

3.2 Flashpoints in Malta's Industrial Relations in 2011 and 2012

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The following are summaries of the main industrial relations events that happened in Malta in 2011 and 2012 as reported in the European Employment Observatory. The events are listed according to the date in which they were published.

Industrial relations events published in 2011 ...

March - Air Malta restructuring

Losses registered by Air Malta in recent years have brought it to the brink of bankruptcy and the government has come up with a rescue plan that has to be executed within parameters set by the European Commission. The four trade unions representing Air Malta employees, disappointed at the failure of the company to become viable following the implementation of austerity measures, have expressed concern at the possibility of redundancies forming part of the restructuring exercise.

April - Social partners call for help with rising fuel bills

The social partners in Malta asked the government to compensate their members for the significant increases in the price of fuel and gas, which came into force in January 2011. Year-on-year figures show the price of petrol has risen by 18%, diesel by 24% and gas by 52%. The government refused to guarantee help, because of the country's fragile economy. However, a meeting was held at the Malta Council for Economic and Social Development to try to find an amicable solution

July - Football players join General Workers' Union

More than 80 Maltese footballers joined the General Workers Union. This came after players' pay for training sessions with the national team was

stopped. Players also want the union's help to resolve issues over medical insurance and sickness payments. However, this will prove a complex task for the union. It will have to deal not only with a player's club and agent, but also with the Malta Football Association which has sole power, given by FIFA, to decide disputes.

July - Unions discuss FORUM application to join ETUC

The application by Forum Unions Maltin (FORUM), a loose confederation of trade unions set up in 2004, to become an affiliate of the European Trade Union Confederation (ETUC), has once again been brought up. FORUM's application to join ETUC was eventually accepted.

August - EU Commission recommends review of Malta's wage indexation system

A recommendation made by the EU Commission to the Maltese government to change the wage indexation system was welcomed by employer associations and the Central Bank of Malta. However, it was strongly resisted by the Maltese trade unions. The government also stood firm, fearing that a change or abolition of the system might jeopardise stable industrial relations, and managed to persuade the EU Commission to change its text. It has now asked Malta to review the mechanism.

August - Public transport drivers protest about split shift system

A number of drivers recruited by Arriva, the company taking over Malta's public bus service from 3 July 2011, did not report for work on their first day. They claimed the split shift in their rota was not in line with the conditions of work they had originally agreed with the company. Representing them, the General Workers' Union adopted a very placatory tone, trying to reach a temporary agreement with the company while negotiating a settlement that is agreeable to the drivers.

September - Inquiry set up into plight of health sector's precarious workers

Criticism about the plight of precarious workers in Malta's state hospitals led to the government setting up a board of inquiry into their pay and conditions. Similar complaints have been made by unions and some political parties,

but the government decided to act after Opposition health spokesperson Marie-Louise Coleiro Preca said the treatment of subcontracted care workers was in breach of the law. She was backed by the General Workers' Union.

October - Social partners oppose pension reform proposals

A pensions working group set up by Malta's government recommended the immediate creation of an additional mandatory scheme to complement the present 'pay as you go' pension, which is widely agreed to be unsustainable. However, employers say an additional pension system would undermine their competitiveness and suggest instead that the best solution would be to raise employment levels. Unions say workers would struggle to pay additional pension contributions.

November - Trade union membership stable despite current crisis

The annual report from the Registrar of Trade Unions found that membership of Maltese trade unions in 2011 increased by 0.6% compared to the previous year, to a total of 85,722 members. The General Workers' Union and Union Haddiema Maghqudin account for over 80% of trade union members. Overall it appears the trade union movement is coping adequately with the changes in the labour market in Malta. The Malta Union of Teachers reported a significant decrease in members following a review of its records.

Industrial relations events published in 2012 ...

January - Pre-budget discussion among social partners

Before Malta's budget for 2012 was presented the social partners declared their priorities and made proposals to the Minister of Finance at a meeting held at the Malta Council for Economic and Social Development. The main issues that emerged from this dialogue in October 2011 were taxation, the Cost of Living Allowance, incentives and initiatives to boost the Maltese economy and the participation of women in the labour market. Some measures announced in the budget addressed these issues.

February - Union rights granted to police but not other security services

Malta's trade union movement welcomed the government's acceptance of trade union membership for police, after its long campaign for these rights. However, the General Workers' Union was disappointed by the decision

to simply transform the Malta Police Association (MPA) into a trade union because this limits membership to the police, and leaves other branches of the security services without a union. It is also feared that the MPA will still be governed by the Police Act.

April - No consultation on Labour Law Change

In 2011 an amendment was added to the Employment and Industrial Relations Act 2002 (EIRA), empowering the minister responsible for transport to declare specific jobs in land and sea-based transport in Malta as 'essential services', effectively removing the right to strike from transport workers. This change to labour law was made without consulting the social partners and is in contrast to the consensual approach that characterised the evolution of the EIRA a decade ago.¹

May - Unions committed to fair treatment for immigrant workers

A European Union-funded project examining discrimination in the workplace has found that Maltese trade unions respond well to specific issues affecting immigrants. The report highlights union initiatives to ensure equal pay and conditions for immigrant employees and publicise the pressures they face in the labour market. It concludes, however, that unions are not formulating more general anti-discrimination strategies that might address such problems before they arise.

July - Precarious jobs keep living standards low

A study on living standards by Caritas Malta, an arm of the Maltese Catholic Church, revealed that 15% of the population is living below the poverty threshold. Unions claim the main cause is the prevalence of precarious work – including the large number of Maltese workers who do not have permanent employment contracts. Trade unions and Caritas Malta have urged the government to raise the minimum wage. Employers rebutted that such a measure could threaten the competitiveness of the Maltese economy.

1 A subsequent amendment to EIRA in 2012 re-assigned the power to declare specific jobs in transport as 'essential services' to the minister in charge of employment and industrial relations.

August- Unions criticise poor communication during Air Malta restructuring

After being on the brink of bankruptcy, the national airline Air Malta was forced to shed some of its workforce and submitted a restructuring plan to the European Commission that included €130 million of state aid. The plan was approved, but three of the four unions representing the various categories of Air Malta employees have complained about lack of consultation during the restructuring process and raised serious doubts about the viability of the airline.

December - Employers unhappy over civil service wage rise deal

A collective agreement was signed between Malta's Government and six trade unions representing the country's civil service employees. The deal, signed on 15 October 2012, secures an annual 2.5% wage increase over the six-year period covered by the agreement for Malta's 30,000 civil servants. While the increase was welcomed by the unions, employers' associations criticised the deal, saying that it was badly timed, coming at a time when workers across Europe were taking wage cuts.

A full report of each of these events can be downloaded from www.eurofound.europa.eu/eiro Click on: Countries/Malta