

## Situation of economically dependent workers

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*There are few data available on economically dependent workers in Malta. Neither Maltese law nor the National Statistics Office officially recognises the existence of this group. As the number of economically dependent workers is still very small, the group is merged with other self-employed persons for statistical purposes. Economically dependent workers tend not to be covered by collective agreements. Nevertheless, as this particular employment trend continues to increase across Europe, it is likely that it will also become more prevalent in Malta in the coming years.*

### Definition

The phrase ‘economically dependent workers’ – defined as workers who do not have an employment contract but who are dependent on a single employer for their source of income – is not used in Malta. The National Statistics Office (NSO), the organisation responsible for the collection of socioeconomic data in Malta, does not differentiate between self-employed people who work for a single employer and those who work for many clients.

Maltese legislation does not define economically dependent workers and does not include specific provisions relating to them. According to the [Employment and Industrial Relations Act 2002 \(216Kb PDF\)](#), an employee is defined as ‘any person who has entered into or works under a contract of service, or any person who has undertaken personally to execute any work or service for and under the immediate direction and control of another person, including an outworker but excluding work or service performed in a professional capacity or as a contractor for another person when such work or service is not regulated by a specific contract of service.’

The definitions of employee or [economically dependent worker](#) are not currently perceived as an issue for discussion in Malta and, to date, no attempts have been made to modify the existing definition of employee.

## Type of occupations affected

As the NSO does not collect data specific to economically dependent workers, the figures relating to these workers are combined with those relating to other self-employed persons. Since economically dependent workers make up a very small proportion of the Maltese workforce, this particular type of employment tends not to be placed on the national agenda. Indeed, no reports or official documents are available on the topic.

Research within the local labour market, however, revealed that economically dependent workers are present in a variety of sectors. The occupations affected include: gas cylinder distributors, port hauliers (*burdnara*), lotto agents, beverage salespersons for General Soft Drinks ([GSD](#)) and [Simonds Farsons Cisk](#) – the leading bottlers of soft drinks in Malta – and installers for the cable television provider [Melita Cable](#).

### Gas cylinder distributors

An individual wishing to operate as a distributor of gas cylinders in Malta must first of all own the means with which to perform the actual distribution, and secondly must obtain a trading licence from the state-owned [Enemalta Corporation](#). The latter is the sole importer and bottler of liquid petroleum gas at local level. A report presented at the 11th Annual Engineering Conference of the Chamber of Engineers in April 2002 revealed that 31 licensed gas cylinder distributors operate in Malta and Gozo (the smaller neighbouring island), each having a separate area of distribution.

### Port hauliers

In the case of port hauliers, a total of 113 individuals operate in this sector, of which 43 workers comprise the Hauliers' Cooperative (Ghaqda Koperattiva tal-Burdnara) and are also members of the Malta Chamber of Small and Mediumsized Enterprises ([GRTU](#)). All port hauliers are licensed by the state, and the number of licences issued is controlled by the authorities. Licences can be passed on from parent to adult child without any increase in the number of licences.

### Lotto agents

Lotto receivers or agents in Malta can also be classified as economically dependent workers. There are about 180 lotto receivers in the country, all of whom are members of the Union of United Workers (Union Haddiema Maghqudin, [UHM](#)), which takes care of their interests and negotiates a sales agreement on their behalf.

## Soft drinks vendors

With regard to the distribution and sale of soft drinks, GSD officials confirmed that such vendors are in fact self-employed and use their own means of transportation. Each truck driver has an assistant who is also considered to be self-employed. Together, they sign a contract with GSD for the sale of its products. According to GSD officials, the company employs approximately 50 economically dependent workers. All workers visit the company premises every day to load their trucks and to be notified of the areas they are designated to cover.

## Cable television installers

Melita Cable, the company responsible for the provision of cable television in Malta, also subcontracts self-employed installers. These workers take care of the wiring and installation of the company's television service.

Although it is likely that other categories of economically dependent workers are also present in Malta, these are difficult to identify due to a lack of existing data on these workers.

## Industrial relations context

Trade unionism in Malta tends not to deal specifically with economically dependent workers. Port hauliers and lotto agents are two exceptions. Port hauliers have a service agreement signed between GRTU on behalf of the Hauliers' Cooperative and the [Malta Freeport](#). On the other hand, lotto agents hold a sales agreement, negotiated between UHM on behalf of receivers and [Maltco Lotteries](#), the company responsible for gaming in Malta. So far, the negotiation of issues concerning economically dependent workers by trade unions has not been given much importance. This is probably due to the fact that few economically dependent workers are trade union members.

A recent industrial dispute concerning economically dependent workers occurred in July 2006, when GRTU ordered its members operating as hauliers within the Malta Freeport to cease operations for a strike which lasted three days ([MT0607029I](#)). GRTU is an employer organisation primarily representing the interests of self-employed people and small to medium-sized businesses. However, this organisation doubles as a trade union when it represents selfemployed people whose earnings are derived on a commission basis. Port hauliers play an intermediate role within the production and operation chain, collecting raw materials from their point of arrival at the Malta Freeport and distributing these items to manufacturing companies. A strike was ordered following the introduction of a new tariff regime, and after the government suggested liberalising operator licences that currently regulate the sector.

## Commentary

The issue of economically dependent workers in Malta has so far been given little attention by both government and social partners. For instance, a legislative framework specific to economically dependent workers has never been placed on the agenda of policymakers. Most often, the needs of such workers are addressed on a case by case basis, in the form of crisis management whenever a controversy arises.

Nevertheless, following trends in other European countries ([EIRO, 2002](#)) and considering the changing dynamics of the local labour market, the number of economically dependent workers in Malta will probably increase in the coming years. Thus, it is likely that economically dependent work will find its place on the national agenda.

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