

***International Association of Economic and Social Councils***

***and Similar Institutions***

**(AICESIS)**

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**SOCIAL DIALOGUE IN MALTA**

**INTRODUCTION**

Malta has developed a healthy Social and Civil Dialogue process throughout the years. Social and Civil Dialogue is an essential element in order for a country to be able to face and deal with economic and social problems. Through Social and Civil Dialogue real issues affecting the daily lives of people, can be addressed.

The Social Partners are the protagonists of the success of Social and Civil Dialogue. The Malta Council for Economic and Social Development is the institution which allows and encourages Social and Civil Dialogue in Malta.

**HISTORY**

Malta has a tradition of Social and Civil Dialogue involving Government, Unions, Employers and Civil Society. Within the context of the smallness of the country, resource limitations and social proximity, the Malta Council for Economic and Social Development (MCESD) has served as a formal avenue for such dialogue in Malta.

It is to the credit of the pioneering members of the original self-regulating Council, known previously as the Malta Council for Economic Development (MCED), that the state now gives the MCESD the important recognition it deserves. These same Social Partners, namely the leading trade unions, employer organisations and government ministry representatives, have ensured that this success can be carried forward into a new and more mature phase.

**PARTICIPANTS**

Social and Civil Dialogue in Malta takes place mainly within the Malta Council for Economic and Social Development (MCESD) where issues of national relevance are discussed.

The Malta Council for Economic and Social Development (MCESD) is an advisory Council that issues opinions and recommendations to the Maltese Government on matters of economic and social relevance.  MCESD’s aim is that, following consultations held within the Council, sound and concrete recommendations about socioeconomic matters will be heeded by the Government prior to any reforms or measures of relevance.

**PROCESS**

Throughout the years we have seen an improvement in the operations of the Council, both with regard to the topics up for discussion as well as in terms of technical discussions, through the Working Groups.

The Government has used the Council to consult on various issues and decisions which have a wide economic and social impact on the country. The Council has also benefited from the Maltese accession in the European Union. It has evolved in the international atmosphere, and today it is playing an active role in discussions with other similar institutions in other countries.

**THE MALTA COUNCIL**

**FOR ECONOMIC AND SOCIAL DIALOGUE (MCESD)**

**INTRODUCTION**

The Malta Council for Economic and Social Development (MCESD) serves as a consultative and advisory body to Government on matters of economic and social policy. It is a tri-partite body, with representatives from Government, Trade Unions and Employers’ Organisations.

**HISTORY**

MCESD was set up by law in 2001 and over the years, it has continuously strived to improve Social and Civil dialogue in Malta by enhancing the quality of discussion and the breadth of issues tackled, taking due account of priorities raised on the national and international policy-making agendas. Social and Civil Dialogue is a process through which participative democracy is carried out. As a result the need was felt to update the laws and regulations which regulated the sector. A bill was submitted and piloted through Parliament and it was given unanimous approval by Parliament on the 2nd May 2012. Through the new law, an additional social partner Forum Unions Maltin and representation from the Gozo Regional Committee and Civil Society Committee have been included on the Council’.

These developments in Social and Civil Dialogue in Malta reflect more closely the set up in the European Economic and Social Committee (EESC). The three groups represented on the EESC are Unions, Employer Organizations and Civil Society.

These changes are a testament to the lively, extensive and continuously developing Social and Civil dialogue in the Maltese islands.

**STRUCTURE**

The MCESD is composed of a main Council with the Chairperson and Deputy Chairperson who are appointed by the Prime Minister after consultation with Council Members. In addition twelve persons are nominated as follows: ten persons nominated by representative national employers’ and workers’ organisations constituted bodies, the Chairperson of the Gozo Regional, Committee, and the Chairperson of the Civil Society Committee.

Apart from the main Council, dialogue also takes place within the Civil Society Committee and the Gozo Regional Committee. The Civil Society Committee was set up to give a voice to Civil Society in a structured manner. The members of this committee discuss issues of national importance and they form opinions and recommendations which are then presented to the Chairman of MCESD. The Gozo Regional Committee within the MCESD was set up to strengthen dialogue with Gozo. By means of this committee, MCESD is extending its functions to Gozo and it is thus not only receiving suggestions and proposals on various issues related to the socio-economic development of the sister island by the Gozitans themselves but it is also strengthening cooperation between Civil Society within Gozo. Members of the Civil Society Committee and Gozo Regional Committee are also represented by *ex-officio* members on the Council.

To assist the Council in the consultation process, Working Groups are periodically set up with representatives from each of the member organizations on the Council together with a Government representative in order to discuss matters of priority as identified by the Council.

**WORK**

The Council, throughout the years, has helped in strengthening the relations between its members and this has contributed to industrial peace and cohesion in Malta. The Council has been instrumental in the implementation of various initiatives in the country including the Industrial Relations Act.

In general, it can be stated that the Council served for social partners to obtain a better understanding of each other’s situations and concerns, thereby contributing to industrial peace. The Council plays a crucial role in the context of the pre-Budget discussions held every year. The Council also operated successfully in drafting documents by Working Groups composed of members from within the Council in preparation for discussions on a number of important themes ranging from utility prices to the COLA mechanism to the introduction of family-friendly measures. There have also been instances where the Council was successful in contributing to the drawing-up of important policy frameworks, such as in the case of the Employment and Industrial Relations Act and the extension of maternity leave.

It is widely recognised that the Council:

* has improved understanding between social partners over the years, leading to a generally peaceful industrial climate;
* was instrumental in implementing a limited range of important initiatives such as the Employment and Industrial Relations Act;
* has been intensively used by Government as an avenue for consultation on a number of issues ranging from the pricing of network services to pension reform;
* has become an essential element in annual consultations leading to the formulation of the fiscal budget;
* is now playing a very active role within the European Economic and Social Council.

Through the experience gained over the years, the Council has understood the value of operating through working groups which initiate discussions and investigate issues through research and wide consultation, prior to discussions in the main Council.

**THE FUTURE OF THE SOCIAL DIALOGUE IN THE COUNTRY**

Government is aware of the great role that the MCESD plays in local policy making. the MCESD's vision is one of continuous improvement of Social Dialogue. We consistently strive to be the most effective catalyst between the Social Partners and the Government. Social dialogue has a crucial role to play in the milieu of national socio-economic development. With the help of EU membership, social dialogue in Malta is developing rapidly and has potential to make further achievement in future. It is furthermore up to each individual social partner to seek consensus and convergence of views to establish working methods which will be conducive to the effectiveness of social dialogue as a tool of economic and social development in our country.

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