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Media Release

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Address by Mr. Joseph Farrugia Employers' Delegate – Malta

The first satellite images of our planet in the late nineteen fifties altered, in many respects, the way many people look at the world. This technological development made us reflect that, from a distance, the world is a place with immense but finite resources. Weather patterns across the globe became interconnected, the depletion of forests and the impact of human activity became evident through this new visual perspective which certainly contributed to enhance awareness of global challenges. Although there were no satellites in 1919, when the ILO was founded, it was nonetheless driven by an understanding that world leaders and social partners needed to look beyond national borders and adopt a global perspective to address something that cuts across all countries and cultures – the world of work. This global vision, supported by the pillars of tri-partite social dialogue has created, over the course of a century, many instruments that have affected billions of people in so many countries, through the setting of labour standards that elevate the quality of people's lives through dignified employment.

The history of the International Labour Organisation is an evolution of fundamental principles and rights at work, but addressing a labour market which is constantly evolving, requiring new approaches and solutions, which is up to the social partners to design and implement.

Today we are face to face with the fact that digitisation and automation – which characterised the third industrial revolution – are evolving into an ever more intimate interaction with technology in every aspect of our lives, including the physical, digital and biological dimensions. This 'fourth industrial revolution' as explained by Professor Klaus Schwab in his seminal book by the same name, is already influencing the world of work. It can improve people's lives in many ways, but the benefits may not be distributed evenly and it raises the danger of rising inequalities. Social partners, at national and international level, must work together to ensure that societies master this technology, not become a slave to it. The threat of job destruction is a reality that many economic sectors and

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countries may face, but with adequate planning and investment in people's capabilities, the net effect will be positive even in employment terms, and will bring the global society closer to achieving the targets set by the 8th sustainable development goal which promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. This technological revolution also blurs the traditional divide between standard and non-standard employment through diversified and flexible methods of work organisation, something which is also acknowledged in the report of the Global Commission on the Future of Work.

The achievements of the ILO have to be seen against the backdrop of many human failures in the world of work that still exist today, and which unfortunately may also be escalating due to increased international labour mobility. Theresa May's passionate appeal to address modern slavery, during her address in this conference, cannot fall on deaf ears. As a representative of the Maltese employers, I stress our commitment to the creation of dignified and productive employment in the private sector. We support the recent setting up by the Maltese government of an enforcement unit to tackle illegal employment in Malta. Enforcement is government's responsibility, as lack thereof creates an uneven playing field between companies that operate with full respect to human rights and regulations and others that may exploit an unfair competitive advantage through criminal employment practices. Indeed, we have always supported the idea of less prescriptive labour market legislation but with realistic regulations which are clear and enforceable.

Our economy is passing through a phase of unprecedented economic growth – comparable to that prevailing in Asian economies - and rapid social transformation. This impressive growth raises its own challenges, amongst them labour market shortages, wage inflation which outpaces productivity, overdevelopment and demographic issues resulting from an increasingly multicultural society, challenges which are not necessarily reflected in the traditional measure of Gross Domestic Product. This makes the involvement of the unions and employer organisations even more essential in government decisions if this growth is to be sustainable, through social dialogue which fully respects the fundamental right to Freedom of Association. Companies and employees should be free to organise themselves and be represented as they deem fit, with neither hindrance nor coercion to join or leave unions or employer bodies of their choice. Concurrently, government has an obligation to assist the social partners in capacity building for them to fulfil their roles and provide services to their members.

Ultimately, the foundation on which decent work rests is the creation of an enabling environment which is conducive to job creation. The role of the private sector, from global organisations to the millions of micro-enterprises that exist worldwide, will always remain an integral part of the solution to achieve an inclusive market that brings all nations closer to the brighter future which the Director General's report aspires to.