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for Public Employment Services**

DG Employment, Social Affairs and Inclusion

PEER PES PAPER – *Malta*

**Peer Review 'PES and older workers'
Germany, May 2012**

Employment and Training Corporation

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In collaboration with GHK Limited and the Budapest Institute.

1. MAIN CHALLENGES IN RELATION TO THE LABOUR MARKET

1.1. What is the labour market situation of older workers?

The most recently published employment information by the National Statistics Office for Malta (NSO) is based on the Maltese Labour Force Survey (LFS) figures for the third quarter of 2011 and it indicates an increase in employment of over 2 % when compared to the corresponding quarter of 2010.

The **employment rate** for the third quarter of 2011 was estimated at **58 %** - an increase of over one percentage point over 2010. The highest employment rates were recorded among persons aged between 25-54, for both sexes.

More specifically the employment rate for workers aged 55 and over was of **30.9 %**.

Table 4. Employment rates by age

Age group	Sex		Total
	Males	Females	
	%	%	%
July-September 2011			
15-24	52.0	44.6	48.4
25-54	89.9	50.5	70.6
55-64	48.4	13.7	30.9
Total	74.0	41.6	58.1
July-September (revised) 2010			
15-24	48.0	47.0	47.5
25-54	88.3	48.3	68.7
55-64	49.0	12.6	30.6
Total	72.3	40.6	56.7

Table 6. Distribution of employed persons by age

Age group	Sex				Total	
	Males		Females			
	No	%	No	%	No	%
July-September 2011						
15-24	15,368	13.8	12,232	20.7	27,600	16.2
25-34	29,385	26.4	20,370	34.4	49,755	29.2
35-44	24,076	21.6	14,272	24.1	38,348	22.5
45-54	25,956	23.3	8,121	13.7	34,077	20.0
55-64	14,115	12.7	4,053	6.8	18,168	10.7
65+	2,388	2.1	130 ^u	0.2 ^u	2,518	1.5
Total	111,288	100.0	59,178	100.0	170,466	100.0
July-September (revised) 2010						
15-24	14,425	13.3	13,031	22.4	27,456	16.5
25-34	28,370	26.2	19,624	33.8	47,994	28.9
35-44	23,149	21.4	12,417	21.4	35,566	21.4
45-54	26,123	24.1	8,717	15.0	34,840	20.9
55-64	14,197	13.1	3,755	6.5	17,952	10.8
65+	2,003	1.9	502 ^u	0.9 ^u	2,505	1.5
Total	108,267	100.0	58,046	100.0	166,313	100.0

^u - under-represented due to small sample size. Please note that these data must be interpreted with caution.

The **unemployment rate** for the period under review was estimated at **6.2 %** - 5.9 % for males and 6.7 % for females (Table 5).

The largest share of unemployed persons fell within the 15-24 age bracket (Table 17). Nearly half of these persons had been seeking work for at least 12 months (Table 18).

Table 5. Unemployment rates by age

Age group	Sex		Total
	Males	Females	
	%	%	%
July-September 2011			
15-24	13.8	10.3	12.3
25+	4.5	5.6	4.9
Total	5.9	6.7	6.2
July-September (revised) 2010			
15-24	12.4	7.2	10.0
25+	6.0	6.5	6.1
Total	6.9	6.7	6.8

Table 17. Distribution of unemployed persons by age

Age group	Sex				Total	
	Males		Females			
	No	%	No	%	No	%
July-September 2011						
15-24	2,452	35.0	1,412 ^u	33.5 ^u	3,864	34.4
25-34	1,647 ^u	23.5 ^u	1,366 ^u	32.4 ^u	3,013 ^u	26.9 ^u
35-44	1,652 ^u	23.6 ^u	827 ^u	19.6 ^u	2,479	22.1
45-54	915 ^u	13.1 ^u	540 ^u	12.8 ^u	1,455 ^u	13.0 ^u
55+	335 ^u	4.8 ^u	72 ^u	1.7 ^u	407 ^u	3.6 ^u
Total	7,001	100.0	4,217	100.0	11,218	100.0
July-September (revised) 2010						
15-24	2,044	25.5	1,012 ^u	24.4 ^u	3,056	25.2
25-34	2,162 ^u	27.0 ^u	1,048 ^u	25.3 ^u	3,210	26.4
35-44	1,753 ^u	21.9 ^u	1,189 ^u	28.7 ^u	2,942	24.2
45-54	1,402 ^u	17.5 ^u	895 ^u	21.6 ^u	2,297 ^u	18.9 ^u
55+	641 ^u	8.0 ^u	0 ^u	0.0 ^u	641 ^u	5.3 ^u
Total	8,002	100.0	4,144	100.0	12,146	100.0

^u - under-represented due to small sample size. Please note that these data must be interpreted with caution.

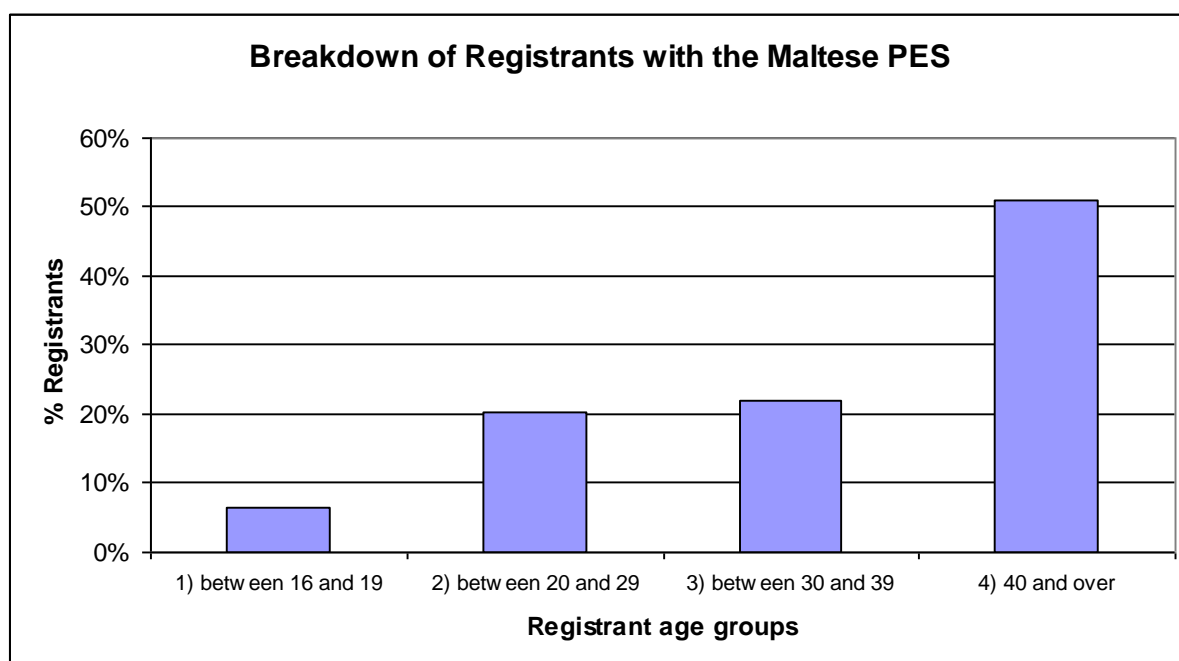
Table 18. Duration of job search of unemployed persons

Duration	Sex				Total	
	Males		Females			
	No	%	No	%	No	%
July-September 2011						
Less than 5 months	2,166 ^u	30.9 ^u	2,366	56.1	4,532	40.4
6-11 months	811 ^u	11.6 ^u	587 ^u	13.9 ^u	1,398 ^u	12.5 ^u
12+ months	4,024	57.5	1,264 ^u	30.0 ^u	5,288	47.1
Total	7,001	87.5	4,217	101.8	11,218	92.4
July-September (revised) 2010						
Less than 5 months	1,957 ^u	24.5 ^u	1,404 ^u	33.9 ^u	3,361	27.7
6-11 months	1,485 ^u	18.6 ^u	981 ^u	23.7 ^u	2,466	20.3
12+ months	4,560	57.0	1,759 ^u	42.4 ^u	6,319	52.0
Total	8,002	100.0	4,144	100.0	12,146	100.0

^u - under-represented due to small sample size. Please note that these data must be interpreted with caution.

The following information is taken from a report which provides some additional information on the LFS news release published by the National Statistics Office concerning the unemployed population in Malta and Gozo covering the past 12 months. All information is based on the Employment and Training Cooperation's (ETC) administrative records and therefore cannot be considered to be official national statistics.

Registering Unemployed



The largest share of the unemployment pool in January 2012 pertained to **those aged over 45 years (40 %)**.

Over the period of 12 months, there was a registered decrease in the following age groups: the youth age group by 3 % (-39), in the 25–29 age group by 5 % (-35) and in the 30-44 age group by 4 % (-78).

Those **aged over 45 years increased by 3 % (+69)**.

Long-Term Unemployment (LTU)

In this regard, those young people termed as LTU in January 2012 amount to 290 persons. Youth LTUs registered a drop of 0.34% (-1) over the January 2011 level.

With regard to adults (25 years+), whose unemployment spell is 12 months and over, registered a drop of 6 % (-131) compared to the January 2011 level.

1.2. What are the main challenges facing PES in working with older workers and which groups among older workers are the most difficult to support?

Working with older workers brings along a number of challenges. Older unemployed workers generally experience a recognisable pattern of emotions when they lose their job: from shock to denial, anger, resignation, apathy, a feeling of being good for nothing, etc. Employment advisors need to tackle these issues before working on other underlying challenges more specifically related to their employment situation.

Amongst these other challenges we find:

The need for skilling and re-skilling:

- there is a higher **rate of illiteracy** amongst older workers which makes their re-skilling difficult. In the current labour market, literacy has become essential for most jobs and older workers see literacy as being a hurdle they will not be able to achieve despite the support offered to them by the PES;
- a number of older workers began working at a very young age and therefore have a **low educational level**. In addition, lower skilled older workers also seem to have an **aversion to training**, which in a number of cases results from issues such as low self-esteem and the fact that they have not undergone training in a long time;
- a number of older workers also have few or **no qualifications to support their vast knowledge and experience**;
- as a result of fast technological progress a number of the older workers approaching the PES **require adequate IT training**. Once again, in a number of cases, those that have managed to keep abreast with technology have no qualifications to prove it and therefore are turned down by employers;
- some older redundant workers who have spent all their working lives in a particular industry (e.g. manufacturing) **find it difficult to consider alternative career paths** even though their previous careers have become obsolete within the local labour market. Having worked in the same place doing the same job also results in a poor employment record.

Age discrimination

- most registering jobseekers feel that they are discriminated against by employers due to their age;
- employers generally seem to believe that older workers are already **set in their ways** and that they **will not integrate easily** within the organisational culture;
- there is also the misconception that if they do not have qualifications, then the older workers do not have the required knowledge and experience to carry out the job successfully. As a result of this, **older workers are believed to be too expensive** since employers believe they will need to invest in more training for older workers.

Stress & health problems

- some of the lower skilled workers that have worked most of their lives in the more physically taxing jobs such as construction, come to a stage where they physically find it hard to continue doing the job. Most of these individuals tend

to also be low-skilled and therefore **find it more difficult to transfer to other career paths**;

- being unemployed, especially when a person has certain family duties, can be very stressful for older workers. When they do not find employment quickly this in turn can lead to **lack of confidence, low self-esteem** and eventually a **lack of motivation**.

Work versus benefits for low earners

Lower earners who become unemployed find it easier to adapt their lifestyle living on unemployment benefits and therefore may lose their interest in finding employment.

All jobseekers require their individual attention and advisors need to cater for their particular needs. The most difficult to support tend to be:

- those unemployed jobseekers that lose hope that they will find a suitable job;
- low-skilled older workers who lack the basic requirements to undergo re-skilling in other areas where there is a skill shortage;
- those over 50 due to heightened discrimination from employers.

2. SERVICES FOR OLDER WORKERS: OVERALL STRATEGY AND APPROACH

2.1. What is the main strategic approach of the PES in dealing with the issue of demographic change and unemployment among older workers?

Although there have been campaigns promoting the employment of older workers in the past, the PES currently works mainly with jobseekers and their direct needs.

For the unemployed, the main focus is to increase the employability level of the older jobseeker by providing activation measures such as training, exposure or employment schemes which are aimed directly at bridging the gap between the jobseeker and labour market needs. When a person registers with the PES as a jobseeker, they are provided with the ETC's advisory services, whereby an employment advisor supports and guides jobseekers individually in choosing a career path, in their search for work and training opportunities. This is achieved mainly through a Personal Action Plan which registering jobseekers develop together with their employment advisor.

Some of the activation measures may also include short group sessions such as motivation seminars for older workers.

The Maltese PES also takes preventative measures by encouraging life-long learning amongst those in employment. This is done by encouraging employees to undergo training which is offered free of charge by the PES, by providing training

grants for those working in SMEs and also by encouraging employers to invest in their workforce through training subsidies.

2.2. Are there specific counsellors for older workers and/or specific employer counsellors to deal with the challenge of demographic change, and if so, what training do they receive?

Apart from having a section for supported employment, the PES currently has employment advisors that specialise in working with youths and adults. Adult advisors deal with caseloads of persons aged 25 and over. Both types of advisors receive the same basic induction and training on procedures, services, etc., when they first join the PES. The only difference is the time they spend shadowing and being mentored by other adult or youth advisors before they start seeing clients themselves.

2.3. What types of special measures does the PES offer to (unemployed and employed) older workers and how effective are they?

Type of measure	Offered? (yes/ no)	Brief operational description of measure	Year introduced	Year abolished	Effectiveness of measure (scale: 1 = not very effective, 5 = very effective)	Reasons for effectiveness or ineffectiveness
Legal regulations e.g. exemption from activation	No		n/a			
Benefits e.g. longer duration	yes	The benefits are provided by the Department of Social Services and not directly by the PES. The amount of benefits received depends on a number of things such as NI contributions, household situation, etc. This is however not directly tagged to the age of the job seekers.			2	Although essential, at times the benefits may work against encouraging a jobseeker to return back to work especially when the person is low skilled and does not have loan / mortgage commitments as is the case for most older workers.
Subsidies e.g. wage subsidies, social contribution subsidies	yes	The PES <i>currently</i> offers a number of programmes and schemes to various client groups. A number of the following subsidies specifically include older workers as one of their main target groups: i. Work Trial Scheme – this is a work exposure scheme (maximum 12 weeks). ii. Employment Aid Programme – this is an ESF co-financed employment programme whereby the employer receives a wage subsidy. iii. Employment in the Social Economy – this is a <i>new</i> ESF co-financed project which offers a wage subsidy to	i. 2010 ii. 2009 iii. 2012		i. 4 ii. 4 iii. n/a the project was only	i. Older workers can use this scheme to gain more recent work experience. It also gives them a chance to prove to prospective employers that they are suitable for the job. It can also act as a job taster allowing them to gain skills and experience in new career paths. ii. Employers more often opt for older workers which they previously would have discriminated against since they will receive a subsidy. iii. n/a the project was only launched

		employers working specifically in the social economy. iv. Training Aid Framework – this is a training subsidy that is aimed at encouraging employers to invest in their employees.	iv. 2009		launched recently iv. 4	recently iv. A number of companies that previously did not invest in their workers provided training and applied for this subsidy.
Other activities or measures e.g. training or coaching of placed older unemployed, upskilling of older employees, other preventative actions		i. Training courses offered under the Employability programme – this is an ESF co-financed project through which the PES offers training in various areas to jobseekers and job changers.	i. 2009			i. The training provides up-skilling for registered unemployed and also promotes lifelong learning amongst those workers in employment. Those with no qualifications receive a certificate of competence. Although this is not specifically for older workers only, it is one of the main measures used by employment advisors.

3. PREVENTATIVE PES SERVICES AND MEASURES FOR OLDER WORKERS

3.1. Based on your experience (ideally backed up by performance measurement), what works best in relation to preventative measures?

3.1.1. What is the PES' role and which measures have been taken to raise awareness of the importance of recruiting/retaining older workers? What has been the impact of such measures?

- The provision of various training programmes for the unemployed and also for those in employment;
- Gender, race and age neutral adverts when promoting ETC services to jobseekers and employers;
- TEES programme – this was an ESF co-financed programme which focused specifically on promoting (e.g. bus adverts, TV adverts, etc.) and facilitating the integration of older workers in the labour market. Although the programme did result in a positive uptake of older workers, this also had a negative effect on the uptake of younger workers resulting from the fact that employers started attributing the reverse traits to younger workers.

3.1.2. Do the PES provide HR counselling to employers in relation to the demographic challenges facing them? If so, what is the nature of this service; is this provided in-house or externally; if in-house, is it provided by specialist counsellors? Which types of employers have been the target of such services and what has been the result?

- The Maltese PES does not provide HR counselling directly related to this aspect.
- Recruitment advisors however provide the necessary information on the various services, programmes, grants and schemes available to them, and these indirectly encourage the employment and investment in training of older workers amongst other target groups.

3.1.3. What specific measures are available to help retain older workers and enhance their HR potential (e.g. in work training)? What has been the take-up of such measures and their results on the long-term sustainability of older workers' employment?

- The Employment Aid Programme (ESF Aid Scheme) - is an employment scheme which aims to promote the recruitment of disadvantaged persons including amongst other eligible groups, '*any person older than 50 who does not have a job or who is losing his or her job*' and those persons with special needs. Employers can be eligible to receive a subsidy equivalent to 50 % of the wage costs (that is half the basic salary together with half the employer's national insurance) for a duration of 52 weeks. When recruiting a disabled person, the subsidy can be for three years with the first year reimbursement being 75 % of the wage cost and subsequently 60 % for the second and third years.
- Training Aid Framework (ESF Aid Scheme) - giving financial assistance to companies that invest in the training of their workforce. This scheme is available for companies in the private sector and the subsidy will vary according to the type of training and the size of the enterprise. Training can be in-house or out-sourced and can be given in Malta or abroad through distance learning.
- Work Trial Scheme - serving both the requirements of the employer who offers to train the work exposure participant and the needs of the unemployed jobseeker. The ETC grants 50 % of the national minimum wage per week (for the duration of the scheme) towards the participant while the employer will not need to issue any salary or allowance. Placements can be for a maximum of 12 consecutive weeks. The work experience will be based on a 20-hour week (4 hours a day) in all cases.
- Employability Programme –
 - *Traineeships* – dual system of Occupational Skill Development training through a combination of on-the-job and off-the-job training.
 - *Various short courses* – including basic skills, office related, IT and advanced IT related, trade courses, technical courses, private guards, culinary arts, dangerous goods drivers, and management development courses. All courses are free of charge.

3.1.4. Are there specific measures to support the retention of older workers in restructuring situations? What types of services are offered and how successful have these been?

- In cases where restructuring was taking place, the Maltese PES stepped in and where possible offered to provide the re-skilling of workers at risk of losing their jobs.

3.1.5. Which partnerships with external organisations are in place and have proved to be effective and why?

- Partnerships with external organisations currently deal with ex-convicts, ex-abusers and persons with disability. There are none specifically dealing with older workers.

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3.2. What do you see as the main challenges in relation to delivering preventative services for older workers, including the specific PES services offered, as well as aspects of the broader policy framework?

Kindly refer to 2.1.

4. PES SERVICES AND MEASURES FOR UNEMPLOYED OLDER WORKERS

4.1. Based on your experience (ideally backed up by performance measurement), what works best in relation to measures and services for unemployed older workers?

4.1.1. In the context of the overall approach of PES services for unemployed older workers (individualised or targeted), what specific supports are available to this target group that have proved successful regarding outcomes?

- One to one personalised action plans developed together with their employment advisors
- Motivation seminars
- Group sessions aimed at targeting the specific needs of the group at hand (e.g. older female returners, etc.)

- Exposure schemes
- Employment subsidy schemes
- Training courses and training schemes.

4.1.2. Are any Active Labour Market Policies (ALMP) measures specifically targeted at unemployed older workers and which ALMPs have proved most effective for older workers and why (key factors affecting their success/failure)?

- Employment Aid programme
- Work Trial Scheme
- Training Aid Framework
- Employability Programme
- Training Subsidy Scheme

For more details kindly refer to the descriptions provided above.

4.1.3. What are the best ways of encouraging employers to offer employment opportunities to older workers? And what is the relation of services to financial incentives/subsidies?

- The best way is to offer some form of temporary subsidy grants for both employment and training.
- To encourage employees and jobseekers to invest in lifelong learning.

4.1.4. Which partnerships are in place and have proved to be effective with external organisations and why?

None related to older workers.

4.2. What do you see as the main challenges in relation to delivering services and measures for unemployed older workers, including the specific PES services offered, as well as aspects of the broader policy framework?

Kindly refer to 2.1.

5. MONITORING AND EVALUATION

5.1. What systems are in place for performance measurement and evaluation for older workers / unemployed?

- Specific eligibility groups under the various employment and exposure schemes have been set up and therefore the uptake of older workers can be identified through this.
- PES data can be extracted following a specific IT request and this data can be used to double check both performance and evaluation. This data for instance, is often used to carry out tracer studies which show whether e.g. the transition into employment was successful or whether there was a transition into employment following the successful completion of a course. The evaluation is carried out ad hoc and therefore it is not easily accessible.

5.2. What are the main indicators used in evaluating the effectiveness and efficiency of services and measures for older workers?

- The transfer to employment following training.
- The retention in employment with the same or other employment following a subsidy scheme.
- The transfer to employment with the same or other employers following a scheme (exposure scheme – non-subsidy).

5.3. What have been the main evaluation results in recent years?

- The evaluation results vary depending on a number of reasons including the economic crisis, labour market situation, etc.

5.4. Have these results led to any changes or are changes being considered in the organisation and delivery of services to improve the labour market situation of older workers?

- A number of changes and amendments to the schemes and programmes have been carried out following the evaluations and recommendations received. These amendments vary according to type and are not specific only to older workers.

6 CONCLUSIONS

6.1. What do you see as the main challenges in relation to delivering effective services to (unemployed) older workers?

- Kindly refer to 2.1.

6.2. What are your conclusions on what works best in relation to the delivery of effective services for (unemployed) older workers?

- The best way is to offer some form of temporary subsidy grants for both employment and training.
- To encourage employees and jobseekers to invest in lifelong learning.
- To offer personalised assistance to jobseekers based on their individual needs and not only based on demographics such as 'older workers'.

6.3. In the Peer Review discussions, on which of the following topics would you most like to focus and what would you most like to learn from others?

Topics	Importance of the topic (scale: 1 very unimportant, 5 = very important)	What would you most like to learn from others in the topic(s) you are most interested in? (maximum three bullet points)
PES services for older workers: overall strategy and approach	5	<i>What is being offered and what works.</i>
Preventative PES services and measures for older workers	4	<i>What is being done.</i>
PES services and measures for unemployed older workers	5	<i>The specific measures and options offered to older jobseekers.</i>
Monitoring and evaluation	3	<i>Methods used to evaluate the success of the measures adopted.</i>

ANNEX

Description of effective/proven practice

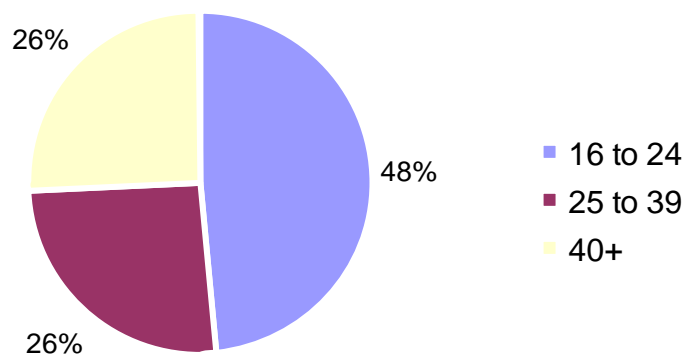
Title
Employment Aid Programme (ESF co-financed Aid Scheme)
Introduction
<p>The Employment Aid Programme (EAP) provides employment aid to employers in Malta and Gozo to promote the recruitment of disadvantaged and/or disabled persons. This programme is intended to increase the employment rate of such target groups.</p>
Main description
<p>All employers, including a partnership, company, association or other body of persons, whether vested with legal personality or not, and are recruiting new employees, can be eligible to participate in the programme.</p> <p>Through the Employment Aid Programme, employers will receive a subsidy equivalent to 50 % of the wage costs, i.e. half the basic salary excluding bonuses, allowances, commission or overtime, together with half the employer's national insurance.</p> <p>The aid intensity of all target groups is 52 weeks except for RDPs where the assistance offered is for a maximum of 156 weeks. Aid is offered for 3 years or until September 2013, whichever comes first.</p> <p>Client Target Groups</p> <ul style="list-style-type: none">- Young people under 25 and within 2 years of completing full-time education, who have not yet obtained their first regular paid employment (6 consecutive months) after completing their studies (full-time education means secondary, post-secondary or tertiary education of at least one full academic year).- Any person who wishes to re-enter working life who has been absent both from work and from education for at least two years.- Any person living as a single adult looking after dependants.- Any person who has not attained upper secondary level qualifications or the equivalent (ISCED Level 3) who has been made redundant in the past six months or has been served with a redundancy notice* of termination of employment.- Any person older than 50 who does not have a job or who is losing his or her job (i.e. has been served with a redundancy notice* of termination of employment) – excluding persons reaching pensionable age by the end of the grant agreement.- Any long-term, registered unemployed person.- Any person who is a registered disabled person and who has a recognised,

serious, physical, mental or psychological impairment. In this case, as from 1/1/2011, the age of eligibility will be put up to 65. The level of assistance is 75 % of the wage costs for the first year and 60 % for the second and third years. The duration of assistance is 156 weeks.

Main results and success factors

To date, the programme facilitated the employment of 639 older workers. Older workers amount to 26 % of all those placed in employment through this programme.

EAP uptake by Age Group



Twelve per cent of all the placements carried out were specifically for those falling under the target group aimed at facilitating the employment of older workers – those older than 50 who do not have a job or who are losing their job, i.e. those who have been served with a redundancy notice of termination of employment.