

UNIVERSITE CATHOLIQUE DE LOUVAIN
INSTITUT DES SCIENCES DU TRAVAIL



STUDY ON THE REPRESENTATIVENESS OF THE SOCIAL PARTNER ORGANISATIONS IN THE EXTRACTIVE INDUSTRY

EU25

Project No VC/2005/0753

December 2006

Research project conducted on behalf of the Employment and Social Affairs Directorate-General of the European Commission

STAFF WORKING ON THIS STUDY

AUTHOR OF THE REPORT

Cécile ARNOULD, researcher

COORDINATORS

Prof. Pierre REMAN

RESEARCH TEAM

Prof. Bernard FUSULIER

Prof. Evelyne LEONARD

Delphine ROCHET, researcher

Isabelle VANDENBUSSCHE, researcher

ADMINISTRATIVE COORDINATION

Myriam CHEVIGNE

NETWORK OF NATIONAL EXPERTS

Austria	Franz Traxler, Institut für Wirtschaftssoziologie, Universität Wien, Bruennerstrasse 72, A-1210 Vienna.
Belgium	Jean Vandewattyne, Université Libre de Bruxelles-Université de Mons-Hainaut
Cyprus	Evros I. Demetriades, Department of Economics, University of Cyprus
Czech Republic	Ales Kroupa, Jaroslav Hala, Research Institute for Labour and Social Affairs
Denmark	Carsten Jørgensen, Forskningscenter for Arbejdsmarkeds- og Organisationsstudier, FAOS – Department of Sociology, University of Copenhagen
Estonia	Ass. Prof. Kaia Philips, Prof. Raul Eamets and Janita Andrijevskaja, Institute of Economics, University of Tartu
Finland	Jukka Niemelä, University of Tampere, Faculty of Social Sciences, Department of Pori
France	Nadia Hilal, Brigitte Croff Conseil & Formation
Germany	Thorsten Ludwig, Institute Labour and Economy, University of Bremen
Greece	Aliki Mouriki, Institute for Social Policy, National Center for Social Research, NCSR – Athens
Hungary	Csaba Makó, Miklós Illéssy, Péter Csizmadia, Research Group for Organisation and Work, Institute of Sociology, Hungarian Academy of Sciences
Ireland	Dr Pauline Conroy and Niamh Murphy, B.Soc.Sc., M.Soc.Sc., Ralaheen Ltd
Italy	Andrea Bellini, Dipartimento di Scienza della Politica e Sociologia (DISPO), Università degli Studi di Firenze
Latvia	Alf Vanags, Baltic International Centre for Economic Policy Studies (BICEPS)
Lithuania	Mark Chandler, Stockholm School of Economics in Riga and Baltic International Centre for Economic Policy Studies (BICEPS)
Luxembourg	Franz Clement, Centre d'Études de Populations, de Pauvreté et de Politiques Socio-Economiques (CEPS – INSTEAD)
Malta	Manwell Debono and Charles Tabone, Centre for Labour Studies, University of Malta

Netherlands	Marc van der Meer, Amsterdam Institute for Advanced Labour Studies, University of Amsterdam, ADRES and Marian Schaapman, Hugo Sinzheimer Institute, University of Amsterdam
Poland	Pierre Grega, DRIS (Développement, Réhabilitation, Intégration et Sécurité) s.p.r.l.
Portugal	Marínus Pires de Lima and Ana Guerreiro, Universidade de Lisboa – Instituto de Ciências Sociais – Instituto Superior de Ciências do Trabalho e da Empresa (ISCTE)
Slovak Republic	Lubica Bajzikova, Helena Sajgalikova and Emil Wojcak, Faculty of Management, Comenius University in Bratislava
Slovenia	Alenka Krasovec, Faculty of Social Sciences, University of Ljubljana
Spain	Ramón Alós and Elsa Corominas, Grup d'Estudis Sociologic sobre la Vida Quotidiana i el Treball (QUIT), Universitat Autònoma de Barcelona
Sweden	Dominique Anxo & Jacques Ferrat, Centre for European Labour market Studies (CELMS), Göteborg, Sweden
United Kingdom	David Marsden and Bethania Antunes, London School of Economics

Disclaimer

The contents of this publication do not necessarily reflect the opinion or position of the European Commission, Directorate-General Employment and Social Affairs. This study has been carried out by independent experts. It therefore does not involve the Commission's responsibility in any way. The European organisations subject of this study have had the opportunity to comment on the content of this study before its final approval¹.

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

All mining and quarrying activities in the Maltese Islands fall within the classification of NACE code 14. This is due to the absence of other minerals that could be quarried or mined. Quarrying in Malta is dominated by the extraction of hard stone from coralline limestone resources, for use in aggregates, and the extraction of soft stone from globigerina limestone resources, for use in the construction industry. Other types of economic activities that exist in the same field are the operation of gravel and sand pits and, on a much smaller scale, the production of sea salt. The extraction of other existing minerals such as clays or phosphates is not considered economically and environmentally feasible.

In the Labour Force Survey (LFS), conducted by the National Statistics Office (NSO), mining and quarrying are listed as separate economic activities from construction, thus corresponding to the NACE classification of economic activities. The Central Bank of Malta Annual Report for 2005 lists mining and quarrying as a totally separate economy from construction. However, due to the small nature of the quarrying industry, at times, for statistical purposes, it is included with the construction sector. The social partners also tend to view the quarrying industry as forming part of the construction sector.

1.2. Socio-economic features of the sector

According to the NSO (2006), in real terms, Malta's GDP increased by 2.5% to Lm1,700.8 million¹⁴⁵ between 2004 and 2005. During the same period, the quarrying industry reported an increase over the previous year. GDP data shows that nominal net value added in the quarrying industry registered a significant increase of 9.9% (Central Bank of Malta, 2005, p.30). The gross value-added attributable to the Mining and Quarrying sector reached Lm6.0 million during the period under review, an improvement of 9.3%. This industry's contribution to gross value-added stood at around 0.4%. Compensation of employees increased by 4.5% reaching Lm1.9 million while the industry's operating surplus registered an increase of Lm0.4 million to reach Lm3.7 million (NSO, 2006).

While no exact figures exist that can determine the significance of the underground economy, it is widely known that lack of monitoring of the quarrying industry led to abuse. Until 1992, police licences were the only means of controlling the quarrying industry. These licences came with very few terms and conditions attached. According to the Mineral Subject Plan for the Maltese Islands 2002, a report conducted for the Malta Environment and Planning Authority (MEPA), enforcement in the quarrying industry was generally weak. Illegal quarrying had occurred in many sites and the sheer number of quarries and lack of resources made monitoring of the existing quarries difficult. Moreover, statistics on mineral production have not been comprehensive; while there have been no figures for consumption or permissible reserves.

While it is very difficult to quantify the exact number employed in the underground economy, the quarrying sector is known to attract a considerable number of individuals who are registering as unemployed. In recent years, there were no significant changes in the amount of individuals working in the quarrying sector. This seems to be an anomaly since construction has been on the increase.

Quarries are in the large majority privately-owned, family-run businesses. There is only one publicly owned quarry and there are no foreign or multi-national companies running quarries in Malta. According to a GRTU representative, about 60% of all quarries do not employ more than 20 workers and 35% are SME's. The majority of privately-owned quarries tend to lack basic company structure, and have minimal complementary staff (maximum of ten staff) to support the running of the particular company. The only exception are a handful of entrepreneurs who own ventures in both the quarrying and construction sector and employ up to a total of 400 employees, but again the majority of these workers work in construction and not in quarrying.

The 45 licensed soft stone quarries are relatively concentrated. The main areas where soft stone is extracted are found in the south of Malta and in the west of Gozo. The 26 licensed hard stone quarries are less concentrated and are found in central areas as well as along the west and northwest coast of Malta. In Gozo, hard stone quarries are found on the eastern coast.

¹⁴⁵ 1 EUR= 0.429300 Lm.

Companies

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

The quarrying industry attracts non-skilled and semi-skilled workers. Most of the workers have a low level of education and the workforce is principally male.

Quarries attract workers between the ages of 18 and 45. Full-time employment in this sector has registered a decrease from 2000 to 2002, while between 2002 and 2006, an upward trend was recorded.

Full-time employment in Mining and Quarrying (Private Sector)

	2000	2001	2002	2003	2004	2005	January 2006
Number	337	329	314	320	323	337	338
% in relation to gainfully employed	0.25%	0.24%	0.23%	0.23%	0.24%	0.24%	0.25%

Source: NSO (2006)

Very few people work part-time in Mining and Quarrying. Table 3 shows a slight increase between 2000 and 2003 and a subsequent slight decrease from 2004 to 2005.

Part-time employment in Mining and Quarrying (Private Sector)

Average 2000	Average 2001	Average 2002	Average 2003	Average 2004	January 2005	2006
20	23	26	30	28	26	N/A

Source: NSO (2005)

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies with <10 SW/number of SW in the sector (%)	Number of SW in companies with 10-100 SW/number of SW in the sector (%)	Number of SW in companies with >100 SW/number of SW in the sector (%)
Total in the sector	363*	ND	ND	ND	ND	ND

Source: NSO (2006)

* = figure for 2005 workers in the private sector

Limestone resources are being depleted and therefore the sector is increasingly utilising hard stone for the manufacturing of bricks. Until now, these changes have not affected the privatisation levels or the size of companies. However, there is a possibility that hard stone aggregate might start being imported from Sicily. This might have a considerable effect on the nature of Maltese quarrying companies.

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

2.1. Description of the workers' organisations active in the sector

Workers in the Quarrying sector are generally non-unionised. This stems mainly from three separate factors:

First of all, bargaining for better working conditions is usually conducted between employees and quarry owners. The demands of the former are very rarely turned down due to the lack of individuals willing to work in this industry. As a result, employees generally possess strong bargaining power.

The second reason stems from the fact that since the vast majority of quarries are family-run, the general rule is that family matters are solved by and within the family.

The third reason is that a considerable amount of quarry workers are undeclared workers who are registering as unemployed.

However, the General Workers' Union (GWU), the Confederation of Malta Trade Unions (CMTU), and the Union Haddiema Maghqudin (UHM) are represented in the tripartite institution, the Building Industry Consultative Council (BICC) (see 3.1). They were appointed to the tripartite institution by government.

a) General Workers' Union (GWU)

The GWU is the largest trade union in Malta. It boasts a wide representation reaching most sectors of the Maltese economy and is especially strong in the public sector and in state-owned or state-controlled enterprises and corporations.

It was founded in 1943, and has eight sections dealing with different employment sectors. It is funded by the members' subscription fees and by several subsidiary companies and publications.

The GWU has a total of around 46,489 members (Registrar of Trade Unions, 2004), none of whom work in quarrying.

The organisation takes part in consultations at enterprise level and has the ability to sign collective agreements, though it does not sign any in the quarrying industry.

On an international level, the GWU is affiliated to various networks of other unions and confederations, including the International Confederation of Free Trade Unions of which the GWU is one of the founding members.

The GWU represents Maltese workers in the International Labour Organisation (ILO), Geneva conference and is affiliated to the Commonwealth Trade Union Council (CTUC) United Kingdom and the European Trade Union Confederation (ETUC).

The GWU is affiliated to various networks of other unions and confederations at European and International levels. In the Quarrying sector, at a European or international level:

- International Federation of Building and Wood Workers (IFBWW);
- International Metalworkers' Federation (IMF);
- International Federation of Chemical, Energy, Mining and General Workers' Unions (ICEM);
- European Federation of Public Service Unions, (EPSU);
- European Metalworkers' Federation (EMF);
- European Mine, Chemical and Energy Workers' Federation (EMCEF);

At national level, the GWU is affiliated to one organisation called "Din L-Art Helwa", which is an environmentalist non-governmental organisation.

b) Confederation of Malta Trade Unions (CMTU)

CMTU is an umbrella organisation representing 10 unions which include the UHM. The confederation was founded in 1959 with the aim of coordinating and rationalising Malta's trade union activities. The objectives of the confederation are to promote the interests of its affiliates and to further the ideals of a democratic trade union movement, as well as to improve generally the economic and social conditions of workers. The CMTU grew considerably during the statutory merger between the GWU and MLP, as many workers wished to be represented by a free trade union. While the CMTU professes no political allegiance, the official policies of its members often converge with those of the Nationalist Party.

CMTU does not take part in collective agreements. In addition, it does not represent any worker in the quarrying industry.

Internationally, the CMTU is affiliated to the World Confederation of Labour (WCL), the European Trade Union Confederation (ETUC), and the Commonwealth Trade Union Council (CTUC).

c) Union of United Workers / Union Haddiema Maghqudin UHM

The UHM was founded in 1966, under the name of the Malta Government Clerical Union (MGCU) with membership restricted to clerical employees in the Public Service. In 1973 it changed its name to the Malta Government Employees Union (MGEU) and membership was extended to all categories of workers in 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 it was officially registered in 1978. 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 a total of around 25,901 members (Registrar of Trade Unions, 2004), none of whom work in the quarrying industry. The UHM has about 25 salaried workers.

The UHM has been a full member of the International Federation of Employees in 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 Union 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.

Similar to GWU, UHM is able to negotiate collective agreements, but does not sign any in the quarrying industry.

Workers' Organisations

Organisation	Members		Estimated density	Collective Bargaining (Yes/No)	Affiliations			
	Total number of the members in the organisation	Number of members who are working in the sector of the Mining and Quarrying Industry			European Affiliations		Other Affiliations	
					Related to the sector	Others	Related to the sector	Others
General Workers' Union	46,489	None	0%	Yes (but not in the Mining and Quarrying Industry)	EMCEF	ETF EFFAT EPSU ETUF – TCL EMF EMCEF UNI Europa EURO WEA FERPA ETUC – Youth	ICEM	ITF IUF PSI ITGLWF IMF ICEM UNI IFWEA IFBWW
Confederation of Malta Trade Unions	Around 36,000	None	0%	No		ETUC		WCL CTUC

Union of United Workers	25,901	None	0%	Yes (but not in the Mining and Quarrying Industry)		EUROFEDOP ETUC FERPA		INFEDOP WCL CTUC
-------------------------	--------	------	----	--	--	----------------------------	--	------------------------

Sources: Registrar of Trade Unions, unions' websites, and interviews

2.2 Description of the employers' organisations active in the sector

Employers' associations do not take part in collective negotiations. However, the Malta Chamber for Small and Medium-sized Enterprises (GRTU) takes part in tripartite consultations. GRTU was appointed to the tripartite institution by government.

Malta Chamber for Small and Medium-sized Enterprises (GRTU)

GRTU was founded in 1948, and is Malta's national organisation of independent private businesses. It has 6,776 members (Registrar of Trade Unions, 2004) from over 12,000 business outlets. GRTU represents the largest group of retailers of goods and services, contractors, distributors, wholesalers, and independent technical and professional services.

The president of the Construction and Development Division of GRTU is also the president of the apparently inactive Quarry Owners Association and he represents the GRTU on the Health and Safety Board. This division does not sign collective agreements in this sector and is not involved in negotiations with trade unions. On the other hand, it generally deals directly with government officials about policy issues related to the sector. In recent years, several meetings have dealt with the transposition of EU directives. The president emphasised that these meetings are intended to find solutions to problems that might be harmful to industry rather than to adopt a confrontational approach.

GRTU also influences the sector through its direct contact with its members. For instance, the pricing system of the quarrying industry was revised through the intervention of GRTU. (Pricing is not set by the government and is at the discretion of quarry owners, who are known to fix prices between them in the form of an unorganized cartel).

GRTU is a participant member of the Union Européenne De L'artisanat Et Des Petites Et Moyennes Entreprises (UEAPME), and the *Confédération Internationale Des Agents en Douane* (CONFIAD).

Employers' organisations

Organisation (English name)	Members		Estimated density	Collective Bargaining (Yes/No)	Affiliations			
	Total number of companies that are members of this organisation	Total number of workers who are working in companies which are members of this organisation			European affiliations		Other affiliations	
					Related to the sector	Others	Related to the sector	Others
Association of Retailers and Traders (GRTU)	6,776	Unknown	unknown	No	-	UEAPME	-	CONFIAD

Sources: Registrar of Trade Unions, GRTU website

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1. Description of the tripartite concertation in the sector

There is no board, committee or forum which has been set up specifically to deal with issues concerning the quarrying industry. However, matters regarding the quarrying industry can be discussed on a monthly basis at the Building Industry Consultative Council (BICC). BICC is composed of representatives from the major trade unions, namely: GWU, UHM and CMTU. BICC also has representatives from the major employer associations namely: GRTU, the Chamber of Commerce, the Federation of Industry (FOI) and the Federation of Building and Civil Engineering Contractors (FOBC).

Government is represented by the Ministry of Education, the Housing Authority and the Land 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, the Chamber of Architects, the Malta Resources Authority (MRA) and Malta Enterprise (ME).

The Building Industry Consultative Council (BICC) was set-up in 1997 by 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 the building industry, taking into account the specific situation of Malta. 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. BICC is only a consultative body and does not have the power to negotiate collective agreements in this sector. Thus, issues regarding collective agreements are not addressed in this tripartite concertation institution. However BICC can put pressure on the players to conform to the rules and regulations relating to the industry. BICC is mainly funded by the government and to date it is not affiliated to any local or foreign organisation. However, it tries to generate money by means of training courses which it organises on a regular basis. As an institution it provides premises, organisational and administrative support that enables tripartite concertation to happen on a regular basis.

A GRTU official said that while there have been instances when the intervention of GRTU influenced the outcome of the decisions taken with regard to the quarrying sector, the representatives chosen by GRTU are not always the most competent persons to deal with matters related to the local quarrying sector. Besides, there is insufficient consultation between GRTU and the key players in the quarrying industry. Government institutions such as MEPA and MRA were accused of hardly ever consulting quarry owners when drafting important policies.

3.2. Description of the bipartite social dialogue in the sector

There is no social dialogue in this sector between employer and workers' organisation representatives.

No trade unions are involved in bipartite social dialogue as they do not represent any workers within this sector. As mentioned earlier, quarries are basically family-run businesses and any matters that arise are not usually solved through the intervention of a union but are dealt with within the confines of the family. The very tough nature of quarry work leads to a shortage in the supply of competent workers. Quarry workers know this and use it as a bargaining chip to obtain better working conditions. Moreover, a considerable amount of quarry workers are illegally registered as unemployed thus reaping social benefits from the state while earning a hefty salary. For these illegal registrants joining a union is simply out of the question.

Neither GWU nor UHM foresee any significant changes that could lead to a positive effect on union membership. On the contrary, unions tend to predict a grim future for the quarrying industry. Union representatives argue that there are a number of odds stacked against the future of quarries: Soft stone and hard stone are finite resources that are rapidly diminishing due to the demands of the construction industry; permits for the opening or extension of existing quarries are becoming increasingly difficult to obtain; EU regulations that safeguard environmental standards and the mounting pressure from environmental groups also hinder the development of the sector.

In the interviews, trade union and BICC representatives argued that soft stone as a building material shall be phased out as buildings are becoming higher. They pointed out that soft stone can only support the stresses of buildings up to eight stories, unlike concrete. Therefore, in the foreseeable future, there may be a move towards the importing of hard stone for the manufacturing of bricks and pre-cast concrete from Sicily. These representatives added that if this situation materialises, it will leave an everlasting impact on the quarrying industry.

There is occasional dialogue between employers and government on matters regarding the quarrying industry, for instance, issues related to an EU directive on the weight and size of bricks which does not take into consideration the type of stone being quarried in Malta were resolved through dialogue between GRTU and government.

At enterprise level

There is no company level collective bargaining as workers are not represented by trade unions. No collective agreements are signed. Thus, there are no procedures for extending collective agreements.

4. COMMENT

While the opinions regarding the reasons behind the non-unionisation of workers varied slightly from one interviewee to another, interviewees unanimously agreed that the quarrying industry is bound to change in the future. Factors such as mounting environmental concerns against the creation of new quarries and the imminent importing of high grade hard stone for the production of pre-cast concrete and stone blocks are just two factors that might seal the fate of this industry.

The Maltese quarrying industry as we know it might find its place in the history books, but other smaller quarrying-related ventures could evolve. As one quarry owner stated, "we shall go back to quarrying in the way our forefathers did." He explained that when current excavation works are carried out on building sites good quality soft stone that could be used for building is not being utilised. Builders overlook this wastage by reasoning that it is too time-consuming and costly to conduct quarry work on each building site. New technologies and basic economics might make such ventures worthwhile.

5. LIST OF ABBREVIATIONS

NSO	National Statistics Office
CBM	Central Bank of Malta
MEPA	Malta Environment and Planning Authority
QOA	Quarry Owners Association
GWU	General Workers' Union
MRA	Malta Resources Authority
ME	Malta Enterprise
COC	Chamber of Commerce
GRTU	Association of General Retailers and Traders
CMTU	Confederation of Malta Trade Unions
UHM	Union of United Workers, Union Haddiema Maghqudin
BICC	Building Industry Consultative Council
FOBC	Federation of Building and Civil Engineering Contractors