



The GWU and the European Union

Ten years ago the General Workers union carried and published a thorough study on the benefits and disadvantages derived from Malta's full membership in the European Union. This study was and still is the only one of its kind ever by a trade union.

In this report, which was hailed by various institutions including the Government, the GWU insisted on the people's sovereignty and proposed that it should be the people to decide in a referendum whether Malta is to join or not the European Union. Since a decade had passed from the first report, the Union's Central Administration last year saw the need for this report to be updated. Meanwhile, the GWU started to and is still preparing a series of reports on all the chapters of the *Acquis Communautaire* which is a comprehension of all the regulations of the European Union, and then decide on the Union's position vis a vis all these chapters.

Furthermore, the GWU was the only institution to discuss the European Union in its conferences and is committed to keep its members informed about the realities of the European Union and Malta's proposed membership, without any prejudice or partisan politics.

Malta's full membership in the EU is the present Government's top priority and it has been so since 1987. Recently, the Government had published its plans as to how the EU regulations are to be adopted in the bid for membership.

These plans were incorporated in a document known as the National Plan for the Adoption of the Acquis (NPAA).

The Government's programme touches each and every sector of the economy and provides the time frame for the EU rules and regulations to become part of the Maltese legislation and also in the ways of administration of the country.

The GWU made a thorough study of and discussed the Government's programme and later delivered its reaction to the Government. The main points of the GWU's reaction are :

- the programme does not give any information about how the Government will bring into effect all the regulations of the European Union
- it does not give any information about the expenses involved in the implementation of the programme
- it does not mention any study that had been done about the impact that the EU regulations will have on Malta, hence full membership of the EU.
- that the exaggerated rush of the Government towards full membership will inevitably create an economic shock which the country is unable to absorb resulting in unnecessary hardships for the weakest in society
- that the Government, while it had the EU topping its agenda, hardly took any action in this regard. Now, the Government is trying to achieve in a very short time (until 1

January 2003) what it missed to do in many years. And subsequently this is an economic shock.

Furthermore, while in its programme the Government spoke much of the needed reform in the Public Sector and Parastatal entities, these reforms are not in any way mentioned in the programme. Likewise no where does the programme says what are the measures to be taken and by which the number of public employees is to be decreased.

As regards VAT, while it is being propagated that this tax is performing well and without much problems and that between the year 2000 and 2002 it will be harmonised with that in the European Union, the Government's programme is silent on whether VAT is going to be reformed or the rate increased. Also, nothing is said about whether or not the Government is going to negotiate this with the EU because the Maltese workers are already excessively burdened much taxation.

The **General Workers Union** reiterates that the Government wants to update the fiscal legislation so that Malta moves closer to the EU and at the same time it is mute on the repercussions that will have to be borne as a consequence that no more offshore companies can be registered in Malta and the existing ones will have to cease operating after the year 2004.

The Government's programme insists on higher efficiency in the Drydocks. Both Dockyards - the Malta Drydocks and the Malta Shipbuilding will have to merge and that in this regard, the Government during negotiations will demand a period of transition on subsidies which period will move farther from the date of accession.

The GWU notices that the Government's programme gives no information about how this is going to be done. Furthermore, no assessments had been carried out of the impact on the Drydocks and no details were given of how and what transition period for the Drydocks will the Government be negotiating with the EU.

The programme speaks also of an industrial policy for the year 2000. Here, the GWU remarks that while no new investment has been attracted to Malta, at the same established investment is either relocating or thinking of doing so. Meanwhile, the Government has said nothing about the real costs for private companies to start adapting and operating in line with the desires of the European Union and its regulations. Also the Government held back and did not say whether it saw the possibility that because of the high costs incurred, companies may driven to close down their businesses and jobs will be lost.

The GWU insists that the Government should carry and subsequently publish assessments on the:

1. free movement of persons and services
2. implications of dismantling and/or reform of state subsidies
3. impact of liberalisation on the telecommunications sector
4. impact on ship building and ship repair
5. impact on the energy sector
6. impact of the adoption of the Acquis' regulations on environment, both on the Government and the private sector
7. impact of Ports' reform

8. abolition of import levies on sensitive products
 9. impact on prices of basic essential services such as electricity and water in view of the Government's programme to privatise public utilities although nowhere does the European Union Treaty indicate that public corporations should be privatised. What the EU wants is that there should be no monopolies to allow competition to perform for the consumers benefit
 10. position by the government by which it will be known of what will become of those enterprises that can no longer benefit from state subsidies.
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