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**JOINT STUDY OF THE EUROPEAN SOCIAL PARTNERS
“THE IMPLEMENTATION OF FLEXICURITY AND THE ROLE OF THE
SOCIAL PARTNERS”**

NATIONAL FICHE

MALTA

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Preface

This national fiche is part of the EU Social Partners’ Study “The implementation of flexicurity and the role of social partners” carried out in the context of the EU Social Dialogue Work Programme 2009-2011, which includes “*Jointly monitoring the implementation of the common principles of Flexicurity, notably in order to evaluate the role and involvement of the social partners in the process and to draw joint lessons*”.

To implement this task in the best possible way and to involve national member organisations actively in the gathering of data and information, the study applies a methodology that consists of multiple levels of analysis using a variety of instruments to be implemented with the help of a team of experts:¹

- The expert team, with the advice of European Social Partners, agreed on a *set of selected statistical indicators* in the field of employment and economic and social development with labour market relevance.
- National social partners were asked to participate in a *questionnaire-based survey* focussing on the relevance of the flexicurity concept within national labour markets, the role of the social partners in policy implementation and their views of the flexicurity concept. To complement the research, the expert team visited a number of countries and carried out interviews with national social partners.²
- Based on the two sources above and a review of available written materials and information, the expert team prepared *29 national “fiches”* on the implementation of the flexicurity principles and the role of social partners in the respective national contexts.
- Results of the questionnaire survey and main findings of the national analyses were discussed at four “*country cluster seminars*” that were organised by the European Social Partners with the help of national sections in Warsaw (November 2010), Lisbon (December 2010), Paris (31st January-1st February 2011) and The Hague (8th February 2011).
- In the light of the overall study results and the comments received by national social partners in the contexts mentioned above, the expert team has prepared a *comparative synthesis report* on “Social Partners and Flexicurity in Contemporary Labour Markets” that was presented and discussed at a *EU-level synthesis seminar* on 31st March and 1st April 2011 in Brussels.

This national fiche aims to present a broad overview on the economic and social context and the state of play with regard to flexibility and security in the labour market and current social security arrangements (sections one and two). Secondly, the report describes the role of the social partners and social dialogue in the implementation of policies and practices that can be considered under the broad umbrella of “flexicurity” (section three), also summarising inputs provided by national social partners to the questionnaire, from interviews carried out and other contributions made in the context of the study. Section three also presents brief descriptions of cases of good practice as has been indicated by the national social partners.

The text was originally prepared as draft report in the autumn of 2010 in order to facilitate the discussion at the cluster seminar on 22nd and 23rd November 2010 in Warsaw. The original dossier has been reviewed and revised to take into account the comments and discussions that took place during the seminar or received afterwards.

However, it should be stressed that this report is presented as an “independent expert report”. It represents the views of the individuals involved in its preparation and does not purport to represent the views, either individually or collectively, of the social partners’ representatives that contributed to it, or those of the European level social partner organisations that were responsible for its commissioning.

¹ Expert team: Eckhard Voss (co-ordinator), Alan Wild, Anna Kwiatkiewicz and Antonio Dornelas.

² The following countries were visited in the context of the project between May and July 2010: Denmark, France, Ireland, Italy, Czech Republic, Poland, Germany, Portugal and the Netherlands.

1 The economic and social context

Economic crisis and recovery

The Maltese economy consists of service sector (accounting for over 80% of GDP), followed by industry (almost 17.5% of GDP) and very small agriculture sector (1.6% of GDP). It is one of the most open European economies; however, as Europe's smallest country it has some peculiarities. Malta produces just 20% of its foods needs, has a limited water supply and has relatively limited domestic energy sources. Its geographical position makes it particularly vulnerable to illegal immigration. Malta adopted the Euro on 1st January 2008. Malta's financial sector has grown in recent years, but was protected from the more damaging effects of the 2008 crisis due to prudent risk management practices, not being highly leveraged and a focus on local lending.

After years of a moderate growth, Malta was one of the countries the least affected by the economic crisis of 2008 - the contraction of Maltese GDP in 2009 accounted for 1.9% compared to 4.1% in the euro zone. High electricity and water prices have hurt Malta's real economy as it is dependent on trade, manufacturing - electronics and pharmaceuticals predominantly – and tourism. Before the crisis the main drivers of growth were household consumption; expanding exports; and the dynamic development of services sector. The crisis hit Malta through its trade channels, and its exports were seriously hit in 2008, which resulted in general economic slowdown. Enterprise investment and public spending also decreased. Despite the fact that private consumption has remained resilient, exports and investment will need to be the main triggers for recovery.

According to the European Commission the recovery of the Maltese economy was foreseen for 2010, with an accelerating pace of growth anticipated in 2011 (real GDP is estimated at 1.7% in 2011). Domestic demand is projected to recover gradually due to increasing investment in public spending on the environment and construction. Private consumption is expected to slightly decrease due to weaker consumer confidence, but should pick up again in 2011. Imports are set to outperform exports and the external balance of goods and services is projected to remain only slightly positive in 2010 and 2011.

MALTA - MAIN ECONOMIC INDICATORS AND OUTLOOK

	2007	2008	2009	2010	2011
GDP – annual percentage change	3.7	2.6	-2.1	3.1	2.0
Employment - annual percentage change	3.2	2.6	-0.5	1.1	1.2
Unemployment rate (Eurostat definition)	6.4	5.9	7.0	6.6	6.6
General government balance (as percentage of GDP)	-2.3	-4.6	-3.8	-4.2	-3.0
General government gross debt (as percentage of GDP)	61.7	63.1	68.6	70.4	70.8

Source: European Commission: Autumn 2010 Economic Forecast.

The Maltese government decided to mitigate effects of the crisis by investing in the core areas of the economy i.e. tourism and industry. Initiatives aimed at improving the situation in the tourist sector included, among others, increasing the marketing budget of the Malta Tourism Authority (MTA) and intensifying promotion campaigns. According to the Foreign and Commonwealth Office in 2008, 450,100 British tourists visited Malta contributing roughly 9% to Malta's GDP, but the number will be lower for

2009 and 2010³. In the industry sector support was offered for these companies that suffered from reduced demands for their products/services as well as in the field of investment and professional training. The future challenge is mainly linked with improving competitiveness and developing human resources.

Even before the 2008 crisis the budget balance had been negative for the previous few years, however it had declined from -9.8% in 2003 to -2.2% in 2007. Although the crisis has increased the deficit, it still remains smaller than at the beginning of the 2000s. In 2011 the deficit is predicted to decrease to -3.6%. General government debt is expected to continue increasing and reach 72.5% of GDP in 2011.

The Maltese unemployment rate increased during the crisis and is forecasted to remain at the level of around 7% in 2010 and 2011. According to the EU Labour Force Survey 2009, the activity rate in 2008 was 58.8%, a decrease of 0.7% in comparison with 2007.

Labour market indicators and trends

Malta is amongst the EU countries with the lowest employment rate, which further dropped in 2008 to 55.2%. The overall employment totals at around 175,000 employees. The majority of Maltese workers are employed in the service sector (approx. 75%), followed by industry (approx. 22%) and agriculture (approx. 1.6%)⁴. According to the European Commission, Malta has also the lowest rate of older worker employment in the EU (less than 30%), which has not improved since 2000. According to Malta's NPR 2008-2010 Annual Progress Report during Q4 of 2008 most males (around 17%) were engaged in manufacturing activities, followed by the wholesale and retail trades. Most employed females (almost 16.5%) worked in education-related activities, again followed by the wholesale and retail trades.

Almost 89% of Maltese workers are employed on the basis of full-time employment contracts, although the incidence of part-time employment is more frequent in case of female workers. The proportion of self-employed workers has been rising recently, however its share in total employment remains lower than the EU27 average. The incidence of temporary work is relatively low in Malta and in 2008 less than 5% of workers had a fixed-term employment contract.

The Maltese labour market is characterised by enormous disparities in male and female participation. In 2008 the male activity rate was estimated at almost 80%, while female participation reached a level only slightly over 40%. This is caused by attachment to traditional family values which work to dissuade many women from either taking up or coming back to employment. This trend is particularly true for older women who have often never been formally employed.

Another characteristic of the Maltese labour market is the significant share of illegal workers, often migrants. According to the Eurobarometer (2007) the main reason for doing undeclared work were too low salaries in the formal sector and the risk of being detected is estimated by 65% of respondents as small. With a view to tackling undeclared work, the government has intensified workplace inspections and the omission tax has been revised to encourage citizens to declare their full income.

The unemployment rate for young workers is slightly lower than the EU average (around 12% for Malta and 15.5% for the EU27). The long-term unemployment rate is almost exactly the same as in the case of the EU27 average. In 2008 the majority of unemployed females looked for job for less than 5 months, on average, while it was 12 months and more for unemployed male workers.

MALTA - MAIN LABOUR MARKET INDICATORS 2008 IN COMPARISON TO EU27

³ Foreign & Commonwealth Office, *Country Profile: Malta*, updated on 6 May 2010 (<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/europe/malta?profile=economy>)

⁴ These are estimates as the precise Eurostat data is missing.

	Malta	EU27
Employment rate – % population aged 15 – 64	54.9	64.6
Employment rate older people – % population aged 55-64	28.1	46.0
Self employed - % total population	12.3	15.5
Employment in services - % total employment	77.8	70.4
Employment in industry - % total employment	19.9	24.1
Employment in agriculture - % total employment	2.3	5.6
Unemployment rate - % labour force 15+	6.9	8.9
Youth unemployment rate - % labour force 15-24	14.3	19.6
Long term unemployment rate - % labour force	3.0	3.0
Inequalities of income distribution (2008)	4.0	5.0

Source: Eurostat, *Employment in Europe Report 2010*.

Flexicurity in the labour market and labour market policy

Malta, together with Portugal, is one of the EU countries that has a significant share of early school leavers (amounting to over 37% in 2007). This notoriously high level of drop outs has steadily decreased (from the level of over 54% in 2000). Some 80% of the early “drop outs” do find employment opportunities, mainly in the tourist sector but the result is that over 70% of the working age population has low educational attainment. Among employees the rate of those with low educational attainment was estimated at 40%; less than 20% of Maltese employees were reported to have achieved an intermediate level of education. In 2007 around 53% of the Maltese population continued education at the upper secondary level. However, despite a continuing and serious distance between the Maltese and the EU27 averages concerning employment-related indicators, there has been a significant improvement in performance since the year 2000.

Part-time work is below the EU27 average (11.5 % of the total employment compared with 18.2% for the EU27) and is much more typical for female workers. According to GWU representatives part-time work is growing in Malta, while there is a decline in work creation. Fixed-term work is rarely used – only 4.3% of employment contracts are fixed-term. Despite a growing share of self-employment – almost 12% according to Eurostat and around 15% according to Maltese statistical data, the most frequently used type of employment contract is the indefinite duration employment contract. The same concerns organisation of work where access to flexitime in Malta is much below the EU27 average.

Malta recognises the importance of continuing vocational training. Today 33% of employees are reported to participate in the CVT initiatives and the share has been rising gradually. At the same time participation in lifelong learning initiatives is limited and involves just 6.2% employees. In 2000 over 80% of Maltese workers were satisfied with their job⁵.

MALTA - FLEXICURITY INDICATORS IN COMPARISON

	Malta	EU27
Total population having completed at least upper secondary education (population aged 25-64, %), 2009	27.7	72.0
Part-time employment - % total employment, 2009	11.3	18.8
Fixed-term contracts - % total employees, 2009	4.8	13.5

⁵ European Foundation for Living and Working Conditions, *Measuring Job Satisfaction in Surveys – Comparative Analytical report*, Dublin 2007, p. 5.

Access to flexitime, % total employees aged 15-64, 2004	18.2	31.3
Percentage of employees (all enterprises) participating in CVT courses , 2005	32.0	33
Lifelong learning participation – percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey, 2009	5.8	9.3
Job satisfaction – percentage of workers that are either very satisfied or satisfied with working conditions in their main paid job (EWCS 2010)	85.3	84.3
Strictness of employment protection – regular employment, 2008	n.a.	2.11*
Strictness of employment protection – temporary employment, 2008	n.a.	2.08*
Strictness of employment protection – collective dismissals, 2008	n.a.	2.96*
Public expenditure on <i>passive</i> labour market policies (categories 8-9) - % of GDP, 2008	0.33	0.96
Public expenditure on <i>active</i> labour market policies (categories 2-7) - % of GDP, 2008	0.05	0.46
Persons at-risk-of-poverty after social transfers - % of total population, %, 2009	15.1	16.3

Source: Eurostat; *Employment in Europe Report 2010*; Eurofound (*European Working Conditions Survey 2010*); OECD.

*OECD average

Conclusion

According to the NRP Annual Progress assessment of the European Commission the main challenges Malta faces at the moment are to increase participation rate, especially for women and older workers, and to reduce early school drop outs. These efforts imply improving childcare facilities as well as tightening access conditions to the benefit system. Tackling undeclared workers is also perceived as one of the main goals of structural reforms⁶.

Against this, it seems that at present the majority of “flexible” arrangements take place outside the formal labour market. In order to make the formal Maltese labour market less rigid, alternative employment patterns need to be considered.

2 Flexibility and security in recent labour market and social policy reforms

Introduction and overview

Malta’s labour law has been revised to meet international standards. The Employment and Industrial Relations Act of 2002 (EIRA) is the primary source of regulations in this field. Overall, the stipulations of the Act place Malta in a relatively traditional position in shaping the employment relationship. Malta’s labour laws are rather complex and tend to focus on employment security. Collective bargaining may establish higher standards than those derived from the law.

Malta’s labour market policy is based on state intervention rather than a *laissez faire* approach. An important factor determining the implementation of flexicurity principles is the fact that the government is one of the biggest employers in Malta, and therefore plays a key role in setting the rules not only for functioning of the labour market, but in determining the employment relationship for a large number of workers. Rules for public sector employees and private sector employees may however differ significantly and some believe that these difference may hinder implementing flexicurity principles.

Lifelong learning and the mobility of workers

⁶ European Commission, *NRP Annual Progress Report: Malta*, Brussels 2009, p. 38-39.

Malta recognises the importance of high skills for competitiveness of the economy. A complex “Flexicurity Roadmap” has been introduced to ensure the development of higher skills in the Maltese human resource community. The initiative is to ensure that employees have appropriate skills to be employed in emerging knowledge-based sectors and is also to motivate them to take up legal employment. ‘Flexicurity Roadmap’ includes the following initiatives:

- *Training Aid Framework*: training grants for enterprises (budget: over €8m EUR between 2009 and 2013; beneficiaries: 3,500 workers);
- *Employment Aid Programme*: employment aid to enterprises recruiting disabled and disadvantaged people (budget: approx. €10m EUR between 2010 and 2013; beneficiaries: 1,500 disabled and disadvantaged persons);
- *Employability Programme*: wide variety of initiatives – job search assistance, training, retraining, counselling, job placements, assistance to start ups (beneficiaries: approx. 21,000 persons).

In the area of promoting lifelong learning, the creation of the Malta Qualifications Council (MQC) in December 2005 was an important development. The MQC is the national body responsible for development, assessment and certification of skills acquired in a different way than formal education. The National Qualifications Framework for Lifelong Learning was introduced in January 2007. A process of mapping formal, informal and non-formal skills has also been initiated.

During the crisis the Employment and Training Corporation (ETC) – Malta’s Public Employment Service set up in 1990 - offered training in transferable skills, usually within the framework of working time reduction schemes.

External/internal flexicurity and contractual arrangements

In Malta the labour code (EIRA) serves as basis for contractual arrangements. The majority of employment contracts are of indefinite duration and part-time work is limited. Recently incentives were introduced to facilitate the take-up of part-time work, e.g. the Part-Time Register and favourable tax regulations.

During the crisis public funding was used to secure employment by contributing to wages when an enterprise resorts to flexible working time arrangements. The introducing of these arrangements is usually based on negotiation at the level of an individual enterprise.

A feasibility study into job rotation schemes was foreseen for 2010 along with the analysis of self-employment and economically dependent self-employment.

GWU indicates that there is a tendency to exchange extra working time for time off; this practice also concerns Maltese public sector.

Active labour market policy

Since increasing participation in the labour market is one of the most important challenges for Malta, a series of measures has been introduced. ETC has assisted the registered unemployed in their job search. Contacts with registered job seekers are quite frequent. They are obliged to visit the ETC once a week to confirm their availability for employment. ETC also organises:

- Work Exposure Schemes: for those over 40 to facilitate their reintegration in the labour market;
- Job Experience Schemes: for school leavers without professional experience;
- Active Youth Scheme: to enhance professional skills of young adults employees of NGOs;
- Training Placement Scheme: assistance for employers to organise subsidised training for new recruits;
- Self-matching services: job seekers were provided with more computers available at Job Centres.

The Part-Time Register was launched in February 2008 and is administered by ETC. It facilitates the matching of workers looking for a part-time job with part-time vacancies.

Tax credits were introduced for women employees coming back to work after an absence of at least five years (€1,632 can be utilised over 2 years). There are also tax exemptions for women with children at a rate based on the number of children.

Older workers are encouraged to obtain a trading licence to work as self-employed workers and the government has taken over social policy contributions for the first year of activity.

A 12-week trial scheme has been implemented with 50% of the national minimum wage guaranteed by the ETC during the trial period. An extension up to the 28 weeks for jobseekers is possible without losing any rights.

Supportive social security systems

There are two types of unemployment benefit in Malta: short-term and long-term unemployment benefit. Those, who have made at least 20 contributions over the two years prior to the year for which the unemployment benefit is claimed, are entitled to a short-term unemployment benefit. Unemployment benefit covers up to 156 days and the benefit paid may not exceed the total contributions made. There are two types of short-term unemployment benefit – UB and SUB (available for the head of the household). After 156 days, the person no longer qualifies for the benefit unless s/he takes up employment again for at least 13 weeks. If a person no longer qualifies for short-term unemployment benefit, s/he becomes eligible for Unemployment Assistance (UA). This is payable to the head of a household, subject to a means test. The payment is based on a level topped up for each economically inactive member of the household.

As a general remark it can be observed that all recently introduced social security provisions are aimed at providing family-friendly solutions. One of them, the Child Allowance System, increases the available benefit for households. Moreover, a defined sum to finance childcare arrangements can be deducted from taxable income (€932). Recently, maternity leave has been extended from 13 to 14 weeks.

In 2008 a new law was introduced to enable pensioners to take up work without losing pension entitlements. The limit of gainful earnings was abolished and “traded off” for contributions to the social security system. There are also specific arrangements for survivors' pensioners to keep them in employment.

In order to facilitate the taking up of short assignments in a formal way, temporary work is not subject to social security contributions, provided the assignment is shorter than 13 weeks. The initiative has already brought the results and around 4.5% people who are registered for work have benefited from this arrangement.

According to GWU reducing the number of those unjustly relying on social benefits start to form of the labour market⁷.

Reforming the social security system with a view to support flexicurity principles is a challenge for Malta and affording appropriate levels of security for workers in transition will be difficult in current circumstances.

High quality and productive workplaces

In Malta productivity has risen each year since 2004, standing at a growth of 2% between 2006 and

⁷ GWU comments, op.cit., p. 1.

2007. It is important to note that in countries like Malta increase of productivity appears to be the main source of labour adjustment to negative external shocks.

In NRP 2008-2010 the Government made a commitment to review existing taxation so that it encourages work and productivity. Another taxation measure which was to be introduced and was aimed to contribute towards increasing productivity and growth was the removal of the €23 departure tax. This impacts all travelers but it is also an increased cost for business since all business travelers have to bear the burden of this tax⁸.

Additionally the government made a commitment to contribute to ensure that the social partners work together so that wage increases do not exceed gains in productivity⁹. GWU proposes that enterprises establish key performance indicators (KPIs) at the beginning of each financial year that would allow employees to know the common goal and be motivated to reach it. These indicators can be linked to production costs, cost saving initiatives or number and volume of successful tenders. Additionally, for GWU wage increase – factor inter-related to productivity – shall be linked to Cost of Living Adjustment (COLA) and productivity. In order to improve real wages, GWU proposes tax rebate scenario which shall be a more financially sustainable solution than wage increase scenario. GWU also proposes introducing productivity awards and differentiates them among the three labour market segments (public sector, high corporate profile companies and SMEs as well as locally owned companies)¹⁰.

Gender equality

In 2007 and 2008 the tax and pension systems were reviewed to facilitate women’s participation in the labour market. Amendments were introduced to the regulations on part-time work to increase women’s employment by facilitating a better balance between professional and private life. In 2009 the lower tax threshold was been further reduced. There are also plans to improve childcare facilities.

GWU suggestions for introducing family friendly solutions and increasing female participation in the labour market would be to analyse which kind of work can be performed at home.

Financial sustainability

No detailed information on financial sustainability of the proposed solutions was available; however, like in other countries in the EU it is a big question in the present economic situation how to finance any additional measures.

Conclusion: Strengths, weaknesses and challenges

Flexicurity is an emerging theme in the Maltese labour market. Before it became a recognised concept, it had to overcome trade union suspicions linked to associating flexicurity with less protection for workers. At present it seems that the sound grounds for discussion are there, however, there are still some obstacles that have to be coped with. The main challenge is to ensure better participation of all groups of the potentially active working population, i.e. youth, women, older workers and immigrant workers. Second, it is making "formal work" pay, therefore reducing illegal employment. Third, ensuring that more people achieve tertiary education or return to Malta after graduating from foreign universities.

In Malta the main effort on assuring high quality workplaces is tackling undeclared work. With a view to assuring this objective the number of inspections has been increased and the omission tax has been revised. There are also efforts to promote self-employment, especially for older workers. Additionally,

⁸ Malta NRP 2008-2010, p. 38.

⁹ Ibidem, p. 53.

¹⁰ GWU comments, op.cit., p. 2-4.

there is a new possibility to set up ad hoc scheme for self-employed in the personal services (e.g. cleaners and careers) whose income is unpredictable to support them through less busy periods and prevent them from falling back on the black market.

The particularities of the Maltese labour market can paradoxically become driving factors for introducing flexible working arrangements. It seems that part-time work has bright future as it can facilitate the reconciliation of private and professional life. It also offers a good possibility for older workers to remain active and for female workers to combine professional life with traditional family obligations. The dominating share of the service and tourism sectors in the Maltese economy also facilitate flexible contractual arrangements, provided they remain formal employment.

3 The role of the social partners

General remarks on the role of social partners

The Maltese industrial relations system is based on the UK model, where the shop steward acts as go-between and facilitates trade union-employer contacts at the company level which is the level where collective bargaining usually takes place. Sectoral level bargaining is almost non-existent in Malta. Tripartite negotiations are held at the Malta Council for Economic and Social Development (MCESD) established in 2001. GWU calls for enlarging social partners representation in MCESD, i.e. by allowing the ForUM (Maltese Unions’ Forum) to join the Council¹¹. Traditionally industrial relations in Malta were adversarial with frequent incidents of industrial action. Over time improved social dialogue has reduced strike activity. A distinctive feature of the Maltese trade union movement is its ‘conflicting dualism’ involving the presence of two important trade unions (GWU and UHM), whose positions tend to differ.

Trade unions are numerous in Malta. In June 2007 there were 31 trade unions on the island. There is only one official trade union confederation (the Confederation of Malta Trade Union, CMTU); it consists of seven trade union organisations. The largest trade union organization in Malta is the GWU, which is organized in quasi-autonomous trade sections and accounts for 52% of the union members. GWU is a member of ETUC. According to Baldacchino (2009) there are three, fairly equally sized workforce segments of around 50,000 workers in Malta. There is a highly unionized public sector with a 100% collective agreements coverage for their employees. There is the private sector of employees of large (and mainly foreign-owned) firms, in majority unionized and covered by collective agreements. There is also a part of the private sector that is not unionized, mainly small-scale and locally owned and not covered by collective agreements¹².

Employers’ organizations have a long tradition in Malta and have been present since the 19th Century. A slight decline in the number of employers’ organizations was observed between 2003 and 2007 (from 23 to 20). The most important employers' organizations in Malta are the Malta Chamber of Commerce, Enterprise and Industry (MCCEI), the Malta Chamber of Small and Medium-size Enterprises (GRTU) and Malta’s Employers Association (MEA). These organizations are not usually a party to collective agreements, but play an important role in lobbying their members’ interests. All three employer organisations are affiliated at the EU level: MCCEI is a member of BUSINESSEUROPE, while MEA belongs to CEEP and GRTU to UEAPME.

¹¹ GWU comments, op.cit., p. 2.

¹² G. Baldacchino, *Trade unions in Malta*, Report 110, Brussels 2009 cited after GWU comment, op.cit., p.2.

Main instruments and levels of influence

Collective bargaining takes place mainly at the company level. Signed collective agreements are binding, but are not extended by legislation or voluntary mechanism. There are separate mechanisms for bargaining over wages in the public and private sectors, but overall no attempts have been made to centralize the collective bargaining process.

MALTA - MAIN SOCIAL DIALOGUE INDICATORS

	Malta	EU25
Collective bargaining coverage - % of employees covered by collective agreements, 2006	62.0	63.0
Trade union density - % of dependent employees who are trade union members, 2005	62.2	25.3
Employer organization density - % of employees employed by companies that are members of an employer organization, 2006	63.0	n.a

Source: EIRO on-line, Malta Industrial Profile, 2008.

The trade unions are supporters of lifelong learning initiatives provided the training is linked to the job. They are also involved in implementing training activities. GWU perceives trade unions role as encouraging employers to implementing flexitime so employees have more time for improving their skills and continue education. The GWU also provides English language courses for migrant workers, especially from Africa, to facilitate their integration with the Maltese society and prevent them from entering informal labour market. Last but not least, example of Reggie Miller Foundation was given: This Foundation provides numerous educational programmes aimed at workforce upskilling; these programmes are highly subsidized and more people can benefit from them¹³. They are addressed both to the GWU members and non-union members. In 2005 the labour studies programme was developed in cooperation with the University of Malta. UHM also organizes training courses, including IT courses, ECDL for future civil servants. In 2003 the unions set up a Foundation whose responsibility is to “promote development of human resources”.

Recent changes and challenges

A not so recent, but important change was the passage of the EIRA in 2002. The Act consolidates the Conditions of Employment Act of 1952 and the Industrial Relations Act of 1977 underpinning the country's approach to modern employment relations. On the basis of the EIRA provisions it was possible to set up tripartite body, the Employment Relations Board (ERB), where four representatives of trade unions, employers and the government discuss planned changes in the labour law and the national minimum conditions for employment. Consultation with social partners within the framework of the ERB constitute their main input in developing legal basis for modern labour market.

The recent legal notices relevant for flexicurity include:

- Urgent Family Leave Regulations (2003);
- Parental Leave Entitlement Regulations (2003);
- Contracts of Service for a Fixed Term Regulations (2007);
- Part-Time Employees (Amendments) Regulations (2007).

¹³ Comments provided by GWU as a follow-up to cluster seminar, December 2010, p. 1.

4 Key points arising

The key points raised during the cluster seminar were the following:

- It seems that increase in part-time work is paired with decrease in job creation;
- Minimum wage shall be increased to “make work pay” and reduce the size of informal economy;
- Flexitime shall facilitate updating knowledge and professional qualifications;
- Examining possibilities for working from home could increase female participation rate as well as facilitate introducing family friendly policies;
- It is necessary to design appropriate “integration strategies” for migrant workers with a view to reduce informal work ,
- Employees shall be informed about key performance indicators (KPIs) to better understand the relation between productivity and the wage level.

Sources and references

Questionnaires

No questionnaire responses were provided.

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