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Family Friendly Measures at the Workplace – An Employers' Perspective

One of the major issues being discussed at European level with respect to the working place is the introduction, or extension, of family friendly measures at the workplace. This is frequently tackled within the broader debate on introducing flexicurity measures as a means to combine a more flexible labour market with better job security for employees. In this manner the EU seeks to achieve the elusive Lisbon labour targets of turning the EU into the most competitive economic block.

The principle of family friendly measures is highly relevant for Malta given the changing nature of our demographics and the fact that the official statistics reveal that the female participation rate in Malta is among the lowest in the EU 27. As in other EU countries, Malta also has a rapidly falling birth rate which is resulting in an ageing population that will become progressively older in the coming two decades. Employers therefore favour the introduction of family friendly measures as a means to increase the labour participation rate and to have a motivated and more productive labour force resulting from conditions that facilitate a better conciliation between work and family life.

One of the strengths of the social dialogue process in Malta is that, unlike the situation in many countries that negotiate at a sectoral level, practically all collective agreements are negotiated at enterprise level. This provides the opportunity for employers and unions alike to devise customised packages for individual companies. This feature in itself is an aspect of flexicurity in practice, since it acknowledges that, on many issues related to working conditions, there is simply no one size fits all solution, even on matters related to family friendly policies. In instances where family friendly measures incur increased costs, and therefore may threaten competitiveness, negotiations may result in trade offs between introducing such measures and other benefits such as wage increases.

Government's role is to ensure that there is a minimum level of conditions applicable to all employees, which will leave sufficient leeway for negotiation. In the absence of an organised labour force, labour mobility will play a role since workers will invariably move to jobs in areas of economic activity that offer the best working conditions. Indeed, many employers in the private sector already have family friendly provisions that go well beyond the legal minimum. Thus, the dynamics of the labour market will generate conditions that favour the introduction of family friendly measures without seriously threatening competitiveness.

This is why employers frowned when the government extended the family friendly provisions which previously applied to the civil service to the entire public sector during the last budget speech. This decision took even the management in many of these organisations by surprise. Companies in the public sector are not homogenous and some will certainly find it difficult to implement these measures without affecting the efficiency of the organisation. This is also another instance where provisions in the collective agreements have been bypassed; any plans to extend such measures to the private sector will be a serious mistake. SMEs in particular can never be expected to implement the same package of family friendly benefits applicable by larger organisations.

We should steer away from rigid labour market regulation that can impede job creation. The experience in many old EU states is that over-regulation has resulted in an expansion of atypical employment, as employers seek to remain competitive in global markets by trying to bypass the costs of employing people on a permanent, full-time basis. Malta should learn from others' mistakes and ensure that if there is an increase in part time employment, this is a result of choice, and not because it does not pay employers to employ persons on a full-time basis. It must be added here that the recent reform in social security contributions payable by part time employees is a step in the right direction and removes the previous disincentive for people to shy away from declared part time employment.

The assumption that family friendly measures will, in themselves, result in increased participation in the labour force should be treated with reservation. The issue of female participation in particular is very complex and there are many socio-cultural reasons that also contribute to the low female participation in Malta, assuming that the official statistics portray the real state of affairs in this respect.

Family friendly measures need to be supported with the infrastructure to enable flexible work arrangements and minimise inconveniences to employers. For example, in many countries employers can resort to temping agencies to provide for temporary replacement of absent employees. It should be mentioned, though, that the proliferation of temping agencies has raised some concerns in EU countries, and thus far the Commission has failed in finalising consensus on the nature of three way working relationships. This is one of the matters raised in the consultation paper on Labour law that has been released recently for discussion among the social partners.

In conclusion, it is important to harmonise family friendly policies, and any other flexicurity measures in the Maltese work place with objectives related to competitiveness and business profitability. Rather than a nationwide approach, the most effective means of implementing them, and enhancing such benefits where they already exist, is to design such systems according to the characteristics of different organisations, particularly in cases where such initiatives can incur a cost to the companies involved.