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Media Release

MEA warns that the Public Sector is Setting Dangerous Precedents

The Malta Employers' Association stated that the public sector is setting dangerous precedents which could destabilise industrial relations and raise public expenditure to unsustainable levels. The news that as part of a pre-electoral deal, government has conceded uncapped pensions to consultants is going to send ripples across other grades, and potentially spill over to the private sector as employees will feel as being treated unequally compared to some public sector employees. There will certainly be pressure – as is already happening in the case of nurses – to remove the capping for other professions who feel similarly entitled. If groups of employees are to be given recognition for higher responsibility and productivity, this should be reflected in their salaries, not pensions. Awarding uncapped pensions to a privileged class is highly discriminatory and unfair to those who have paid social security throughout their working careers and end up with a pension which is capped at a miserable level.

Another hot issue is the relocation of Air Malta employees to the public sector. Besides the burden on the taxpayer of having to finance the cost of these employees, given that many areas in the public sector are already overmanned with employees who have been lured from the private sector, the promise to such employees that they will retain their working conditions at Air Malta is unbelievable. The Association had warned that the 'side' agreement reached with Air Malta employees in this respect was an industrial relations blunder, and it remains to be seen how the principle of equal pay for work of equal value is going to be applied in such cases. The MEA reiterates its position that these employees should be offered job opportunities in the private sector. These precedents are creating an environment where employees in the private sector are made to feel that they are children of a lesser god, and are also raising public expenditure to potentially unsustainable levels.