Freeport workers demand higher wages

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In August 2004, the General Workers' Union declared an industrial dispute at the Malta Freeport after the government refused to consider the union's demand for a major pay increase.

Established by government in 1988, the Malta Freeport experienced significant growth and soon became a major transhipment hub in the Mediterranean region. During 2003, it handled 1.3 million TEUs (the measurement used to calculate the number of containers processed by a port). Its operations include the handling of containers and oil products, and industrial storage. The government is currently in the process of privatising the Freeport, a deal that should be concluded by October 2004. Freeport workers are represented by the General Workers' Union (GWU (http://www.gwu.org.mt/)), Malta's largest union, and the Union of United Workers (Union Haddiema Maghqudin, UHM (http://www.uhm.org.mt/)).

GWU, which represents around 186 Freeport workers, has been negotiating a new collective agreement for them, as the previous one expired in May 2004. On 21 August, GWU declared an industrial dispute after the government refused to consider the union's demand for a pay increase. The GWU members at the Freeport presently earn between MTL 18,000 and MTL 20,000 per year, costing a total of around MTL 3.9 million per year. GWU originally called on the government to double their pay. This demand was subsequently changed to a wage increase of 40%. The latter demand would increase the annual income of workers to around MTL 26,000 and the overall Freeport wage expenditure to MTL 5.7 million. The government deemed this level of pay, which is three times the national average, to be exorbitant.

While port workers are currently paid different rates for different jobs, Freeport management proposes to pay them a set wage. On the other hand, GWU insists they should be paid a fixed rate of MTL 6.66 per container. Other social partner organisations, including the Federation of Industry (FOI (http://www.foi.org.mt/)) (MT0310101F (//www.eurofound.europa.eu/ef/observatories/eurwork/articles /employers-organisations-examined)), have already voiced their concern about such a pay increase, which they believe would have a negative impact on local industry. As port handling charges are already higher than those of several foreign competitors, GWU has been urged to be more sensitive to the competitiveness issue.

Changing current work practices is another issue of contention between GWU and Freeport management. Freeport management argues that work practices are archaic and drastically reduce the organisation’s competitiveness vis-à-vis similar ports on the continent. Management is pushing for more flexible shiftwork.

Meanwhile, UHM is negotiating a separate collective agreement for its 500 members at the Freeport. These workers’ collective agreement expired in June 2003. UHM has stated that it will not accept any privatisation if the new collective agreement is not signed, and is urging government to guarantee Freeport workers’ jobs. UHM is also insists that the new agreement should enhance the personal life of Freeport workers though fixed shiftwork. However, due to the fluctuating nature of the work, Freeport management believes that such a rigid system would not be conducive to efficient work. It has thus proposed that 65% of the shifts be fixed and 35% flexible. This, it argues, would ensure the efficiency of the port while alleviating workers from too much pressure when there is a high workload.

Government officials have described the current negotiations as having the potential to increase the Freeport’s competitiveness.