



Industrial relations and social dialogue
**Malta: Developments in
working life 2022**

Authors: Saviour Rizzo and Luke A. Fiorini (Centre for Labour Studies, University of Malta)

Research manager: Christine Aumayr-Pintar

Eurofound reference number: WPEF23021

© European Foundation for the Improvement of Living and Working Conditions (Eurofound), 2023
Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

Any queries on copyright must be addressed in writing to: copyright@eurofound.europa.eu

Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

European Foundation for the Improvement of Living and Working Conditions

Telephone: (+353 1) 204 31 00

Email: information@eurofound.europa.eu

Web: www.eurofound.europa.eu

Contents

Introduction	1
Political context	2
Actors, institutions and processes	3
Social partners.....	3
Social dialogue bodies or frameworks	3
Other working life related institutions.....	3
Governmental responses to inflation.....	5
How inflation features in wage negotiations	5
Examples of recent responses.....	6
Developments in working time.....	7
Changes to legislation	7
Bargaining outcome	7
Debates on duration and organisation	7
Labour market shortages and social partners.....	8
Other important policy developments	9
Labour market shortages	9
Employment status and contract	9
Self-employed	10
Wage setting	10
Gender pay gap	10
Health and safety	10
Work–life balance	11
Lifelong learning and skills development.....	12
Working life of Ukrainian refugees	13
Employment and working conditions	13
Social partner initiatives to support Ukrainian refugees	13
Commentary and outlook	14
References.....	15

Introduction

Overall, the Maltese economy maintained its tempo throughout 2022. The wage supplement scheme, introduced during the early phases of the pandemic, was maintained for the first half of 2022. The hospitality sector, one of the mainstays of the Maltese economy, showed tangible signs of recovery, as by the end of December 2022 the number of tourists were within reach of pre-pandemic levels. The gaming industry, another sector that contributes substantially to the Gross Domestic Product (GDP), continued to thrive. For the first half of 2022 this sector generated an income of €712 million, which is an increase of €90 million when compared to the first half of 2021. The economic viability of these sectors contributed to a low rate of unemployment and for a high demand of labour, which in some cases, such as in the catering and construction, outstripped demand. Consequently, the business lobby groups placed pressure on government to ease the bureaucratic procedures related to the recruitment of third country nationals. On the other hand, the Maltese trade unions joined forces with social justice groups, such as Caritas, to demand a fairer deal for the platform workers, mainly those employed in the delivery service. The trade unions were also vocal in their insistence that the Cost of Living Adjustment (COLA) which this year, due to inflation, reached a record high of €9.90 a week, should be paid in full to the workers. The employers while refraining from commenting on this record amount, recommended a change in the mechanism by which COLA is calculated, suggesting the introduction of a minimum and a maximum annual pay increase. During the 2023 budget speech, the finance minister endorsed the record COLA amount, in order to compensate for the rise in the cost of living.

Following the agreement reached on this issue the focus of the industrial relations scenario shifted to the state-owned company of Air Malta. Talks were held between the Ministry of Finance and the trade unions representing the various categories of the employees of this company, with the aim of finding an amicable solution to save this financially stricken company that plays a vital role in the economic viability of a small island sovereign state such as Malta. Towards this aim, the Maltese government has asked the European Commission to approve state financial aid that Air Malta urgently requires to recover and become economically viable.

Whilst the number of Ukrainian refugees who came to Malta were limited, the war impacted the country in terms of inflation and the rising cost of food and other basic necessities. In particular, electricity and fuel subsidies were implemented by the state, with the cost of electricity remaining stable throughout 2022 for consumers. Subsidies to support grain importers were introduced to curtail the rising costs of food and animal feeds. Despite this, the cost of food rose steadily during 2022.

Political context

A general election was held on 26 March 2022. In a voter turnout of 86%, the Labour Party (Partit Laburista – PL) polled 51.11% of the votes cast while the other mainstream party, the Nationalist Party (Partit Nazzjonalista - PN) - polled 41.74% (Electoral Commission Malta, 2022). This translated into a majority of nine seats for the PL in a parliament made up of 79 members, providing the PL with a third consecutive mandate to govern. It is to be noted that the dominance of the two mainstream political parties and the extremely high level of polarisation does not leave room for coalitions. Since the attainment of Independence in 1964 there has never been a coalition government in the Maltese parliament.

A novelty in this election was the implementation of a measure to increase the number of women in parliament. Following the constitutional amendment made before the election and approved by the two mainstream political parties, twelve extra seats were added in the House of Representatives. These extra seats were assigned to women who otherwise failed to be elected. The aim of this amendment is to ensure a better gender balance in parliament which has consistently tended to be heavily skewed in favour of men. By virtue of this amendment, 22 members of parliament, or 28% of the members, are women. This is the highest ever ratio of women in parliament (Malta Today, 2022a).

Malta registered the second lowest average inflation between January and October 2022 in the EU (Central Bank of Malta, 2022). This was mainly due to Governments' decision to freeze consumer energy prices (see section: Government responses to inflation). Subsequently, related social unrest did not occur in Malta, however the rising cost of food was a regular topic of discussion.

Actors, institutions and processes

Social partners

The Registrar of Trade Unions on 2 December 2022 issued the annual report on membership of trade unions and employers associations covering the period between 1 July 2021 and 30 June 2022. According to this report, trade union and employers' association membership both registered an increase. Trade union membership increased by 1%, whereas membership with the employers' associations increased by 2.8%. Two new trade unions and two employer's associations were registered during this period under review. The two new trade unions were the Union of MTA Employees and the Malta Allied Healthcare Workers' Union. The newly registered employers' association was the Malta Car Importers Association (Registrar of Trade Unions, 2022).

Apart from these changes there have been no other noticeable structural changes or developments in the organisations operating in the Maltese industrial relations scenario. However, a change occurred at the institutional level of social dialogue at national level. The cabinet of ministers, appointed by the Prime Minister following the elections held in March 2022, includes a Parliamentary Secretary whose only portfolio within the Office of the Prime Minister comprises social dialogue. Being incorporated within the Office of the Prime Minister, this institutional framework of social dialogue at national level might have been given a boost to its image and operations.

Following this appointment, the parliamentary secretary paid a visit Malta Council for Economic and Social Dialogue (MCESD) which acts as a tripartite institution for social dialogue at national level. In August 2022 he took the initiative to transpose the EU Directive on work-life balance, which focuses on the extension of parental leave. He was applauded by the employers' associations for adhering to the minimum requirements of the Directive while being criticised by the party in opposition, the Nationalist Party (Partita Nazzjonalista – PN) and other lobby groups, for not going beyond the minimum measures set in the Directive (see Section on Work-Life Balance).

Social dialogue bodies or frameworks

The Malta Council for Economic and Social Development (MCESD) maintained its status as an essential forum for social dialogue at national level. Meetings were regularly held in the premises of this tripartite institution during which the measures being taken by the Government to deal with the effects of the pandemic and of the war in Ukraine were discussed and often endorsed by the social partners. During these consultative meetings, the MCESD representatives were updated about the hefty government subsidies aimed at controlling the rate of inflation by stabilising the price of electricity, fuel and grain. Other meetings concerned the proposed use of EU funds. The actual discussions within this body are often not made public, resulting in one opposition member of parliament questioning why discussions in this body were secretive rather than transparent (Times of Malta, 2022a).

Other working life related institutions

Malta Enterprise is an agency responsible for the promotion of the foreign investment and industrial development. Its mission statement is to sustain Malta's overall competitiveness to create the ideal environment for the success of new enterprises. During the pandemic period it had to change its

compass and become more inward rather than outward looking. Indeed, it was handed the task to monitor and administer several COVID-19 related support measures, including the COVID-19 Wage Supplement Scheme.ⁱ This scheme was introduced by the government as one of the main measures to act as a shock absorber to the threats which the industries operating in the Maltese labour market were facing as a result of the onset and persistence of the pandemic.

ⁱ Eurofound (2020), COVID-19 wage supplement, measure MT-2020-13/264 (measures in Malta), EU PolicyWatch, Dublin, https://static.eurofound.europa.eu/covid19db/cases/MT-2020-13_264.html

Governmental responses to inflation

Inflation in Malta did not fluctuate wildly throughout the year 2022. According to the Harmonised Index of Consumer Prices published by the Malta National Office of Statistics (NSO, 2022a), the annual rate of inflation in October 2022 remained at a constant rate of 7.4%. The twelve month moving average rate for October 2022 stood at 5.4%. Compared to the rate of inflation in European countries, the inflation rate registered in Malta has consistently remained relatively low. Maltese consumers have been shielded from rising energy prices as a result of the hefty government subsidies aimed at keeping stable the cost of electricity and fuel.ⁱⁱ In fact, energy prices for consumers remained frozen throughout 2022. Similarly, subsidies were introduced to reduce the impact of rising grain prices following the war in the Ukraine,ⁱⁱⁱ with Malta having originally sourced most of its grain from the area. These measures might have boosted the economy of Malta. According to Moody, the international credit rating agency, the Maltese economic outlook in 2022 looked less gloomy than it was during the previous year. In view of this, Moody affirmed Malta's high rating and changed the country's outlook to stable, thus reversing the negative rating it gave the country in August 2021 (Times of Malta, 2022b).

In the first quarter of 2022, the Government also sent a one-time cheque of €100 or €200 to all working citizens and pensioners earning less than €60,000 annually in response to rising inflation. This was accompanied by a second cheque to workers earning less than the benchmark, described as a tax rebate (The Malta Independent, 2022a). The timing of these measures, however, were criticised by the opposition and OSCE in view of their proximity to the general elections held in March (Times of Malta, 2022e) The measure does not appear to have been the result of social dialogue.

Another mechanism related to inflation first announced in 2021 was implemented in December 2022. Following discussions with the social partners, Government announced that individuals earning less than the average wage (€17,796 in 2022) would receive a yearly additional COLA payment paid by the state, with the amount received varying depending on income and the number of individuals within a household. The average payment is expected to amount to €643, and 45,000 households are expected to benefit. Individuals are expected to receive this payment in December 2022 (Times of Malta, 2022f).

How inflation features in wage negotiations

Malta has a wage indexation system that plays an important part in wage fixing. This mechanism is based on the inflationary rate that determines the annual mandatory Cost of Living Allowance (COLA) that is given to all employees. COLA is based on the inflation rate over the previously twelve months as calculated by the Retail Price Index which measures, on a monthly basis, the cost of purchasing a constant representative of a basket of consumer goods and services. Due to the abnormal rate of inflation throughout the year the wage increase measured by COLA reached an unprecedented high of €9.90, resulting in some fears that the increase might not be given in full. Trade unions publicly insisted that the increase should be paid in full. The employers, perhaps realising that the outcome could not be reversed, offered little resistance. The Malta Employers Association (MEA) proposed that in order to avoid such a wild fluctuation in the future, a maximum and minimum increase should be fixed. The MEA suggested that the maximum should be set at €6

weekly and the minimum amount set at €2.50 (Times of Malta, 2022c). Following these developments, a meeting between the social partners was held at the Malta Council for Economic and Social Development in the presence of the Parliamentary Secretary for Social Dialogue (Times of Malta, 2022d).

Examples of recent responses

In the budget 2023 speech in Parliament delivered on 24 October 2022 the Minister of Finance announced that the COLA weekly increase of €9.90 is to be paid in full with effect from 1 January 2023. No major collective agreements have been registered.

ⁱⁱ Eurofound (2022), Energy prices to remain frozen in 2022, measure MT-2022-1/2177 (measures in Malta), EU PolicyWatch, Dublin, https://static.eurofound.europa.eu/covid19db/cases/MT-2022-1_2177.html

ⁱⁱⁱ Eurofound (2022), Subsidy for importers of cereals and flour, measure MT-2022-10/2197 (measures in Malta), EU PolicyWatch, Dublin, https://static.eurofound.europa.eu/covid19db/cases/MT-2022-10_2197.html

Developments in working time

Changes to legislation

During 2021 the issue of granting the workers who work remotely the right to disconnect was high on the agenda of the trade unions. The trade unions were acting as prime movers for the enactment of a law giving this category of workers the right to disconnect. Indeed it was spearheaded at EU level by Alex Agius Saliba who is one of the five Maltese representatives in the European parliament.

During the year 2022 the discussion about this topic did not feature prominently in the Maltese industrial relations scenario. The social partners seemed to have tacitly concluded or decided to be cautionary in their approach to deal with this issue. The Malta Employers' Association (MEA) and the Malta Business Bureau (MBB) stated that they prefer a system of open dialogue rather than an enactment of legislation. Such a collaborative and cautious spirit seemed to have been in evidence during a Webinar conference organised by the Malta Chamber of Commerce on 8th April 2022. The participants in this conference which included members from the General Workers' Union agreed that any movement on this subject should be based on a collaborative working culture between employers and employees. The Malta Business Bureau and the General Workers Union agreed that any future legislation should not be overly prescriptive and should avoid a one-fits-all solution, given the diverse conditions applicable to companies of different sizes and operating in different sectors. (Business Now, 2022a).

Bargaining outcome

There have not been any developments about the issue.

Debates on duration and organisation

There have been no debates or developments about this issue.

Labour market shortages and social partners

The shortage of nurses reported in the 2021 Working life in the pandemic report persisted throughout 2022 due to ongoing regular resignations amongst healthcare workers. The Malta Union of Midwives and Nurses (MUNN), while highlighting the strained relations at Malta's main hospital, stated that this shortage was causing a sense of discomfort among nurses. This shortage is often and generally attributed to the resignation of foreign workers in the health sector. Foreign health care workers are trained in Malta to ensure that their competencies are in line with the requisites and parameters related to the standards of work as practised and prescribed by the health authorities. During the pandemic many foreign nurses were offered a more lucrative job in other countries, often the UK. Besides being financially more lucrative, this employment abroad made it easier for them to relocate, settle and be joined by their family members (Times of Malta, 2022g). Nursing resignations appear to be ongoing despite attempts in 2021 to streamline the process for healthcare workers to obtain the necessary permits to live and work in Malta.

In view of the shortage of workers in general, a regular gripe amongst employer associations is the number of workers being taken up by the public sector. This was exacerbated prior to the general election (Times of Malta, 2021a), with employer associations such as the MEA calling for the Government to stop this practice within their pre-election document to the political parties (Malta Employers Association, 2022).

Other important policy developments

Labour market shortages

Looking towards 2022, the Malta Hotel and Restaurant Association (MHRA) had predicted that the year would be a difficult one due to staff shortages. The deputy president of the Chamber for SMEs confirmed that the challenges for the businesses operating in this sector tends to dampen the sense of optimism which the mitigated effects of the pandemic might have raised (Times of Malta, 2021b). In fact, worker shortages persisted throughout the peak summer months, during which the hospitality industry also had to navigate issues such as difficulties within the aviation sector, the war in Ukraine and inflation (The Malta Independent, 2022b). As highlighted earlier in the report, however, in view of the growing economy and the country's limited human resources, worker shortages were being reported in most industries, particularly in those sectors which shut down during the pandemic resulting in foreign workers who worked in these sectors to return to their home countries during the pandemic.

Employment status and contract

The COVID-19 pandemic has played an important role in shaping the labour market by accelerating the growth of the platform work. One of the challenges brought about by this development is to determine the correct employment status of workers performing platform work. The new Legal Notice 268 of 2022 seeks to regulate platform work performed by persons who are engaged by digital labour platform or by a work agency and assigned to provide services consisting of delivery of any product. A fundamental concept introduced by this Legal Notice is the presumption of an employment relationship in Article 4. By virtue of this article, all persons performing digital platform work will be presumed to be in employment relations. This means that these persons have the status of an employee (Mamo TCV Advocates, 2022).

As a sequel to the enactment of this legal notice, Bolt Food, the largest related operator in Malta, decided that going forward, it would only operate with food couriers who are employed with an agency. It therefore informed its non-agency food couriers that their work was being terminated from 11 January 2023 and that it will only recruit couriers who are registered as employees of a work agency. This change affected mostly the Maltese and EU nationals who normally seek work with this company on their own initiative rather than through an intermediary agency. The third country nationals, wary of their vulnerability in the labour market, may however prefer to register as members of an agency which acts as an intermediary in their search for employment in a sector where jobs tend to be highly unstable and poorly paid.

The parliamentary secretary for Social Dialogue stated that the decision to change the work practices in this sector was aimed at regulating digital platform workers by guaranteeing them a fixed wage, statutory bonuses, overtime pay and sick leave (Times of Malta, 2022h). However, workers in the sector who are hired through an employment agency had previously complained that they lost a large percentage of their pay to the intermediary agency (Malta Today, 2021), resulting in those who previously worked directly with the platform hesitant to change their employment relationship and join such a work agency. In the meantime Malta Public Transport stated that it was

willing to train and employ the couriers who are willing to join its ranks as bus driver (Times of Malta, 2022i).

Self-employed

The main development is discussed in the above section, where the enactment of Legal Notice 268 of 2022 aimed to tackle instances where platform workers were falsely classified as self-employed.

Wage setting

The COVID-19 Wage Supplement Scheme,^{iv} launched by the government in March 2020, in order to ensure the viability of the industrial sector during the pandemic was envisaged to be discontinued by the end of 2021. This scheme mainly consisted of monthly state grants of up to €800 for every worker employed in sectors which had been adversely affected by the pandemic. As the health statistics and the operations of economic sector were gradually showing tangible signs of recovery it was decided to end this scheme by the end of the year 2021.

Towards this end in August 2021 a tapering exercise was set in motion aimed at gradually bringing this scheme to a conclusion without causing sudden severe shocks. However, the employers, especially those in the hospitality industry, insisted that their businesses had not recovered fully and they pleaded for the continuation of the scheme. After some deliberations on this issue, on 9 January 2022, the Prime Minister announced that the wage supplement would be extended beyond January in certain sectors. The Prime Minister acknowledged that the traditional shoulder months for tourism sector were more difficult than is normally the case (Times of Malta, 2022j). Malta Enterprise further announced that the wage supplement was to come to an end for most businesses on 30 April 2022. However, for businesses which had been heavily impacted by the public health restrictions the wage supplement was discontinued by the end of May 2022.

Gender pay gap

Little can be reported on this topic. 2022 NSO publications present data based on the year 2020. These highlight that whilst the average gross annual basic salary for employees in Malta is estimated at €18,913, for men this stands at €20,051 whilst for women it is estimated to be €17,454. The difference is also clearer in Malta than its sister island Gozo. Whilst men on average earned €2,735 more than women in Malta, in Gozo men earned €281 more than women (NSO, 2022b).

Health and safety

Health and safety within the construction industry was regularly discussed within public fora primarily due to a perceived increase in fatal accidents within this sector, with eight construction workers dying in 2022 (The Malta Independent, 2023). The Ministry responsible for this area, The Ministry of Public Works and Planning, led by Minister Hon Stefan Zrinzo Azzopardi, consequently held meetings with the authority entrusted to safeguard workers' safety, the Occupational Health and Safety Authority (OHSA), the authority responsible for building standards, the Building and Construction Authority (BCA), members of the Malta Occupational Safety and Health Practitioners Association (MOSHPA) as well as Bachelor in Occupational Health and Safety students studying at the Centre for Labour Studies, University of Malta, amongst others, to discuss the way forwards in

Health and Safety in Malta. The topic was also discussed at the MCESD and it is believed that legislation related to construction in Malta is set to be reviewed, whilst one tangible output was the signing of an agreement between OHSA and the BCA for closer collaboration between the two entities. The Chamber of Architects and Civil Engineers however have been asking for more to be done in this respect, with the Chamber calling for better regulation and for contractors to be licensed (The Malta Independent, 2023).

During 2022, several surveys emerged in terms of the impact of COVID-19 on employees in Malta, in particular highlighting the impact on mental health. Amongst them, one study found that 88% of healthcare workers felt that stress levels had increased during the pandemic, with a similar percentage perceiving that they did not receive enough mental-health related support during the pandemic (Diacono, Caruana, & Zammit, 2022). A second annual general survey conducted by Misco indicated that 79% of employees experienced work-related mental health issues including stress and anxiety during 2022, an increase in 16% when compared to a 2021 survey (Times of Malta, 2022k). Finally, a survey of teleworkers revealed that whilst some felt that the period spent teleworking was beneficial for their health, a larger percentage attributed teleworking to having had a negative impact upon their health, with the majority of these attributing it to the development of mental health issues (Fiorini, 2022). Mental health, consequently, has increasingly featured on the health and safety agenda, and this was demonstrated by the Malta Chamber, an employers' association, holding a conference on the topic during 2022 (Malta Chamber, 2022a).

Work–life balance

On 12 June 2022 the EU Work-Life Balance Directive was transposed into Maltese law through Legal Notice 201 of 2022. In order to comply with the requisites set in this Directive the changes were:

- Paternity leave was extended to 10 days with full pay whereas formerly the leave entitlement was one day.
- Parents of children under 8 years of age are entitled to four months parental leave, two of which are paid at sickness rate. Formerly the four-month leave was unpaid.

There was limited reaction from the trade unions about the implementation of this Directive. On the other hand, the Chamber of Malta expressed its concern about the insensitivity of the government to the pleas of the employers operating in private sector who have to foot the bill of the extra expenses at a time when they have to deal with factors impacting the sustainability of their businesses (Business now, 2022b). The enactment however was criticised by lobby groups, including the Malta Women's Lobby, the National Parents Society of Persons with Disability (NPSPD), Moviment Graffiti, Positive Birth Malta, The Maltese Daddy and Aditus Foundation, who argued that the Government had provided the bare minimum when transposing the EU Directive (Times of Malta, 2022l).

In a motion presented in parliament by the Nationalist Party (Partit Nazzjonalista - PN), the party in opposition, the following amendments were proposed:

- Government should pay for all parental leave at the average wage rather than at sick leave rate
- Increase paternity leave from 10 to 15 days beginning in January 2024. Government should cover the entire cost
- Parental leave should be paid at the rate of average pay and should not be transferable

- Five-day leave to carers to be paid at average wage

The motion was not approved by parliament (The Malta Independent, 2022c).

Lifelong learning and skills development

The shortage of skills has become a perennial problem in the Maltese labour market. According to the Malta Employers Association some of the factors contributing to this shortage are low birth rates and a high percentage of young people opting to go abroad. In its proposals to address this issue the MEA made a call for capitalising on digital skills, investing in training and mentorship, a better connection between academic entities and industry, and the prioritising of risk assessment (The Malta Independent, 2022d).

As a complementary exercise to these proposals the National Office of Statistics (NSO) decided to conduct a national exercise focusing on skills mapping among the working age population. The Malta Skills survey is the first national exercise of its kind and is expected to shed light on the skill profile of Malta. The exercise which started on 5 October 2022 will be surveying 130,000 people of working age to better understand the skills of Malta's workforce. Foreign nationals who have been living in Malta for the past five years are eligible to take part as respondents in this survey (Times of Malta, 2022m).

^{iv} Eurofound (2020), [COVID-19 wage supplement](#), measure MT-2020-13/264 (measures in Malta), EU PolicyWatch, Dublin.

Working life of Ukrainian refugees

Employment and working conditions

In terms of Ukrainian refugees, one of the first steps taken by Government was lifting the COVID-19 travel ban for Ukrainians fleeing war or seeking asylum. Ukrainian national benefiting from Temporary Protection in Malta, are able to work, register for the compulsory health insurance, and claim Social Assistance benefits (Social Security Department, 2022). According to the figures released by the National Office of Statistics (NSO) by June of 2022 about 992 Ukrainians have been granted Temporary Protection Status (Newsbook, 2022). Little is known about their employment or working conditions.

Social partner initiatives to support Ukrainian refugees

Whilst social partner initiatives related to Ukrainian refugees in Malta appear scarce, work by the Malta Chamber Foundation stands out. Apart from collecting money for Ukrainian refugees that had fled to countries other than Malta, through a donation of one of its members, the Chamber aided refugees in Malta to learn English to facilitate their integration. This was carried out in conjunction with Malta's Federation of English Language Teaching Organisations (FELTCOM), with schools from this Federation offering a sizeable discount on their courses, or offering them entirely for free. The Chamber stated in December, that on completing their studies, the Chamber would work with their members to identify employment initiatives for these refugees (Malta Chamber, 2022b).

Commentary and outlook

Although in 2022 the COVID-19 pandemic seemed to be fading from the public consciousness, some symptoms persisted. This was most evident when the Government expressed its intention to end the COVID-19 Wage Supplement, put in force at the peak of the pandemic in 2020. The government originally announced that this tapering exercise would be concluded by the end of 2021. Throughout the year 2022, there were constant appeals by employers. Especially those operating in the hotel and catering sector, to retain it. Overall, the Government, well aware of the economic contribution of this sector, showed a disposition to accede to these requests. The Maltese government also continued to implement a policy of economic assistance in order to minimise the impact of inflation, evident through fuel and energy subsidies as well as direct support to Maltese households. This course of action was designed to allow life to largely return to its pre-pandemic norms.

Thus, the tone of sobriety ushered in by the adverse effects of the COVID-19 crisis, though rather tempered, persisted in 2022. The Maltese Government was continuously forced by the exigencies of a small island state fully exposed to the exogenous negative shocks of the global crisis, to adopt a policy of containment aimed at maintaining and perhaps enhancing the viability of the Maltese economy. The assessment given by the Credit rating agency Moody, which rated the Maltese economy as highly stable was an encouraging economical sign. Furthermore, whilst inflation lead to social discontent in several EU countries, evidence of this in Malta was limited,

The COVID-19 pandemic accelerated Malta's uptake of platform work. The working conditions of platform workers was a regular discussion point amongst the social partners in 2022. This resulted in the introduction of new legislation to prevent false self-employment. Initial indications suggest that in response to this legislation, platform companies may shift to engaging workers of employment agencies, a step which platform workers argue will result in a substantial reduction in their income.

Economic growth has exacerbated the problem of skill shortages, which whilst a long term issue in Malta, were worsened by the COVID-19 pandemic during which many foreign workers left the country. Skill shortages are likely to persist throughout 2023. One sector where skill shortages were highly publicised was the health sector, with 2022 characterised by industrial action and litigation between the unions representing the nurses and the Ministry of Health. The conciliatory mood in the industrial relations scenario which, in one way or another, helped to defuse strife and conflict might have lost some its appeal among sections of the trade union movement.

Perhaps that was the reason why in the new cabinet of ministers appointed in March 2022, following the general election, a parliamentary secretary whose only portfolio is social dialogue was appointed within the office of the Prime Minister. The new appointee seems to be keen to establish healthy relations with the Malta Council for Economic and Social Dialogue (MCESD). During this chain of events the MCESD has continued to be an effective forum for social dialogue at national level by managing to steer along the channels and parameters within which it was founded.

References

- Business Now (2022a), 'Right to Disconnect: Employers favour review of current legislation caution against one-size-fit -all approach', 12 April.
- Business Now (2022b), 'Administrative Headache the Malta Chamber concerned about implementation of new family measures', 14 July.
- Central Bank of Malta (2022). 'Inflation developments in malta compared with the euro area'. Outlook for the Maltese Economy, No. 4, pp. 12-14
- Diacono, S., Caruana, R., & Zammit, D. (2022). Analysis on how COVID-19 is affecting health care workers. XJENZA, 2022, 04.
- Electoral Commission Malta (2022), 'General Election 2022'.
- Fiorini, L. (2022). Remote workers' perceived health during the COVID-19 pandemic: an exploratory study of influencing factors in the IT and communications sector in Malta. Industrial Health.
- Malta Chamber (2022a). 'Employers Cannot Ignore The Mental Health Of The Employees – The Malta Chamber'.
- Malta Chamber (2022b). 'The Malta Chamber Foundation Initiatives Help Temporarily Displaced Ukrainians'.
- Malta Employers' Association (2022). Memorandum to political parties March 2022.
- Malta Today (2021), 'Food couriers losing half their wages in illegal employment practice', 25 January.
- Malta Today (2022a), 'First ever use of gender mechanism sees 12 women elected to parliament', 12 April.
- Mamo TCV Advocates (2022), 'New Legal Notice on Digital Platform Work', 24 October.
- National Office of Statistics (2022a), 'Harmonised Index of Consumer Prices (HICP): October 2022' Press Release 209/2022.
- National Office of Statistics (2022b), Regional Statistics Malta 2022 Edition.
- Newsbook (2022), 'Malta granted temporary protection to 992 Ukrainians' 20 June.
- Registrar of Trade Unions (2022), 'Report by Registrar of Trade Unions 2021/2022'
- Social Security Department (2022), 'Social Security Benefits Eligibility for Ukrainian nationals holders of Temporary Protection in Malta'.
- Times of Malta (2021a), 'Employers warn government has started hiring workers ahead of election', 23 August.
- Times of Malta (2021b), 'Most challenges New Year's Eve as Covid bites', 31 December.
- Times of Malta (2022a), 'Why is the MCESD so secretive, PN MP asks parliament', 21 November.
- Times of Malta (2022b), 'Moody sees brighter prospects for Malta as it switches outlook to stable', 19 November

Times of Malta (2022c), 'MEA wants COLA to be between 2.5 Euros and 6 Euros per week' 6 September.

Times of Malta (2022d), 'Finance Minister pledges social budget with no new taxes', 6 September.

Times of Malta (2022e), 'Election cheques violate international standards - election monitoring body', 19 July.

Times of Malta (2022f), 'Low-income families to start receiving extra COLA payments next week, 7 December.

Times of Malta (2022g), 'Nurse resignations continue as shortage persists', 11 April.

Times of Malta (2022h), 'Bolt couriers slam 'unfair' move to dismiss self-employed workers', 16 December.

Times of Malta (2022i), 'Malta Public Transport offers jobless Bolt couriers a new career as bus drivers', 17 December.

Times of Malta (2022j), 'Wage Supplement Extended', 10 January.

Times of Malta (2022k), '79% of employees experience work-related mental health issues – survey', 8 August.

Times of Malta (2022l), 'Lobbyists lash out at new work-life balance measures, say entire groups left out', 14 July.

Times of Malta (2022m), 'New NSO survey to shed light on Maltese Workforce skills', 5 October.

The Malta Independent (2022a), 'Two sets of government cheques to start being distributed from Monday', 9 March.

The Malta Independent (2022b), 'Competitive packages' needed in a hospitality industry facing shortage of workers – Tony Zahra', 31 July.

The Malta Independent (2022c), 'PN motions on work life utility bills shot down', 14 July.

The Malta Independent (2022d), 'MEA proposes 13 solutions to address skill shortages' 18 November.

The Malta Independent (2023), 'Tragic 2022: 8 deaths on construction sites; Chamber of Architects says industry is not regulated', 1 January.

WPEF23021

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.