

MEMORANDUM FOR THE CABINET
BY THE HON. PRIME MINISTER

EXPATRIATES AND EMPLOYMENT

There is need to lay down a clear-cut policy with regard to the circumstances under which, and the manner in which, expatriates may be allowed to work in Malta.

2. Experience has shown that applicants for permission to engage in a gainful occupation are received from or on behalf of persons belonging to the following broad categories of expatriates:

- (a) Permanent residents;
- (b) Specialist personnel;
- (c) Heads of subsidiaries owned by overseas companies;
- (d) Investors;
- (e) Tourists;
- (f) Husbands of citizens of Malta;
- (g) Teachers, personal secretaries and confidential shorthand-typists with the U.K. Services.

Permanent Residents

3. With regard to permanent residents, a condition of whose permit is that they shall not undertake any form of employment whatsoever, the essential purpose of their coming to Malta is to settle down here and enjoy their retirement. To seek employment after settling here would therefore be in conflict with the purpose of their coming to Malta in the first place. The occasional request to undertake employment which is received from expatriates belonging to this category should therefore invariably be refused as being incompatible with their status. In those cases where the no-employment condition is infringed, the residence permit should be revoked. This, in effect, confirms a decision already taken by the Cabinet, and it is to be assumed that it applies also in the case of permanent residents whose services may be required temporarily by a Government Department, because of their qualifications.

Specialist Personnel

4. With regard to specialist personnel, this class covers a wide variety of activities ranging from trades to managerial functions. The current policy is to grant temporary work permits in respect of jobs for which no Maltese citizens are qualified, or are available,

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generally with the proviso that the employing firm train a Maltese understudy to take over in due course. By and large, this policy seems to be correct, except that it is necessary to ensure (a) that the condition for training Maltese should only be imposed on employers when it is a practical possibility, i.e. it does not require academic or technical qualifications, and (b) that it is in fact being fully observed. It is to be noted that British subjects and other nationals become eligible to apply for Maltese citizenship after a period of five or six years residence, respectively. The grant of such applications is, of course, discretionary and refusal cannot be contested at law. There should, in any event, be ample time for the training of a Maltese well before the lapse of five or six years as the case may be.

5. Another facet of this category of expatriate is the subject of a recommendation made by the Joint Mission in regard to persons recruited for the tourist trade. This recommendation applies in particular to the catering side of the industry, and it is that work permits should be issued for a period longer than one year. Five years is suggested as being more suitable, subject to the training proviso. Cabinet has already accepted this recommendation in the sense that such permits should not exceed the period of five years.

Heads of Subsidiaries owned by overseas companies

6. There are a number of cases which relate to expatriate heads of large non-Maltese concerns e.g. Barclays Bank, Dent Allcroft and Co., Carreras, B.P., Shell, Esso Standard, etc. It is considered reasonable that such concerns should be entitled to place a man of their own choice at the head of affairs, and it is therefore felt that no restrictions should be placed or conditions imposed on the engagement of expatriates in the capacity referred to, at least for the present.

Investors

7. Several expatriates have demonstrated their willingness to make substantial investments in enterprises which contribute to the economy and which, in particular, create employment. The principals, however, claim, not without reason that, if they are putting substantial capital into some enterprise in Malta, which is accepted by the Government, they should be allowed to 'cultivate' it. They likewise are unhappy about their security of residence in Malta, which is generally on a year to year basis, the implication being that a permit can be withheld at any time. Whilst it is true to say that Maltese enterprise is not lacking, it is equally true that expatriates bring in new ideas, new standards and new types of establishments e.g. bowling alleys, genuine continental style restaurants, etc., and by competition, encourage local entrepreneurs to be more imaginative in their outlook, and to improve variety, which in turn increases the attractiveness of Malta to the outsider. It is therefore considered reasonable that when applications (especially where aid, under the

Aids to Industries Ordinance has already been granted), are received to provide some form of entertainment, service, etc., which is not objectionable, which is backed by a proven investment of a fair amount of capital and which is likely to provide jobs for Maltese citizens, a more liberal period of residence should be accorded to expatriates providing such capital, should they wish to stay in Malta to supervise their investment, or to manage or direct the enterprise in which their capital has been invested.

Tourists

8. As to tourists, a number of persons belonging to this category have from time to time either taken up casual employment or opened an establishment such as a discotheque. It is considered that such persons should be told to leave forthwith. If they then request permission to continue in their employment or business, they should be told to make a formal request after leaving the Island. If it is approved, they would be allowed to return. Otherwise, if they are allowed to stay on whilst their formal request is being considered, they would not only be carrying on with an activity for which they have no permission, to the natural and justified annoyance of Maltese competitors, but the passage of time makes it more difficult to make them wind up their affairs and depart. Experience has shown, that, with the exception of two or three, local entertainment establishments, rarely apply for the necessary permission to engage foreign artistes, and the few who do, do so when the artistes have already arrived and are in employment. Whilst obviously, it is in no way desired to put any obstacles in the way of such expatriates coming into Malta to provide a much-needed amenity, it is felt that the attention of all night-club owners, etc. should be drawn to the need for them to comply with the formalities. This could possibly be done in a nice way by means of a circular letter from the Tourist Board.

Husbands of citizens of Malta

9. Applications are also received from aliens who wish to come and work here because their Maltese wives cannot get used to climatic and other conditions prevailing in the husband's country of origin. From the humanitarian angle alone, there may well be grounds why such persons may be allowed to reside and earn their living here. Otherwise, hardships would result and, perhaps, even separation of husband and wife may ensue. About 12 such cases are pending, and an early decision is desirable to resolve them, one way or another.

Staff with the U.K. Service Departments

10. The British Authorities are only bound to engage citizens of Malta in civil employment in clerical and analogous grades and industrial duties, so far as is practicable and provided they are suitable for such employment. In practice, this is a very loose formula which is subject to conflicting interpretations. It

cannot be said that the British Authorities have not taken full account of the need to make employment openings available to Maltese citizens. However, they maintain that there are certain categories of employment, for which only U.K. citizens are suitable, e.g. security typists or shorthand typists, teachers in Service schools, etc. In certain cases, when a work permit is refused, the Services can always get round this by putting uniformed personnel into the job.

It is considered that it should be recognised that there are areas of employment where another government feels that it can only use its own citizens, and provided that there is no large-scale movement of service dependants into jobs with the Service departments, it is for consideration whether there should not be a relaxation of the present rigid policy of insisting on the employment of Maltese citizens, regardless.

11. Ministers are kindly requested to say whether, in the light of the above, they agree that the following policy be followed in the grant of work permits:-

- (a) No work permit to be granted to permanent residents, whose residence permit will be revoked if the no-employment condition is infringed. This ruling to hold even in the case when the services of such persons may be required by a Government department.
- (b) Firms granted permission to employ expatriate specialist personnel should only be obliged to train Maltese understudies, where such training does not involve the acquisition of academic or technical qualifications.
- (c) Steps be taken to ensure that the training of under-studies, where this is required, is in fact being carried out.
- (d) Work permits for expatriates recruited for the tourist trade should, subject to the five-year ceiling, be granted for the period for which the expatriates' services are required.
- (e) No restrictions should be placed or conditions imposed on the engagement of expatriates as heads of large non-Maltese concerns.
- (f) A more liberal period of residence should be accorded to expatriates investing a relevant amount of capital in an enterprise, particularly if this is in receipt of assistance under the Aids to Industries Ordinance.
- (g) Expatriates who enter Malta as tourists and who either take up casual employment or start some commercial activity, should be made to leave forthwith and not allowed to stay on whilst an application is considered.
- (h) The attention of night-club owners, etc. to be drawn to the need to comply with the formalities regarding the engagement of foreign artistes.

- (i) Sympathetic consideration be given to cases of expatriates with Maltese wives, who seek to reside and earn a living in Malta because their wives are unable to acclimatize themselves to the conditions in their husband's country.
- (j) With regard to certain types of civil employment with the British authorities, some recognition be given to the fact that there are genuine circumstances when another government would wish to engage its own nationals, and that there should not be insistence on the employment of Maltese citizens regardless of such circumstances.

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