economic Survey, January-September 2004).

In 2004, Malta has registered higher exports to the EU and the American continent while exports to Asia have declined. The Chemical Sector exported over 70% of its output during the first nine months of 2004. During the period January-September 2004, the manufacturing industry registered a marginal decline of 0.2% when compared to the first nine months of 2003 (Economic Survey, January-September 2004). The decline in local sales outweighed the marginal increase in exports. The Chemical sector, like all other sub sectors within the manufacturing sector, also registered a decline in total turnover. The turnover of the Chemical sector in the first nine months of 2004 was 51.5 million euros, 15.4% less than the first nine months of 2003. The decrease in turnover was mostly due to a decline in exports reflecting the fact that a number of export-oriented firms which used to be incorporated within the chemical sector were included within the textiles sector. Local sales increased by 11.1% and reached 15.1 million euros (Economic Survey, January-September 2004). Overall statistics seem to indicate that during the year 2004 some positive developments occurred in the chemical sector in Malta. During the first nine months of this year there was an increase in investment in the Chemical sector. Net investment increased by 10.5 million euros and stood at 18.4 million euros reflecting higher capital outlays by the pharmaceutical sub-sector.

Average weekly sales per capita increased by 153.65 euros and reached 1632.08 euros. Per capita compensation levels followed an upward trend, increasing to 298.86 euros, being 27.18 euros more than the average for the total manufacturing industry²⁶⁴. Average weekly exports per employee also increased when compared to the level registered in the previous Survey period and stood at 1,149.59 euros (Economic Survey, January-September 2004). Moreover, while the weighted average wage of workers in the chemical sector is higher than the average of all direct

²⁶³ Unfortunately, data is not available for the average national.

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production firms, it is much lower than the average of firms in the services sector. Labourers in the chemical sector tend to earn average weekly wages, which are higher than those of labourers in other firms. However, the managerial jobs within the Chemical Sector tend to be paid considerably less than the average of their equivalents in all other firms. Value added at Factor Cost per capita increased from 23,177 euros to 25,448 euros between 2000 and 2003. This makes up 2.8% of all the value added at factor cost in the manufacturing industry²⁶⁵. Personnel costs per capita also increased from 11,957 euros in 2000 to 14,712 euros in 2003 (Economic Survey, January-September 2004).

Companies²⁶⁶

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
Total of the sector	ND	ND	ND	ND	ND

Workers

Sub-sectors	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 (%)
Total of the sector	1,022	ND	0.69	ND	ND	ND

Source: Economic Survey, January-September 2004

Relative weight of sector in terms of share in the GDP is unavailable. Underground economy in the chemical sector is estimated to be minimal. The categories of SW and the characteristics of the employment in the sector are not available.

2. DESCRIPTION OF THE ORGANIZATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1 Description of the workers' organisations active in the sector

a) General Workers' Union (GWU)

Founded in 1943, the GWU is Malta's largest union. It comprises ten sections, eight of which are involved in CB, including the Chemical, Energy and Printing Section. The number of salaried workers working for the organisation is not available. The GWU boasts wide representation reaching 'all sectors' of the Maltese economy and is especially strong in the public sector and in state owned or state controlled enterprises and corporations. The GWU is funded through the members' subscription fees and through several subsidiary companies and publications. The GWU has a total of around 46,489 members (Registrar of Trade Unions, 2004), representing 54% of the total number of union members in Malta. The number of members working in the Chemical sector as defined in the NACE nomenclature is difficult to quantify as the GWU in its delineation of duties to different section secretaries does not follow the NACE Nomenclature classification. Data regarding different kinds of membership (e.g. staff/white collar workers, manual/blue-collar workers, managers, and particular professional categories) within the Chemical sector is also unavailable. 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

²⁶⁵ Unfortunately, data is not available for the average national.

²⁶⁶ With regards to these two tables, we asked in writing and verbally several times for data from the National Statistics Office (NSO) but no cooperation was received. This data is not published and can only be computed by the NSO.

group committee members for each and every organised workers' group are elected through general meetings of organised groups every two years. There exist reciprocal recognition systems on the part of social partners. Recognition of a trade union at a particular enterprise is normally based on the membership exceeding fifty percent of the entire workforce.

The organisation takes part in consultations at enterprise level. It has the ability to sign CAs. All CAs are signed at the enterprise level. Unfortunately, no official number about CAs in the chemical sector could be given. But according to our estimates the number is about eleven. Most of these are signed by the GWU. The GWU members employed in the chemical sector are organised under two different sections: •The Manufacturing and SMEs Section embraces two companies which fall under the NACE nomenclature 24. These are a pharmaceutical company (about 270 employees) and a firm producing man-made fibres (about 280 employees); •The Chemical, Energy and Printing Section represents members who are employed in firms manufacturing gases, plastics, synthetic rubber, paints and toilet preparations. The union players involved in CB are the Section Secretary aided by shop stewards (the number of shop stewards involved depends on the size of the company and its structure). The active players on the side of management are generally the Managing Director, with whom most of negotiations are often held, and the Human Resource Manager.

The GWU is affiliated to various networks of other unions and confederations at European and International level. In the Chemical sector, at a European level the GWU is a direct member of the European Mine, Chemical and Energy Workers' Federation (EMCEF), while at an international level, GWU is a direct member of the International Federation of Chemical, Energy, Mining and General Workers' Unions (ICEM)²⁶⁷.

b) Union of United Workers (Union Haddiema Magħqudin, 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. Following industrial unrest in 1977, MGEU changed its name to Union Haddiema Magħqudin which actually meant assuming the role of a multi-sector union and becoming the counterpart of GWU. It was officially registered under its new name in 1978. A number of 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 currently has seven sections, but no specific section deals with the chemical sector.

The UHM is mainly funded by members' subscriptions. It has a total of around 25,901 members (Registrar of Trade Unions, 2004) representing 30% of the trade union members in Malta. The UHM has 25 salaried workers. The type of affiliated workers is not available.

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 employee. 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. 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. There exist reciprocal recognition systems on the part of social partners.

The UHM does not have a particular section for the chemical sector. The only members who, according to NACE Nomenclature, can be classified as workers who pertain to the chemical sector are employees in a Storage Refinery. This firm employs about 30 to 40 workers who are all members of UHM. The last CA signed by union for these employees was in January 2003.

The UHM has several foreign affiliations. It has been a full member of INFEDOP since 1971. The union is also directly affiliated (member) to EUROFEDOP. Moreover, through its affiliation with the CMTU, the Union has very good and close relations with the WCL, ETUC, the Commonwealth Trade Union Council, and the FERPA. However, it does not have specific affiliations to chemicals-related unions or organizations.

²⁶⁷ The experts chose to list only the organizations relating to chemicals to which the GWU is affiliated, as GWU is affiliated to too many other organizations.

c) Malta Chamber of Pharmacists (MCP)

The Malta Chamber of Pharmacists is open to all pharmacists practising in Malta linking all branches of the profession. There are about 800 pharmacists in Malta. In 2004, MCP had 110 members (37 males and 73 females) all of whom are university graduates. However, according to the Chamber's secretary, membership levels vary considerably and have in the past reached the 250 mark. MCP membership reflects the distribution of pharmacists in Malta. The largest group of members comprises community pharmacists working in pharmacies, medical representatives, and pharmacists in government departments (hospital and pharmaceutical services). Few work in academia and industry. There are about 24 pharmacists in Malta who work in the Chemicals sector, 6 of whom are members of MCP, representing 25% of the population.

MCP has a general council composed of nine persons elected in the Annual General Meeting. It does not employ any salaried workers and its work is performed on a voluntary basis by its members. MCP is the only pharmacists' professional body with a right to negotiate terms and conditions of service with government and others. MCP uses the secretarial facilities of the Malta Federation of Professional Associations. It signed the civil service CA together with other unions in 2001. The agreement is currently being renegotiated. MCP serves as a source of professional advice on problems regarding the pharmacy profession. There exist reciprocal recognition systems on the part of social partners.

On a national level, MCP is affiliated to the Confederation of Malta Trade Unions (CMTU) and the Malta Federation of Professional Associations (MFPA). On a European level, MCP is a member of EuroPharm (part of the World Health Organisation). MCP is an observer member of the PGEU and is in process of becoming a full member. On an international level, MCP is a founding member of the CPA, and a member of the FIP.

d) Union of Assistant Chemists

The union was set up in the mid-1960s in order to protect the interests of assistant chemists. It had 30 members (27 males and 3 females) in 2004, about five of which work in the chemical sector. Most of the union members work in private pharmacies. The union's members are usually persons with a post-secondary level of education. The union does not sign any CAs in the chemical sector and is not affiliated to any local or foreign associations. It is currently trying to join the Association of Pharmacy Technicians which caters for technicians in the public sector. The union does not employ any staff and work is done on a voluntary basis by the President and the Secretary of the Union. It is funded through its members' fees.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
General Workers' Union	General Workers' Union	All categories of workers	46,489	ND	ND	yes	Din L-art Helwa	-	EMCEF*	-	ICEM*	-
Union Haddiema Maghqudin	Union of United Worker	All categories of workers	25,901	About 25 ²⁶⁸	ND	yes	-	-	EUROFEDOP**	ETUC FERPA	INFEDOP**	WCL Commonwealth Trade Union Council
Malta Chamber of Pharmacists	Malta Chamber of Pharmacists	Professionals	110	6	25	no***	CMTU, MFPA	-	EuroPharm, PGEU****	-	CPA, FIP	-
Union of Assistant Chemists	Union of Assistant Chemists	Semi-professionals	30	5	ND	no	-	-	-	-	-	-

* Only the affiliations for the chemical industry sector are listed. GWU is a full member of both organisations.

²⁶⁸ The chemical sector is very small in Malta and this particular union represents only workers in one small factory.

** UHM is a full member of these organisations

*** CB is carried out but not in the sector.

**** as an observer member, in process of becoming a full member.

2.2 Description of the employers' organizations active in the sector

a) Malta Employers Association (MEA)

MEA was formed in 1965 through the merger of the Association of Employers and the Malta Employers' Confederation and is listed in the Register of Trade Unions at the Department of Industrial and Employment Relations (DIER). MEA brings together employers from all sectors of industry and commerce in Malta. It aims to regulate the relations between employers and workers and trade unions. MEA's objectives include that of standing for the members' rights in matters regarding the employment of workers. MEA also aims to influence national policy-making on terms and conditions of employment, industrial relations and social policy, while safeguarding the interests of employers. The official list of objectives of MEA includes "to co-ordinate through CB or consultation the policies and activities of members in the field of industrial relations and related areas". MEA is involved in various fora, such as the Malta Council for Economic and Social Development (MCESD) where it promotes its members interests. The association can, at the request of its members, "act on their behalf... in regulating the relations between employers and employees". The MEA does not sign any CAs but it takes part in consultation meetings at enterprise level. MEA has ten sector groups, including the Chemicals, Printing, Paper and Packaging group.

MEA is governed by a council composed of eight persons elected at an annual general meeting from and by its members, one representative of each constituted Sector Group elected by the members of the relative Group, the immediate Past President (ex-officio), an Honorary President, and persons nominated by Affiliated Members. The association employs three full-time workers. The MEA represents about 230 employers with over 36,000 workers. These include 30 enterprises within this sector. Overall the number of salaried workers employed in these enterprises is about 3000. These enterprises operate in the manufacture of industrial gas, dyes, pigments, inorganic basic chemicals, fertilisers, synthetic rubber, paints, pharmaceuticals, toilet preparations and man-made fibres. Density of representation as regards companies and salaried workers could not be given. According to the MEA's Director General, the firms represented by his organisation tend to be SMEs (25) whereas the other five are TNCs.

Membership of the MEA is open to any individual, commercial partnership registered in Malta, group of companies consisting of two or more commercial partnerships registered in Malta whose control and management is organised as a group, a branch of a company registered outside Malta, a statutory body constituted in terms of Maltese Law or a civil partnership constituted in terms of Maltese law, which is an employer and has accepted the principles, objects and rules of the association. The MEA is financed by the membership fees.

The MEA is a member of the IOE through which it earns its representation in ILO. MEA is affiliated with the Association of OPCE and the CEEP.

b) Malta Federation of Industry (FOI)

The FOI was founded in 1946 and serves as "the independent voice of the small, medium and large manufacturing and services enterprises which constitute industry in Malta". Membership of FOI is of a corporate nature. Membership is open to enterprises operating within manufacturing or related service sectors. Most FOI members are relatively large companies operating within the manufacturing sectors. The officials of FOI could not provide figures about number of enterprises which are members of the federation and about the density of representation as regards companies and salaried workers. However, data for 2002 indicates that the organization represented about 300 members with over 25,000 workers (EIRO website). The number of members represented in the sector is not available. The FOI is financed entirely by its membership. The FOI employs six salaried workers.

The FOI plays an active role in safeguarding the interests of industry and in cultivating mutual understanding between Government, industry, unions and other employer organisations. This is where collective representations by the FOI with Government can have greater and more effective impact than individual representations. An increasingly important aspect of the FOI's work is its consultative role vis-a-vis the Government and parastatal institutions where it is getting involved in considerable consultation especially over new EU policies and regulations. FOI like its counterpart MEA does not take part in CB.

Since 1984, the Malta Federation of Industry (FOI) has been a member of UNICE. It is the only Maltese organisation representative member in this principal organisation of employers and industry in Europe. The Federation is also a founder and active member of the UMCE, a network set up in March 2002.

Employers' organisations

Organisation		Sub-sectors covered	Companies within the sector	SW within the sector	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		Number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Malta Employers Association	Malta Employers Association	Multi-sector	30	About 3000	ND	ND*	no	-	-	CEEP, OPCE	-	IOE	ILO
Federation of Industry	Federation of Industry	Multi-sector	ND	ND	ND	ND	no	-	-	UNICE, UMCE	-	-	-

* density could not be given as official statistics are based on NACE Nomenclature while the MEA's data is not.

** Source: EIRO website.

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

3.1 Description of the tripartite concertation in the sector

According to the trade union officials interviewed, there is no tripartite mechanism for social dialogue in the Chemical Sector. The state does not involve the unions and the employers' associations in policy debate and possible decision-making in this specific sector.

MEA however pointed out that other kinds of consultation or meetings between the government and social partners occur at this level. MEA may get involved when there is a trade dispute between one of its members and the trade union leading to conciliation meetings. These meetings are generally chaired by an official appointed by government, who very often is the Director of the Department of Industrial and Employment Relations (DIER). The General Secretary of MEA defines such meetings as a form of tripartite social dialogue.

On the other hand, the other major employers' association, the FOI is involved in a bi-partite consultation with government. At present the FOI is engaged in active consultation meetings with government officials about the proposed new EU chemical policy referred to as REACH (Registration, Evaluation and Authorisation of Chemicals).

3.2 Description of the bipartite social dialogue in the sector

CB in Malta is carried out at enterprise level. This is also the case for the Chemical Sector, where no CB exists at higher than enterprise level. Bipartite social dialogue at sector level has never formed part of the beliefs and culture of trade unions and employers.

As stated in the conclusion, all parties, including unions, employers and government seem satisfied with the current situation. No other particular reasons were found to explain the reasons why the enterprise level is the most developed and there are no particular obstacles for the development of bipartite social dialogue at sector level. There exist reciprocal recognition systems on the part of social partners in the chemical sector.

At enterprise level

For the chemical industry sector, social dialogue only takes place at enterprise level; at this level, the managers directly negotiate with the trade unions (GWU and UHM). As a result, no employers organizations (MEA or FOI) participate to social dialogue at any level, and so, don't sign any CAs (their contribution is exclusively consultation meetings at enterprise level). The Malta Chamber of Pharmacists (MCP) and the Union of Assistant Chemists do not sign any CA in the Chemical Sector as the number of workers they represent is minimal. Although employers' associations do not generally get directly involved in CB, on request by their members, they provide consultation services during CB.

Conflicts between players regarding recognition issues in the Chemical Sector are very rare. While there exist no official statistics about the number of CAs in the Chemical Sector, from the interviews we conducted, we estimate that there are about 11 agreements in the sector, all of which were signed at enterprise level. 10 of these have been signed by the GWU, through its two different sections:

- 1 CA has been signed with the pharmaceutical firm covering the period 2001-2003. Negotiations are currently in progress for a new agreement. The CA covers practically all categories of workers, ranging from clerical/technical staff (laboratory analysts, supervisors, maintenance) to shop floor workers. Only management and senior research and development staff are not affected by the provisions of this CA. Another CA has been signed with the fibre producing firm and covers the period 2004-2006. The section secretary estimates that about 65% of the employees in both firms are members of the GWU.

- 8 CAs have been signed by the Chemical, Energy and Printing Section which cover a three year period. The coverage rate in relation to the number of employees and enterprises could not be quantified. However the Section Secretary estimated that over 50% of employees in the chemical sector are covered by the CAs signed by his union. As has already been noted, two of the firms falling under the portfolio of the secretary of this union section are TNCs which by Maltese standards can be defined as large enterprises.

On the other hand, the last CA signed by the UHM for the employees in a Storage Refinery²⁶⁹ was in January 2003, covering the period from 1st November 2002 to 31st December 2005. This agreement was signed by the Secretary of the Manufacturing and Services Section, which represents these workers, the union shop steward in the company and the general manager of the firm. There has never been any problem about recognition. The section secretary stated that the union has members working in firms operating in the chemical sector, but these are few in numbers for the union to claim recognition to conduct CB on their behalf.

The content of the CAs signed by both GWU and UHM generally includes wage structures and allowances. Clauses that go beyond the minimum provisions laid down by law as regards reduced hours and parental leave are also included. The CAs generally cover three years. No statistics or estimates could be given by interviewees as regards the coverage rate of the CAs in comparison with the total number of enterprises and the total number of salaried workers could be given. There are no procedures for extending CAs to parties that are not signatories to the agreement. The agreements reached in one organization do not extend to employees in other organizations.

The type and size of these enterprises is unavailable. No other important players were found apart from those listed in section 2. The number of CAs is expected to increase if Malta manages to attract more foreign direct investment in this sector. The content of CAs will probably not change much apart from possible refinements with regards to health and safety issues due to high European standards.

4. COMMENT

In spite of its small size the chemical sector in Malta comprises firms within various NACE Nomenclature classifications. At present, the focus seems to be on the Pharmaceuticals Industry. Efforts are being made to attract foreign direct investment from this industry as it is widely believed that Malta has the personnel with the right type of skills and competencies demanded by this industry.

As regards trends in industrial relations, like in all other sectors, social dialogue is likely to remain locked at enterprise level via CB. There has never been a cry, neither from the employers nor from the trade unions, for any form of bi-partite or tripartite social dialogue at sector level. There seems to be consensus about this issue among all the actors involved in industrial relations, as they all strongly believe that CB at enterprise level is conducted on the premise that demands are made and met according to the requirements and competitiveness of the firm. In this way, CAs at enterprise level suit government, workers and their representatives and employers. Any form of bi-partite or tripartite social dialogue at sector level tends to be concerned either with technical issues or with attempts to solve trade disputes through conciliation meetings.

²⁶⁹ As explained above, the UHM does not have a particular section for the chemical sector. The only members who, according to NACE Nomenclature, can be classified as workers who pertain to the chemical sector are employees in a Storage Refinery. This firm employs about 30 to 40 workers who are all members of UHM.