

Thematic feature - unskilled workers

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This article gives a brief overview of the industrial relations aspects of the topic of unskilled workers and unskilled work in Malta, as of February 2005. It looks at: national definitions of unskilled workers or work; the number of unskilled workers and workers in unskilled jobs, and the extent of unskilled work; employment and unemployment among unskilled workers; the regulatory framework; trade union organisation among unskilled workers; pay and conditions; recent initiatives to improve the situation of unskilled workers; and the views of trade unions and employers' organisations on the issue and its implications for collective bargaining.

In recent years, labour market developments have altered the demand for labour. Increasingly, employers are looking for adaptable workers, with more 'transversal' and 'relational' competences. The nature of skills required to be considered efficient in a job has thus evolved. In this situation, there is a growing risk of exclusion among unemployed workers whose profiles do not match the job characteristics needed, while the low-skilled or unskilled workforce is more at risk of unemployment.

In this context, in February 2005 the EIRO national centres were asked, in response to a questionnaire, to give a brief overview of the industrial relations aspects of the topic of unskilled workers. The following distinctions are used, where applicable:

- (a) an *unskilled job* is a job which requires, for its proper execution, hardly any formal education and/or training and/or experience;
- (b) a *worker in an unskilled job* is a worker doing such a job, irrespective of their level of qualifications or competences (especially under conditions of high unemployment, a significant share of those occupying unskilled jobs may be 'overeducated' for them, or 'underemployed'); and
- (c) an *unskilled worker* is someone who has only the lowest level of qualifications or education (however defined).

The questionnaire examined: national definitions of unskilled workers or work, including those used or provided in laws, statistics or collective agreements; figures or estimates on the number of unskilled workers and workers in unskilled jobs, and the extent of unskilled work; employment and unemployment among unskilled workers; the regulatory framework, including any specific laws or collective agreements, and trade union organisation among unskilled workers; the pay and conditions of unskilled workers and workers in unskilled jobs, or for unskilled jobs; any recent initiatives to improve the situation of unskilled workers; and the views of trade unions and employers' organisations on the issue and its implications for collective bargaining. The Maltese responses are set out below (along with the questions asked).

Definition and extent

(a) Please provide a definition of unskilled workers or work (see distinctions above) in your country. Are there any definitions provided in laws, statistics or collective agreements?

No strict definition of unskilled work exists in Malta. The term 'unskilled work' is not used in laws. Collective agreements tend to classify occupations in a hierarchy starting from top managerial positions and going down to the lowest-paid jobs, which are often unskilled ones. The civil service collective agreement adopts a hierarchical system divided into 20 scales with related salary levels. Each scale comprises a list of categories

of jobs within the civil service. The last four scales, from 17 to 20, include mostly unskilled occupations such as court messenger, bus despatcher, porter, general hand, 'watchman' and labourer. However, these scales are only a rough representation of unskilled work as they include some occupations that cannot be defined as unskilled, such as butcher and hairdresser. Collective agreements in the civil service or government-owned or -run organisations, such as Enemalta Corporation, Maltacom, the Water Services Corporation, the University of Malta and others, tend to follow a similar classification. However, in some cases, collective agreements do not include a list of occupations within each salary scale, which makes the identification of the unskilled scales even more complicated.

The National Statistics Office ([NSO](#)), the main provider of socio-economic statistics in Malta, does not use definitions of 'unskilled work' or 'unskilled workers'. A vague idea of unskilled work can be derived by looking at the workers' level of education and at the occupational groups, which are classified according to the International Standard Classification of Occupations (ISCO). Within this hierarchical classification comprising 10 main occupational groups, the last two, namely 'plant and machine operators and assemblers' and 'elementary occupations' are the least skilled categories.

(b) Are there any figures or estimates available on the number of unskilled workers and workers in unskilled jobs, and the extent of unskilled work. How have these figures changed in recent years - have changing skill needs or improvements in education/training systems led to a reduction in the numbers of unskilled jobs, unskilled workers and workers in unskilled jobs? Please break all figures down by gender where possible.

(c) Please provide figures on employment and unemployment rates for unskilled workers, compared with higher-skilled groups. Have unskilled workers/workers in unskilled jobs been particularly affected by industrial and company restructuring? Have new jobs created in recent years been filled by unskilled workers? Please break all figures down by gender where possible.

A compulsory school-leaving age has been in effect since 1946 while secondary education for all was introduced in 1970. This explains why the number of workers with no education is minimal - see table 1 below. Most workers have a secondary level of education (51.1% of men and 44.8% of women) and the second-largest group has a post-secondary level of education (18.2% of men and 23% of women). Female workers tend to have a higher level of education than their male peers. In fact, while the proportion of men with only primary education is nearly double that of women (17.3% and 9.5% respectively), a greater ratio of female workers have post-secondary and tertiary education. Between 2000 and 2004 there has been a decrease in the proportion of male workers with only a primary level of education (from 19.3% to 17.3%). On the other hand, the ratio of female workers with only primary education has remained unchanged (9.5%). There has been an increase in the share of both male and female workers with post secondary and tertiary education. The most significant increase has been registered among female workers with a tertiary level of education (a 7 percentage point rise between 2000 and 2004)

Table 1. Employed persons by level of education, 2000-4

			Level of education					Total
			None	Primary	Secondary	Post-secondary	Tertiary	
2000	Males	No	290*	19,645	56,910	14,809	10,288	101,942
		%	0.3	19.3	55.8	14.5	10.1	100.0
	Females	No	69*	4,205	24,704	8,630	6,696	44,304
		%	0.2	9.5	55.8	19.5	15.1	100.0

2001	Males	No	728	23,328	53,623	13,933	11,304	102,916
		%	0.7	22.7	52.1	13.5	11.0	100.0
	Females	No	127*	4,689	22,221	8,873	6,694	42,604
		%	0.3	11.0	52.2	20.8	15.7	100.0
2002	Males	No	590	21,510	55,304	14,112	11,406	102,922
		%	0.6	20.9	53.7	13.7	11.1	100.0
	Females	No	92*	4,788	23,316	9,675	7,659	45,530
		%	0.2	10.5	51.2	21.2	16.8	100.0
2003	Males	No	464	21,013	54,585	16,056	11,128	103,246
		%	0.4	20.4	52.9	15.6	10.8	100.0
	Females	No	*	4,191	23,052	9,060	9,215	45,518
		%	*	9.2	50.6	19.9	20.2	100.0
Sept 2004	Males	No	404*	17,879	52,896	18,853	13,504	103,536
		%	0.4	17.3	51.1	18.2	13.0	100.0
	Females	No	*	4,298	20,219	10,778	9,851	45,146
		%	*	9.5	44.8	23.9	21.8	100.0

* The figure is under-represented due to small sample size.

Source: NSO.

About 21.2% of workers are employed as 'plant and machine operators and assemblers' and in 'elementary occupations' - see table 2. Over 2000-4, the proportions of men working in these occupations when compared with those in other occupations have remained roughly the same. However, the proportion of women working as 'plant and machine operators and assemblers' decreased by 5.5 percentage points while the proportion of those working in 'elementary occupations' increased by 3.6 points. The number of low-skilled workers in factories decreased by 2,591 between 2000 and 2004. This was largely due to the closure of several industrial plants. On the other hand, the number of people in elementary occupations increased by exactly 2,591 - it is assumed that many plant workers who became unemployed due to the restructuring or closure of industrial plants found alternative jobs in elementary occupations.

Table 2. Employed persons by main occupation, 2000-4

.	May 2000				July-September 2004			
	Males		Females		Males		Females	
	No	%	No	%	No	%	No	%
Armed forces	1,169	1.2	-	-	1,779*	1.7	-	-
Legislators, senior officials and managers	8,264	8.3	1,751	4.0	10,646	10.3	2,205	4.9
Professionals	9,292	9.3	7,441	17.1	9,592	9.3	6,096	13.5
Technicians and associate professionals	14,356	14.4	6,065	13.9	13,417	13.0	7,876	17.4

Clerks	8,003	8.0	10,278	23.6	7,544	7.3	8,681	19.2
Service workers and shop and market sales workers	11,746	11.7	7,133	16.4	12,950	12.5	9,817	21.7
Skilled agricultural and fishery workers	2,262	2.3	200	.4	2,042*	2.0	223*	.5
Craft and related trades workers	19,809	19.8	637	1.5	20,101	19.4	662*	1.5
Plant and machine operators and assemblers	11,869	11.9	6,707	15.4	11,510	11.1	4,475	9.9
Elementary occupations	13,135	13.1	3,340	7.7	13,955	13.5	5,111	11.3
Total	99,905	100.0	43,552	100.0	103,536	100.0	45,146	100.0

* The figure is under represented due to small sample size.

Source: NSO.

As can be seen from table 3 below, most unemployed people have a secondary level of education (65% of male unemployed and 61.7% of female unemployed). Unemployed women tend to have a higher level of education compared with unemployed men. While the second-largest group of unemployed men has only a primary level of education (20%), the second-largest group of unemployed women has a post-secondary level of education (20.9%). It may be that fewer women with lower levels of education bother to register as unemployed. Overall, there was an increase in the level of education of unemployed people between 2000 and 2004.

Table 3. Unemployed persons by level of education, 2000-4

			Level of education					Total
			None	Primary	Secondary	Post-secondary	Tertiary	
2000	Males	No	100*	1,824	4,785	593*	191*	7,493
		%	1.3	24.3	63.9	7.9	2.5	100.0
	Females	No	*	297*	2,121	412*	175*	3,005
		%	*	9.9	70.6	13.7	5.8	100.0
2001	Males	No	166*	2,124	3,858	575	80*	6,803
		%	2.4	31.2	56.7	8.5	1.2	100.0
	Females	No	*	279*	2,282	554	96*	3,211
		%	*	8.7	71.1	17.3	3.0	100.0
2002	Males	No	79*	1,799	4,680	534	187*	7,279
		%	1.1	24.7	64.3	7.3	2.6	100.0
	Females	No	36*	450	2,332	622	299*	3,739
		%	1.0	12.0	62.4	16.6	8.0	100.0
2003	Males	No	16*	1,269	5,455	664	321*	7,725

Sept 2004		%	0.2	16.4	70.6	8.6	4.2	100.0
		No	17*	370*	3,075	710	196*	4,368
	Females	%	0.4	8.5	70.4	16.3	4.5	100.0
		No	*	1,337*	4,335	580*	419*	6,671
	Males	%	*	20.0	65.0	8.7	6.3	100.0
		No	*	545*	3,153	1,070*	342*	5,110
	Females	%	*	10.7	61.7	20.9	6.7	100.0
		No	*					

* The figure is under-represented due to small sample size.

Source: NSO.

Inactivity is negatively correlated with education - see table 4 below. The largest groups of inactive people have only a primary or a secondary level of education while the smallest groups have a post-secondary or tertiary level of education. While the ratio of inactive men with post-secondary and tertiary level of education is nearly double that of women, there are relatively fewer inactive men with a secondary level of education.

Table 4. Inactive persons by level of education, 2000-4

			Level of education					Total
			None	Primary	Secondary	Post-secondary	Tertiary	
2000	Males	No	2,606	21,347	14,282	4,562	2,226	45,023
		%	5.8	47.4	31.7	10.1	4.9	100.0
	Females	No	4,655	53,279	47,020	6,948	1,888	113,790
		%	4.1	46.8	41.3	6.1	1.7	100.0
2001	Males	No	4,189	21,487	13,039	4,153	1,635	44,503
		%	9.4	48.3	29.3	9.3	3.7	100.0
	Females	No	7,886	52,004	44,142	7,111	2,533	113,676
		%	6.9	45.7	38.8	6.3	2.2	100.0
2002	Males	No	4,198	21,330	14,387	4,114	2,194	46,223
		%	9.1	46.1	31.1	8.9	4.7	100.0
	Females	No	7,058	51,791	44,823	7,490	2,424	113,586
		%	6.2	45.6	39.5	6.6	2.1	100.0
2003	Males	No	4,216	21,871	14,070	4,273	2,080	46,510
		%	9.1	47.0	30.3	9.2	4.5	100.0
	Females	No	7,115	52,718	44,166	6,842	2,888	113,729
		%	6.3	46.4	38.8	6.0	2.5	100.0
Sept 2004	Males	No	2,992	22,319	13,367	6,356	2,160	47,194
		%	6.3	47.3	28.3	13.5	4.6	100.0
	Females	No	6,082	48,688	48,614	8,058	3,366	114,808

		%	5.3	42.4	42.3	7.0	2.9	100.0
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Source: NSO.

Regulation and conditions

(a) Is there a specific regulatory framework in your country concerning unskilled workers and workers in unskilled jobs (however defined)? Are there specific laws or collective agreements? Are there specific trade union organisations for them, or are they represented in 'normal' union structures. Have there been any changes in these area reflecting the changes referred to in question (b) under 'Definitions and extent' above?

There is no specific regulatory framework in Malta concerning unskilled workers and workers in unskilled jobs. There are no specific laws or collective agreements concerning such categories of workers or work. Out of the 34 unions registered at the Department of Industrial and Employment Relations (DIER) in 2004 ([MT0404102F](#)), none cater exclusively for unskilled workers and workers in unskilled jobs. These workers are represented in normal union structures. Unskilled workers and workers in unskilled jobs tend to be members of the two general unions, namely the General Workers Union ([GWU](#)) and the Union of United Workers (Union Haddiema Maghqudin, [UHM](#)).

(b) Please provide any figures available for the pay of unskilled workers and workers in unskilled jobs, or for unskilled jobs, and the relationship of this pay with the average or with higher-skilled groups. Do collective agreements contain specific pay grades for unskilled workers, or workers in unskilled jobs? Please break all figures down by gender where possible.

In general, workers with a higher level of education tend to earn more than those with a lower level of education - see table 5 below. The highest earners are those who have a tertiary level of education, followed by those with a post-secondary level of education. However, in 2004, men with only a primary level of education surprisingly earned more than those with only a secondary level of education. The gender gap in earnings is greatest among workers with only primary education, where women's average gross annual salary is equivalent to only 69% of that of men.

Table 5. Average gross annual salary for employees by level of education, 2000-4 (MTL)

		Level of education					Total
		None	Primary	Secondary	Postsecondary	Tertiary	
2000	Males	3,488.49*	4,289.82	4,475.46	5,463.02	7,455.49	4,906.89
	Females	2,051.86*	3,015.00	3,486.32	4,203.92	5,366.09	3,883.23
2001	Males	4,060.35	4,357.10	4,654.59	5,585.47	7,547.55	5,064.08
	Females	3,735.35*	2,923.27	3,588.12	4,318.89	5,613.12	3,996.08
2002	Males	4,632.47*	4,695.81	4,888.89	5,848.85	7,926.24	5,352.12
	Females	1,967.20*	3,158.52	3,894.12	4,650.01	5,864.94	4,318.98
2003	Males	4,487.49*	4,686.85	4,967.35	5,900.84	7,420.87	5,348.29
	Females	*	3,402.37	3,966.31	4,634.55	5,960.66	4,463.34
Sept 2004	Males	3,840.17*	4,901.85	4,779.94	5,938.81	7,293.87	5,354.99
	Females	*	3,383.60	3,997.12	4,713.83	5,548.39	4,462.68

* The figure is under-represented due to small sample size.

Source: NSO.

NSO data reveal that 'plant and machine operators and assemblers' and workers in 'elementary occupations' are paid less than the average wage - see table 6 below. The overall average gender gap in earnings between 2000 and 2004 increased from 19.9% to 21.6%. However, while the gender gap in the earnings of people in elementary occupation increased by 7.9 percentage points, that of plant and machine operators and assemblers decreased by 13.9 points.

Table 6. Average gross annual salary for employees by main occupation, 2000-4 (MTL)

.	May 2000			July-September 2004		
	Males	Females	Difference (%)	Males	Females	Difference (%)
Armed forces	4,158.58	-	-	5,173.16	-	-
Legislators, senior officials and managers	7,512.02	5,397.89	-28.1	9,017.43	7,069.76	-21.6
Professionals	6,321.47	5,032.12	-20.4	6,950.73	5,700.02	-18.0
Technicians and associate professionals	5,254.35	4,488.29	-14.6	5,867.63	5,176.47	-11.8
Clerks	4,680.70	3,712.04	-20.7	5,038.64	4,427.23	-12.1
Service workers and shop and market sales workers	4,417.92	3,114.12	-29.5	4,751.12	3,530.03	-25.7
Skilled agricultural and fishery workers	3,614.27	5,000.00	38.3	3,996.01	-	-
Craft and related trades workers	4,114.12	3,575.38	-13.1	4,745.14	3,941.43	-16.9
Plant and machine operators and assemblers	4,591.64	3,290.33	-28.3	4,584.46	3,925.41	-14.4
Elementary occupations	3,738.56	3,151.78	-15.7	4,417.48	3,373.97	-23.6
Total average	4,895.36	3,923.40	-19.9	5,354.99	4,462.68	-21.6

Source: NSO,

(c) Are there any differences between unskilled workers/workers in unskilled jobs and higher-skilled groups in terms of access to other benefits, social security, pensions, etc? Please break all figures down by gender where possible.

Unskilled workers and workers in unskilled jobs have lower pensions due to their lower incomes as established in their collective agreements. On the other hand, due to lower revenue, these workers tend to benefit more from social security benefits such as child allowance.

Actions and views

(a) Please describe any recent initiatives taken jointly or separately by companies, public authorities (national or local) or the social partners (eg collective agreements) to address the situation and improve the situation of unskilled workers in terms of pay, working conditions, training, employability, unemployment etc.

Among the list of targets set out by the government in its first National Action Plan (NAP) for employment in 2004, there are many that are aimed at reducing the number of unskilled workers - see table 7 below. The NAP states that: 'Government policy is to promote lifelong and life-wide education and training in both Malta and Gozo, and to provide the required institutions and programmes in order to offer the widest possible range of opportunities to satisfy the needs of individuals as well as the changing economy.'

Relative to other EU countries, Malta has a high rate of people without higher education. The government intends to increase the percentage of 22-year-olds with upper-secondary education by 17.5 percentage points and reduce the rate of early school-leavers by 13.5 points by 2010. Participation in lifelong learning and on-the-job training in Malta is low, especially in the case of low-skilled workers. The government thus intends to increase the number of adults in lifelong learning by 3.8 points and the number of public sector employees receiving training by 3.9 points by 2010.

Table 7. Malta's education and training targets for 2010

Target	Situation December 2003	Malta target 2010	EU target 2010
Increase of 17.5% in 22-year-olds with upper secondary qualifications	47.5%	65%	85%
Reduction of 13.5% in early school leaver rate	48.5%	35%	<10%
Increase of 3.8% in the number of adults in lifelong learning	3.2%	7%	12.5%
Increase of 3.9% in the percentage of public sector employees receiving training	8.6%	12.5%	None

Adapted from NAP 2004.

The Employment and Training Corporation ([ETC](#)), Malta's public employment service, is responsible for the implementation of active labour market policies. These include programmes for unskilled people. The Supported Employment Section within the ETC supports disadvantaged groups in enhancing their capabilities to integrate into labour market. Schemes such as the Employment Training Placement Scheme (ETPS) and the Training and Employment Exposure Scheme (TEES) are meant to enhance the skills of unemployed people.

The Malta College of Arts, Science and Technology (MCAST) provides basic literacy courses to both young and adult students through its Basic Skills Unit. The Education Division, the ETC, local councils and the Paolo Freire Institute offer literacy classes

incorporating a varied programme of literacy and personal skills. The government recently published a National ICT Strategy that seeks to strengthen ICT competence among all types of employees, including the less skilled.

The government has set up the Malta Professional and Vocational Qualifications Awards Council (MPVQAC) with the aim of setting standards of occupational competence so as to certify skills achieved by non-university education and vocational training of persons in employment. The MPVQAC, which should significantly lessen the proportion of uncertified employees, has not yet been provided with the resources to start implementing its objectives.

(b) Please summarise the views of trade unions and employers' organisations on the issue and its implications for collective bargaining.

Trade unions, especially the larger ones, organise courses meant to increase the employability of their members through the enhancement of their skills. GWU, for example, has an educational branch called the Reggie Miller Foundation which provides various courses addressed to unskilled workers.

Unions have also been in the forefront in the attempt to improve the situation of unskilled workers. During the unsuccessful 'social pact' negotiations in late 2004 and early 2005 ([MT0501101N](#)), the unions proposed a package including consistent funds for employee training. Newspapers reported that, throughout the negotiations, employers had agreed to pay MTL 20.80 per employee per year to be used for training and research. However, in the last phase of negotiations, this sum was reduced to MTL 5.

Employers' perspectives on the issue of unskilled work tend to differ considerably depending on their organisational culture. The employers' associations agree in principle with the need to improve the situation of unskilled workers. However, the difficulties inherent in the Maltese economic situation do not augur well. In the past years, Malta has become less competitive due to a variety of factors, including the higher cost of labour.

Human resource development plans tend to feature in the collective agreements of larger organisations, especially those owned or run by the government and foreign-owned firms. These organisations encourage the attainment of job-related skills. Various collective agreements include clauses that make provision for special leave for training, which is often paid for the company if the training is of relevance to the company's business. However, Malta is characterised by a large proportion of small enterprises that tend to be non-unionised. These show little disposition to invest in the improvement of employee skills. The direct cost of training is at times viewed as an extra burden, at least in the short term. Employers at times also fear that greater employee skills would result in greater wage increase demands by the employees.

Comments

The shrinkage of the manufacturing sector has made the problem of unskilled workers more acute. These workers may lack the necessary skills and competences demanded by an expanding service sector. It is, however, reassuring to note that all institutions are striving to address this issue. The EU, through its benchmarks, funds and the setting up of institutions and programmes such as EURES may help to ease this problem. Malta's new MCAST may also make an important contribution. However more radical reforms are needed in the whole educational structure. The main roots of the problem may lie in the sizeable number of Maltese students who complete their secondary schooling without any certificates or skills. (Manwel Debono, Malta Workers' Participation Development Centre)