

Workforce reduction agreed to save Public Broadcasting Services

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In April 2004, an agreement on the restructuring of Malta's Public Broadcasting Services (PBS) was reached by the government, company management and the General Workers' Union. In a bid to make the PBS viable, its workforce will be reduced by two-thirds through early retirement and the redeployment of surplus staff.

The Maltese government, in an attempt to introduce fiscal rigour and streamline its monetary policy, has been undertaking a restructuring exercise among public entities in order to ensure their sustainability. The restructuring of Malta Drydocks and Shipbuilding was finalised in November 2003 (MT0312102N ([//www.eurofound.europa.eu/ef/observatories/eurwork/articles/restructuring-of-malta-drydocks-and-shipbuilding](http://www.eurofound.europa.eu/ef/observatories/eurwork/articles/restructuring-of-malta-drydocks-and-shipbuilding))). The Public Broadcasting Services (PBS) was next in line. In the past three years, the PBS, which has received a yearly subsidy from the government of MTL 2.5 million, has been registering annual losses of MTL 12,000 per employee. Workforce reduction was one of the main elements of the restructuring exercise, as the government believed that the PBS had an excessive number of employees, amounting to two-thirds of the 178-strong workforce. The PBS was also accused of having antiquated work practices, inadequate shift patterns and excessive overtime.

While negotiations between the government, the PBS management and the General Workers' Union (GWU) - Malta's largest trade union - focused on the economic viability of the PBS by trying to boost its financial and commercial position, the social dimension was also taken into consideration. The GWU acknowledged that the enterprise was going through difficult times. However, its main priority was to preserve existing jobs. After six months of negotiations, a solution was reached on 24 April 2004 between the government, the GWU and company management. The solution took the shape of three separate agreements, covering: the redeployment of excess employees; the introduction of early retirement schemes; and a new collective agreement.

The plan provides for the creation of several new posts and the elimination of others. The total number of employees at the PBS will be reduced from the current 178 to 64. Retirement schemes are being offered according to workers' particular age group. Workers over 56 years old will be offered the payment of two-thirds of their wage until pensionable age, with a maximum payment of MTL 6,749. Workers aged between 50 and 56 will be provided with a sum equivalent to 20 weeks' pay for every year until they reach the age of 56 and will subsequently be granted two-thirds of pay. Workers aged between 40 and 49 will be offered a one-off payment equivalent to the annual basic pay multiplied

by 3.25, but not exceeding MTL 17,000. Employees younger than 40 will be offered the equivalent of eight weeks' pay for every year worked at the PBS as long as it is not less than MTL 5,000. The maximum sum for those who have worked at PBS for less than 15 years will be MTL 10,000 and for the others MTL 12,000.

If the early retirement schemes do not reduce the number of employees to the agreed threshold of 64, the government will be responsible for deciding which workers should be transferred to the public service (at government entities including local councils), public-private partners or the private sector. The reassigned workers will retain the basic salary they have at the PBS.

The PBS workforce will comprise 59 non-managerial posts and five managerial ones. All the current managerial posts will be terminated and new calls for applications will be issued, from both within and outside the enterprise. The new collective agreement will cover five years, from 1 April 2004 to 31 March 2009. The annual subsidy to the PBS will be reduced from MTL 2.5 million to MTL 0.5 million. The PBS will also receive another MTL 0.5 million for technical upgrading.

Over recent months, there much controversy surrounding the fate of the PBS, with some critics arguing that since pluralism was introduced in broadcasting in the early 1990s, the PBS might not be relevant any more. However, the government and the GWU strived to keep it alive. The GWU consulted the PBS workers at all stages of the process. The majority of the workers endorsed the agreement reached between the GWU and the government.