

**MOVIMENT
GRAFFITTI**

JUSTICE FOR WORKERS

**RIGHTS, DIGNITY AND A
BETTER QUALITY OF LIFE**

This document is endorsed by:

Aditus Foundation

Alleanza Kontra l-Faqar

Betapsi

Blue Door Education

Dance Beyond Borders

Earth Systems Association

Jesuit Refugee Service – Malta (JRS)

Justice and Peace Commission

Kunsill Nazzjonali taż-Żgħażaġh (KNŻ)

Kunsill Studenti Universitarji (KSU)

Moviment Graffiti

Solidarjeta' – Workers' and tenants' union

Young Progressive Beings (YPB)

Żgħażaġh Haddiema Nsara (ŻHN)



JUSTICE FOR WORKERS

We are living in a country where the economy has grown steadily in the past years but this has not led to an improvement in the lives of many workers. Wealth is not being distributed in a just way that reduces the inequalities between high-income and low-income earners¹ and injustices within the labour market continue to proliferate on several levels. In Malta, we have both a widening wealth gap² and unsatisfactory working conditions that are leaving an extremely negative impact on the quality of life of thousands of workers, especially those at the lower end of the income hierarchy.

Government has bailed on almost every opportunity to significantly improve the conditions of workers in Malta. For example, when implementing the EU Directive on work-life balance, it embarked on a 'tick box' exercise to comply with the Directive on paper, instead of an exercise that seeks to make a positive difference in the lives of working parents and those with care responsibilities. As a result, most work-life balance measures introduced were inaccessible, unpaid or poorly paid.

It is evident that workers' exploitation has become a pillar of Malta's economic model focused on economic growth at the expense of everything else. Many workers have to endure dangerous working conditions (as highlighted by the numerous deaths and injuries in construction sites), are subjected to highly exploitative and precarious work, and have no effective public entity to resort to when they need to report abuse.

Government has abysmally failed in both enforcing the current safeguards for workers and in introducing regulations that address new employment realities such as the gig economy and platform work.

Moreover, a large part of this unjust system is directly enforced through Government-imposed administrative measures that make many migrant workers - now constituting a significant portion of the workforce, as per Government policy – completely legally dependent on their employers, placing them in a perpetually precarious situation. In practice, Government is preventing migrant workers from demanding that their employment rights be respected since it empowers employers to arbitrarily terminate the migrant worker's residence in Malta.

¹Antonaroli, Valentina, Warren Deguara, and Aleandra Muscat, "Household Finance and Consumption Survey in Malta: Results from the Fourth Wave," *CBM Working Papers WP/01/2023*, (Malta: Central Bank of Malta, 2023); European Commission, *Malta: 2022 Country Report*, May 23, 2022,

https://commission.europa.eu/system/files/2022-05/2022-european-semester-country-report-malta_en.pdf

²Vella, Melchior and Gilmour Camilleri, "Inequality Dynamics in Malta: Cracks, Blips and Long-Term Trends," *International Journal of Economics and Finance* 13, no. 11, (September 24, 2021),

https://www.um.edu.mt/library/oar/bitstream/123456789/82688/1/Inequality_dynamics_in_Malta_cracks_blips_and_long-term_trends%5Bpaper%5D_2021.pdf



In Malta, many workers are not unionised,³ must work long hours - with 15% of the workforce having to work both full-time and part-time⁴ - to make ends meet, work precariously (on short contracts) and pay exorbitant accommodation prices.⁵ If they cannot afford to pay their rent or bank loan, they are constrained to live in crowded spaces with others. All these problems are further heightened for those workers with limited social support networks.

It is not only foreign workers that are bearing the brunt of an economic model that seeks growth instead of justice and a better quality of life. Many Maltese workers, especially youth and even graduates, prefer to go and work abroad if they have the option, rather than work for a miserly wage. A 2022 survey found that almost 90% of young people in Malta consider local wages as low compared to wages in other countries, and were affected by the high cost-of-living in Malta. When asked about their financial situation compared to the previous year, respondents whose financial situation had worsened mentioned property prices, health expenses, inflation and low salaries amongst their main reasons.⁶

Inflation and the higher cost of living have meant that, in practice, the value of workers' wages decreased.⁷ Although in 2024 all workers were given a €12.81 weekly rise to compensate for inflation through the cost-of-living allowance mechanism (COLA), a higher COLA alone does not even begin to address the dire state of wages in Malta and does nothing to alleviate the burden of an uncontrolled explosion in rental and housing costs, that are not adequately captured in its formula. Moreover, lower-income workers are disproportionately impacted by inflation since the price of basic necessities, such as food, increases at a faster rate when compared to other items.

Increases of a few cents per hour to Malta's meagre minimum wage are completely offset by the high level of inflation hitting low-income earners. Currently, Malta is among the seven EU countries with the lowest minimum wage in terms of purchasing power.⁸

³Debono, Manwel, "An Analysis of Trade Union Membership in Malta," *Xjenza Online* 6 (2018): 46–58, https://www.um.edu.mt/library/oar/bitstream/123456789/33871/1/Xjenza%2C_6%281%29_-_A6.pdf 4

⁴"Registered Employment: March 2023," National Statistics Office Malta, last accessed September 4, 2023, <https://nso.gov.mt/registered-employment-march-2023-2/>

⁵Housing Authority, *The Private Rental Market in Malta: A Holistic Assessment based on Registered Contracts*, last accessed September 4, 2023,

<https://housingauthority.gov.mt/wp-content/uploads/2023/07/Housing-Authority-Rent-Report-2023.pdf>

⁶EY Malta, *Generate Youth Survey, 2022*,

https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/ey-malta-generate-report-2022.pdf

⁷"Harmonised Index of Consumer Prices (HICP): June 2023," National Statistics Office Malta, last accessed September 4, 2023, <https://nso.gov.mt/harmonised-index-of-consumer-prices-hicp-june-2023/>

⁸"Minimum Wage Statistics," Eurostat, last accessed April 22, 2024:

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Minimum_wage_statistics#General_overview



A 2022 study establishes the level of income that different types of households in Malta need to live decently - the National Living Income (NLI).⁹ The gross NLI, at the time the study was conducted, stood at around €14,864 for a single person with no children, €20,099 for a single person with one child, €26,018 for a single person with two children, €21,316 for a couple with no children, €25,746 for a couple with one child and €30,734 for a couple with two children.

It ought to be pointed out that the above NLI does not factor in a major expense for several households; that of housing, be it in the form of rent or loans. Notwithstanding this exclusion, in 2022, the level of income required to live decently for a household of a single person with no children, stood at €1,238 monthly (gross). The current minimum wage is set at €925.34.¹⁰

We note that over the years Government has introduced several publicly-paid benefit schemes to compensate for the widespread problem of low wages. However, social injustices in the labour market cannot be compensated for via benefit schemes only. While social benefits, like the in-work benefit, may provide some immediate relief for low-income earners, they still fail to address the overall wealth inequality. This is especially true in Malta's context where taxes on high-income earners are extremely low. Why must the state carry the burden of subsidising low wages for those making profits from the workers' labour? We believe that social justice can only be achieved when workers are given the adequate wage they truly deserve and that will enable them to improve their overall quality of life.

In the pursuit of maintaining above-average rates of economic growth,¹¹ Malta's economy has come to depend to a significant extent on cheap foreign labour¹² while wages remain low across the board and workers' exploitation increases. This has resulted in a more uneven distribution of wealth, social inequality and hardship for thousands of workers.

Workers are not machines to be used and abused at will. Workers deserve the dignity, the rights and the monetary compensation that enable them to live decently. This is the only way in which socio-economic inequalities can be reduced in society.

In the context of this current unjust scenario, we demand a different economic model that places workers, not private profits, at its centre by:

⁹Allenza Kontra l-Faqar, Moviment Graffiti, and General Workers' Union, *A Proposal Towards the Definition and Estimates of the National Living Income in Malta 2022*, last accessed April 22, 2024,

<https://mcesd.org.mt/wp-content/uploads/2023/09/The-National-Living-Income-Study.pdf>

¹⁰"National Minimum Wage," Department for Industrial and Employment Relations Malta, last accessed April 2, 2024,

<https://dier.gov.mt/en/employment-conditions/wages/pages/national-minimum-wage.aspx>

¹¹"Gross Domestic Product: Q4/2023," National Statistics Office Malta, last accessed April 22, 2024,

<https://nso.gov.mt/gross-domestic-product-2023/>

¹²"Foreign Nationals Employment Trends," Jobsplus, last accessed September 4, 2023,

<https://jobsplus.gov.mt/resources/publication-statistics-mt-mt-en-gb/labour-market-information/foreigners-data>



1. Revising wages at the bottom of the salary hierarchy for a substantial increase. To this end, Malta should aim for a minimum wage that constitutes a living income. Raising the minimum wage will organically lead to an increase in all low wages which will have to be adjusted upwards in relation to the elevated wage floor.
 2. Upgrading the conditions of work for all workers through mandatory work-life balance measures, such as a shorter working week and more paid maternity, paternity, parental and caring leave.
 3. Revising Malta's outdated employment laws in order to effectively address new exploitative realities.
 4. Ensuring that one public entity is responsible for following up reports of workers' abuse, in all its different forms, and taking effective action against them.
 5. Removing administrative measures which are structurally placing migrant workers at the mercy of their employers, thus breeding exploitation. All workers should have equal access, in practice, to effective remedies against abuse.
 6. Introducing binding regulations on rent prices and prices of basic necessities, so as to prevent abuse driven by the thirst for predatory profits, and to safeguard the purchasing power of workers.
 7. Promoting workers' participation in decision making.
-



JUSTICE FOR WORKERS

Rights, dignity and a better quality of life
May 2024



**MOVIMENT
GRAFFITI**