

# The Impact and Complex Effects of the COVID-19 Pandemic on the Working Environment and the Use of Coworking Spaces in Malta



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## 1 Introduction

The COVID-19 pandemic and the restrictions related to it during the first wave have altered the way people used to operate and work across the world, including that of Malta [2, 13]. This chapter will focus on how the COVID-19 pandemic has impacted coworking spaces in Malta and how this may affect the future of coworking spaces within Malta.

Malta is located in the centre of the Mediterranean and is a highly densely populated country. The population of Malta is continuously increasing, yet the highest population increase was mainly due to the increase in foreigners living in Malta for employment purposes. As a matter of fact, the population has increased from 9% of the total population in 2014 to 20% in 2022 [11]. Indeed, the idea and use of coworking spaces in Malta started around 2014 when Malta increased its incentives concerning the quaternary industry [1, 8]. The number of Maltese employees working remotely or teleworking until the COVID-19 pandemic was 11.7%, below the average of the European Union [7]. Within the Maltese context, the possibility of remote working highly depends on the employer and the type of work [3]. Yet, during the pandemic months of March and April 2020, around a third of the Maltese population was working from home [10].

Presently, there are around 30 official coworking spaces in Malta, most of which are predominantly located in very central areas: Valletta, Sliema, St Julians and Mosta [9]. Informal coworking spaces such as libraries or cafeterias have been long

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established in Malta. However, such spaces have not been utilized by employees but by self-employed persons and students.

Considering the scenario, this chapter aims to explore how the COVID-19 pandemic may be considered a determinant of change, causing a shift in where people choose to operate and work within the Maltese context. During the COVID-19 soft lockdown that took place between the 12th March and early July 2020, Maltese employees in the public and private sectors worked remotely, mostly from home. Therefore, this chapter aims to explore: (i) if coworking spaces may be considered an alternative space of work and; (ii) if coworking spaces can be utilised as places of work during and following the COVID-19 pandemic.

## 2 Methodology

In order to understand the nature of change in working spaces and the complexities created by the COVID-19 pandemic, this chapter makes use of data collected from two owners of coworking spaces centrally located in Malta, five traditional employers and two members of an employers' association entity. The semi-structured interviews conducted between November 2020 and February 2021 followed a 'tree and branch' approach [12]. The coworking space owners were asked about the choice of location of their coworking space and how this influences their business and the number of users. They were further asked about how the COVID-19 pandemic measures at that time were impacting their business situation and how this scenario will impact the future of their business. On the other hand, the traditional employers and the members of the employment association were asked about their perception of the future of coworking spaces and how, with the pandemic, these workspaces may be affected. They were also asked about how the pandemic has affected their business and what decisions were taken to tackle such problems.

Interviewing these varied respondents, has enabled the possibility of better understanding the complex and nuanced experiences related to the effect the pandemic has on coworking spaces. The narratives were analysed using a constructivist-grounded theory approach [4]. This enabled a better understanding of the participants' viewpoint and the meaning of how things operate within the participants' contextual environment [6]. Through qualitative interviews this approach gives the possibility to the participants to narrate what is important to them. The verbatim transcripts were coded under themes and topics related to coworking spaces and the effect of the pandemic, thus making use of an "open coding" approach [5] (Table 1).

## 3 Analysis

From the narratives it emerged that there are a number of issues related to the pandemic and the contagion which are influencing the use of coworking spaces

**Table 1** List of participant respondents

Type of employment space	Participant	Location	Years established
Coworking space owner (CWS)	P1	Valetta	3
Coworking space owner (CWS)	P2	Birkirkara	3
Traditional space owner (TWS)	P3	St Julian’s	2
Traditional space owner (TWS)	P4	Birkirkara	5
Traditional space owner (TWS)	P5	Luqa	17
Traditional space owner (TWS)	P6	Lija	3/10 (two companies)
Traditional space owner (TWS)	P7	Paola	11
Employment entity	P8	Floriana	72

in Malta. The first section will analyse how the COVID-19 pandemic has directly affected the use of coworking spaces while the second section will analyse the possible effects of the pandemic as interpreted by the different respondents indicating how much the COVID-19 pandemic has created a shift in the way people may work in the future and make use of coworking spaces.

### 3.1 *The Immediate Effects of the Pandemic*

Coworking spaces were primarily affected by the measures taken by the government ordering social distancing. This therefore made people stop from making use of coworking spaces. Those individuals who chose to work in coworking spaces for the purpose of social interaction and the possibility of new business opportunities were highly affected as the measures taken to stop the spread has affected their interaction and also the possibility of new business opportunities.

The lull in occupancy because a lot of people pull back, the business uncertainties, marketing gets cut. (P1)

In view of this, people did not see it viable to pay and reserve a place in a coworking space as this started being perceived as an extra expense.

Something like a coworking space arrangements can be seen maybe as somewhat of a luxury, if you can just work from home and have to work from home anyway. So, I think this industry, took a significant hit during the pandemic. (P4)

The fact that one has to wear a mask throughout the day may influence some individuals to opt to work from home rather than making use of a coworking spaces.

People may decide to remain at home as they do not work comfortably for eight hours a day with a mask.

Well look, at the moment, because of the measures... in terms of actual functionality because anyone here has to wear a mask. I don't have to wear a mask at the moment because I'm in this closed booth, but if I was in the common space I'd have to wear a mask and some people don't really like wearing masks so they decided, you know what I'll just stay at home. (P2)

With the pandemic those who used to travel to work using the bus started using alternative modes of transport to the bus as they did not consider it safe, such as using a taxi.

So in terms of mobility they would just kind of stay home instead of going out to the office, sort of thing. (P1)

People also may have stopped using coworking spaces with the pandemic as it was not considered safe to use a working space after another person. This is so since the surfaces used may be contaminated with the virus in comparison to the spaces at home.

Coworking spaces, my impression is, it was affected because of the fear of getting the virus if you go to work in a place where other people are present as well. So unless one would have his or her own office space and it's shared office space, definitely, it was affected because of protocols and safety issues and even fear of not being physically in presence of other people. So most probably there was a downturn in the demand of those venues as well. (P5)

According to the employers' association coworking spaces were mostly used within a Maltese context as a space where business ideas were being tested. However, with the pandemic these business ideas, projects or opportunities were all halted due to fear of bankruptcy. Therefore, the users who were using coworking spaces for the possibilities of such opportunities stopped from making use of such spaces. Furthermore, those users who made use of coworking spaces as previous to the pandemic could not find available office spaces, with the pandemic this scenario changed for them. Office spaces started becoming more available as some offices released their offices since their employees started to work from home. Therefore, according to the employer association coworking space owners suffered also as they did not continue to receive new users.

Another emerging effect was the fact that a coworking space environment is built and designed in a manner that fosters social interaction. Therefore, some spaces do not afford to keep a safe distance from one desk to the other. This lack of safe distance may hinder individuals from making use of such coworking spaces. Furthermore, with social distancing measures there would be limited desk use within coworking spaces.

COVID-19 and coworking spaces... safe distancing between desks is going to limit the use of coworking spaces definitely they will have to be—tenants would have to be separated a bit more obviously you can't fit one person per 10 square meters, one person per five square meters anymore, they have to be more secluded for safety and health reasons, definitely. I mean, that's it. I think everything else should be, more or less, business as usual. (P6)

Additionally, within a coworker space one may not know the daily habits of socialisations or the health conditions of the other coworkers working in close proximity. This lack of knowledge of people's health circumstances and lack of trust in other coworkers' hygiene might deter individuals from making use of such spaces. Participant three compares this with a traditional office spaces environment where employees know their colleagues well and their health circumstances.

It's quite a big effect in my honest opinion... you don't know who's going to be working with you that day. With regards to traditional office spaces I am in the office, three, four times a week with people that are there every single day and I know who they are so I feel a lot a lot safer. If you had to look at co-working spaces on the other hand you don't know where the person who you literally working next to has been so it's more unsafe in that case. (P3)

### ***3.2 The Complexity of the Future of Coworking Spaces***

The coworking space owners no matter what, look forward to how the pandemic itself may change the way things used to operate in Malta. They feel that since in Malta most of the working environments are private offices now with the idea of moving from a mostly physical to a more online approach, employees have the possibility to work from anywhere.

But I think that it will—there will be a bounce back such that the value of this sort of offering will become very evident to many companies, very suddenly. (P2)

Some coworking space owners argue that although the pandemic has caused the closure of some coworking spaces across the globe, there may be the likelihood that the pandemic will result in changes of how Maltese businesses start to operate. This change may be as business owners may not be able to afford the rent of the office and will start making use of coworking spaces for when there is the need of certain meetings. Therefore, there may be the possibility of a change in relation to use of coworking spaces. Indeed, COVID-19 has also enabled many companies to go online. Companies who in the past never thought of going online have now shifted to this approach only due to the pandemic. This thus facilitates the option of working in coworking spaces as most of the work can be done online.

Yet, according to Maltese traditional employee respondents, one of the aspects that may be determining why within a Maltese context coworking spaces might not increase in popularity even after the pandemic, may be the awareness of the benefits of working from home. The COVID-19 pandemic started shifting the idea of working in an office environment and it has become more acceptable to work from home. Therefore, those who used to work in coworking spaces in order to show that they are operating in an office environment are now finding it more acceptable to use their home as an office as it has become an acceptable norm.

According to employees and some employers it is being realised that they can make better use of the time they used to spend travelling.

In the sense that if you can work from home, I think with... all the traffic that we are used to I mean..., I would say that with the pandemic and this is the new mentality of people being able to work from home, I think mobility will improve simply because all those people staying at home will automatically create more room and space for those that need to drive and are finding less people on the street. (P5)

On the other hand, coworking space owners argue that the home environment is not always considered as healthy and efficient, and employees are not used to work within the home environment. Therefore, according to coworking space owners, employees are likely to seek a coworking space as it is an in-between space from home and an office environment.

I think in general it has a positive effect because, whereas before, especially pre-COVID employees were for the most part expected to go into the office to work, now, given the opportunity to work from home, it could be that employees decide not to go to the main office but to go to a coworking centre so that they're not at home either on a kitchen table with all the mental cues that are so distracting when you work at home, but they don't have to make the trek all the way to central offices, they go to a coworking space. (P1)

However, some respondent employees who work from home are also seeing ways and means how to use places within the household that can only be dedicated for work within the household so that they can delineate between work and relaxation at home.

I have a well set up home office space ...when I close the door, I try to stop working.... it's not easy, but it's better than driving to an office every day (P4)

Respondents coming from small and medium businesses pointed out that within the Maltese context it would be more beneficial that people work from home rather than using coworking spaces in order to reduce traffic.

I think I'd rather offer them [the employees] the possibility to work from home than from a coworking space because mobility is even much, much easier, you don't even need to drive to that coworking space. (P6)

Yet the traditional employers also pointed out that when individual employees feel the need to work in spaces that enable human interaction and socialization there is the likelihood of making use of a coworking space environment.

Unless it's obviously the desire of the employee ... that is working far away from the office only has an option to work from home and is feeling very isolated ... then obviously, coworking spaces in those cases may make sense because if they're adding some socialising aspect to it and therefore the effort of mobility would at least be countered by the socialising piece. (P5)

Nevertheless, some traditional employees point out that within a Maltese context the need for socialisation is less valid. It was pointed out by one of the participants that since the Maltese community is highly bonded with their family and community there is little need for people to look for coworking spaces solely for socialisation.

For the Maltese, there isn't a great need for coworking unless it is to have a slightly social side and to be working in a social place but as they generally are coming from a village or a town where their family are, and they've got friends from school, even if they work from home they still have an existing social life. So for the Maltese, no it's not like you're going to move to another end of the country where you don't know anyone. Part of the fact of a small country people generally don't move from one end to the other. So there's less benefit for coworking for the Maltese. (P7)

## 4 Conclusion

This chapter has shown that within a small densely populated country like Malta the impact of the COVID-19 pandemic has had an immediate and drastic impact on the use of coworking spaces. This chapter has indicated that the pandemic has multiple effects on the few coworking spaces in Malta and following the restrictions the future of coworking spaces emerged to be complex and uncertain. Several factors may be damaging for the industry such as the idea of 'back to normality' and therefore people will go back to offices. Furthermore, it seems that what was enticing people to work in coworking spaces such as the idea of having an office, the possibility of involvement and investment in new projects and the need to go to a place of work now with the predominant culture of working from home and with the fear of a recession these demands have disappeared and so had an indirect effect on coworking spaces. Yet, the coworking space owners are hopeful that the pandemic will create a shift in how employers operate. Once the lease of offices has stopped, they might start seeing the idea of renting a coworking space as an alternative for a physical meeting. They are also hopeful about the fact that the pandemic has created the need of socialization even stronger than pre-pandemic and therefore, people are less likely to continue working from home and would be more likely to move out of home and work in spaces that provide socialization. Nevertheless, what is most determinant for the future of coworking spaces in Malta is the type of incentives that the government gives to both the employers and the employees in order to use the pandemic as a possibility of change which will enable people to have a good work life balance with the use of coworking spaces.

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