

Immigration – Opportunities & Threats

The following article, which was recently printed in The Times Business supplement, is based on a presentation that MEA Director General, Joe Farrugia delivered during a seminar organized by the Centre for Labour Studies on Migration on the 5th December.

Article

The influx of irregular immigrants, mostly from sub-Saharan countries, that has been arriving in Malta has raised number of issues about how these persons can be effectively integrated in Maltese society during their stay in our country. The issue has raised various concerns, mostly about the way that these persons are affecting the mechanisms of the labour market. Some are voicing the fear that they might be taking work that is normally done by Maltese workers. Others claim that they are generating a downward pressure on wages. There is also the voice that speaks out in the interest of these immigrants and raises concern about their treatment when they search employment and also during the course of their employment.

Certainly one situation that is attracting considerable attention is the ad hoc labour market in places like Marsa, where a number of these immigrants queue up along the streets early in the morning and are picked up by prospective employers to be taken to various locations to work. In opting to operate in the informal economy (for some this can be a desperate last resort), these people are subjecting themselves to the unregulated mechanism of the free labour market, where hiring and firing takes place on the basis of a transaction valued by a rate per day of engagement. This phenomenon is not exclusive to Malta, nor is it limited only to the 'boat people'. The informal economy operates in all countries to a different degree, and its rules apply to all those who end up working in it, irrespective of country of origin. It is not a case of discrimination between the boat people and other employees, whether they are Maltese or another foreign nationality.

The media has been focusing on the exploitation of such persons and projecting a negative image of employers in general. The impression one gets is that all Maltese employers are rushing to Marsa every morning to squeeze as much production from these individuals as is physically possible, and to give miserable conditions of employment in return. This is far from the reality in many workplaces. Currently there are hundreds of cases where immigrants of all colours are integrated in the local labour force and are given equivalent conditions of employment as Maltese workers. In the vast majority of such cases, the immigrants have integrated well with the Maltese labour force.

It needs to be said that employers are a non-homogenous group, ranging from established companies employing hundreds of employees to small sub contractors who employ people on the basis of short-term demand for their services. Therefore, in order to analyse the situation concerning immigrant workers properly, and to seek solutions to improve the situation, one needs to differentiate between different types of employers and to identify the pockets where there is a greater prevalence of exploitation. Casting a negative image of employers in general only serves to increase reluctance on their part to offer decent employment to these people.

The situation also depends on the status of the irregular immigrant. Those who either have refugee status, or are listed as THPs (temporary humanitarian protection) have a work permit and can freely work in the formal economy through the normal channels. In the case of asylum seekers (immigrants whose case is still under consideration), these have to find an employer who is prepared to offer them a job, and who

will apply for a work permit in order for them to be engaged. Those immigrants whose application for refugee status has been rejected cannot have a work permit. This means that while registered refugees, THPs and asylum seekers can work in the formal economy, those with rejected status only have the option to work in the black. Unless they are relocated to other countries or sent back to their country of origin, their only option to work locally is in the informal sector. During a recent seminar organised by the Centre for Labour Studies, it was mentioned that between January 2002 and October 2007, there have been 2,250 rejections for refugee status, and it is not clear how many of them still live in Malta. (82 persons have refugee status; there are around 600 THPs, and 182 asylum seekers).

The above arguments can lead to the following conclusions:

Firstly, generalisations about employers are to be avoided, as they can be counterproductive. It is not true that all immigrants are exploited. Secondly, there is a greater likelihood that the immigrants that seek to work in the informal economy are those whose application for refugee status has been rejected. Thirdly, one would expect that the employers who employ the irregular immigrants illegally will be, in most cases, small operators facing short term and immediate demand for labour and who avoid going through the normal channels of recruitment to satisfy their requirements. In some of these cases, immigrants are given poor conditions of employment, and paid at a negotiated minimum daily rate ranging from LM9 to LM15 for an undefined number of hours.

Contrary to some perceptions, the vast majority of immigrants are taking up posts in which the Maltese are not interested, often menial unskilled jobs. In these areas, employers are facing chronic labour shortages, and, as is the case in many sectors of the economy, foreign labour is required to meet current and future demand. This point was highlighted during the recent Annual General Conference organised by the Malta Employers' Association, entitled; 'Dealing with Labour Shortages'. Currently there are over 7,000 foreign workers of varied nationalities working in Malta with a work permit.

The MEA believes that an information campaign is required, both for employers and immigrants, to address many aspects about employing immigrants that need clarification. Examples are payment of national insurance contributions and income tax payments, and confusion among employers about exactly who can actually be issued with a valid permit. In some cases, the procedure to issue work permits for third country nationals, particularly where the police are involved, needs to be speeded up to reduce the incentive to immigrants to seek informal work. Immigrants also need to be informed about their legal rights and obligations, including the fact that accepting illegal employment exposes them to all sorts of risks.

There is also the need to look towards the long term and establish clear policies for repatriation, relocation and educating both Maltese citizens and immigrants to face the possibility – if not certainty - that some of them will settle in Malta permanently. Such immigrants, and their children, will be expected to have the same rights and duties as regular citizens, including decent employment opportunities and also social mobility. If we want to avoid the problems that other countries are facing, immigrants cannot be marginalized or condemned to do only menial jobs just because of skin colour. We certainly cannot afford to have an explosive situation similar to that prevailing in the Paris suburbs.

The MEA categorically condemns any form of discrimination, above all when it results in the dehumanisation of persons. The Association supports efforts to control the abuses that may occur in the informal economy, irrespective of who is involved. Besides the negative social side effects, the informal economy often results in unfair competition and puts legitimate business at a disadvantage.