

## Another worker director loses position due to restructuring

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The termination of the post of worker director at Air Malta seems to be part of the trend being followed by the present government to abolish the post of worker director in state owned or run enterprises.

On the 22 April 2005, the government confirmed all the directors at Air Malta apart from the worker director. The Minister who is in charge of Air Malta stated that the post of worker director creates what he termed a paradox for the person has to represent the interests of the employer and the employees at the same time. This, according to the Minister, could result in a conflict of interest. The Minister was also reported as saying that present laws specify that directors may only act in the interests of the company and not of those who may have elected them. He further stated that with the setting up of a work council at Air Malta following the restructuring exercise (MT0502102N ([//www.eurofound.europa.eu/el/ef/observatories/eurwork/articles/air-malta-works-council-holds-first-meeting](http://www.eurofound.europa.eu/el/ef/observatories/eurwork/articles/air-malta-works-council-holds-first-meeting))), there was no longer any need for the post of worker director. The post of worker director at Air Malta has been occupied by the same person for the past 14 years.

This was not the only case of a termination of worker director. Indeed in the last two years there have been three other entities where the post of worker director has been abolished. In November 2003 Malta Drydocks and Malta Shipbuilding, two state owned companies each having a worker director, were merged into one company called Malta Shipyard Limited. In the agreement signed between the General Workers' Union (GWU (<http://www.gwu.org.mt/>)) and the government to set up this merger, there was no provision in the new board for a worker director. The same happened when Malta Freeport was privatised and at Malta Information Technology Training Service (MITTS). So within a span of two years the number of worker directors has decreased by five. In percentage terms this figure represents a decrease of about 25%. At present there are 14 worker directors. These include the two non-academic and two academic staff members of University of Malta (UOM (<http://www.um.edu.mt/>)) whose statute stipulates that representatives of the staff are to be elected to sit in the Council, the highest organ of this institution. The others consist of six in state-owned enterprises, four in enterprises owned by the GWU and one in a company owned by the Malta Labour Party (MLP (<http://www.mlp.org.mt/>)).

In only two cases there is a statutory provision for the election of a worker director. These are Maltacom, a telecommunication enterprise in which the government has a majority share holding, and Enemalta, an enterprise responsible for the generation and distribution of electricity. During an extraordinary general meeting of Maltacom, the shareholders agreed to retain the post of worker director in the eventuality of the enterprise being privatised. This was the only good piece of news to those who believe in and promote the principles of worker participation. Judging by the events during the last two years it looks as if the government's policy is to abolish the post of worker director. The post of the remaining worker directors in state owned or run enterprises hangs in the balance.

It is to be noted that in all cases where the worker director has been discontinued, the voice of the trade unions was conspicuous by its absence. There was no sign of protest or contestation about the government's decision as happened in 1988 when the government did not appoint the worker director on the board of Enemalta and Telemalta (now Maltacom). At that time the GWU mounted a strong campaign for the reinstatement of the two worker directors. Eventually the government gave in and amended the acts setting up the respective companies to provide for the election of worker director in both companies.

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