



Industrial Relations  
**Malta: Developments in  
working life 2018**

[Working life in 2018 – Annual review](#)

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## **Political context affecting working life aspects**

No local or general elections were held during 2018. Following their approval by their respective councils, the political parties began nominating their candidates to contest the European Parliament elections due to be held in May 2019.

## **Labour market reforms or major packages of working life regulations**

### **New Rules about Vacation Leave**

The Legal Notice (LN 271 of 2018), issued in August 2018, introduced new rules about vacation leave. These rules reduce the discretionary power of the employers in granting vacation leave to their employees.

### **Transfer of Business**

Amendments made to the Transfer of Business (L.N. 273 of 2018) which stipulate that conditions of employment cannot be changed when a transfer of business is being effected.

### **Itemised Payslips**

The Itemised Payslip Regulations (L.N. 274 of 2018) oblige the employer to provide details to employees such as numbers of hours worked, basic wage and number of hours entitled as overtime. This information which employers are being obliged to provide on the pay slip may act as a deterrent to the practices of precarious employment. It can also prove to be a good aid to the investigative work of the labour officer.

## **Social partners' views and reactions on changes in governments and working life policies**

There have been no changes in government and working life policies.

## **Developments in industrial relations 2018**

### **Changes affecting the national-level actors and institutions in 2018**

#### *Actors*

#### **Breakaway Teachers' Union.**

A break away teachers' union was set up, under the name of Union of Professional Educators (UPE), following the collective agreement signed between the Government and the Malta Union of Teachers (MUT). Three of the teachers forming part of this new union were former MUT Council members. They stated that they were never presented with a complete version of the agreement and it was through the media that they learned about aspects of the agreement (The Malta Independent, 2018).

This new union was set up under the auspices of Union Haddiema Maghqudin (UHM) which in terms of membership is the second largest Maltese trade union. According to annual report covering the period July 2017 to 30<sup>th</sup> June 2018 issued by the Registrar of Trade Unions, the UPE has under its fold 564 members.

#### **A decline in Trade Union Membership**

The latest report by the Registrar of Trade Unions shows that over the span of twelve months overall the Maltese trade union membership increased by 1,562 (Registrar of Trade Unions, 2018). This rate of growth in trade union membership is not keeping up with the increase of employment being registered in the Maltese labour market. The labour force survey for the second quarter of 2018 reports that the total labour force in Malta was 231,152 - an increase of 13,000 employees over the previous year. It has also to be noted over 11,000 pensioners who can become lifelong union members are included in the figures of the trade union membership. This suggests that the national unionisation rate worked on the percentage of those gainfully employed who are trade union members is 38%. This is the lowest Maltese union density ever recorded.

#### *Representativeness*

There have been no changes in the Representativeness Structure.

#### *Institutions*

There have been no major legal or institutional changes to the main social dialogue institutions

## **Changes affecting the sectoral and company level social dialogue 2018**

Sectoral social dialogue in Malta is non-existent as collective bargaining is conducted on a single employer basis at enterprise level. There have been no major changes in the legislation related to the practice affecting collective bargaining and social dialogue at sectoral or company level.

### *Innovation in collective bargaining*

#### **First Collective Agreement for Police Officers**

On 9th October 2018 a collective agreement was signed between the government and the two trade unions representing the police force namely: the Malta Police Association and the Police Officers Union. This agreement is the first collective agreement signed by trade union officials representing the police officers. Up to March 2015 the Employment and Industrial Relations Act prohibited workers employed in a disciplined force from joining a trade union. This prohibition was also stated in the Police Act (Chapter 164 of the Maltese law). In March 2015 an amendment was made to the latter Act which stated that “Members of the Force shall be entitled to join a trade union” and that these regulations “prevail over what is provided in or under any other law with regard to any matter concerning industrial and employment relations”. It took more than three years after the enactment of this amendment for the trade unions set up to represent the police officers to sign the first collective agreement. This agreement includes improved disturbance allowances and overtime rates. The 46 hour week, which had been a bone of contention for a very long time, was reduced to 40 hours (Times of Malta, 2018).

## National social dialogue in 2018 – Scope and Contribution

Themes	Description	Social dialogue interaction	Social dialogue outcome and/or output
<b><i>Working time - Annual leave</i></b>	Through Legal Notice 271 of 2018 amendments were made to the Employment and Industrial Relations Act relating to holiday leave of employees which restrict the discretionary power of employers in terms of holiday leave procedures and how this leave can be used. The employers, who harshly criticised these amendments, claimed that they were not consulted about these changes.	Tripartite discussion took place in the press as the trade unions and the employers' associations and the Ministry for Equality issued statements about these amendments in local newspapers. Whereas the General Workers Union expressed its support for the legal notice, employer associations came out strongly against them (Times of Malta, 2018b). Following employers' reaction, government announced the legal notice had been suspended for further discussion	New rules or amendments to legislation are discussed in the tripartite Employment Relations Board (ERB) which is set up in accordance with the provisions of the law. The board, consisting of representatives of the social partners, make recommendations and give advice to the minister about minimum standard conditions of employment. The consultative process prior to and after the suspension of this legislation by the minister took place at this institution. Following the tripartite social dialogue at the ERB, Legal Notice 271 was once more published and came into force on 1st January 2019.
<b><i>Terms and conditions of employment - Transfer of undertakings</i></b>	Through Legal Notice 273 of 2018 amendments were made to the Transfer of Business (Protection of Employment Regulations). A provision was added whereby the conditions of employees affected by the transfer must remain unchanged during any kind of negotiations which could lead to a case of transfer of an undertaking Link: <a href="#">L.N. 273 of 2018</a>	No social dialogue identified	The legislation was passed. The essential changes made through these amendments are that to qualify under the rules, the undertaking or business to be transferred is situated in Malta and that the economic entity retains its identity with the objective of pursuing economic activity.

<p><b>Terms and conditions of employment - Payslip</b></p>	<p>In 2017 the Minister of Employment, Troels Lund Poulsen, established an expert committee on working environment. The task for the committee was to rethink the working environment (occupational health and safety) system in Denmark. The committee consists of four researchers, four representatives of the social partners and a chairman appointed by the government. There is a long-standing tradition in Denmark to have a tripartite dialogue on working environment issues.</p> <p>In September 2018 the committee came up with 18 recommendations for an improved Occupational health and safety effort. The recommendations are backed by the social partners. The recommendations have not yet been followed by political action. References: Statement from LO (2018); Statement from DA (2018); Ministry of Employment (2018b); Ministry of Employment (2018c).</p>	<p>0</p>	<p>The items to be included on the payslips are as follows: (a) the name of the employer; (b) the name of the employee; (c) the address of the employee; (d) the employee's designation; (e) the total wages paid; (f) the number of normal hours worked; (g) the number of hours entitled at overtime; (h) the hours of annual leave availed of and the remaining balance; (i) the number of hours of sick leave availed of; (j) the basic wages received; (k) a breakdown of any bonuses allowances or commissions received; (l) any deductions effected including N.I. contributions</p>

*No major social dialogue debates were held on the following themes: Benefits; Employment; Health, safety and well-being at work; Pension reforms; Skills, training and employability; Taxation and non-wage related labour costs; Wage setting; Work-life balance*



## **Selected major social dialogue debates**

### *New Rules Related to Holiday Leave*

The new rules introduced in the new legislation which were to come into force on 1st January 2019 restrict the discretionary power of the employer and at the same time give more leeway to employees on how they use their holiday leave entitlement.

The main four employers' associations namely the Malta Employers' Association, the Malta Chamber of Commerce, the Malta Hotel and Restaurant Association and the Chamber for Small and Medium Size Enterprises expressed their disapproval to these new rules as they claimed that they tend to be too skewed in favour of the employees and do not consider that management may sometimes be forced to take an arbitrary decision to ensure continuity of service or production. The Ministry for European Affairs and Equality stated that these changes had been on the agenda of national public conference and were meant to ensure that the Maltese laws are in line with decisions taken by the European Court of Justice.

The General Workers Union argued that the new rules implement measures that many unionised workers benefit from through collective agreements. Thus the union sustained that the new rules would ensure that all workers, irrespective of whether they are unionised or not, would enjoy the same rights and conditions of work. The government suspended the legislation in order to give more space and time for consultation at Employment Relations Board (MaltaToday, 2018). Following this consultative process, the Legal Notice 271 was once more published and came into force on 1st January 2019. In the re-enactment of the law no major changes were notable from that published in August 2018.

### *Unilateral government actions – without social dialogue*

## **Equality Bill**

A draft legislation on equality and human rights proposed the appointment of a commissioner to investigate practices of inequality at the workplace. The Malta Employers' Association and the Malta Chamber of Commerce, Enterprise and Industry stated in drafting this bill the government acted unilaterally as this bill was not put on the agenda of the national institutions of social dialogue namely the Employment Relations Board (ERB) and the Malta Council for Economic and Social Dialogue (MCESD). The employers claimed the powers being given to this commissioner are too wide. Besides having the power to investigate, this commissioner can impose fines (maximum €5,000) or six months imprisonment. Moreover, the burden of proof lies on the employer in the sense that the employer who is under accusation has to prove that there has been no breach of human rights at the workplace. There were no reactions to this proposed bill by the trade unions. In an article in the press a member of the LGBTIQ consultative council stated that the shift of the burden of proof to the employer is based on the premise that the discrimination is notoriously difficult to prove. Moreover, she stated that this bill is in line with the provisions of the Council Directive 2000/78/EC aimed at ensuring equal treatment regardless of gender, race, religion or belief, disability, age or sexual orientation (Calleja, 2018). As yet the bill has not been passed into law.

## **Collective labour disputes in 2018**

### **Changes in the regulation of collective labour disputes.**

There were no significant changes in the regulations of collective disputes.

## **Selected major labour disputes of national significance**

### **Dispute with Doctors**

The Medical Association of Malta (MAM) registered a trade dispute with the government over a concession given to Vitalis Global Healthcare (VGT) and Steward Health Care to jointly operate three state hospitals. MAM contended that the Government in failing to consult the association about this transfer breached the collective agreement. MAM claimed that according to this agreement government was bound to give it a six weeks' notice in case of a transfer, including outsourcing of the health service provided by government. On the basis of this alleged breach of contract MAM ordered a one-day strike by doctors on 6th February 2018. The Association informed government that only urgent cases would be treated at centres that have medical staff. MAM reported full compliance by doctors to its directive (Times of Malta, 2018c). Following this industrial action, conciliatory meetings were held during which the two parties agreed about a framework regulating future privatisation within the public health sector. By the end of March 2018 a second draft agreement was drawn up in the presence of officials representing the company which had taken over the management of the hospitals. This draft agreement eventually led to the settlement of the dispute.

### **Dispute with Airline Pilots**

In its aim to finalise the restructuring exercise in order to meet the criteria set by the EU Commission, Air Malta signed four separate collective agreements with the trade unions representing the cabin crew, engineers, ground personnel and the general staff. The highly tense negotiations with the Airline Pilots Association (ALPA) risked stalling this whole restructuring process. The pilots disapproved the working practices proposed in the agreement which entailed longer flight hours. In an online questionnaire the pilots overwhelmingly gave a mandate to their union to strike action. Government, through the minister of tourism, Konrad Mizzi, stated that the offer to the pilots was final and warned pilots that in case a strike action occurred the government had a contingency plan. Following mediation of a former President of Malta, ALPA was persuaded to approve the offer made by government. The agreement was signed on 26th January 2018. (Times of Malta, 2018d). Air Malta stated that the agreement meets the requirements of the restructuring plan approved by the European Commission and is in line within the constraints of the Airline.

## **Working time 2018**

### **Changes in the regulation of working time 2018**

#### *Legislation on working time duration or organisation*

Following the introduction of Legal Notice 367 of 2017, Organization of Working Time (Amendment) Regulations, with effect as from 1st January 2018, the government added another eight hours of leave so that an employee working 40 hours per week is now entitled to 200 hours of paid annual leave.

#### *Collective bargaining outcomes on working time duration or organisation*

Nothing to report

#### *Major debates concerning working time duration or organisation*

On 10<sup>th</sup> August 2018 the government introduced a number of legislative changes relating to vacation leave. See Labour Reforms and Selected Major Social dialogue debates. As part of an electoral promise, the government also intends to compensate employees for public holidays that fall on a weekend. The enactment of LN 367 of 2017 was a step in this direction. This proposal, in line with the previously-mentioned regulations, has been harshly criticised by employers' associations.

## **Health and well-being at work 2018**

### **Physical working environment**

There have been no developments in this area during 2018

### **Psychosocial working environment**

There have been no developments in this area during 2018.

## **Employment status 2018**

No major changes in 2018 for: 'Standard' employment contracts; Self-employed; Fixed term contracts.

### **Temporary agency workers**

Through Legal Notice 272 of 2018 amendments were made to the Temporary Workers Regulations (S.L.452.106). These amendments stipulate that wages due to the temporary agency worker must at least be equal to those that would apply if they had been recruited at the place of work of such undertaking. Under the previous regulations these individuals could be paid less as long as the temporary work agency paid them between assignments. This exception has now been removed.

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