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Workers on the Board — A Sociological Comment on Recent
Developments in Workers' Participation in Malta

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I. THE SOCIAL-STRUCTURAL BACKGROUND

In May 1987 Malta underwent one of the most tense periods of its recent history. In other democratic countries this may be simply described as a change from one party in government to another following a general election. In this small Mediterranean island¹, however, the people have become obsessed with politics and politicians. A shift in government often signifies the loss for some and a gain for others of a valued network of resource persons upon whom they can rely for assistance or privilege when in need. In this micro-state, political battles carry a personalized more than an ideological flavour. For this main

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¹ Malta is an island state situated in the Central Mediterranean Sea, covering an area of 300 km² with a population of 340,000 approx. A British colony since 1800, Malta achieved political independence in 1964, though the island continued to serve as a military base until 1979.

Labour Force distribution (as at April 1988) is as follows:

Labour Supply = 127,388 of which

Temporary Employees = 8,296

Unemployed = 5,840

Agriculture & Fisheries = 3,127

Quarrying, Construction & Oil Drilling 4,799

Private Manufacturing = 28,000

Public Manufacturing = 5,161

Private Market Services = 31,024

Public Administration & Market Services = 35,370

Malta has enjoyed a parliamentary democracy with universal suffrage since 1947. Since 1966 all Parliamentary seats have invariably been held by two parties. The Nationalist Party (NP), a centre-right party with a demochristian orientation and the Malta Labour Party (MLP) a centreleft party with a social democratic orientation. The NP is now in Government with a 50.9% majority of votes.

reason the end of sixteen years of socialist rule was indeed a traumatic experience for their followers while for their opponents, in the victorious nationalist camp, it appeared like post-war liberation. Malta is a politically polarized society where politics penetrates almost every sphere of social, communal and inter-personal life.

What may appear as even more strange to an outside observer is that in reality this small island-state is not divided by ethnic, religious or even wide class differences. On the face of it, the people appear to enjoy a relatively high standard of living. Indeed a recent Development Plan has described Maltese society as "exceptionally homogeneous" without any "internal division or deep-rooted social conflicts (which) can give rise to tension and disrupt the gains of development".²

One way to understand this paradoxical situation is to visualize it as a state of normative dualism, as a by-product of colonial experiences stretching back over several centuries of Malta's social history.³ In other words, a traditional local culture has been overshadowed by an imported value system which was superimposed by the colonial power holders.

This has resulted in two sets of competing values and norms but for the most part confined to special areas of influence: The traditional value system was mainly confined to the villages, religion and other 'localities' whereas the colonial domain was centred on the towns and concentrated on national, political, strategic and economic issues. Politics and decision-making were thus carried out for a long time on two levels which were hardly inter-related. The 'local' areas were dominated by the Church while the 'national' areas were unconditionally surrendered to the foreign, colonial representatives. Thus while traditionally most Maltese passionately identified with their own locality represented by the village church, they were generally alienated from central government. Here they resorted to a number of social adaptations or responses which reflected their powerlessness. Many of these behaviour patterns are still evident today and profoundly influence participatory developments. They include:

(a) A 'paternalistic' expectation from those in positions of authority including Government ministers and those in managerial positions.

(b) A widespread resort to 'patronage' networks on a personal, informal level which serves as a manipulation of power. One notes that this militates both against 'paternalism' (above) and against a development of collective action such as resulting from trade unionism (below).

(c) The failure of both 'paternalism' and 'patronage' to satisfy needs and expectations have resulted in periodic, popular outbursts from those who were left behind and felt relatively deprived. Such outbursts were generally directed by local leaders inspired by ideas and ideologies generally imported from abroad as a result of the frequent exchanges and traffic with other countries. In the early post-war period, these protests, have tended to be channelled through the Malta

² Office of the Prime Minister (1981, p. 68)

³ Zammit, E. L. (1984)

Labour Movement (MLM) — an alliance composed of the Malta Labour Party (MLP) and the General Workers' Union (GWU).

(d) A pragmatic approach to life concentrating on the solution of day-to-day problems and a tendency to shy away from theories and ideologies. This is particularly evident in the Maltese approach to workers' participation which is promoted mainly as a peaceful, practical solution to industrial problems. On the local level there has been over the years a heavy investment in the physical embellishment of the parish churches as a source of pride and rivalry with the surrounding villages, and the locality provided the psychological defence of the Maltese against the national, foreign-dominated government.

In recent years, however, there has been a marked shift away from locally-based institutions and organizations towards national centres. This process has proceeded apace with industrialization, improved communications and generally higher living standards. The increasing role of the state and the dominance of central political power has proceeded apace with de-colonization. And a corollary to this is also true: as the Maltese politicians came to assume full responsibility for their people's destiny, there was a relative breakdown of local defensive barriers and all attention became focused on 'national' issues.⁴ To a large extent this explains the current popular preoccupation with politics and the excitement at election time. It also explains as will be argued later on, how issues relating to workers' participation at the enterprise level — such as one involving the election of a worker director — may quickly develop — via a network of personal inter-actions — into a major confrontation at the national level, as faced the present Government and the GWU. It further explains the strategy adopted by the former Labour Government over a sixteen year period through which it managed to implement some drastic economic and social policies. Often these policies not merely infringed upon the traditional privileges enjoyed by certain social classes but also significantly challenged many of the traditional values established throughout Maltese society. Typically workers' participation — if implemented as an alternative policy for Malta's social and economic development — challenges the established managerial prerogatives as well as the traditional perception of authority and its underlying system of values.

II. THE WORKER DIRECTOR — A NEW STAR IN THE FIRMAMENT?

That there is a keen interest by Maltese political parties, trade unions and employers on the whole question of workers' participation is understandable. Malta is a developing micro-state with no natural mineral resources. Apart from the sun and the sea, it depends on the resourcefulness and productivity of its labour force for economic survival. Malta's labour topography resembles that of industrialized states, having a negligible agricultural segment and a substantial indus-

⁴ Boissevain, J. (1965)

trial and service oriented working class which is highly unionized. Thus, while labour is the one main, readily available source of wealth creation, it is a very significant force, both at the ballot box and behind the union banner. All post-independence Maltese governments have sought, out of desire or sheer necessity, to control Maltese labour but without coercive means and without undue exposure to the whims of market forces: Nationalistic appeals, state-union collaboration; prices and incomes policy and widespread employment in the public sector can all be understood in this light as viable means of labour control which do not generate resistance and resentment, easily translated into industrial action and/or electoral defeat. Forms of workers' participation may similarly be seen as a form of non-coercive labour control, albeit with a potential for a further democratization of power relations at the workplace.

It was the Labour Party in government which ushered in experiments with forms of worker participation. The first wave was narrow but deep: West German style co-determination was followed by a form of self-management at Malta Drydocks, a ship repair firm with the largest and, traditionally the most militant, workforce on the island. Industrial peace and profits were indeed secured but, since 1982, the Drydocks has continued to accumulate a substantial overdraft. Non-profitability (even if to a small or large degree due to an international recession) and an autonomous public corporation beyond strict ministerial accountability have put a brake on self-management initiatives: Although never publicly admitted, it seems that from both a public and private point of view, the "experiment" had gone too far.

The second wave of participative developments was broader but shallow: A spate of management committees were introduced in 1977 in parastatal enterprises, public corporations and a number of government departments. Suddenly, almost a quarter of the Maltese labour force was involved in some form of participatory management. The momentum of change was however soon halted: Many parastatal firms had to revert to more traditional forms of management once they were sold, in part or in full, to private capital. Inter-union (General Workers' Union versus Confederation of Malta Trade Unions) rivalry in the public service led to "abuses" by worker representatives on managerial/ministerial prerogatives and sealed the 'de facto' demise of management committees there. What survived was a number of union appointed worker directors.

The worker director is the new star in the firmament, a new breed of animal which has very recently evolved in the Maltese labour relations scene. The evolutionary path appears in hindsight to have been a haphazard, impromptu series of events, lacking a definite strategy by Government, union, party or employer. In fact, unlike most other countries where worker directors exist, the Maltese counterparts do not owe their origin to a specific piece of legislation. The series of events was however definitely incremental and as the number of worker directors increased, this served to arouse a definite consciousness not only of their existence but also of their potential influence on corporate policy, union power and worker access to information. At the same time, the lack of clear legal guidelines on various issues concerning the

worker director is indicative of the unobtrusive, subdued nature of the filtration which characterized developments in this field of worker participation over almost two decades.⁵

The worker director issue however exploded with full force immediately after the Nationalist Party (NP) was elected to power in May 1987. Indeed an open debate concerning worker participation and industrial democracy erupted in the context of a confrontation between the newly elected government, barely a month in power, and the GWU, Malta's largest trade union with 36,000 members (60% of the unionized labour force and 1 out of every 3 gainfully occupied persons) the latter in open coalition with the Malta Labour Party (MLP) back on the Opposition benches. This particular episode is interesting to analyse because, in the throes of conflict, policy statements and directions are more likely to be formulated and to be divulged in the inevitable skirmishes reported extensively in the mass media.⁶

This episode, though resolved within a few weeks, served to make the Maltese public aware of this new, rather unknown feature in their midst: Not only was the worker director like a new star in the firmament; it was also a star which enjoyed exceptional, universal popularity. Government, Opposition and Trade Unions seized the opportunity and tussled for pride of place as the champions of industrial democracy. The Nationalist Party, was perhaps anxious to give proof of its documented pre-election promise to support workers' participation in management and liberalize further the existing forms of board representation by placing the post of worker director under the dictate of an open franchise and not determined merely by a trade union nomination. The GWU, disconcerted with the electoral defeat of its social democratic partner, was keen to bolster morale by a strong show of support for its sponsored candidates in the contest for election as worker directors. Even the CMTU, hitherto somewhat of an outsider in this matter, came out very strongly in favour of elected worker directors having full powers and responsibilities on the board. This all-round support for the worker director surfaced recently during the presentation of the 'Worker of the Year Award' — a prestigious event which was organized on a national basis for the first time in May 1988 which, by sheer coincidence, served as a eulogy of the worker director: The keynote address, delivered by the WPDC, dwelt on the subject; the coveted award was won by the one nominated worker director; bringing the event to a close, the Prime Minister reaffirmed the NP's commitment to evolve industrial democracy further. The employers and their representatives appear to be the exceptions to this general wave of support and acclaim, decidedly caught on the wrong foot: They have always insisted, and still continue to insist, on a cautious approach to such a matter, since it merits serious, meticulous study. Unfortunately for them, the spate of sudden development may have served to pull the carpet from under their feet and is likely to force from them a more definite policy standpoint in the near future.

⁵ See Chronology of Events in *Appendix I*

⁶ See the Review of Events concerning this debate in *Appendix II*

Finally, concurrent with these events, a Federation of Worker Directors (FWD) was set up in February 1988 to further institutionalize and coordinate the activities of worker directors. Its primary goals are those of "promoting industrial democracy at the workplace and to combat those forces which are threatening it."⁷

The Statute of the FWD dwells exclusively on the promotion of workplace democracy and is couched in conciliatory terms. However, the press statements of the Federation have so far been less conciliatory and have vehemently exposed "reactionary threats" which are seeking to undermine worker participation.

It is worthwhile examining in some detail what these "threats" really are: They issue mainly from two camps: One concerns Malta Drydocks where a report by the enterprise's senior staff, has advocated sweeping structural reforms in the company's management, including the scrapping of workers' committees and introducing managerial cum financial institutions' representatives on the Council. The report is in itself indicative of an uneasy bedfellow relationship between traditional and participatory management bodies. Rather than "an all-out attack aimed at destroying the unique self-management system", the report is rather a lament for better integration. A recent opinion survey in fact confirms that the vast majority of professional managers at the Drydocks are keen to develop further the participatory system and to maintain a Council consisting of elected workers.⁸ All the same, the "threat" has been defused by the Prime Minister who pledged not to undermine the democratic nature of the enterprise's management.

The second series of threats includes

- (a) Hindrance of a worker director in carrying out his duties
- (b) Indifference of the Government's Cooperatives Board towards the two worker cooperatives which are owned and run by their own workers
- (c) Disapproval of a worker director gaining access to personnel files
- (d) A worker director threatened with dismissal following a management charge.

Such episodes could indeed be interpreted as threats, if the general atmosphere concerning workers' participation were one of persecution and undermining. It would not make sense to rally the fort if there were no enemy outside. The belligerent attitude is more understandable from a partisan political perspective: the Federation of Worker Directors, exclusively made up of GWU-MLP activists, may be politicizing itself unnecessarily and might itself sabotage the worker director process by forcing it to adopt a partisan flavour. Such a stand, one may argue, would serve only to cultivate antagonism and "worker-directorism" — and would lose the national respect and esteem the movement has managed to build to date.

There seems to be no reason to force a pitched battle, least of all from the FWD, which has all to lose and nothing to gain. These same

⁷ See a summary of the Statute of the FWD in *Appendix III*

⁸ Workers' Participation Development Centre (1988) *Survey of Perceptions of Council, Management, Workers' Committees and Shop Stewards at Malta Drydocks*: The report is in the process of completion.

episodes, rather than "threats" could be seen as strong indications of the role vacuum which exists concerning the matter; a question of normative ambiguity, of anomie.

III. A LEGAL ANOMALY

International research has confirmed time and again the need for an adequate legal machinery for the effectiveness of workers' participation.⁹ Where this is lacking, there is scope for conflict where one side seeks to restrict and the other to widen the role jurisdiction. In the absence of any special provision in Maltese company law, a condition of normlessness is to be expected. The board of directors' main function is — and remains legally — the protection of shareholders' and creditors' interests, and such a role is expected from all board members, including worker directors. A rather different situation may of course prevail in practice, where worker directors may perceive themselves as the protectors of worker interests and would therefore seek to pursue policies of a somewhat different flavour. This is fully understandable considering that worker directors are generally elected by the respective workforce, have a trade union background and are elected with trade union backing. In many cases, they are or have been the instruments not of *workers'* participation directly but of *union* participation; being either elected via a block vote of a specific union's membership or outrightly nominated by the trade union representing the majority of the workers in the respective enterprise.

This ambiguity or confusion in what should be the exact role, powers and responsibilities of the worker director is not so easily resolved. The following salient questions come immediately to mind:

- (1) Are worker directors prepared to accept personal responsibility for past failures and breaches of duty by themselves or their predecessors?
- (2) Are worker directors, elected by "highly politicized employees" to be trusted with maintaining secret the proceedings of the board and indeed, with complying with the board's majority decisions?
- (3) Where and under what procedures can a worker director require or need to see files, books of account or other documents, including those relating to personnel matters?
- (4) How often and under what procedures can a worker director visit factories, sites or branches and communicate with employees or customers?

From the legal point of view, worker directors in Malta are presently seen as no different from any other director. Therefore such a legal status should make clear that the responsibilities of a worker director (with regards to breaches of duty, for example) are the same as for other board members. Similarly, worker directors are expected NOT to

⁹ See International Research Group (1981) and Poole (1986).

divulge board proceedings and not to have personal access to company documents except as delegated by the board as a whole. Visits to branches, communication with employees and customers and other functions are not expressly prohibited by law and any director is presumably entitled to such activities. Obviously, it would also follow that, were a worker director to breach his functions and duties, or act beyond his power, he is liable to criminal proceedings, like any other director.

This legal scenario would appear to dismiss any scope for anomie among worker directors, yet the anomie exists because worker directors do not consider themselves as *just* directors. They feel that their status is a unique one and should always include a championing of specific worker interests, although not to the exclusion of the company's interests. Rather than considering themselves as representing traditional shareholders, the predominant feeling is that a worker director represents those who have invested effort, time, energy and career in the same company. Such an attitude — which finds no support in law — has the effect of reproducing the capital-labour dichotomy so common in traditional industrial relations — nurtured in the classical British style — on the board of directors. Such an attitude also legitimizes the paramount concern for workers' interests (as against other matters) by the worker director in his dealings on the board.

These and other perceptions of worker directors have been forthcoming from a postal questionnaire conducted in February 1988.¹⁰ All those who, until December 1987, had served as worker directors were requested to comment on a series of general statements highlighting both the advantages and disadvantages of the single worker director on the Board. (Drydocks Council members were excluded from this population because there the complete board is worker elected — the problems which emerge are somewhat specific and not comparable).

Eleven respondents thus made up the total population of worker directors at that point in time. Of these, nine sent their comments and opinions, written in a personal capacity.

All respondents felt that a worker director on the board is an important, positive development, in workplace democratisation. Contrary to the present legal standing, however, the worker director is considered to be a workers' representative on the board. Therefore, the worker director has the special responsibility of improving labour-management relations, promoting understanding and cooperation at work; appealing for higher labour productivity and channelling certain items of information to workers.

The anomic situation that the worker directors find themselves in emerges from their identification of problems concerning their office: They must always keep their workers' interests foremost on their agenda, but these must be reconciled in some way with the interests of the company; the worker director must follow an uncharted course — between a glorified shop steward and a traditional director; the worker director must be able to contribute to deliberations and discussions on company policy without jeopardising his 'aloofness' from the other

¹⁰ Reported in WPDC Newsletter *Perspettivi*, Issue No. 3, 1988.

directors: Otherwise, he would be courting disaster in identifying himself too much with the other directors; the worker director is powerless without trade union support but then he is not a union spokesman; the worker director must operate beyond a strict oppositional stance but must remain wary of unconditional collaboration which may be used against workers' interests.¹¹

IV. GUIDELINES FOR ACTION

What, therefore, is to be done? The worker directors themselves suggest the following series of developments:

1. Education programmes for all parties concerned —workers, union stewards, managers, directors — which should help not only instruct individuals into their own role but also to appreciate those of others.¹²

2. The setting up of official terms of reference on what exactly are the functions, rights, duties and responsibilities of the worker director.¹³

3. To increase the number of worker directors on each board. This would certainly reduce the aggressive, defensive stance most worker directors adopt as a natural reaction to their "isolation".

4. To encourage workers to vote for worker directors who are capable and responsible, and not merely those who happen to carry a trade union or political party blessing.

5. Non-worker directors are not to look upon the worker director as if he is already guilty of a premeditated crime [For example withholding information from him because he is expected to breach his duties and to divulge this information outside the board]. Like any other director, he should be given his fair opportunity of proving his integrity and only disciplined failing that.

The WPDC, asked some months ago to provide its opinions on this matter, has put forward the following policy options:

¹¹ Such problems have been documented also in the case of Worker Directors in West Germany (ILO, 1981); Denmark (European Foundation 1981) and Ireland (European Foundation, 1983). In the British Post Office experiment the Bullock 2 X + Y formula structured more clearly the worker directors' role as representative of worker and union interests. Anomie was reduced at the cost of destructive labour-management confrontation (Batstone, et. al. 1983). Worker Directors on the board of the British Steel Corporation also mention their problematic role (Brannen, 1983 p. 135). Both Kester & Schiphorst (1987, p. 34) and Fogarty (1972, p. 3) think likewise, the latter suggesting new social accounting techniques based on net value added to take cognizance of new social objectives by the recomposed boards of directors.

¹² This was actually preempted in the case of the British Steel Corp. There; Worker Directors were sent on a five-week induction course — Brannen (1983)

¹³ Commenting on the European experience with worker directors, Poole (1986, p. 156) claims that "...it would seem appropriate for modifications to be made in company law which would relieve the confusion of workers who participate in decisions at board level under current arrangements".

(1) TWO-TIER BOARDS

The proposal of the European Commission to have a two-tier board system for effective worker director schemes ought to be considered. The demarcation of responsibilities would ease the burden of the worker director and reduce conflicts of interest:

"Such a system enables the employees to be integrated in the decision-making process without affecting the homogeneity of management and its ability to react quickly to changing market situations. The employers' representatives will on the other hand not be put in a situation of permanent conflict of loyalty with regard to the employees which would otherwise be imminent if they were integrated in a board dealing with day to-day management".¹⁴

(2) WORKS COUNCILS

The absence of Works Councils at the place of work has made the transition to workers' participation schemes less smooth than expected. There is no tradition of effective, harmonious relations and consultative machinery. As a result more vociferous demands may be made by the workers once they are only granted token representation at the highest board level.

(3) PARITY REPRESENTATION

Workers' participation schemes have worked more successfully where parity of representation prevails. In this respect the proposal of the EEC Commission requires that "shareholders should elect one third of the members, the employees the second third, and that these elected members should together co-opt the remaining members, who are to be independent of both employees and shareholders and to represent the general interest".¹⁵ Selection criteria of the last mentioned board members are 'necessary knowledge and experience'. This framework is geared at preventing a deadlock in reaching decisions.

(4) DEFINITION OF RIGHTS AND DUTIES

The law needs to be more specific as to what the worker directors can and cannot do. The German co-determination law explicitly prohibits the worker directors from *mobilising* the workers. However, for these worker directors to be truly representative, they need to maintain ongoing links with the workers both formally and in practice. Towards this end, in France, an Act of July 1983 stipulates that the worker di-

¹⁴ European Commission — Green Paper of 13th May 1975. Text is available in *Bulletin of Comparative Labour Relations* No. 8, 1977, Denter. Kluwer Publishing.

¹⁵ *Ibid.*

rector's "time off for his board representation and related activities may not be less than 15 hours a month or more than half of the normal working time"¹⁶

(5) EDUCATION FOR PARTICIPATION

It has to be emphasized that the introduction of workers' participation schemes in various European countries has been accompanied by professional, systematic and intensive programmes of training to workers' representatives, managers, and to shareholder representatives on boards. To be most effective, such educational provision should seek to be participatory in form as well.

(6) OPENNESS AND TRUST

No attempt should be made by the other directors to restrict the influence of worker directors by making 'official' board meetings as brief and rare as possible, by side stepping personnel issues which are felt to be of major interest to worker directors or by appointing steering committees in a deliberate effort to bypass or overrule the worker directors. Such manipulations foment mistrust and are self-defeating in the long run.

(7) A PARTICIPATION MODEL

The Maltese Government's declared intention to seek full membership of the EEC appears more credible if local developments in workers' participation approximate as much as possible to the uniform system proposed by the European Parliament.

V. CONCLUSION

The development of the worker director, both as an institution and as a culturally acceptable novelty, has been slow but steady and, therefore, appears all the more durable and naturalized in the Maltese environment. In the contemporary atmosphere, however, the process is consolidating its general acceptability while seriously facing, perhaps for the first time, the pains of legal and functional accommodation: To whom is the ultimate allegiance of the worker director? To what degree

¹⁶ Monat (1984, p. 61)

is the worker director different from any other director? Whom is he representing? What should be his position in the throes of an industrial dispute? What relationship should he maintain with the trade union(s) represented at his place of work?

The worker director is a hybrid newcomer to Maltese labour relations but the socio-political climate in which he operated never forced a confrontation with the stark reality of an anomalous and anomic condition. Today, this self-evaluation is forced upon the worker director by the sudden spate of popularity, national respectability and not least by the change in government and the inevitable consequent realignment of state, party, union and employer relations. The outcome has included an institutional establishment, sporadic outbursts in the press and a number of tentative policy options, some by the worker directors themselves. This situation calls for a happy resolution, unless the worker director concept degenerates into a partisan battlecry or a victim of its maturation crisis. There is indeed a new star in the firmament; but the (star) maps have still to be edited.

The question whether the worker-director scheme is likely to spearhead a new thrust to the development of worker participation in Malta is difficult to answer. It has been argued that the general cultural context is not conducive to the development of participatory values. The traditional emphasis on a paternalistic role for those in authority and the prevalence of patronage networks operate clearly against that. The contemporary breakdown of whatever local-religious-communal tendencies prevailed in the past and the emergence of a nationally polarized, competitive, materialistic, and individualistic tendency create further difficulties for participation.

On the other hand, the general interest in 'making participation work' on the part of all the main social, political and economic forces may create scope for experimentation even if these strange bedfellows may have conflicting long-term aims and interests.

In the long run, however, given that workers' participation has to do with the exercise of power within enterprises and in society at large, it is likely, that the main source of workers' power — the trade union — which has promoted, supported and hitherto maintained self-management at Malta Drydocks in spite of economic adversity and political pressures — may again come to the rescue. Traditionally, of course, trade unions have exercised power in the workplace of an oppositional type through collective bargaining and in this way they have had a significant impact on working conditions. Yet, during times of economic recession and particularly in situations of development the traditional role becomes severely restricted. In order to be effective, union power has to be used wisely, sparingly and responsibly. As Poole has recently argued "it is precisely by augmenting the latent and oppositional power

of workers . . . that progress can be made towards the establishment of workers' participation in decision making at every level".¹⁷

In this perspective, bargaining and participation emerge as only different points on a scale for the exercise of the same union power for the achievement of the same, ultimate goals.

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¹⁷ Poole (op. cit. p. 175)

APPENDIX I

The Worker Director in Malta: A Chronology of Events

YEAR	FIRM	OWNERSHIP STATUS	EVENT
1970	Union Press	union owned	2 worker directors elected
1971	Malta Drydocks	public corporation	Co-Determination — 3 worker directors appointed by GWU (half the board)
1973	National Cargo Handling Company	union owned	4 worker directors appointed by GWU (half the board)
1974	Hotel Villa Rosa	private ownership	2 worker directors elected
1976	B. I. M.	" "	1 worker director elected
1983	Bank of Valletta	Govt. majority shareholding	1 worker director elected
1984	Telemalta	public corporation	1 worker director nominated by GWU
1985	Enemalta	" "	1 worker director nominated by GWU
1985	Marsa Shipbuilding	Govt. majority shareholding	1 worker director nominated by GWU
1985	Marsa Shipbuilding	"	1 worker director elected
1986	Construction & General Engineering	parastatal company	1 worker director elected
1986	Tug Malta	parastatal company	1 worker director elected
1986	Magruvision	parastatal company	1 worker director appointed
1987	Air Malta	public corporation	1 worker director nominated by GWU
1988	Enemalta	public corporation	1 worker director elected
1988	Telemalta	public corporation	1 worker director elected
1988	Air Malta	public corporation	1 worker director elected

Note: The above chronology highlights

- (a) The momentum gained by "worker-directorism" since 1983, this form of participatory management spreading to a number of large public/parastatal companies
- (b) The shift from GWU-nominated to worker elected worker directors in public/parastatal bodies

APPENDIX II

The Worker Director becomes a Matter of Confrontation between
Union and Government

- 11/5/87 The New Nationalist Government is sworn into Office
- 27/5 The Government announces the Board of Directors of Enemalta Corporation, excluding the GWU-nominated Worker Director
- 5/6 The GWU files a judicial protest in the Civil Court on the grounds that the Union's right to nominate a representative on the Board of Directors of Enemalta Corporation has not been upheld. The GWU criticises the move as a breach of a collective agreement and as a threat to workers' participation. The Chairman of Enemalta Corporation and the Ministry for the Development of the Infrastructure reply in a counter-protest that the power to nominate the corporation's board is vested only in the Government. The Minister also informs the GWU that the Government intends reforming the law regulating the election of worker directors on the boards of parastatal corporations such that worker directors are truly worker representatives.
- 11/6 The GWU's nominee on the Board of Telemalta Corporation is also not upheld.
- 20/6 The GWU raises the issue at the 73rd session of the International Labour Organization.
- 23/6 Following protracted negotiations in which both the Acting President of the Republic of Malta and the Prime Minister were involved, the GWU accepts the principle that all worker directors be elected to the post.
- 2/7 The Minister for Social Policy invites various bodies (including the GWU, CMTU, and the WPDC) to table suggestions concerning the procedures of electing worker directors to the Boards of Telemalta and Enemalta.
- 4/7 Government and the GWU reach an agreement on the issue; the Government pledges to enact immediate legislation concerning the elections of worker director on the Board of Directors of Telemalta and Enemalta Corporations; the electoral procedures are to be agreed upon by both GWU & Government.
- 18/8 Government and the GWU do not agree as to the eligibility of union shop stewards and candidates who contested the last general elections for contesting the post of worker director.

APPENDIX III

The Federation of Worker Directors: Salient Aspects of its Statute

The FWD was set up on 8th February 1988 with the following members: The 8 elected members of the Council of Malta Drydocks, 2 worker/shareholders of 2 producer cooperatives, the worker directors on the Boards of B. I. M., Bank of Valletta, Tug Malta, Telemalta, Enemalta, Marsa Shipbuilding and Construction and General Engineering.

Article 2 *Definition* — A 'Worker Director' shall be understood as any director who is elected by workers to sit on the board of directors of the enterprise where they work for a definite time period.

Article 3 *Aims*

- (a) To increase cooperation and solidarity among all worker directors
- (b) To extend workers' participation in enterprises and to assist in the establishment of new forms of participatory management
- (c) To enable worker directors to meet and exchange experiences such that workers' participation can further develop.
- (d) To assist workers in enterprises where there is as yet no worker director, such that these workers will also have their representatives on the Board.
- (e) To assist in the expansion of the number of elected representatives where the right of representation already exists.

Article 11 *Political
Autonomy*

While the Federation cannot interfere in any way in the activities of its individual members, the Federation is autonomous of any political party.