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Media Release

MEA Director General Addresses the 93rd Session of the International Labour Conference

The Director General of the Malta Employers' Association, Mr. Joseph Farrugia addressed the delegates present at the 93rd session of the International Labour Conference held in Geneva this month.

The following is the full text of Mr. Farrugia's address.

Speech by Mr. Joseph Farrugia Employers' Delegate for Malta

As the representative of the Maltese employers' delegation for this conference, I congratulate the Director General for the insightful reports that were presented for this conference. Malta has just completed its first year as a member of the European Union, and this development in our history has had dramatic implications on our economic and social environment.

Both the ILO's Millenium declaration the Lisbon agenda in the EU have set ambitious goals for countries that focus on job creation and employment targets for a span of years. It is evident that the performance of many countries has failed to live up to the objectives of both the Millenium declaration and the Lisbon Agenda, and many of the targets established for 2015 in the case of the Millenium Agenda, and for 2010 in the case of the Lisbon strategy, will not be reached, given the current trends. There is in fact a sense of disillusionment and frustration by citizens as has been expressed in the referenda in France and the Netherlands regarding the EU constitution. The lesson here is that, difficult as it is, long term objectives have to be more than a wish list, and global or trans-national goals should not lose sight of national engagement.

Moreover, it is believed these exercises emphasised too much on accommodating the requirements of the increasing supply of labour without allocating corresponding weighting to the demand side

of the labour market. Employers contend that economic growth and employment can only be increased through encouraging a culture of entrepreneurship. This is not only relevant to employers, but also to government and unions who have to create the right environment to encourage investment and through investment, improving productive and decent work opportunities.

In Malta, employers have been urging government to introduce measures to improve competitiveness and it is indeed unfortunate that after lengthy discussions to reach a social pact to really address the issue of competitiveness, the unions backed out of the agreement after the employers had approved of a set of measures to address the issue of competitiveness that were proposed by government. The main failure of this test for social dialogue in Malta is attributed to a situation where the issues are understood, but there is insufficient will to act upon them. Employers have constantly underscored the fact that competitiveness is a pre requisite to the creation of decent jobs.

There are various challenges facing the Maltese labour environment. On a strategic level, these have been addressed through the National Action Plan on Employment that government has formulated with the involvement of relevant parties. This document complements the objectives of the Lisbon Agenda, but many of the targets have been cautiously adjusted to be more realistic and tuned to Malta's particular circumstances. The employment targets set have important implications on related areas. Amongst these one has to mention pension reform that is high on the national agenda at the moment. The extent of reform required will depend strongly on achieving employment targets that will increase the ratio of working to retired persons. Therefore the matter of providing productive employment for our youths is part of this strategy, complemented by efforts to increase the value of the human resource through investment in education to channel the young cohort into areas of educational development that will match industry's requirements. Youth employment strategies have to run parallel with initiatives that target other segments of the labour market as part of a holistic strategy that also includes increasing the exit age from the labour force, and immigration policies, amongst others.

The global economic and social environment is a moving picture and proactive strategies are necessary to compete in such a dynamic global scenario. The overall guiding principle of Decent Work set by the ILO, that in many respects are also reflected in the European social model, need to integrate social policy and employment issues within a wider debate that also allows for economic constraints to be considered in the equation. It must also be acknowledged that one-size fits all solutions can have a negative backlash on many economies and may yield results that are contrary to the objectives that would have been set. One such instance for Malta is working time. All social partners agree that it should be up to the employee to determine the average number of weekly hours worked and it would be counterproductive for the employees and the Maltese economy in general to impose working time arrangements through rigid regulation.

Therefore, defining actions as included in the Director General's document to make decent work a global goal is commendable up to the point that they leave sufficient leeway for social partners to design customised national policies for their particular circumstances. In this respect, the ILO can involve itself more with national authorities and also act as a communication link through which national experiences are shared. This is more important given the fact that new ways of working are constantly being developed to respond to a dynamic work environment and these new systems are an evolution of traditional ones that allow for more flexibility in employment which are frequently of mutual benefit to all social partners. For example, flexible work time arrangements in Malta are part of the solution to encourage a higher participation of females in employment.

Maltese employers share the view that the ILO has a major role to play in devising new means of responding to emerging forms of employment, even though this may imply that the traditional methods of response will have to be updated to better evaluate such developments. Decent work country programmes from different countries can be evaluated and serve as a basis of learning for other countries.

Maltese employers endorse the ILO's Global Employment Agenda as being a powerful means through which the right environment for employment creation could be developed, and recommend that the ILO should focus its limited resources on its core mandate that concerns the world of work, and avoid the temptation to venture into areas that lie outside this mission. This can also serve to reform the structure and content of the Conference and other ILO meetings to make such events more relevant and user friendly.

In conclusion, Maltese employers will uphold their tradition to actively participate in social dialogue, and to fully promote the principles of the Declaration on Fundamental Principles and Rights at Work. Many organisations in Malta have also subscribed to the Global Compact as a manifestation of their support for the principles of corporate social responsibility. One of the strongest challenges that faces many countries is to strike to match economic progress with social development, and, as believers in the market economy, Maltese employers will continue to promote a culture of entrepreneurship for the advancement of all society.