



Capacity building for social dialogue in Malta

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This report is available in electronic format only.

Introduction

This paper analyses the capacity of Malta's social partners to effectively engage in social dialogue at various levels. The paper forms part of a wider, comparative project, managed by the European Foundation for the Improvement of Living and Working Conditions (Ireland) and the Work Life Development Programme (Sweden). It is aimed at helping social partners in the 10 new EU Member States and the three acceding and candidate countries (Bulgaria, Romania, and Turkey) to build their capacity for social dialogue with a view to anticipating and managing change. The report concentrates on studying the organisational, financial, and personnel capacities of the national, central organisations of employers and trade unions for anticipating and managing change, anticipating future developments and implementing outputs

The research was done through interviews with representatives of the organisations. It should be noted, however, that in Malta's case there is no single, national, representative institution for employers or for trade unions. Hence, the organisations reviewed here should be regarded as 'national centres' rather than confederations.

Following a brief introduction regarding the institutional and legal context, the paper reviews in turn the existing organisational, financial, and personnel capacities for social dialogue. This is followed by an analysis of the social dialogue processes at enterprise, national and international levels. The paper concludes with some general comments on the strengths and weaknesses of the existing social dialogue capabilities and the prospects for the future development of effective social dialogue in Malta.

Industrial relations context

Malta's industrial relations system has been modelled on that of Britain, the former colonial power that – until the attainment of independence in 1964 – dictated its official policies. Nowadays, there is still a striking similarity between the two systems extending not only to the institutions and the legal framework but also to the perceptions and attitudes prevalent among the main actors involved in industrial relations. These considerations explain many of the interactions among the social partners. As a result, the established model of industrial relations in Malta is that of voluntary, bipartite, collective bargaining at enterprise level in a traditionally polarised, adversarial relationship between employers and trade unions. During recent decades, however, a pattern of corporate, tripartite, national level bargaining – based on a social dialogue model – has also been gradually emerging. To some extent, this development reflects a shift in the balance of economic power. More significantly, it constitutes the social partners' response to economic exigencies, such as the need to retain jobs and to attract foreign investment in a competitive, international environment, which is limiting the range of collective bargaining.

Malta's economy is currently undergoing a major restructuring phase, which is having an impact on social dialogue. There is a shift away from heavy to light manufacturing and service industries – with an increased emphasis on SMEs. Government has also embarked on a privatisation policy. These trends are reflected in overall shifts in the membership of both employers' associations and trade unions. The state employs over 30% of the total workforce and is often regarded as a 'model employer'. Its services include those of the establishment and legal enforcement of labour standards, occupational health and safety, welfare and particularly the provision of conciliation and judicial services in industrial disputes.

Legal framework

Industrial relations in Malta are regulated by the Employment and Industrial Relations Act, 2002 (EIRA). The main legal provisions of this Act include the establishment of a tripartite Employment Relations Board (ERB) which has a consultative function to government on a wide range of issues concerning labour legislation. Following consultations with the ERB, the law at both national and sectoral level establishes the minimum conditions of employment including the payment of wages and overtime rates, hours of work, holidays, etc. These minimum conditions are regularly adjusted in accordance with the directives issued by the European Commission. The act regulates the registration and conduct of trade unions and employers' associations, the restrictions on their legal liability, and provides for the voluntary settlement of disputes. The act also provides for the establishment, jurisdiction and functioning of the Industrial Tribunal.

Another Act establishes the tripartite Malta Council for Economic and Social Development (MCESD).¹ This is envisaged as a 'consultative and advisory body to government on issues relating to the sustainable economic and social development of Malta, whilst providing a forum for consultation and social dialogue between the social partners and, where necessary, with civil society organisations'.

¹ Established in terms of ACT XV (Chapter 431) 2001.

In addition there are other Acts establishing official bodies on a tripartite basis. These include the establishment of the Occupational Health and Safety Authority, the National Employment Authority, and the Malta Statistics Authority. Since the end of the Second World War, the laws and regulations governing the conduct of industrial and employment relations have been regularly updated in order to reflect current developments.

1945.....	Trade Unions and Trade Disputes Ordinance
1948.....	Conciliation and Arbitration Act
1952.....	Conditions of Employment (Regulation) Act
1976.....	Industrial Relations Act
2002.....	Employment and Industrial Relations Act ²

² Since 2002, a number of regulations have been issued in the form of Legal Notices – as envisaged by the EIRA in order to harmonise Maltese legislation with the *Acquis Communautaire*.

Social dialogue in Malta

According to the 2004 annual report issued by the Registrar of Trade Unions, there were 33 registered unions with a total of 86,156 members and 23 employers' associations with a total membership of 8,846. The two largest unions are the General Workers' Union (GWU), with 54% and the United Workers' Union (UHM) with 30% of all union members respectively. In view of their numerical dominance and of their organisation as general unions with different trade sections, they are *de facto* considered as 'national trade union centres'. The UHM is also affiliated with the Confederation of Malta Trade Unions (CMTU) together with 10 other unions and these collectively constitute 42% of all union membership. Finally there is the newly formed Trade Union Forum, consisting of the Malta Union of Midwives and Nurses (MUMN) with 2,239 members and seven other smaller unions which together comprise 3% of all union members. The overall union density is approximately 62.5%.³

On the employers' side, there are five central organisations, namely, the Malta Employers' Association (MEA), the Malta Federation of Industry (FOI), the Chamber of Commerce and Enterprise (COCE), the Malta Hotels and Restaurants' Association (MHRA) and the Chamber of Small and Medium Enterprises (GRTU). As most of these associations tend to offer specific types of services to their members, some may belong to multiple organisations. Furthermore, it should also be noted that while the GRTU is numerically the largest association, its members are mainly the owners of small enterprises or self-employed individuals.⁴

Table 1: *Trade union and employer organisations in Malta*

Trade Unions	Year of Establishment	Main Sectors	Number of organisations 2000 - 2004	Membership 2000 / 2004
CMTU ⁵	1958	Public/private service	11/9 member unions	34,137/ 30,299
GWU	1943	Energy/Chemicals/ Printing/Public Sector/ Telecom/Metal/ Construction/Maritime/ Aviation/Hospitality/ Food/Services/Media/ Manufacturing/SMEs/ Pensioners/Youth/ Transport/Electronics/ Communications	8 trade sections	47,362/ 46,489
UHM	1966	Govt./Health/Public Sector/Port/Transport/ Aviation/Services/ Manufacturing/ Hotels/Food/ Beverages/Lotto Pensioners	5/7 trade sections	24,812/ 25,901
TU Forum ⁶	2004	Govt/Public Sector	8 member unions	- /3000+

³ During the last two years there have been slight reductions in the membership of the GWU and CMTU and a corresponding increase in that of UHM.

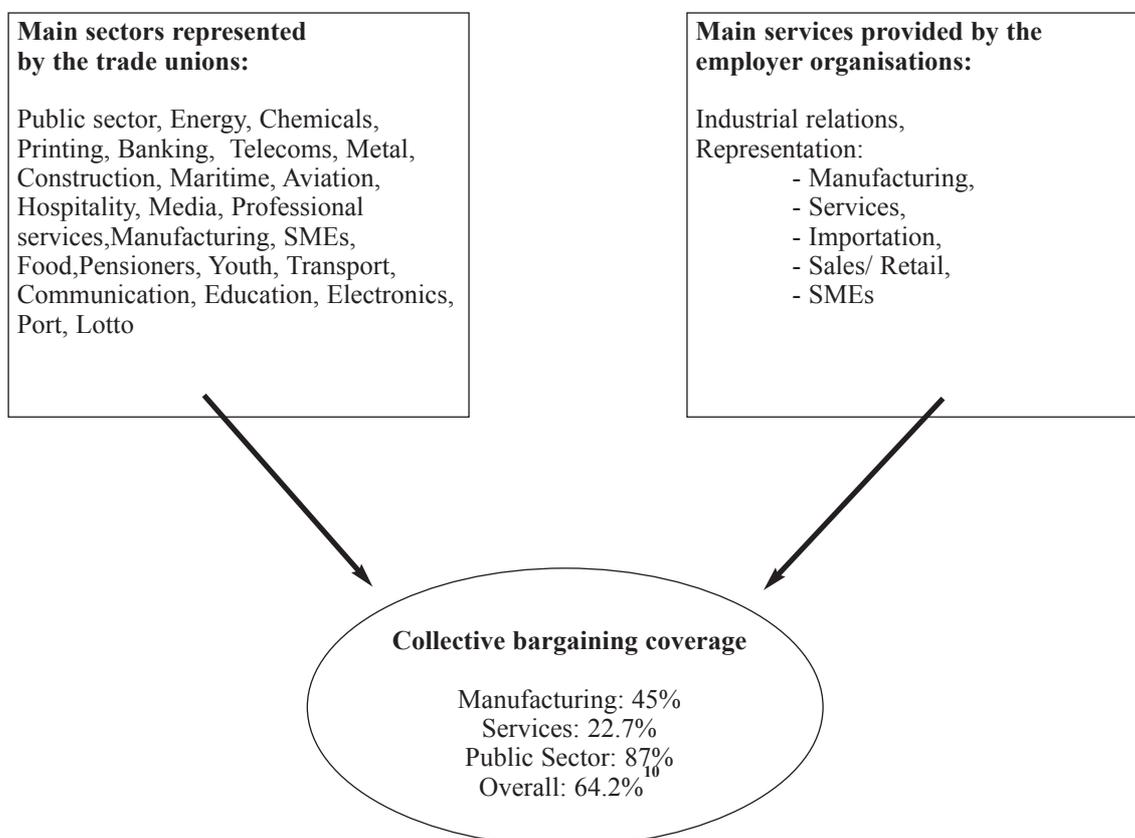
⁴ Multiple membership is possible in both employers' organisations and trade unions.

⁵ Members of UHM are also included in the CMTU figures.

⁶ Currently (2005) still in process of formation.

Table 1: Trade union and employer organisations in Malta (Cont'd)

Employers' Organisations	Year of Establishment	Main Sectors	Number of organisations 2000 - 2004	Membership 2000 / 2004
MEA ⁷	1965	Manufacturing/Services/ Public Sector	210/240 employer members	35,000/ 40,000
FOI	1946	Manufacturing/ Services	300 member organisations	23,000/ 25,000
COCE	1848	Private industry/ Services	1,027/916	N/A
MHRA ⁸	1958	Hotels/ Restaurants	160/412	8,000/ 20,000
GRTU ⁹	1948	Private industry/ Craft SME's/ self- employed services	6,480/ 6,870	24,000/ 28,000



⁷ Registered as an employers' association in terms of EIRA.

⁸ Registered as an employers' association in terms of EIRA.

⁹ Registered as an employers' association in terms of EIRA.

¹⁰ 55.7% – if a number of inactive agreements are excluded.

Finances

All the social partner organisations in Malta, with the exception of COCE, were established after the Second World War.¹¹ The COCE was founded with the assistance of the British authorities in 1848 and, to this day, it occupies a magnificent building in Valletta.¹² Another imposing building in Valletta is the Workers' Memorial building which houses the General Workers' Union. This building was erected on a site previously occupied by the *Auberge de Provence* of the Knights of Malta¹³ and was given by the government to the newly-formed union to be used for its headquarters. Until recently, the building also housed the union press. The premises of all the other social partners were acquired by the organisations themselves and are located in or around Valletta.

The annual budget (2004) for each social partner organisation is presented in the table below, together with the subsidy received from other sources as a percentage of the total budget. This subsidy is mainly in the form of a direct amount given annually to each organisation in order to enable it to obtain better information on EU matters, and indirectly, through the secondment of some government employees from their official duties in order to work with the social partners¹⁴ while their salaries continues to be paid by government. The subsidies shown below do not include the payment of air tickets and subsistence allowances to social partner representatives when attending conferences or meetings connected with EU activities such as those in connection with the Economic and Social Committee.

Table 2: *Finance sources*

Organisation	Budget (euros)	% Subsidy	Future Prospects
CMTU	50,400	76.2	+/-
GWU	660,000	29.8 ¹⁵	+/-
UHM	324,000	30.0	+
TU Forum	N/A	N/A	N/A
MEA	156,000	26.2	+
FOI	200,000	30.0	+/-
COCE	430,000	Nil	+/-
MHRA	218,000	45.8	+
GRTU	240,000	29.2	+/-

¹¹ The oldest, surviving union since the pre-World War II era is the Malta Union of Teachers, which was established in 1919.

¹² A small section of the building also houses the GRTU.

¹³ The *Auberge* had been destroyed by aerial bombardments during the war.

¹⁴ Only the trade unions are benefiting from this subsidy to date and some doubts are expressed about its continuity in future.

¹⁵ The GWU also receives a small subsidy from the Friedrich Ebert Foundation towards the organisation of its educational activities. In addition, the union relies on a considerable subsidy from its subsidiary commercial companies in order to balance its own budget.

All the social partner organisations rely heavily on the regular fees paid by their members. In the case of CMTU, MEA and FOI, the annual affiliation fee varies according to the size of the constituent union or company. The average membership fee is 525 euros for MEA and FOI, whereas for CMTU it is 1,330 euros.¹⁶ In the case of the COCE and GRTU, all the member enterprises pay a flat membership rate, varying between 420 euros (COCE) and 40 euros (GRTU). The individual membership fee for both the GWU and the UHM merely amounts to 30 euros per annum, which represents an average of 0.4% of the average worker's salary per week. These fees are collected from members in various ways, including: check-offs; payments over the counter; handed over to the collectors; and by means of a standing order at a local bank. Finally, it should be noted that none of the social partners envisage embarking on any major new initiative in the near future. As much as they might like to, they feel constrained from doing so due to lack of funds.

Human resources

The total number of people employed by all the social partner organisations in Malta amounts to 113.¹⁷ It should be noted that 69% of these pertain to the two leading trade unions. The prospects of increasing staff in the near future are very slim, as there are no vacancies or provisions for any increases within the existing budgets of any organisation.¹⁸ Yet almost all admitted that the existing staff is finding it difficult to cope with all of the increasing demands, both locally and internationally, following Malta's EU accession. It is also recognised that with more staff, the organisations would be able to give a better service to their members. The number of staff available seems to be particularly low in the employers' organisations. Although each organisation tends to specialise in different economic sectors or different aspects of the employers' duties, there seems to be ample scope for a better rationalisation of existing resources.¹⁹ In this regard, the establishment of a joint office in Brussels,²⁰ on behalf of three employer organisations, was a step in the right direction. Even more significantly, some attempts are currently being made, with the personal intervention of the Secretary General of ETUC,²¹ to achieve a greater degree of solidarity and collaboration among the Maltese trade unions.

Table 3: *Organisation structure*

Organisation	Officials (F/t)	Positions		Graduates	IT-literacy	Staff shortages
		Managerial	Other			
CMTU	1.5	2	Nil	2	All	Nil
GWU	53	18	35	17	All (+/-)	Nil
UHM	25	11	6	3	All (+/-)	2
TU Forum	N/A	N/A	N/A	N/A	N/A	N/A
MEA	4	1	3	3	All	Nil
FOI	7	1	6	3	All	Nil
COCE	12	1	11	2	All (+/-)	Nil
MHRA	4	2	2	2	All	Nil
GRTU	6.5	2	6	2	All (+/-)	Nil

¹⁶ There are only nine effective member organisations and their membership rates vary between 200 euros for the smallest union and 4,800 euros for the UHM.

¹⁷ Excluding the officials and representatives of government, who normally participate actively – often as chairpersons – on all official boards.

¹⁸ Some organisations, like MHRA, are contemplating an increase in membership fees from 2006.

¹⁹ It should be noted that the MEA was originally formed as a breakaway group from the FOI.

²⁰ Officially known as the *Malta Business Bureau*.

²¹ Mr John Monks visited Malta in June 2004 and a preliminary agreement was reached among all the Maltese unions to work together towards the eventual establishment of a Malta Trades Union Council.

Thirty-four percent of the existing staff of the social partner organisations play leadership roles or occupy managerial positions. The remaining staff are administrative, secretarial or support. Practically all staff speak fluent English in addition to the Maltese language. Many can also speak Italian and a few speak French or German. Almost all are IT literate and have internet access which they use regularly at work. Thirty percent of staff are graduates, most of them holding the Diploma in Social Studies (Industrial Relations) obtained through the University of Malta's Centre for Labour Studies.²² A few others possess masters or doctoral degrees.²³ Most of the staff in leadership or managerial positions have risen through the ranks and they are required by statute to submit for re-election after each term in office. Whereas most of the employer organisations require a rotation of their top officials at the end of each term, in the case of trade union leaders, re-election is possible and, unless there is a vacancy, it is usually the case. It should be noted that, in addition to formal qualifications and experience, the effective leadership of social partner organisations in today's changing environment entails foresight and communication skills to a much greater extent than previously. These roles used to be more clearly defined, often in adversarial terms, and the members were less inclined to question the specific, short-term goals proposed by their leaders. The need to collaborate and work closely with the perceived adversaries of the past requires a constant search for legitimacy on the part of the leadership. This is what makes the leadership of social partner organisations today such an unenviable task.

²² Formerly known as the Workers' Participation Development Centre.

²³ The number of lawyers employed by the social partner organisations has increased recently.

Collective bargaining

The most established form of social dialogue among the social partners is that of collective bargaining over wages and working conditions. This is usually done at enterprise level. In this way, the conditions of employment of the majority of full-time employees are established above the minimum standards established by law. The coverage of collective bargaining is estimated at 45% of full-time employees in the manufacturing sector and 22.7% of full-time employees in the market services. In addition there are approximately 87% of public sector employees that are covered by collective agreements. This amounts to collective bargaining coverage of around 64.2% of all employees,²⁴ a figure which is close to the EU average. Collective bargaining is usually carried out by the unions and individual employers. The central organisations, like the MEA, provide consultancy services including legal advice to their members in the course of collective bargaining. Other central organisations have also expressed their intention to become involved in such activities and the FOI is now also offering such assistance to its members. It should be noted, however, that there is an almost total absence of sectoral-level bargaining and there is practically no demand for it from any of the social partners. Likewise, no regional level bargaining takes place in Malta or is even considered necessary due to the country's small size.²⁵

²⁴ However, it is known that about 30% of all registered collective agreements are dormant which brings the realistic coverage figure to approximately 55.7% of all the gainfully occupied. Furthermore it should also be noted that 75% of all registered companies employ fewer than five persons.

²⁵ There is a Gozo Chamber of Commerce, and most of the unions have a branch in the sister island of Gozo, but no specific collective takes place except on minor specific issues.

Tripartite participation

As stated above, during the last two decades there has been a development of social dialogue at national level. Representatives of the social partners sit on a number of official boards and committees, the most prominent being the Malta Council for Economic and Social Development (MCESD). This is the main tripartite, consultative institution, established by law, whose importance has grown following Malta's EU membership. An important catalyst in this development has been provided by the European policy of social dialogue in the process of Malta's adoption of the *Acquis Communautaire*.

The council is envisaged as an advisory body to provide a forum for consultation and social dialogue between the social partners and, where necessary, with the organisations of civil society. It is entrusted with the task of advising government on all issues relating to the sustainable economic and social development of Malta. It is increasingly seen as a main protagonist for the formulation of development policy. Both the national trade unions and employer organisations are represented on MCESD and take an active part in its proceedings. This policy entailed a departure from the divisive policies and the political polarisation of the previous era and from the informal, ad hoc relations among actors, which often predominate in a small-scale society. Thus it also constitutes an important instrument for conflict resolution.

Since 1988, when the council was originally set up,²⁶ the social partners have had the opportunity to exchange their views on a wide variety of subjects, including Malta's relations with the European Union, resolution of industrial conflict, job creation, flexibility of the labour market, reforms in the legislation concerning industrial relations, role of the state in the economy, fiscal budgets, tax evasion, privatisation, the establishment of the occupational health and safety authority, inflation, adjustment of utility rates, and the sustainability of state pensions. Recently it is the main forum for a discussion of a national social pact, which is seen by many as essential for the effective restoration of Malta's economic competitiveness. Among the other main topics on the agenda for discussion there is the reform of the pension, health and higher education systems.

There is a general agreement among the participants that the major shortcomings of the MCESD include an inadequate information system, a non-existent infrastructure, and a lack of research facilities. Nonetheless, it is generally agreed among the social partners that there is a continued need for the MCESD's role in the future. They claim that its function should be strengthened, become more pro-active, and focused on medium to long-term socio-economic development issues.

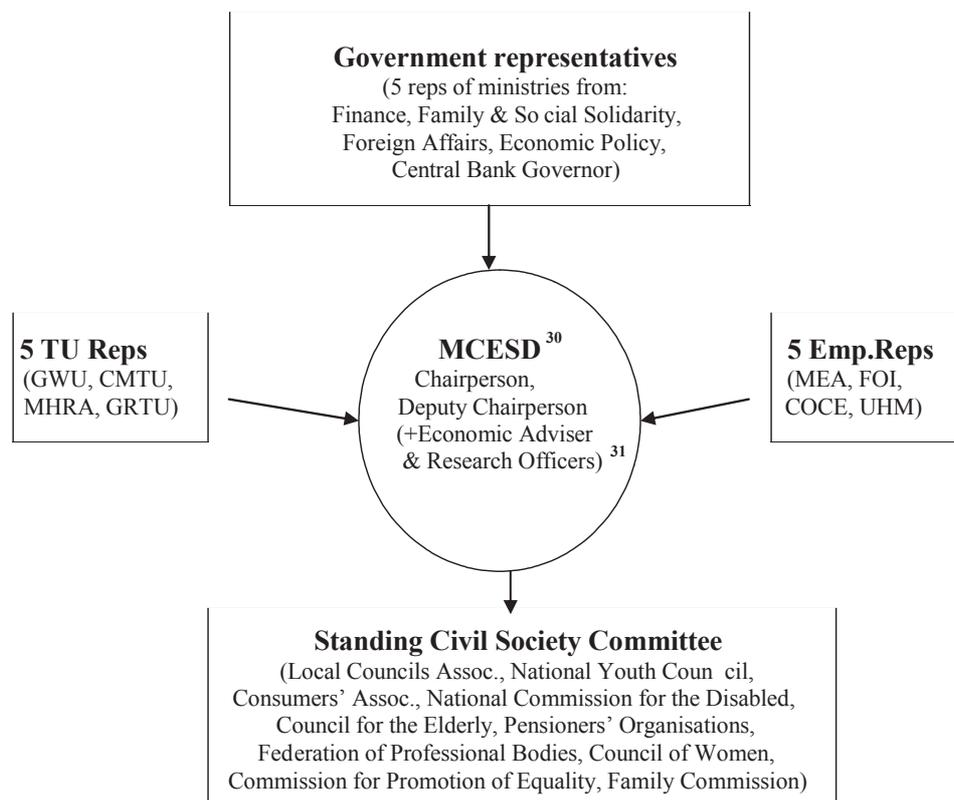
Although both the trade unions and employer organisations are divided and often compete against each other, this does not prevent them from cooperating and adopting a common stand when their interests are perceived as common. The mutually hostile attitudes, which are often displayed in the course of collective bargaining – particularly when this erupts into industrial action – are normally replaced with working relationships through effective conciliation. Although the main trade union bodies were sharply divided on the EU membership issue, now that the issue has been solved through a general election and eventual accession, the unions often share a common representation on EU bodies. Likewise, despite their differences, three of the main employer organisations have opened a common office in Brussels in order to share information and promote their common interests at the EU level. The unions also cooperate with each other in collective bargaining at enterprise level, and normally adopt common positions on national bodies like the Malta Council for Economic and Social Development (MCESD), the Occupational Health and Safety Authority (OHSA) and the Employment Relations Board (ERB). The employers, for their part, normally do the same. Furthermore, some hitherto unsuccessful attempts are being made by the trade union leaders, with the cooperation of the ETUC, to establish a local trade union council and to negotiate a national social pact. Arguably, the fundamental challenge which Malta's employer associations and trade unions are facing is that of effective economic restructuring. This is required in order to restore the country's international competitiveness, which has been eroded in recent years.

²⁶ Originally known as the National Council for Economic Development.

Table 4: Main characteristics of trade union and employer organisations

Trade Unions	National	Sectoral ²⁷	Regional	Enterprise
CMTU	+	X	X	X
GWU	+	X ²⁸	X	+
UHM	+	X	X	+
TU Forum ²⁹	N/A	N/A	N/A	N/A
Employers' Organisations				
MEA	+	X	X	X (only as consultants)
FOI	+	X	X	X
COCE	+	X	X	X
MHRA	+	X	X	X (c/o MEA)
GRTU	+	X	X	X

Figure 1: Tripartite participation system



²⁷ Traditionally, no sectoral bargaining takes place in Malta. Working conditions at the sectoral level, above the national minimum conditions of employment, are determined by means of a Legal Notice published after consultation with the social partners in the tripartite Employment Relations Board. It can be argued that sectoral standards are kept in mind informally during enterprise level negotiations carried out especially by the two general unions and the employers assisted by the employers' associations.

²⁸ Only one sectoral agreement has been negotiated between the GWU and the owners of motor car garages in the late 1960s.

²⁹ Still in embryonic stage (2005)

³⁰ Besides the 14 Council members, an equal number of substitute members are appointed, with the right to attend meetings in the absence of the nominated members.

³¹ The Council appointed three Working Groups to advise it on Competitiveness, on the Role of Government in the Economy, and on the Public Health Sector.

International participation

Malta's social partners have long been enrolled as members – often playing an active part – in international organisations within their respective areas of specialisation. For instance, the GWU was a founder member in ICFTU and, CMTU of WCL. These affiliations reflect the different ideologies upheld by each union. Both organisations have also been members of ETUC for many years. Additionally, all unions or sections of the general unions are affiliated with their respective international trade secretariat. Likewise, the FOI have been members of UNICE and MEA of IOE for a long time. The active participation in ILO activities by the main social partners has been pursued since independence in 1964. Now, as a result of Malta's recent EU accession, all the social partners report a significant increase in their European activities. They are now getting invited to so many meetings that, due to their limited resources, they are constrained to be selective.³² They all see many advantages in such activities, including information sharing, gaining experiences and mobilising international support where necessary. In times of domestic crises, both the unions and employer organisations have sought and usually obtained support from the international organisations to which they are affiliated. Nonetheless, the overall impact of participation in international activities on the perceptions and actual behaviour of Malta's social partners is still rather limited. For instance, the EU social partner agreements on telework and occupational stress are largely seen as having little relevance to Malta and the general attitude of both employers and unions in Malta in the ongoing EU debate on the limitation of working time is to leave the 'opt out' decision at the discretion of individual workers, as at present.

Trade unions	International Affiliation
CMTU	WCL ETUC
GWU	ICFTU ETUC International & European Trade Secretariats
UHM	(Through CMTU) International & European Trade Secretariats
TU Forum	N/A
Employers' Organisations	International Affiliation
MEA	CEEP IOE
FOI	UNICE UMCE
COCE	Euro-chambres
MHRA	HOTREC
GRTU	UAPME

Figure 2: *Social dialogue levels*

Actors	Levels / Processes	Resources
1. <i>Employers' Organisations</i> (MEA/FOI/COCE/ MHRA/GRTU) 2. <i>Trade Unions</i> (CMTU/GWU/UHM/TUF) 3. <i>Government</i> (Largest employer /DIER & Conciliation Services/ Industrial Tribunal)	<i>Enterprise Level</i> (Bilateral Collective bargaining: 64.2%) <i>Sectoral Level</i> (Employment Relations Board: Tripartite Consultation, & Sectoral Standard Orders) <i>National Level</i> (MCESD: Tripartite Concertation) <i>International Level</i> (EU bodies & int'l affiliations)	1. <i>HR</i> (115 staff) 2. <i>Organisations</i> (democratic reps) 3. <i>Finances</i> (self-reliance) 4. <i>Other</i> (IT/media/educ ational)

³² For instance, during 2004, the GWU received 175 invitations for international meetings of which 140 were accepted. A total of 225 persons took part in such activities, which meant that an average of 4 persons per week were involved.

Conclusion

This paper has reviewed the capacity for effective social dialogue in Malta. It emerged that, when compared to other countries, the social partners have well-developed, autonomous institutions, built over a long tradition, and operating within a socially legitimate legal framework. However, while the system seems to operate fairly adequately at enterprise level, the same cannot be said of the way it operates at national level. Here, the adversarial culture still predominates and obstructs so far the emergence of tripartite solutions to national problems. In this context, the small size of the country, while facilitating the development of informal and interpersonal channels of communication among the social partners, also tends to obscure the conduct of objective and impersonal discussion of important issues. Additionally, the country's limitations are also manifest in the heavy strain being placed on its human resources due to the increased demands following EU accession. Arguably, these deficiencies are nowhere else felt more acutely than among the social partners,

Nonetheless, despite the shortcomings and limitations, there are some positive indications of a gradual but growing realisation among the social partners, as well as among the people at large, that the politics of confrontation are ultimately self-defeating and that there is much to gain from constructive social dialogue. In the course of 2004 and early 2005, a genuine attempt was made by all the social partners to reach agreement on a national social pact aimed at restoring Malta's economic competitiveness. Admittedly this attempt failed and in the end was abandoned. Nonetheless, it is generally recognised that considerable progress was made in the discussions and that all the parties were indeed close to reaching an agreed solution on the adoption of a wide ranging package. There is still much work to be done in establishing a solid basis of trust on which cooperative relations among the social partners are to be built. Some of the social partners have yet to become convinced that any temporary political mileage, which might possibly accrue to their organisations through confrontation, is far outweighed by the advantages of dialogue, mutual respect and collaboration based on the principles of solidarity and inter-dependence. Such a development requires social partners equipped both with capable and farsighted leadership and educated membership, who will be prepared to follow the long-term goals proposed by their leaders rather than short term advantages achieved through confrontation. What is also required in Malta is that both the trade unions and the employers' organisations agree to pool their resources and establish stronger, central organisations to represent the trade unions on the one side and employers on the other. The fulfilment of these conditions requires a heavy investment in both human and material resources aimed at enhancing the capability of the social partners to engage in effective social dialogue.

Edward Zammit, University of Malta

Annex 1 Strengths and weaknesses of social dialogue capabilities

	Strengths	Weaknesses
Organisational	Established tradition Democratic statutes International exposure Communication channels Accepted legal framework Membership levels Collective bargaining level IT-literate and internet facilities	Adversarial relations Political partisanship Overlapping functions Fragmentation Unrealistic expectations Cultural dualism Inward looking Short term vision Poaching of members
Financial	Government subsidy Participation in EU programmes	Resist increases in fees Inadequate funding
Staff	Experienced leaders Professional approach High national profile Informal relations	Limited complement Low female participation Insufficient training Overstretched resources Militant image
Other		

- The island's small scale and closely-knit society facilitate informal interactions among the social partners. However, its limited resources also make it difficult to cope with the increased demands related to EU membership.
- Furthermore, effective social dialogue requires a strong basis of formal relations and institutional structures and cannot simply rely upon a network of personal relations among the social partners.

Annex 2 Foresight project

In this section, the outline of a foresight project for the further development of social dialogue capabilities in Malta are presented on the basis of the following questions:³³

What? The immediate objective to be attained through effective social dialogue is the adoption of a National Agreement for economic recovery and competitiveness

Why? The politicisation of most issues and confrontational debates puts undue pressure on the social partners and prevents the adoption of effective solutions. The people are almost equally divided between two opposed camps and a national initiative is required which transcends political partisanship.

Who? The social partners, employers and unions collectively – away from the media spot lights.

When? As soon as possible – in the short to medium term – preferably before the run-up to the next budget has started when the issues may be discussed without the added political pressures.

Where? Within MCESD. However, the official Council sessions should be preceded and followed by informal meetings among the leading groups of social partners outside of the Council.

³³ This outline project is based on the results of the work group, using the mnemonic WWWWWW.

Which resources? All the social partners, civil society and opinion leaders on both sides of the political spectrum should be mobilised towards this goal. The Centre for Labour Studies, the Department of Economics and other relevant University departments can contribute through research and education for social dialogue. The available assistance of ETUC and UNICE should be harnessed. Finally, a media campaign could help to convince both the leadership and the people at large of the benefits of meaningful social dialogue.

Annex 3 National tripartite team

- Tonio Farrugia – Employers’ Representative
- John Scicluna – Employers’ Representative
- Tony Micallef Debono – Trade Union Representative
- Michael Parnis – Trade Union Representative
- Frank Pullicino – Government Representative
- Dr Noel Vella – Government Representative

Sources

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- Tony Micallef Debono, General Secretary, CMTU
- Michael Parnis, Deputy General Secretary, GWU
- Gejtu Vella, General Secretary, UHM
- Rudolf Cini, Chairman, TU Forum
- Joe Farrugia, Director General, MEA
- John Scicluna, Administration Manager, FOI
- Tonio Farrugia, Council Member, and Chair, Social Affairs Committee. COCE
- Donald Pace Bonello, Chief Executive Officer, MHRA
- Vince Farrugia, Director General, GRTU