



Industrial relations and social dialogue
**Malta: Working life in the
COVID-19 pandemic 2021**

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

Research manager: Christine Aumayr-Pintar (Eurofound)

Eurofound reference number: WPEF22021

© European Foundation for the Improvement of Living and Working Conditions (Eurofound), 2022

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
Governments and social partners response to cushion the effects.....	3
Adapting to the pandemic and the return to work: Policies and debates	6
New occupational health and safety rules	6
New working arrangement policies	8
Labour shortages.....	9
Wages and wage-setting	10
Impacts on the social dialogue and collective bargaining.....	12
Labour disputes in the context of the pandemic.....	13
Commentary and outlook	14
References.....	16

Introduction

The year 2021 was again dominated by the ongoing COVID-19 pandemic. COVID-19 cases had been on the rise since July 2020, however the number of cases seen between January and March 2021 were amongst the highest recorded up until that point. The rising case numbers resulted in many non-essential enterprises being closed or having their business restricted by public health measures which were introduced in March 2021. Subsequently, many state measures introduced in 2020 which focused on aiding organisations with their liquidity and supporting wages were extended into 2021.

As the COVID-19 vaccine program, which commenced at the beginning of 2021, and public health measures took effect, COVID-19 case numbers dropped and organisations were gradually re-opened between April and June. Subsequently, the Government announced plans to phase out support measures which aided with liquidity and wages by the end of the year, and introduced a number of new measures aimed at aiding organisations to-reopen or re-engineer. As the year progressed, the number of organisations making use of several support measures, such as moratoriums on loans began to fall, whereas unemployment in 2021 remained low and was lower than the rate seen in 2020. Thus, tangible signs of recovery were seen. Despite this, the aggregate level of economic activity remained lower than levels seen prior to the COVID-19 pandemic (Central Bank of Malta, 2021a).

Despite Malta's vaccine program proving to be one of the fastest in Europe, and very high rates of uptake, the year ended with the state commencing a vaccine booster program and record numbers of COVID-19 cases, which statistically eclipsed anything that had been seen up until that point during the COVID-19 pandemic. Despite the record number of cases, the percentage of hospitalisation rates remained relatively low – a factor attributed to the high rate of vaccinated individuals – and the Government resisted calls from some social partners to re-introduce lockdown measures. A key support measure, termed the COVID-19 Wage Supplement,ⁱ which aided affected organisations with funding their employees' wages which was due to expire at the end of 2021 was however extended into 2022.

Political context

No elections at national or local level were held during 2021. The Labour Party (*Partit Laburista*, PL) has been in office since its victory in the polls in 2013 and subsequent re-election in 2017. Since the constitution prescribes that the term in office should not be longer than five years, an election must be held not later than the middle of June 2022. The constitution gives the prime minister the prerogative to hold the election at any time within the five-year mandate. Rumours about an election being held in autumn of 2021 created a rather long limbo of uncertainty, resulting in the prime minister announcing that the election would be held in 2022 (Times of Malta, 2021a). The pre-election mood was manifest during the last quarter of 2021, as the government financial budget, presented in parliament in October 2021, included a raft of social benefits. In its reaction to this budget, the Nationalist Party (*Partit Nazzjonalista*, PN), the party in opposition, presented a proposed alternative budget which included a clutch of further social benefits.

Amid this pre-election limbo, the number of positive COVID-19 cases kept rising and quite often surpassing the figures recorded in the peak periods of the pandemic in 2020. This spiral increase in the positivity rate might have persuaded the prime minister to hold the election later rather than sooner. He might be banking on the hope that the positivity curve of COVID-19-cases would eventually decrease and allow the election to be held in a congenial atmosphere.

Governments and social partners response to cushion the effects

Malta's key support mechanism throughout 2021, which was introduced in 2020, was the COVID-19 Wage Supplement.ⁱⁱ This measure is an example of a wage subsidy scheme, where an organisations' wage bills are subsidised by the state, with enterprises receiving financial support on a per-employee basis (Fiorini, 2021a). Whereas in 2020, organisations' eligibility and level of support depended on their sector, from January 2021, it was announced that the scheme would continue until the end of 2021 and that eligibility and level of support would now depend on the losses incurred by the organisation; thus, enterprises from any sector could apply. During March 2021, when organisations such as bars were closed due to public health measures, these were awarded the full wage supplement. Later in the year, as public health measures were relaxed, the Government entered discussions with social partners in view of tapering the measure; it was eventually announced that support would be reduced from August 2021 for all but the worst affected organisations. Whilst the measure was due to end by the end of 2021, COVID-19 cases reached unprecedented numbers in December 2021 as the Omicron COVID-19 variant spread. Subsequently, the Government announced that the measure would be extended to cover January 2022, whilst some social partners and the main political party in opposition, the Nationalist Party (Partit Nazzjonalista, PN), calling for this to be extended further.

As COVID-19 cases spiked during the first few months of 2021, causing the forced closure of restaurants and snack bars during March 2021, the Government announced an additional one-time financial grant for such establishments.ⁱⁱⁱ Further non-essential establishments and services were closed by public health measures during March, and a further one-time financial grant was announced for organisations which remained closed after May 10, 2021.^{iv} During March and April, schools also switched to remote learning – the length of which varied by school. In view of this, the state offered a Parent Benefit;^v a financial grant for parents working in the private sector which were unable to work remotely and had to stay home with their remote learning children.

Another important measure which commenced in 2020 and continued throughout 2021 was a financial grant given to employers to cover some of the expenses associated with employees being placed on quarantine leave.^{vi} During 2021, employer associations argued that employers should not be burdened with funding quarantine leave when employees refused to take COVID-19-related vaccines; no changes however were made in this respect. Following a change in quarantine regulations in August, which replaced a blanket quarantine period of 14 days with a tiered system of 7 or 14 days, quarantine grants were modified to include lump sums which varied depending on the length of quarantine.

Other measures introduced during 2020 designed to improve enterprise liquidity were extended into 2021. These included: an extension of a mechanism by which taxes due in 2021 could be deferred.^{vii} These included all income tax, social security and VAT payments with a deferral up until May 2022, after which these could be paid in instalments; a moratorium on loan repayments^{viii} which was extended until September 2021, the number and value of which dropped throughout 2021; a rent bill refund scheme,^{ix} where the level of support and eligibility depended on the number of workers an organisation had receiving a wage supplement, as well as the number of rent agreement an

employers could submit; an electricity bill refund scheme,^x whereby the degree of support also depended on the number of employees the organisation had receiving the aforementioned wage supplement and the number of distinct electricity accounts held by the employer; and a scheme whereby the Malta Development Bank provided guarantees to commercial banks with the aim of increasing organisations' access to bank financing.^{xi}

The state also offered several measures to aid organisations to restart operations and/or re-engineer. From late 2020 and throughout 2021, a measure termed 'Change to Grow' provided financial support to self-employed and micro-organisations to obtain advisory services and fund business reengineering changes.^{xii} During 2021, other new measures were also introduced – particularly during the second half of the year as COVID-19 cases reduced. The Restart Incentive Scheme 2021^{xiii} provided financial support for self-employed individuals and micro through to medium organisations, that had to stop business operations during 2020 and 2021 due to COVID-19 measures with funding for advisory and needed changes. Another measure, termed the Smart and sustainable investment scheme,^{xiv} aimed to foster investment in improving organisational sustainability, environmental performance, or digitalisation in line with the European Green Deal. Other measures were more specific to certain sectors. For example, vouchers were distributed amongst all residents of Malta to be used in enterprises that were hard hit by the pandemic (e.g., restaurants and hotels).^{xv} The latter were distributed in June 2021 and remained valid until mid-September 2021. A multitude of schemes were also introduced for those working in the arts,^{xvi} these provided funding for training, the hiring of venues, and support to make events financially feasible despite public health measures. Further measures were introduced to support other important economic sectors, such as the construction and real estate sectors,^{xvii} whereby the purchase of property was made more attractive or feasible.

ⁱ Eurofound (2021). [COVID-19 Wage Supplement](#). Case MT-2020-13/264 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱ Eurofound (2021). [COVID-19 Wage Supplement](#). Case MT-2020-13/264 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱⁱ Eurofound (2021), [Restaurants & Snack Bars Support Scheme](#). Case MT-2021-10/1804 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{iv} Eurofound (2021), [One-time grant for businesses forced to close in 2021](#). Case MT-2021-20/1924 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^v Eurofound (2021), [Parent Benefit 2021](#). Case MT-2021-12/1805 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{vi} Eurofound (2021). [Quarantine leave – Grants for employers](#). Case MT-2020-12/276 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{vii} Eurofound (2021). [Deferral of payment of taxes](#). Case MT-2020-12/278 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{viii} Eurofound (2021). [Moratorium on loan repayments](#). Case MT-2020-16/932 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{ix} Eurofound (2021). [Rent refund for companies](#). Case MT-2020-24/991 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^x Eurofound (2021). [Electricity bill refund](#). Case MT-2020-24/939 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{xi} Eurofound (2020), [Malta Development Bank COVID-19 Guarantee Scheme](#). Case MT-2020-14/931 (measures in Malta), COVID-19 EU PolicyWatch, Dublin,

^{xii} Eurofound (2020), [Malta Enterprise administers business re-engineering consultancy](#). Case MT-2020-45/1171 (measures in Malta), COVID-19 EU PolicyWatch, Dublin

^{xiii} Eurofound (2021), [Restart Incentive Scheme 2021](#). Case MT-2021-18/1930 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{xiv} Eurofound (2021), [Smart and Sustainable Investment Scheme 2021](#). Case MT-2021-18/1929 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{xv} Eurofound (2021). [Vouchers for use in businesses affected by COVID-19](#). Case MT-2020-24/938 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{xvi} Eurofound (2021), [Restart Schemes 2021 - Arts Council Malta](#). Case MT-2021-6/2021 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

^{xvii} Eurofound (2021), [Measures to support the construction and property industries](#). Case MT-2020-24/1173 (measures in Malta), COVID-19 EU PolicyWatch, Dublin.

Adapting to the pandemic and the return to work: Policies and debates

New occupational health and safety rules

COVID-19 cases increased throughout the first three months of 2021 resulting in an increase of public health measures. Subsequently in the first weeks of March, restaurants, snack bars and kiosks were only allowed to offer take-aways, schools switched to remote learning, whilst non-essential shops and services, gyms, museums, theatres, cinemas, and sports activities, amongst others, were closed (Malta Chamber, 2021). As COVID-19 numbers dropped, establishments re-opened in a phased manner between April and June. From July 2021, individuals who were fully vaccinated were allowed to remove their face masks when outdoors – facemasks had been mandatory since October 2020, however these continued to be mandatory when in groups of three or more people outdoors, in indoor public spaces and within indoor workplaces (Times of Malta, 2021b). However, as COVID-19 cases surged in December 2021, these were again made mandatory.

Along with measures relating to social distancing and the wearing of personal protective equipment initiated in 2020, the main health and safety measure introduced during 2021 was the rollout of the COVID-19-related vaccines. Government policy dictated that vaccines were given out free of charge and initially, based on age and profession. At first it was planned that in January 2021, vaccination programs would target those above 85 years of age, as well as healthcare workers, and staff in homes for the elderly and centres for those with mental health issues. By February, along with those over the age of 80 and those with chronic disease, other frontline workers were to be vaccinated (Malta Today, 2020). However, following industrial action by teachers, these too were given priority and vaccination for this profession commenced towards the end of February (Newsbook, 2021). Confusion also reigned regarding which other ‘frontline’ workers should be prioritised; whilst it was reported that police officers and civil protection workers, armed forces, water and waste service workers, government agency workers, and even some privately employed construction workers were being prioritised in March, supermarket staff petitioned unsuccessfully to join the priority list (Times of Malta, 2021c). Overall, Malta reported very good take up of COVID-19 vaccines, with 70% of the population immunised with at least a single dose by May 2021, making the island the first EU country to reach the fabled herd immunity state (Reuters, 2021a). By June, 70% were fully vaccinated (Times of Malta, 2021d), whilst by August it was announced that 90% of those aged 12 and over had been vaccinated (Malta Today, 2021a). As immunity waned however, Malta commenced offering booster jabs in September, first focusing on the elderly and immunocompromised (Times of Malta, 2021e), whilst by November the administration of booster third doses began for healthcare workers and teachers (Reuters, 2021b).

The rollout of the vaccine led to several workplace-related discussions. In March, The Malta Employers’ Association (MEA) argued that employers should have a right to know whether their employees were vaccinated or not; they argued that this was necessary to enable occupational health and safety. They also argued that the employer should not be held responsible for funding the quarantine leave of employees who had refused to be vaccinated without legitimate health reasons (Times of Malta, 2021f). Whilst such comments did not lead to a change in the compensation of quarantine leave, the Information and Data Protection Commissioner (IDPC, 2021)

released guidance on when and how employers could collect vaccination-related information, noting that a risk-based approach must be adopted.

The MEA called for a legislative framework and guidelines about COVID-19 vaccination at the workplace, in particular stating that health officials should determine the frequency with which those who chose not to be vaccinated should be tested for the virus (Malta Independent, 2021a). By June several organisations, including those offering banking services, educational institutions and those in manufacturing informed workers that they had to be vaccinated, or otherwise had to undertake regular swab tests – often to be deducted from vacation leave if conducted during working time. The MEA spoke in favour of such measures, noting that it was beneficial for health and safety (Lovin Malta, 2021a). Relevant unions, such as the Malta Union of Banking Employees (MUBE) and Teacher unions including the Malta Union of Teachers (MUT) and the Union of Professional Educators (UPE) however spoke out against such measures, particularly those that forced individuals to be vaccinated, were introduced unilaterally, or involved the loss of leave (Lovin Malta, 2021a; MUT, 2021a; Times of Malta, 2021g). In July, the state added COVID-19 vaccination to the vaccine schedule that most non-EU nationals were ‘strongly encouraged’ to have to renew their work permit (Ministry for Health, 2021). Despite employers’ calls, throughout 2021, employers were unable to force employees to be vaccinated (Business Now, 2021b). Furthermore, in terms of regular swabbing, employers were advised that this should only be done when one has ‘a very valid reason which goes beyond the general health concern’ (Malta Chamber of SMEs, 2021). Towards the end of the year, however, employers again called for a mandate to vaccinate employees based on a risk assessment (Malta Today, 2021b).

COVID-19 has not been declared an occupational disease in Malta, rather, a new form of leave was created in 2020 for those who were in contact with COVID-19 cases, termed ‘quarantine leave’, whereas those ill with the disease are to make use of sick leave (Fiorini, 2021b). The quarantine period for both workers who were in contact with positive cases, as well as for those that were diagnosed with COVID-19 were subject to discussion and change during 2021. During the first half of 2021, contacts of confirmed COVID-19 cases that were placed in mandatory quarantine by public health officials had to quarantine for 14 days. An exception was made in March for ‘essential’ workers of Malta’s main hospital, Mater Dei, where those in contact with a positive case, were fully vaccinated and asymptomatic were allowed to quarantine for only five days, subject to testing negative for the virus on the last day (Times of Malta, 2021h). This measure was likely taken due to the strain quarantine leave was having on this hospital’s human resources. The Malta Chamber of Commerce argued in July that in view of the high rate of vaccination, and because quarantine was having a negative impact upon organisational performance, those secondary contacts that were vaccinated should be allowed to quarantine for shorter periods (Malta Today, 2021c). In August the Government heeded this call and introduced a two-tiered system of quarantine, where fully-vaccinated contacts of those who were COVID-19 positive could quarantine for seven days and then would be allowed out of quarantine following a negative swab test. This measure was not introduced for those who tested COVID-19 positive, or those who lived with somebody who had tested positive. As COVID-19 cases surged again in December and organisations struggled with staffing, the Malta Chamber called for the quarantine of those who were COVID-19 positive to be reduced, suggesting shorter quarantine periods for all workers, with those who had taken a booster COVID-19 vaccine dose to be shorter still (Malta Today, 2021b). Subsequently, during the last week of December, Government announced changes to quarantine that included a reduced time periods

of 10 days for those that had had a COVID-19 booster and had tested positive or lived with a positive person, whilst those that resided with individuals who had been quarantined as they had come in contact with positive cases and had taken a booster dose no longer needed to quarantine (Malta Today, 2021d).

New working arrangement policies

Very few surveys studied the use of teleworking in Malta during 2021, with most studies published during this year making use of data from 2020 or earlier. A few exceptions exist. A survey of 101 organisational and HR leaders found that 18% reported that their employees teleworked daily, whilst around 40% stated that their companies made use of a hybrid set up. Those that teleworked daily generally hailed from the ICT and iGaming sectors, whilst those that reported a hybrid set up often hailed from the banking and public sectors (PWC & FHRD, 2021). Another survey indicated that almost half of its sample which hailed from a mix of sectors (little methodological information is available) worked remotely during the pandemic, whilst 81% would work from home to some degree if provided with the option, with almost all workers preferring a hybrid set up (Grant Thornton, 2021). Social partners also generally agree that where remote working is possible, a hybrid, rather than a full remote arrangement, is preferable (Malta Independent, 2021b).

Working remotely during the pandemic has been shown to be taxing on some workers' health (Fiorini, 2022). In terms of the difficulty some workers find in drawing borders between work and leisure time, legislation in terms of the right to disconnect has been spearheaded at an EU level by a Maltese MEP, Alex Agius Saliba, whilst the Government spoke favourably on this topic during 2020. During 2021, as in the previous year, unions such as the General Workers' Union (GWU) spoke out in favour of introducing 'right to disconnect' legislation and encouraged social partners to discuss the topic (GWU, 2021). This however was not welcomed by employer associations including the MEA, the Malta Chamber, and the Malta Business Bureau (MBB), which felt that working time regulations were already sufficient and instead encouraged an approach where dialogue between individual employers and employees took place rather than the introduction of more legislation (Business Now, 2021a). Furthermore, employers debated that it was premature to discuss legislation when this was being discussed at the EU level. The Malta IT Law Association (MITLA, 2021) took a similar stand highlighting that any legislation should balance the interests of employers and employees participating in the digital economy and proposed that rushing towards legislative solutions (at either EU or national level) prior to exploring non-legislative paths should be avoided. Subsequently, right to disconnect legislation was not introduced in 2021, however examples of right to disconnect practices surfaced within Maltese workplaces, most notably within policy for public sector workers (Government of Malta, 2021a).

Labour shortages

Labour shortages during the pandemic were visible primarily in sectors composed of workers who must engage in social interaction with their clients and are defined as frontline workers, particularly nurses and teachers.

Shortage of Nurses

A shortage of nurses resulted following a sudden slowdown in the of employment of foreign nurses, coupled with foreign nurses employed in the Maltese health sector being lured to seek employment in other European countries, notably the UK. It was reported that this was secondary to such nurses being recruited by the UK health sector as part of its efforts to control the spiralling number of COVID-19 cases. In fact, it was reported in February that a fifth of the nurses who hail from developing countries and work within the Maltese health sector had left or were in the process of submitting their resignation (Times of Malta, 2021i). These foreign workers, mostly Indians, Pakistani and Filipino, were being lured away from Malta by higher pay and better conditions of work. According to Paul Pace, the president of the Malta Union of Midwives and Nurses (MUMN), the number of nurses in the hospital wards had been diminishing due to this shortage. According to the collective agreement, six nurses should be allocated to every ward. Pace claimed that due to this shortage, four nurses were being deployed in every ward (Lovin' Malta, 2021b).

Other reasons identified to explain this sudden turnover of foreign workers was the bureaucratic procedures which were making it difficult for these foreigners to be united with their family or visit their relatives in their home country. As frontline workers who may be liable to suffer from psychological strain because of the COVID-19 pandemic, it is possible that family support is particularly important for this group of workers. Furthermore, the procedures adopted by Identity Malta, the agency involved in the processing and issuing of residence documentation, were deemed to be too bureaucratic and slow. The restrictive measures implemented to combat the spread of the virus also made these bureaucratic procedures stricter and more impersonal. The MUMN asked Identity Malta to ease restrictions to make this unfortunate situation which foreign nurses were facing less strenuous (Times of Malta, 2021j). Following discussions between the MUMN and the Government, it was agreed in March 2021 to extend the validity of foreign nurses' and other health workers' residence permits from the duration of a year to three years. The Government also pledged to process nurses' residency application faster whilst reducing the cost of residency and working permits for such workers. The facilitating and issuing of longer residency permits for family members was also enhanced (Government of Malta, 2021b).

Shortage of Teachers

The shortage of teachers announced by the Malta Union of Teachers (MUT) towards the end of September 2021 as schools were about to re-open assumed a different tone from the case related to the shortage of nurses. The education minister, Justyne Caruana, strongly denied the MUT claim that there was a shortage of teachers. The Minister of Education stated that classes had to be smaller as the ministry had to comply with the protocol of social distance as prescribed by the health authorities, which limits the minimum distance of 1.5 metre between desks in the classroom. The implementation of this measure of social distance necessitated the deployment of more teachers (The Malta Independent, 2021c). To fill this gap, the Ministry called peripatetic teachers to perform teaching duties at primary school level. These peripatetic teachers commute between different primary schools to teach subjects which tend to be peripheral in the curriculum such as physical education, drama,

music, and art. The MUT did not agree with the measures announced by the minister as it claimed that these peripatetic teachers were not well tuned to act as regular primary school teachers at such a short notice and therefore needed time to adjust their skills accordingly. Following the discussions between the Ministry of Education and MUT, the peripatetic teachers who were performing their teaching duties in primary school were promised that they will go back to their original role once the need for additional classes would no longer be required (MUT, 2021b). In the meantime, the Ministry of Education issued a call for the employment of teachers targeting retired teachers.

In contrast to the problem of the shortage of nurses neither the MUT nor the Ministry of Education seemed to be in favour of deploying foreign teachers to alleviate the shortage problem. What this implies is that the shortage of teachers, unlike that of nurses, had to be solved from within rather than from outside sources.

Shortage of restaurant and general staff

During 2020, as the COVID-19 pandemic first hit, an exodus of foreign workers occurred. As many of these were believed to be undocumented, they were not eligible for state support such as the COVID-19 Wage Supplement, resulting in many returning to their countries. This move came back to haunt organisations, particularly restaurants who were unable to match customer demand as COVID-19 numbers dropped from April and restaurants re-opened for business in May (previously they could only offer takeaways). Furthermore, the Malta Chamber of SMEs noted that the staffing crisis was further exacerbated by Maltese workers who were unable to live on the wage supplement and had subsequently left the sector, whilst young workers were attracted to more lucrative sectors (Times of Malta, 2021k). No solution was found for this staff crisis, with several popular restaurants which were unable to meet heightened demand during the typically busier summer months reporting partial closures due to a lack of staff (Times of Malta, 2021l).

As noted within the section on occupational health and safety, social partners also placed pressure on the Government to shorten the length of quarantine, as during periods where COVID-19 cases spiked, employers stated that quarantine rules were making it difficult for organisations to find enough employees to operate.

Wages and wage-setting

The wage supplement announced by government towards the end of March 2020, which aimed at safeguarding the employment of workers who were adversely affected by the pandemic, was continued in 2021. This scheme initially consisted of a monthly grant of up to €800 for every worker employed in sectors that had been adversely affected by the pandemic. This grant of €800 had to be supplemented by a sum of up to €400 by the employer. This scheme established an entitlement to a wage above the minimum pay and was to serve as a benchmark in collective bargaining. This government assistance was to be phased out through a tapering system that came into force in August 2021, with the scheme originally planned to end in December 2021. However, the worse hit companies were to continue receiving the wage supplement in full until the end of the year (See also section: Governments and social partners response to cushion the effects).

The Malta Hotel and Restaurants Association (MHRA), however, in a press release issued in December 2021 warned the government that the hospitality industry could suffer irreparable damage if the wage subsidy, as has been planned, would come to a halt at the end of December 2021. In view of this it made recommendations to the Government to extend this wage supplement

scheme till the end of March 2022. The MHRA stated that the hotels and restaurants still needed state support to maintain their economic viability which has been impaired by the pandemic (Malta Independent, 2021d).

This situation might have affected the process of collective bargaining. Throughout the year 2021, no collective agreements were signed that had an impact on wage setting policy. The four collective agreements reported in the press affected a relatively small number of employees who tend to be service providers, such as employees at Malta Enterprise, academic staff of the University of Malta, employees at Comtec Company, and Student Support Service Personnel.

Amid this scenario in which the trade unions were forced to keep a low profile in the collective bargaining process, the figures published by the Malta National Statistics Office (NSO) reveal a slight increase in average wages. The quarterly labour force surveys conducted by NSO indicate that the average monthly salary at the third quarter of 2021 (the latest figures published to date), was €1,635 whereas during the same quarter in 2020 it was €1,567 (NSO, 2021a).

A slight rise was also reflected in the national minimum wage. In 2021 this wage amounted to €9,416.4 annually, an increase of €91.2 over the minimum wage of 2020 which amounted to €9,325.2. This increase is however nominal rather than real as it is a form of adjustment pay given annually to all employees to compensate for the rise in the cost of living. This wage increase, known as Cost of Living Allowance (COLA) is announced during the national budget speech and is mandatory to all public entities and private firms. It is based on a retail price index which monitors the fluctuations in prices of products including food, clothing, and other items as well as payment of electricity and water bills. The COLA for 2021 was €1.75 per week (DIER, 2020).

Impacts on the social dialogue and collective bargaining

No collective agreement was signed in 2021 which included tailor-made measures to deal with the nuances of the pandemic. Neither was there any attempt to change or revise existent collective agreements as happened in 2020 with the Malta Airline Pilots Association (ALPA) and Air Malta Cabin Crew Union (CCU).

Despite this perception of status quo, the mechanism of social dialogue was active. In 2021 the plan by government to taper the wage supplement scheme which was introduced in March 2020 (see previous section: Wage-Setting) was presented to the members of the Malta Council for Economic and Social Development (MCESD) which is the national tripartite institution for social dialogue (Times of Malta, 2021m). This is an apt example that shows that social dialogue was active during 2021.

By and large this type of social dialogue was a continuation of the practices followed in 2020. Given the inbuilt structure of the Maltese industrial relations system which provides little if any room for negotiation at sectoral level, the mechanism of social dialogue is more geared to be practised at national level. This tends to make MCESD play a key role in the social dialogue process. During this meeting held in July, also attended by the Minister for Energy, Enterprise and Sustainability, Miriam Dalli, MCESD members were assured that the government was intent to continue helping the businesses and the workers adversely affected by the pandemic. She assured the owners of the worst hit companies that the wage supplement would continue to be provided in full until the end of the year, as was being planned in the tapering exercise (Department of Information, 2021). Other MCESD meetings held during 2021 discussed various themes related to the world of work including, the impact of remote working on business and employees, good governance, and the legalisation of recreational cannabis in Malta, amongst others (MCESD, 2021).

On the lower level of social dialogue which entails negotiations between trade union and government officials, social dialogue focused on finding solutions to the trade disputes that arose on issues linked to the pandemic. The Malta Medical Association (MAM), the union representing the doctors, called for a 9.00 pm curfew to slow down the spread of COVID-19 that they stated was causing hospitals to be functioning almost at breaking point (Times of Malta, 2021n). The government did not seem to be in a mood to discuss this measure as the prime minister ruled out the possibility of another lock down. Social dialogue was also evident during disputes related to the re-opening of schools in view of increasing COVID-19 cases. This is described in the next section.

Labour disputes in the context of the pandemic

The trend of the labour disputes in 2021 was not dissimilar from that of the previous year. In terms of disputes, the voices of the two largest organizations in Maltese trade union movement, namely the General Workers' Union (GWU) and Union Haddiema Maghqudin - Voice of the Workers (UHM), were rather mute. The membership of these two organisations totals 74% of Maltese trade union membership and both are members of the MCESD. What this situation implies is that the instabilities in the Maltese industrial relations scenario in 2021 caused a few annoying bumps rather than severe turbulence.

As the section about Labour shortages details, the Malta Union Midwives and Nurses Union (MUMN) was very active in the scenario of labour disputes. Its president, Paul Pace, flagged administrative issues linked with the logistics of the distribution of vaccines. Other issues flagged were about the regularization of training and development of hospital technicians or calling for administrative shortcomings within Primary Healthcare centres to be tackled. Except for those related to the administration of vaccines, these disputes were not directly linked to the pandemic. However, the high level of alertness aroused by the pandemic might have contributed to the heightened sensitivity to these issues.

Often in the spotlight throughout 2021 were the Malta Union of Teachers (MUT). In January 2021 this union was in a dispute with the ministry of education about the decision taken by the Minister of Education to reopen schools after the Christmas holidays. In view of the spike in positive cases during the Christmas period, the MUT contended that schools should re-open remotely. As the government showed no signs of heeding this advice, the MUT ordered a two-day strike, which was supported by the Union of Professional Educators (UPE) and backed by some representatives of the Church and private schools which opted to continue remote learning (Times of Malta 2021o). The dispute was not allowed to fester as consultation meetings were held between the parties involved in the dispute, with an announcement regarding the re-opening of schools being issued via a joint statement by government, the MUT and representatives of private and church schools (Malta Independent, 2021e). Social dialogue was also evident when schools were closed between March and April 2021 following an ever-increasing number of COVID-19 cases. The minister of education, Justyne Caruana, announced that the decision to close schools and move to remote learning was taken following discussions with the MUT and other stakeholders (Malta Today, 2021e), whereas when announcing their reopening, the Superintendent of Health stressed that the MUT was kept informed of the development. During these consultation meetings the MUT was informed that school records revealed that the spread among children was minimal (Times of Malta, 2021p).

A similar trade dispute was registered between MUT and the Maltese government as schools were about to reopen after the summer recess in September 2021. The dispute was about the policy adopted by the Ministry of Education to assign peripatetic teachers to teach in the state primary schools. The MUT instructed these teachers not to report for work. The dispute was settled by assuring these teachers that they would retain their peripatetic status as soon as circumstances return to normal. In the meantime, a call for the engagement of teachers targeted at those who are retired was issued to solve this temporary problem (Times of Malta, 2021q) (See section 'Labour Shortages').

Commentary and outlook

COVID-19 case numbers were lower during the summer months and increased during autumn. COVID-19 cases surged towards the end of the year and reached unprecedented numbers during December 2021. Thus, the economic policy throughout 2021 was a continuation of the policy of containment adopted by the Government in the previous year. This policy was designed to alleviate the economic hardships; keep businesses viable throughout the crisis while making sure that workers remain on the payroll. Despite the very high uptake of COVID-19 vaccines in Malta, including of booster doses, much of the discourse later in the year revolved around measures to further enhance vaccine uptake, including making vaccination mandatory. Going forwards, if COVID-19 remains prevalent, discussions regarding mandatory vaccination in certain sectors or jobs are likely to continue. While many employer groups appear to favour this measure, trade unions appear ambivalent; while campaigning to make members eligible for early vaccination, they seem to be against mandatory measures.

The COVID-19 pandemic led to a substantial increase of teleworking; this method of working remained widespread during 2021. Teleworking brought to the fore the issue of the right to disconnect. Whilst some trade unions expressed their belief that related legislation should be enacted, employers were not in favour of legislative measures. The lack of consensus indicates that related legislation is unlikely in the near future unless it is enforced by an EU directive.

During 2021, the labour market continued to recover, with employment levels returning to pre-pandemic levels. Furthermore, the uptake of several support measures introduced to cushion the blow of the pandemic on enterprise reduced as the year progressed. Despite this, as COVID-19 cases peaked towards the end of the year, some industries, with the Malta Hotel and Restaurants Association (MHRA) particularly vocal, stated that key support measures needed to continue into 2022. The Government has shown a disposition to accede to such requests by employers and with a general election looming in 2022, the Government will want to avoid discontent amongst social partners.

Labour shortages also posed a problem for some sectors. Towards the beginning of 2021 the healthcare sector haemorrhaged staff as they left for countries offering better conditions, primarily the UK. Changes in policy appear to have stemmed the tide of this exodus. Sectors such as education and restaurants were also impacted by labour shortages. The outlook for these sectors is likely to depend on COVID-19 case numbers. Low case numbers may limit the strain on educational human resources but may result in increased tourism, leading to labour shortages in the hotel and restaurant sector during the peak summer months. High COVID-19 cases may have the opposite effects.

Sparks of industrial conflict which at times seemed imminent were often diffused by the Government's policy of incorporating social partners in decision-making processes. Industrial disputes, however, were registered between the Government and the trade unions representing front line employees, such as teachers and nurses. However, the forces that were exerted by the actors involved in these disputes did not cause any spiral fractures. The pandemic may have instilled a sense of sobriety in their mindset that made them susceptible to compromise.

This relative prevailing conciliatory tone augurs well for the steering group that has been set up by the Government to coordinate a post-COVID-19 strategy. The steering group will assess the work underway in various ministries and evaluate how it could affect the post pandemic recovery.

References

All Eurofound publications are available at www.eurofound.europa.eu

Business Now (2021a), 'Malta Chamber and the Malta Business Bureau reject calls for national legislation on Right to Disconnect', 5 March.

Business Now (2021b), 'As things stand today, employers cannot impose the vaccine on their employees' – Malta Employers Association DG', 21 December.

Central Bank of Malta (2021a), 'Economic Update', 11/2021.

Central Bank of Malta (2021b), 'Quarterly Review 2021' Vol 54 No. 4.

Department of Information (2021), 'The Malta Council for Economic and Social Development welcomes the wage supplement tapering system', press release, 27 July.

DIER (2020), 'National minimum wage', Malta.

Fiorini, L.A. (2021a), 'Job retention schemes in Europe: Malta.' in Drahokoupil, J, and Muller, T. 'Job retention schemes in Europe: A lifeline during the COVID-19 Pandemic', *ETUI Working Paper 2021.07*

Fiorini, L.A. (2021b), 'COVID-19 as an occupational disease: enhancing social protection for at risk workers in Malta', *Malta Journal of Health Sciences*, Vol 8, No 2, pp. 29-31.

Fiorini, L.A. (2022), 'Remote workers' perceived health during the COVID-19 pandemic: a mixed methods study of influencing factors', *Safety and Health at Work*, Vol 13, S194.

Government of Malta (2021a), *Remote Working Policy and Guidelines on its implementation*, Malta.

Government of Malta (2021b), 'Joint press release by the government of Malta and MUMN Agreement between the Government and MUMN regarding foreign public sector employees', press release, 5 March.

Grant Thornton (2021), *Shaping Malta's future: governance and sustainability*, Malta.

GWU (2021), *Everything the GWU said about #therighttodisconnect*, webpage.

IDPC (2021), *Guidelines on the data protection aspects related to the collection of employees' COVID-19 vaccination status*, Malta.

Lovin Malta (2021a), 'Methode Electronics Informs Staff They Must Get Swabbed Every Week If They're Not Vaccinated', 20 July.

Lovin Malta (2021b), 'Why Maltese And Foreign Nurses Are Quitting In Droves And How This Trend Can Be Reversed,' 16 November.

Malta Chamber (2021), *Closure Of Non-Essential Shops, Services & Gyms, Schools To Switch To Remote Learning*, webpage.

Malta Chamber of SMEs (2021), *An informative webinar on Covid-19 and Vaccinations*, webpage.

Malta Independent (2021a), 'Employers should not pay for quarantine leave of workers who refuse vaccine – MEA', 9 April.

- Malta Independent (2021b), 'Covid-19's impact on Malta's workforce and the future of remote working', 2 May.
- Malta Independent (2021c), 'MUT's claims on shortage of teachers in 150 primary classes are 'not true' - Education Ministry', 27 November.
- Malta Independent (2021d), 'Hospitality sector could suffer irreparable damage if wage support is discontinued – MHRA', 11 December.
- Malta Independent (2021e), 'Teachers to physically return to school on Monday after agreement reached', 8 January.
- Malta Today (2020), 'Healthcare workers, elderly homes to get first COVID-19 vaccines in January', 7 December.
- Malta Today (2021a), 'Malta's COVID-19 vaccination rate hits 90% of eligible population', 24 August.
- Malta Today (2021b), '14-day quarantine 'unsustainable for economy' - Malta Chamber', 29 December.
- Malta Today (2021c), 'Employers warn COVID quarantine for vaccinated people threatens productivity', 23 July.
- Malta Today (2021d), 'COVID quarantine period shortened for vaccinated contacts', 29 December.
- Malta Today (2021e), 'Closing schools is the hardest decision we had to take' – Justyne Caruana', 11 March.
- MCESD (2021), *Themes of MCESD meetings*, webpage.
- MEA (2021), *Health and Safety*, webpage.
- Ministry for Health (2021), *Health Screening for Renewal of Work Permit*, webpage.
- MITLA (2021), *MITLA position paper – right to disconnect*, Malta.
- MUT (2021a), 'No employer can force Covid-19 vaccination - an update', press release, 7 July.
- MUT (2021b), 'The situation of peripatetic, support and teachers in services', press release, 10 November.
- Newsbook (2021), 'Teachers to start receiving the COVID-19 jab tomorrow', 23 February.
- NSO (2021a), *Labour Force Survey Q3*, Malta.
- NSO (2021b), *News Release 'Inbound Tourism July 2021, 164/2021*, Malta
- PWC and FHRD (2021), *HR Pulse survey 2021 – Beyond the pandemic*, Malta.
- Reuters (2021a), 'Malta has achieved herd immunity with COVID shots, says minister', 24 May.
- Reuters (2021b), 'Malta to offer COVID-19 booster shots to all its population', 6 November.
- Times of Malta (2021a), 'General election to be held in 2022 - Robert Abela', 25 October.
- Times of Malta (2021b), 'Masks off: face coverings rule eased for fully vaccinated', 1 July.
- Times of Malta (2021c), 'Confusion over which 'frontline' personnel should be getting vaccinated', 16 March.
- Times of Malta (2021d), '70 per cent of adults are now fully vaccinated against COVID-19', 26 June.

Times of Malta (2021e), 'Malta starts COVID vaccine booster shots for elderly care home residents', 6 September.

Times of Malta (2021f), 'Employers should know whether workers have been vaccinated – MEA', 3 March.

Times of Malta (2021g), 'APS Bank's virus test rules for unvaccinated workers fall foul of banking union', 19 July.

Times of Malta (2021h), 'Five-day quarantine rule applies only to Mater Dei Hospital staff', 24 March.

Times of Malta (2021i), 'Do something to stop nurses leaving Malta, union pleads to the prime minister', 2 February.

Times of Malta (2021j), 'Positive' talks to ease rules for foreign nurses to work in Malta', 12 February.

Times of Malta (2021k), 'Restaurants face staffing crisis after worker exodus', 28 May.

Times of Malta (2021l), 'Staffing crisis forces restaurants to partially shut down', 22 August.

Times of Malta (2021m), 'COVID wage supplements will start being reduced as of next week', 28 July.

Times of Malta (2021n), 'Bars to remain shut as PM says new virus measures to be announced', 27 January.

Times of Malta (2021o), 'Teachers' union hails 'productive' talks as strike enters second day', 8 January.

Times of Malta (2021p), 'Schools expected to reopen on Monday as some COVID-19 measures to be eased', 7 April.

Times of Malta (2021q), 'Education Minister: 'very few' classes left without a fixed teacher', 1 November.

WPEF22021

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.