

MUTUAL LEARNING PROGRAMME:
PEER COUNTRY COMMENTS PAPER - MALTA

**Making VET more attractive and relevant to economic needs:
Are Spanish policies applicable to Malta?**

Peer Review on “Towards a new vocational training system more adjusted
to the new competencies and skills requirements of the labour market”

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1 LABOUR MARKET SITUATION IN THE PEER COUNTRY

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on Malta's comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

Over the past years, Malta had a lower rate of unemployment than the EU-27 average. In 2008, the unemployment rate in Malta stood at 5.9 %, compared to 11.3% in Spain and 7.0% in the EU-27. Eurostat figures indicate that in 2007, the unemployment rate of persons in Malta between 25 and 64 years with ISCED levels 0-2 was 6.7%, significantly lower than that in Spain and the EU-27 (9.0 % and 9.2 % respectively). Comparable figures for unemployed persons in Malta with ISCED levels of 3-4 and 5-6 are unavailable, probably due to the small sample size. However, one can get an idea of the situation by examining data derived from the Employment and Training Corporation (ETC), Malta's public employment service organisation, and published by the National Statistics Office. The percentage of registered unemployed seeking technical occupations out of the total number of registered unemployed stood at 9.4 % in January 2008 (NSO Website). While this signified an increase of 5.5 percentage points over January 2004 (3.9 %), the number in real terms remained rather low. The percentage of persons seeking professional or managerial occupations increased in a similar fashion, from 2.5 % to 7.8 % during the same period. Overall, persons with ISCED levels 3-4 and 5-6 do not appear to experience particular difficulties in finding employment. It is also evident that having a technical education pays, as this category of workers earn more (around 7.6% in Q3 2007 according to NSO figures) than the average worker.

One should note that the relatively low unemployment figures hide the fact that Malta has the highest inactivity rate among all the EU-27 states. This phenomenon is due to a low participation of women in employment. Inactivity is most strongly associated with older women with lower levels of formal education. Besides, as will be viewed below, there also exists a strong gender imbalance in participation in post-secondary and tertiary education in Malta.

As regards the educational attainment levels of young people, , Malta tends to lag behind the other European countries. Indeed, within the population aged 20-24, only about 50.4 % have completed at least upper secondary education (ISCED level 3). This compares to 61.6 % in Spain and the considerably higher 77.8 % EU-27 average. On the other hand, Eurostat data for 2006 indicate that when considering only people enrolled in upper secondary education, the percentage of Maltese males who are enrolled in the vocational stream (56 %) is significantly higher than in Spain (45.1 %), and close to the EU-27 average (57 %) (European Commission, 2008). However, vocational education in Malta is still strongly gender biased. There are considerably less Maltese females in the vocational stream (36.6 %) than in Spain (40.2 %) and the EU-27 (46.3 %). The low participation of females in technical education is also apparent among tertiary graduates. Eurostat figures for 2006 show that the number of female tertiary graduates in science and technology per 1,000 of population aged 20-29 in Malta is only 2.7, compared to 7.1 in Spain and 8.4 in the EU-27. On the other hand, in recent years, the number of females pursuing tertiary education in Malta has been consistently higher than that of males (European Commission, 2008).

Over the last 8 years, participation in VET has increased substantially, in line with the expansion of the Malta College of Arts, Science and Technology (MCAST) which was set up in 2001. While MCAST had about 4,000 students in the academic year 2003-2004, the number increased to about 9,000 in the academic year 2007-2008 (MCAST, 2007). MCAST currently offers training and qualifications for ISCED levels 1 to 5. VET in Malta has a long

way to go to reach European levels, as it has not yet managed to capture the older generations. Indeed, around 73 % of the population aged between 25 and 64 years only possess ISCED levels 0-2. On the other hand, only 14.2 % possess ISCED levels 3-4 and 12.6 % possess ISCED levels 5-6. These figures are considerably lower than those in Spain and the EU-27 average (NSO Website).

Despite the noteworthy efforts of various public entities such as the ETC and the social partners, there is also a strong need for improvement in the levels of lifelong learning. Eurostat figures indicate that only 5.5% of the adult population (aged 25-64) in Malta took part in lifelong learning activities in 2006, well below the 9.6% in the EU-27 states and the 10.4% in Spain (European Commission, 2008).

The above statistics should be viewed in relation to the economic restructuring that Malta has been undergoing in recent years. For the past years, the manufacturing sector has been registering an ongoing decline, with the closure of virtually all the textile factories. The current international financial crisis is heavily affecting manufacturing enterprises, especially those relating to the automotive industry. On the other hand, in recent years, Malta has started to attract more high tech firms such as those specialising in the production of pharmaceuticals. The services sector has also been growing steadily. The expansions of the call centre industry and the financial sector have complemented the growth of the tourism industry. Work is also currently underway in SmartCity Malta, the largest foreign investment that the country has achieved, which should result in an increase of about 3.5 % in overall employment in Malta. A large proportion of the jobs envisaged will be technical in nature.

2 ASSESSMENT OF THE POLICY MEASURE

In Malta, as in Spain, the need to unite the fragmented VET subsystems and establish a system for validating informal and non formal learning are among the main aims of a reform in the VET system which is currently underway.

As hinted in the previous section, the Maltese socio-economic context in which the VET reform is being carried out is rather different from the Spanish one. Besides, Malta is not a federal state and most services, including public VET providers and employment-related services are centralised. Indeed, the country is small enough that in the previous legislature, education and labour were amalgamated into one Ministry, though they were separated again in the current legislature. Having a centralised structure inevitably reduces the complications relating to the agreement and the implementation of reforms. However, despite the size of the country, there is still considerable fragmentation in the provision of education. Compulsory education, VET, tertiary education, and training for the unemployed developed separately from one another. This resulted in lack of parity of esteem between the academic and vocational education systems and a lack of flexible pathways between VET and non-VET streams. Thus, for instance, graduates from vocational courses found it difficult to pursue further education at university. Besides, the relevance of qualifications to Malta's economic growth and social cohesion was being questioned by various sectors of society, including social partners.

The changing labour market has generated the need to offer certification for Maltese persons possessing skills developed in informal and non-formal learning settings. The lack of a national framework for the validation of informal and non-formal learning meant that there was no harmonisation among institutions as regards the tools for assessment and evaluation. For instance, the Employment and Training Corporation developed its own method of skills testing which it uses among the registered unemployed. The Maltese government was thus faced with the challenge of devising a system through which levels of education and qualifications can be measured by what an individual is capable of doing rather than on the basis of his or her formal qualifications. Among other things, this would help to decrease the potential for structural unemployment and also would facilitate the mobility of Maltese workers to other parts of Europe.

To solve these issues, the government set up the Malta Qualifications Council (MQC) through Legal Notice 347 in 2005. Backed by its legal status and a substantial amount of funds, partly deriving from the EU, the Council's objectives include the implementation of a new national qualifications framework for Malta, compatible with the European Qualifications Framework (EQF). It also aims to oversee the training and certification which is not already provided for by recognized educational institutions, in a bid to ensure that formal, informal and non formal competences are accredited and certified. In line with the Spanish reform, it is envisaged that the new qualifications framework will form a single structure encompassing formal, non-formal and informal learning. The MQC's link with other organisations is first of all obtained through its board of directors, which, as will be seen below, includes representatives of the major stakeholders. The MQC also organises conferences and other events on a regular basis which serve to improve the link with other organisations and the general public.

The Maltese authorities are currently putting into place a VET structure which includes similar elements to the Spanish National Reference Centres and the validation of non-formal and informal learning.

Social partners, especially employers' associations, speak about the need to improve the skills and the qualifications of the Maltese population in order to enhance the country's

competitiveness. However, the reform of VET is largely top-down, where the government is the initiator and main implementer of the reform.

Similar to Spain, until now there has been no legislation regulating the validation of informal and non-formal learning in Malta. Indeed, the regulation which establishes the Malta Qualifications Council does not make direct reference to the validation of informal and non-formal learning. In 2008, the MQC presented a policy document entitled Valuing all learning – Frameworks for the validation of informal and non-formal learning in Malta which, as the name suggests, proposes a framework to validate so-called ‘invisible learning’. Among others, the document proposes the drafting of such legislation to establish the validation of invisible learning as a right of Maltese citizens, and specifies that the MQC should become the body responsible for:

- setting the standards and principles which are to be followed; (these are currently being developed)
- regulating the bodies responsible for validating learning outcomes; (the policy document suggests that such bodies would include education and training providers accredited by the MQC)
- ensuring that quality assurance systems are put in place, that learners obtain a fair judgement;
- monitoring the validation process; as well as
- acting as a catalyst to promote validation of as much invisible learning as possible. (MQC, 2008)

The policy document specifies that the legislation is needed ‘to ensure that any validation of invisible learning leads to access to formal education and training courses, exemptions from parts of training courses; as well as full qualification awards’ (MQC, 2008, p.60). I have not come across any information about the strategy which will be used to attract potential users to the validation system. However, there will probably be an advertising campaign through different mass media, as often happens when new public services are set up.

The MQC has also proposed the setting up of Skills Sector Units to ‘set standards of knowledge, skills and competences for the different job responsibilities’ (MQC, 2008, p.61). The 22 sectors initially identified by the Council vary from agribusiness to computing and information technology, entertainment, hospitality, science and transport. The remit of these units overlaps that of the Spanish National Reference Centres (NRCs), focusing on:

- identifying the different jobs involved in their particular sector;
- identifying and describing the knowledge, skills and competences required for individuals to be able to perform the different specific jobs;
- pegging a qualification level on the National Qualifications Framework to the different job levels; and
- ensuring that standards are respected in the validation of invisible learning by validation institutions. (MQC, 2008, p.62)

The Skills Sector Units should ‘help reduce skills gaps and shortages, emphasize labour market needs, and act as catalysts to improve productivity, business as well as public service performance’ (MQC, 2008, p.62). In the process, they should improve the overall levels of workers’ skills and competences in their specific sector. Unlike the Spanish NRCs, it appears that it has not been envisaged that the Skills Sector Units should focus on hands-on activities such as the promotion of innovative actions in VET teaching methodologies and the training to employers, trainers and teachers in VET. No other institutions exist with such aims. One should note that since most of the VET provision is carried out by MCAST, the latter is in the best position to improve VET teaching methodologies.

As in Spain, social partners play a significant role in VET. The government is actively involving different stakeholders, including trade unions and employers' associations, in the VET reform which is being carried out.

As stated earlier, the Maltese educational system is fragmented into different sub sectors, each with its own authorities. The level of representation of social partners on the boards of such organisations varies. The regulations of some organisations include the presence of social partners on the boards, while others do not. The board of the Malta Qualifications Council (MQC), which, as seen above, is trying to link the different educational subsystems, consists of nine persons including a representative of employers' associations and a representative of trade unions. The other persons consist of government officials or experts and representatives of education and training providers, and awarding bodies.

While there are no national agreements for continuing vocational training, Maltese trade unions contribute to the training of employees through their role in collective bargaining, which in Malta is carried out at enterprise level. Some social partners, especially the largest trade unions, namely the General Workers Union and the Union Haddiema Maghqudin (Union of United Workers) have training branches which aim to educate and train adults.

The MQC also acknowledges that for the validation framework to be successful, the different stakeholders, including education and training institutions, social partners and government authorities, must work more together. In order to improve social dialogue, it is proposed that the Skills Sector Units mentioned earlier will 'include representatives of employers and employer associations' representatives; workers and professionals within the sector; trade union representatives; representatives of the Ministry of Education, Culture, Youth and Sport and/or the Employment and Training Corporation; as well as representatives of training institutions in the sector' (MQC, 2008, p.63). Details on how often they will meet are not yet available. One should note here that while social partners will be represented in the Skills Sector Units, such representation will be much smaller than what is being planned for NRCs in Spain, where half of the membership of the NRCs' Social Councils will be reserved for social partners. As will be seen in the next section, a number of issues restrict such involvement.

3 ASSESSMENT OF THE SUCCESS FACTORS AND TRANSFERABILITY

It seems that overall Malta is devising very similar policy initiatives concurrently with Spain. Much of the knowledge and expertise being developed in the policies examined in the Host Country Discussion Paper could thus be transferable to Malta and vice versa. It would be profitable for the relevant authorities in both countries to exchange their views and experiences further. Several innovative policies have been drafted for the Maltese educational sector in the past few years. However, there have been delays in the implementation of many of these policies. The reasons for these delays differ from case to case, but are often attributable to insufficient human and economic resources and logistical issues which emerge in restructuring exercises. Besides, as also mentioned in the case of the policies examined by the Spanish discussion paper, in Malta insufficient attention appears to be paid to the proper evaluation of policies once these start to be implemented. Thus, it would probably be beneficial for the relevant Maltese and Spanish authorities to learn from each other's experiences with regards to both the implementation and evaluation processes of the VET reform.

The process of decision-making by consensus adopted in Spain may not be possible in Malta. Besides, the involvement of social partners would have to be more limited than in Spain due to lack of resources.

As in Spain, policy making in Malta in recent years has become much more evidence-based than previously. Indeed, policies are also often accompanied by qualitative and quantitative studies. For instance, in the recent case of the Valuing All Learning – Frameworks for the Validation of Informal and Non-formal Learning in Malta' (MQC, 2008), the document includes a review of some European national systems as examples of best practice. In order to improve its strategic vision, since it was set up in 2005, the MQC has also cooperated with many organisations across various countries, through, among others, Leonardo da Vinci projects. As discussed above, consultation with the relevant stakeholders is also being strongly sought in the drafting of policies.

However, the extent of the Spanish social partners' involvement would probably not be possible in Malta. The Host Country Discussion Paper discusses the issue of consensus, striving to resolve issues of contention among different stakeholders, including social partners, by focusing on agreement areas and, for instance, including only the minimum requirements in the legislation. The level of involvement of social partners in Malta is described below.

While there are no complex issues of regional authorities and when there are difficulties among different ministries they tend to be expediently resolved around a ministerial table, the involvement of social partners is much more problematic. Due to the persistence of the Anglo-Saxon model of industrial relations, there tends to be a lack of consensual ethics and relationships of trust among the social partners. This lack of trust, which is also evident in inter-union relations, is generally seen as a barrier to more effective industrial relations. For example, some years ago, lack of trust was blamed for the inability to reach a social pact among the government and the social partners which could have increased Malta's competitiveness. The drafting of the new labour legislation, the Employment and Industrial Relations Act (2002) also illustrates similar difficulties. In order not to create social unrest, consensus was sought before enacting the legislation. It took about 10 years of intense discussions to enact the law. The consensus was achieved thanks to the government's genuine commitment to satisfy all parties irrespective of the amount of time this would have taken.

Despite this, the government is increasingly consulting social partners at various levels on policy issues, while not always making decisions in line with them. In order to facilitate the process of policy making, independent experts (usually not involving social partners) are thus often commissioned to draft a policy, which is then launched for public consultation among the relevant stakeholders, usually through conferences and with the possibility of sending written feedback. The government authorities responsible then decide which of the feedback to incorporate before the policies are implemented. Joint decision or joint implementation of policies by the government and social partners are uncommon in Malta.

The potential for social partners' involvement in Malta is also constrained by their limited resources. The social partners' senior officials tend to be overburdened with work. Since Malta joined the EU, their work has increased substantially both on a national and on an international level. It appears that due to insufficient financial and human resources, senior union officials are unable or unwilling to delegate tasks to others. This, for instance results in a few persons fulfilling a number of roles in various boards. In order not to exacerbate such a situation, human resource capacity building is needed to train lower levels of union officials. It will be useful to evaluate the operations of Skills Sector Units once these have been established and to note, among other things, the role played by social partners' representatives. While teachers and trainers will be represented on such units, the involvement of students appears not to be envisioned. Students and parents need to be given more consideration during the process of policy making in education.

4 QUESTIONS

In 2007, the MQC launched a National Qualifications Framework for Lifelong Learning (NQF). The NQF categorises every qualification available in Malta into eight levels, and shows the various routes to learning. It would be interesting to understand whether the Spanish National Catalogue of Qualifications serves the same purpose as the Maltese NQF. What kind of information is collected in the Spanish Catalogue? Who is responsible for the Catalogue and what are its links with the National Reference Centres and the National Reference Points (NRPs) for vocational qualifications?

The Maltese authorities are in the process of drafting a law for the validation of non-formal and informal learning. Thus it would be useful to have more details about the work on the related Spanish legislative instruments which has already been carried out, as mentioned in the Host Country Discussion Paper.

The issue of 'guidance' is mentioned in relation to both the NRCs and the validation of professional competences. I would be interested to know whether the role of guidance will be assigned to specialised and certified persons acting as guidance advisors or whether it will be more generic in nature and not tied to particular posts. I am asking this question in the light of the fact that the Maltese government is currently reforming the role of career adviser in the educational sector, by establishing new posts specialised in career guidance.

ANNEX 1: SUMMARY TABLE

Labour market situation in the Peer Country
<ul style="list-style-type: none"> Malta has a lower rate of unemployment than Spain and the EU-27 average. The number of unemployed persons seeking technical occupations increased between 2004 and 2008. Within the Maltese population aged 20-24, only about 50.4% have completed at least upper secondary education (ISCED level 3). VET in Malta still has to overcome gender bias. Females prefer non vocational courses. Since 2001, the number of persons pursuing VET increased substantially, but around 73% of the population aged between 25 and 64 years only possesses ISCED levels 0-2. Malta is undergoing considerable economic restructuring. The manufacturing sector is shrinking, while the services industry is expanding.
Assessment of the policy measure
<ul style="list-style-type: none"> The need to unite the VET subsystems and to establish a system for validating informal and non formal learning are also among the aims of Malta's VET reform. The Malta Qualifications Council (MQC), enacted by law in 2005, aims to implement a new national qualifications framework encompassing formal, non-formal and informal learning. The MQC has proposed the establishment of Skills Sector Units to 'set standards of knowledge, skills and competences for the different job responsibilities'. As in Spain, social partners play a significant role in VET in Malta. The government is actively involving different stakeholders, including trade unions and employers' associations, in the VET reform which is being carried out.
Assessment of success factors and transferability
<ul style="list-style-type: none"> Malta is devising similar policy initiatives concurrently with Spain. Thus, much of the knowledge, expertise and experience could be transferable. In Malta, more attention needs to be focused on the evaluation of the VET reform process. The process of decision-making by consensus may not be possible in Malta. The involvement of social partners would have to be more limited in Malta than in Spain due to constraints of size and resources.
Questions
<ul style="list-style-type: none"> What information is included in the National Catalogue of Qualifications? Who is responsible for it? How is it linked to NRCs and NRPs for vocational qualifications? Would it be possible to have more details about the developments in the legislative instruments related to the validation of non-formal and informal learning in Spain? Will the role of 'guidance' be assigned to specialised and certified persons acting as guidance advisors or will it be more generic in nature and not tied to particular posts?

ANNEX 2: REFERENCES

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