

# **Youth Guarantee country by country**

*Malta*October 2020



## **Employment, Social Affairs & Inclusion**The Youth Guarantee country by country - Malta



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#### Introduction and context

The Youth Guarantee has become a reality across the EU. It has facilitated structural reforms and innovation in policy design across EU Member States.

This document provides extracts from official Commission documents on the implementation of the Youth Guarantee in Malta. It contains extracts from:

- The country report drawn by the Commission for Malta in the context of the European Semester;
- The conclusions of the thematic multilateral surveillance review of the Employment Committee (EMCO).
- Results from the data collection on Youth Guarantee schemes.

A section at the end of the document is devoted to the assessment made by the Commission the previous year.

Malta presented a first Youth Guarantee Implementation Plan on 28 February 2014 and has presented an update in November 2015.



#### Commission's assessment

From the 2020 country report (EN- MT):

"Malta is experiencing high levels of employment and a tightening of the labour market. In 2018, the employment rate in Malta reached 75.5%. At 5.7%, its employment growth is the highest in the EU. The unemployment rate is at a record low (3.7%), including for young people aged 15-24 (9.1%). Long-term unemployment (1.1%) is also at a record low. The share of young people (aged 1524) not in employment, education or training is 7.3%, far below the EU average (10.5%). The activity rate rose to 74.7% and is now above the EU average (73.7%)."

"The labour market is tightening, resulting in labour shortages and a greater reliance on foreign workers. Employment rates continue to increase for both men and women. The participation of young women in the labour market has significantly increased, facilitated by free childcare. However, the gender employment gap in Malta remains the highest in the EU. Unemployment rates, including long-term unemployment and youth unemployment, are well below the EU average. Malta relies heavily on foreign workers from within and outside the EU to fill labour shortages."

"The labour market is tightening due to sustained job creation and low unemployment. Youth unemployment has also been falling, and decreased to 9.1% in 2018, well below the EU average."

"Despite significant improvements, the activity rate of women still lags behind that of men. The employment rate of younger women has increased significantly in recent years (up 15.5 pps between 2008 and 2018 for women aged 25-29 and 18.2 pps for those aged 30-34)"

"Malta has developed many initiatives for promoting the acquisition of digital skills. Young people (16-19 year-olds) reported having a higher level of digital skills than the EU average (74% against 57%) in 2017. The share of Maltese schools with a high provision of digital equipment is greater than the EU averages at primary (82% against 35% at EU level) and lower-secondary level (54% against 52%)."

"Despite the high employability of vocational education and training (VET) graduates, uptake of VET remains low. The employment rate of VET graduates in Malta is well above the EU average (91% against 79.5% EU in 2018)."

"Foreign-born residents are at greater risk of poverty and social exclusion despite their high levels of participation in the labour market. However, in comparison to EU averages, the gaps between natives and non-EU born are moderate, they have also been improving since 2017. The gap is higher for young people not in employment, education or training (20% for non-EU born vs 7% for native born)."

"Provision of free childcare has contributed to a significant increase in the employment rate of young women. The employment rate of young women increased significantly between 2014 and 2018 (+5 pps for 20-29-year-olds and +2.1 pps for 30-34-year-olds), facilitated by the free childcare scheme provided by the Public Employment Service to parents in employment or education."

For further youth-related matters please refer to the country report.



#### **EMCO's assessment**

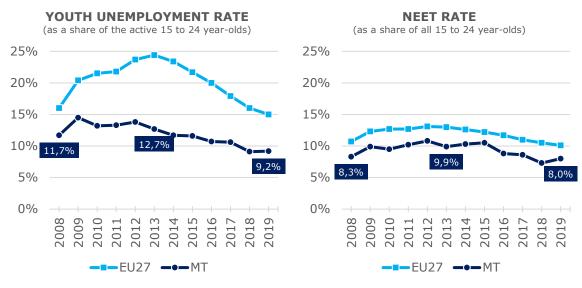
#### Conclusions of the Employment Committee's multilateral surveillance review on youth employment, October 2019:

The implementation of the Youth Guarantee scheme in Malta is well advanced and remains effective in terms of timeliness of offers, sustainability of outcomes, and quality of services delivered. Progress has been made in reducing the number of NEETs, but outreach has been recognised as a challenge. Malta has put in place several measures to reach out to a higher number of NEETs. The strong preventative approach used by Malta is in principle preferable to ex-post activation. However, Youth Guarantee coverage remains low and there is scope to step up and strengthen the measures aimed at reaching and supporting those facing multiple barriers and at further addressing the large group of early school leavers. An effective monitoring and evaluation system is in place, though an independent evaluation could be considered to inform future strategies. Under the Youth Guarantee, high-level quality traineeships are offered that comply with both the Quality Framework for Traineeships and national law.



### Youth Guarantee monitoring - Key data<sup>1</sup>

#### 1. Main trends in young people's labour market performance



Source: Eurostat, LFS (une\_rt\_a, edat\_lfse\_20)

#### 2. Youth Guarantee delivery

The Maltese Youth Guarantee Implementation Plan was presented at the end of February 2014 and was revised in 2015.

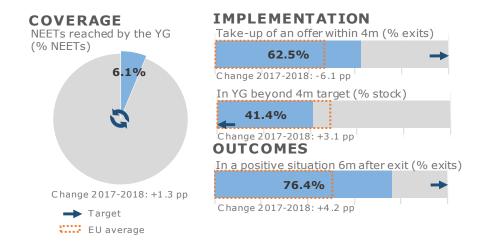
Malta has adopted a dual approach comprising both preventative and reactive measures. Preventative measures include the Alternative Learning Programme (first phase) and remedial classes, which are aimed at young students at risk of becoming early school leavers. The reactive response addresses young NEETs aged under 25. The Maltese authorities approach NEETs not registered with the PES through the NEETs Activation Scheme, which is also open to those that are already registered, the SEC Revision Classes and the Alternative Learning Programme (second phase). Young people can apply to enter any of these three schemes by contacting the PES or the contacts provided in the YG dedicated section in the PES website.

Further information is available in the national YG implementation plan and in the PES website (YG dedicated section).

The information below is taken from the country fiche related to the Youth Guarantee Data collection (full results can be found on http://ec.europa.eu/social/main.jsp?catId=1143&langId=en#YGIF).



#### YG monitoring data 2017-18



Source: DG EMPL, YG monitoring database, data extracted 09 December 2019. NEETs data were extracted from Eurostat, Labour Force Survey on 21 June 2019.

The implementation of the Maltese YG scheme remains effective in terms of delivery of offers, with 62.5% of those aged 15-24 that left the scheme in 2018 taking up an offer within 4 months, just slightly fewer than in 2017 (68.6%). Results over the past two years are, however, significantly lower than in 2016 (96.2%), reflecting a shift towards a more reactive approach and greater focus on NEETs with complex needs.

For the same reason, the proportion of those registered in the preparatory phase who had been waiting for an offer for more than 4 months increased from just 2.7% in 2016 to 38.3% in 2017 and 41.4% in 2018. The latest result is, however, still well below the EU average of 48.6%.

The Maltese YG scheme covered only around one in twenty (6.1%) of all NEETs aged under 25 in 2018. The low coverage is partly explained by the rapid throughput (so that the stock stays small) and the fact that some YG initiatives are active only part of the year due to their focus on school leavers. Nevertheless, the data still indicate that the scheme is not reaching the majority of NEETs in the country.

Three quarters (76.4%) of those leaving the scheme in 2018 were known to be in employment, education or training 6 months afterwards. Longer-term follow-up data for those leaving the YG scheme in previous years suggest that outcomes are sustainable.



#### **Previous year**

From the 2019 country report (MT - EN):

"Malta's labour market continues to perform well, in line with strong economic growth. Over the decade, Malta has had the largest employment rate increase (by 13.8 pps to 73 %) in the EU, exceeding their 2020 target and the EU average (72.1 %). The activity rate (75.8 %) rose but remains below the EU average (78 %). The unemployment rate (4 %) is well below the EU average, including for young people (15-24, 10.6 %) and for long-term unemployment (1.6 %)."

"While general indicators on performance are good or show improvements, equality of opportunity appears particularly challenged. Outcomes in various dimensions of the Pillar are increasingly polarised for more disadvantaged groups. Women in work are increasing, but so too is the gender pay gap. Unequal access to quality education, thereby disadvantaging lower socio-economic groups and children with disabilities, is fuelling the high share of early school leavers and low overall skills attainment. This may also explain the relatively high average rate of young people not in education, employment or training despite low unemployment."

"The favourable labour market situation may be hampering efforts to reduce early school leaving. Compared to the EU, the employment rates of young people (15-24) in Malta are high (46.1 %), while unemployment (10.6 %) and the rate of young people not in education, employment or training (NEET) at 8.6 % are low. The high employment rates of low-skilled young people may act as a disincentive to studying longer, and combined with low participation in training over their careers, can weaken the country's human capital."

For further youth-related matters please refer to the country report.



#### **Links to further information**

Youth Guarantee Knowledge centre – Including promising examples from Malta

https://ec.europa.eu/social/main.jsp?catId=1327&langId=en

#### **Youth Guarantee Implementation Plan**

http://education.gov.mt/en/resources/News/Documents/Youth%20Guarantee%2 0Implementation%20Plan%20-%20Malta.pdf

#### Where to register for the Youth Guarantee?

http://ec.europa.eu/social/main.jsp?catId=1218&langId=en

#### **Youth Wiki Malta**

https://eacea.ec.europa.eu/national-policies/en/content/youthwiki/overviewmalta