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**STUDY ON THE REPRESENTATIVENESS OF THE SOCIAL PARTNER ORGANISATIONS
IN THE WOODWORKING SECTOR**

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MALTA

1. Description of the sector

Delimitation and activities of the sector

The woodworking sector in Malta is congruent with the NACE classification, code 20.

Socio-economic features of the sector

According to Malta Enterprise (ME), the Government's agency in charge of attracting inward investment and supporting local industries, the Maltese furniture manufacturing sector caters primarily for the local market. This sector's exports at present are very low and it is unlikely that the situation will change in the near future. ME justifies this situation by stating that since demand in the local market is still high, employers do not feel the need to expand their operations overseas.

The National Statistics Office (NSO) figures concerning the period January to December 2005, show that the sector remained relatively stable. Manufacturing industries in various sectors are currently going through a series of restructuring exercises aimed at making the enterprises leaner and more competitive to align with European standards. The main restructuring issues for the sector under analysis concern health and safety and environmental protection.

The gross value added for the manufacturing industry in 2005 increased by 0.9%. The manufacturing of wood and wood products registered a gross value added increase of Lm26,000, moving up from Lm765,000 to Lm791,000 between 2004 and 2005¹⁴² (NSO; 47/2006). Total sales for woodwork, after the decline registered between 2003 and 2004, increased once again, reaching 502,000 in 2005.

The share of the woodworking industry in the national GDP is not available.

Total Sales (in Lm000)

Year	Wood & Wood Products	% Change
2003	497	
2004	380	-23.5
2005	502	32.1

Source: Adapted from NSO; 41/2006

In the woodwork sector there was no investment in 2003 and 2004, while figures for 2005 show an Lm1000 investment.

¹⁴² One Maltese lira is equivalent to 2.38 Euros.

Companies

According to NSO, there are 141 companies operating in woodwork producing industries. The majority, 130 companies, employ between 1 and 9 employees. ME officials stated that restructuring in such micro enterprises, when compared to companies employing a larger number of employees, was less problematic since these enjoy greater flexibility and therefore adapt more easily to market changes. Within the wood and wood products manufacturing category, the majority of companies operate in category 20.51, which produce small items such as caskets, household utensils and wooden handles.

Summary table: Companies (2003)

Sub-sectors	Number of companies	% companies without employees	% companies with < 10 employees	% companies with 10 to 49 employees	% companies with 50 to 249 employees	% companies with > than 249 employees
20.1	0	0	0	0	0	0
20.2	1	0	100%	0	0	0
20.3	43	7%	88.3%	4.7%	0	0
20.4	1	0	100%	0	0	0
20.51	85	5.9%	94.1%	0	0	0
20.52	11	9.1%	90.9%	0	0	0
NACE 20	141	6.4%	92.2%	1.4%	0	0

Source: Structural Business Statistics 2003; NSO

Employment

The following table gives the number of employees in the woodwork sector categories according to Nace classifications. Findings show that there are 79 employees working in organisations, which manufacture wooden goods intended to be used primarily by the construction industry (20.3). Out of these, 24 employees work in small enterprises employing up to 9 individuals, while the remaining 55 work in a larger organisation.

Summary table: Workers (2003)

Sub-sectors	Number of self-employed workers in the sector	Number of employees in the sector	Number of employees in the sector/total number of employees in the country (%)	Number of employees in companies < 10 workers/Number of employees in the sector (%)	Number of employees in companies with 10-49 workers/ Number of employees in the sector (%)	Number of employees in companies with 50-249 workers/ Number of employees in the sector (%)	Number of employees in companies with > 249 workers/ Number of employees in the sector (%)
20.1	ND	0	0	0	0	0	0
20.2	ND	0	0	0	0	0	0
20.3	ND	79	0.05	30.3%	69.7%	0	0
20.4	ND	0	0	0	0	0	0
20.51	ND	65	0.04	100%	0	0	0
20.52	ND	0	0	0	0	0	0
NACE 20	ND	144	0.10	61.8%	38.2%	0	0

Source: NSO – Structural Business Statistics (SBS), 2003. The SBS data are collected directly from enterprises relate to the number employed in local enterprises and make no allowance for people who might work in more than one enterprise. In other words, the SBS essentially records jobs.

The following table regarding occupations of employees refers to both the woodworking sector (NACE 20) and the furniture manufacture sector (NACE 36.1). According to this table, the majority of employees in NACE 20 and 36.1 work in the craft and related trades subsection (85.5%). Second in line is the plant and machine sub-sector, which has 226 (8.1%) employees. In other respects, the majority of employees are male and employed on a full-time basis.

Main occupation of persons employed in the woodwork and furniture industries (Nace 20 & 36.1)

Occupations	Sex				Total	
	Males		Females		N°	%
	N°	%	N°	%		
Legislators, senior officials and managers	16*	0.6	-	-	16*	0.6
Technicians and associate professionals	0	0.0	-	-	16*	0.6
Clerks	0	0.0	-	-	25*	0.9
Service workers, shop and sales workers	0	0.0	-	-	78*	2.8
Craft and related trades workers	2,301	92.7	-	-	2,379*	85.5
Plant and machine operators and assemblers	139*	5.6	-	-	226*	8.1
Elementary occupations	27*	1.1	-	-	42*	1.5
Total	2,483	100.0	299*	100.0	2,782¹⁴³	100.0

* Figures are under represented
Source: NSO Malta

The presence in the sector of a high percentage of craftsmen is also reflected in the workforce education level. The majority of employees, 1,537 (55.2%) have attained a secondary level of education, followed by 670 (24.1%) of employees who hold a post secondary education certificate (Source NSO Malta).

As far as the wage level is concerned, the average gross annual salary for those employed in both the woodwork and furniture industry as given by the NSO amounts to Lm4,088.20. The workers in the woodwork and furniture industry earn an average of Lm937.47 less when compared to other workers in the manufacturing industry.

2. Organisations active in the sector

Workers' organisations

The **General Workers' Union (GWU)** was founded in 1943. It boasts a wide representation reaching all sectors of the Maltese economy and is especially strong in the public sector. The union has eight sections dealing with different employment sectors, namely Chemical, Energy and Printing, Hospitality and Foods, Manufacturing and SME, Maritime and Aviation, Metal and

¹⁴³ Source: NSO – Labour Force Survey (LFS), 2005. The LFS data are collected from a survey of private households. They relate to the number of residents in employment in the country, irrespective of whether they work in the country or abroad. Moreover, the LFS essentially counts the number of people in employment irrespective of the number of jobs, which they might have.

Construction, Public Sector, Services and Metal and Technology and Electronics. The woodworking and furniture sector falls under the Manufacturing and SME Section. GWU is funded through the members' subscriptions and through subsidiary companies, which it owns, and also through publications.

GWU has a total membership of around 46,489 (Registrar of Trade Unions, 2005), and has a workforce of around 50 people. Data about the different categories (e.g. workers, retired, etc) is not available. It has around 120 members working in the woodworking and furniture sector (specific data for the woodworking sector are not available).

The organisation takes part in consultations at enterprise level. It is empowered to sign collective agreements, which are signed at enterprise level. GWU is recognised as the main union in two organisations and has thus signed two collective agreements in this sector, one of which is currently being renegotiated. Since the Maltese woodwork and furniture manufacturing sectors exists on a very small scale, no tripartite negotiations have ever been carried out. At sector level, there are no organisations to support such negotiations. At national level, the Malta Council for Economic and Social Development (MCESD), an organisation, which aims to support and encourage dialogue between social partners, intervenes only on issues of national interest.

At international level, GWU is affiliated to various networks of other unions and confederations amongst which is the International Confederation of Free Trade Unions. GWU represents the 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 level. In the Furniture sector, the GWU is a member of the BWI.

The Union of United Workers (Union Haddiema Maghqudin, UHM) was founded in 1966. Since 1977, it affiliates workers from all sectors. UHM has seven sections, which are the Government Employees' Section, the Health Services Section, the Hotels, Food and Beverages Section, the Manufacturing and Services Section, the Ports, Transport and Aviation Section, the Public Entities Section, and the Pensioners Section. The woodwork sector falls under the Manufacturing and Services Section. The UHM is mainly funded by members' subscriptions. It has a total of around 25,901 members (Registrar of Trade Unions, 2005) and employs 14 members of staff. According to the Section Secretary, UHM represents around 50 employees in woodwork and furniture manufacturing (there is no specific data for the woodworking sector). Given that the union represents a limited number of employees, it does not enjoy official recognition at company level. Therefore, the union does not carry out any collective bargaining and has never signed any collective agreements in this respect. With specific reference to the Manufacturing and Services Section under analysis, UHM has a larger number of employees in the Services Sector. Furthermore, those employees it represents in the Manufacturing Industry occupy clerical posts. With regard to tripartite negotiations, UHM officials confirmed that no consultations ever took place concerning the woodwork or furniture manufacturing sectors.

Even though the union enjoys numerous affiliations both on local and international affiliations, no such associations are directly linked to the section under which the woodworking industry falls. At a National Level UHM is affiliated with the Confederation of Malta Trade Unions (CMTU).

Workers' organisations

Organisation (English name)	Members		Estimate of density*	Collective Bargaining** (Yes/No)	Affiliations			
	Total number of members	Number of members working in the sector			European affiliations***		Other affiliations****	
					Related to the sector	Others	Related to the sector	Others
General Workers' Union	46,489	About 120 in the woodworking and furniture sector	4.3% in the woodworking and furniture sector	Yes	No	ETF EFFAT EPSU ETUF – TCL EMF	BWI	ITF IUF PSI ITGLWF IMF

						EMCEF UNI Europa EURO WEA FERPA ETUC – Youth		ICEM UNI IFWEA
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Source: Report by the Registrar of Trade Unions 2004-2005; interviews with Section Secretaries; Union's websites.

*Density: number of employees who are affiliated to the organisation concerned divided: - by total number of employees working in the sector within the country, if the activities of the organisation concern the whole sector studied; - by total number of employees working in this sub-sector within the country, if the activities of the organisation only concern a sub-sector. **Collective Bargaining: Does the organisation negotiate and have the power to sign collective agreements at sector level for the sector? ***European affiliations: List of European organisations to which the organisation is affiliated. ****Other affiliations: List of others organisations (group of countries, international) to which the organisation is affiliated.

Employers' organisations

For the purpose of this research the main employers' organisation, the Malta Federation of Industries (FOI), the Malta Employers Association (MEA) and the Malta Chamber for Small and Medium Enterprises (GRTU) were contacted. All confirmed that they do not represent any employers in the woodworking sector. However, the Malta Enterprise (ME) is a Government organisation (not an employers association) responsible for offering assistance to local enterprises. This organisation represents around 400 enterprises operating in the woodwork and furniture industry, and even if it does not provide assistance specifically to these sectors, it coordinates a variety of programs from which the woodworking sector may benefit. Such assistance is offered at both sector and enterprise level. At sector level, ME focuses on financial and technical support, while at an enterprise level ME makes it possible for organisations to benefit from the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

3. Industrial relations in the sector

Tripartite concertation

With regard to the woodworking sector, the two trade unions (GWU and UHM) confirmed that no tripartite negotiations concerning this sector ever took place in Malta. The sector is too fragmented and small.

Bipartite social dialogue

In line with the collective bargaining trends in Malta, all the collective bargaining in the wood and wood products industry takes place at company level. The GWU is the only Maltese trade union with sufficient power to negotiate collective agreements. The GWU section secretary for Manufacturing and SMEs declared that the union signed two collective agreements in this industry. The two agreements cover a period of three years and deal with issues such as working time, payment conditions and human resource developments. The main players involved in bipartite social dialogue are the GWU through its section secretary, an employers' representative and the shop steward.

Acronyms

CMTU: Confederation of Malta Trade Unions

FOI: Malta Federation of Industry
GRTU: Association of General Retailers and Traders
GWU: General Workers' Union
ME: Malta Enterprise
MEA: Malta Employers' Association
MFMO: Malta Furniture Manufacturing Organisation
NSO: National Statistics Office, Ufficju Nazzjonali ta l-Istatistika