



Skills Governance in Malta

Manwel Debono

The changing sectors of employment, together with the low unemployment rate, are creating substantial gaps between labour supply and demand, indicating the rising need to focus on skills governance in Malta. Several policies, strategies and measures are being implemented to steer the education and training provision. However, the current production of labour market and skills intelligence is not sufficiently geared to anticipate skills needs. While career guidance plays a significant role in reducing labour market friction, the field is still fragmented and insufficiently professionalised. Major stakeholders are involved in steering education and training at various levels and in different ways. Skills governance in Malta could improve through a greater focus on quality of services, better intelligence and more collaboration among stakeholders.

INTRODUCTION - IMBALANCES IN THE LABOUR MARKET

Malta's employment rate increased by almost eight percentage points from 56.2% in 2010 to 63.9% in 2015 (Eurostat), reflecting a rapidly growing economy. Low-tech labour-intensive manufacturing has given way to more high-tech manufacturing and services, especially, tourism, finance

and online gaming. Such structural changes are reflected in a general shift towards jobs requiring higher qualifications and skills.

Meanwhile, the historically low unemployment rate, shrinking from 6.9% in 2010 to 5.4% in 2015 to 4.1% in February 2017 – the latter being the 3rd lowest in the EU28 (Eurostat) – is resulting in an unprecedented human resources crisis among SMEs which are experiencing major difficulties in finding sufficient recruits (Orland, 2016). "The greatest recruitment difficulties in Malta appear within the health care, the financial and the ICT sectors" (European Commission, 2014, p.1). Major bottlenecks within highly-skilled jobs concern medical practitioners, nurses, and various specialisations in IT and in the financial sector. On the other hand, bottlenecks in the low-skilled jobs are often related to the hospitality industry (European Commission, 2014). The main reasons for skills imbalances leading to the above-mentioned bottlenecks vary from sector to sector. Malta's ageing population and the widening of the healthcare sector boosted the demand for related professions. The supply of new graduates has been insufficient to meet demand – many young doctors migrate, whereas the capping of the intake in the university nursing course was also limiting the number of graduates. The rapid growth of the ICT and financial services, thanks to government incentives directed towards foreign direct investment, was quicker than the growth of graduates in the respective fields. On the other side of the qualifications and skills spectrum, the difficult working conditions in the hospitality industry appear to scare off potential workers (European Commission, 2014).

An adequate skills governance system is required to manage the imbalances in Malta's labour market. The following sections discuss four important aspects of skills governance in Malta, namely the steering of education and training, the production of labour market and skills intelligence, the availability of career guidance, and the role of stakeholders in skills governance.

STEERING THE EDUCATION AND TRAINING PROVISION

The current government regards addressing skills shortages and skills gaps among its top priorities (Ministry for Finance, 2014) and launched several policies, strategies and measures aimed at better aligning

education and training to the world of work. These initiatives are guided by the 'Framework for the Education Strategy for Malta for 2014 to 2024', meant to provide everyone with the opportunity to obtain the skills and attitudes to succeed at work and in society (Ministry for Education and Employment, MEDE, 2014b). The 'Malta National Lifelong Learning Strategy 2020' (MEDE, 2014c) acknowledges the need to align lifelong learning with employment needs in a bid to improve individuals' employment flexibility and consequently their life chances. The document 'A strategic Plan for the Prevention of Early School Leaving in Malta' (MEDE, 2014a) includes measures to increase literacy levels and introduce vocational education and training (VET) subjects in secondary schools. As part of the 'Youth Guarantee' initiative, the government is increasing the employment skills of young persons who are not in education, employment or training (NEETs). An alternative learning programme is being carried out "to provide alternative learning pathways for form 5 students not sitting for any SEC examinations" (Ministry for Finance, 2014, Annex 1). The 'Higher Education Strategy for Malta' (NCFHE, 2014) and the 'National Vocational Education and Training Policy' (MEDE, 2015) both focus on research as a means of steering the education and training provision.

Government policies and strategies led to diverse projects and initiatives aiming at boosting higher qualifications, promoting particular subjects within the educational system, and encouraging the training of specific social groups. Apart from the substantial investments channelled to improve the educational infrastructure, financial incentives were set up to train particular social groups, such as single parents and old unemployed persons. Incentives also target the growth of skills in specific disciplines. The 'maintenance grant system' aims to encourage more students to further their education beyond compulsory schooling. By assigning higher grants to specific courses, the government aims to attract more students towards sciences and healthcare. Further education in specific areas of study is also promoted through various scholarship schemes such as the new 'Endeavour' programme. Jobsplus recently organised two similar schemes for its clients, namely, the Training Subsidy Scheme (TSS) and the Training Subsidy Scheme for Academic Training (TSSA) (Jobsplus Website). The apprenticeship system passed under the responsibility of

the Malta College of Arts, Science and technology (MCAST) in 2014 and was revamped in order to better address skills gaps, increase the labour market relevance of VET, and make apprenticeships more attractive to students and employers.

The financial incentives associated with maintenance grants, scholarships and apprenticeships served to increase the uptake of higher education (HE) and VET courses. But is the government getting the best value for money through these financial incentives? There needs to be a thorough evaluation of the maintenance grants, as the dead weight of the system appears to have increased considerably over the years. Similarly, scholarship schemes should be evaluated against their results, while the applicants' financial means should be considered as part of the selection criteria.

PRODUCTION OF LABOUR MARKET AND SKILLS INTELLIGENCE

"There is no particular institutional mechanism dedicated specifically for the anticipation of skills needs in Malta" (National Commission for Further and Higher Education, NCFHE, 2013, p.19) and no coherent labour market and skills forecasting system is in place.

A number of institutions produce and disseminate statistics on trends in education and work. The National Statistics Office (NSO) regularly publishes data about education and labour market trends. The NCFHE and the Student Services Department within the MEDE publish education statistics and tracer studies. Other tracer studies have also been carried out by the University of Malta (e.g. Debono, 2013) and MCAST (2014). These instruments establish trends, but are not particularly accurate in predicting future labour market or skills needs.

Few forecasting mechanisms of labour market or skills needs exist. The Central Bank of Malta (CBM) publishes short-term forecasts regarding business confidence and employment prospects, and longer term macro-economic projections. EY (2014) issues an annual 'Attractiveness Survey' with the projections of existing foreign investors for the next years. A main problem with this data is that it is too generic and does not shed sufficient light on specific future skill needs. More precise forecasting of labour market and skills intelligence continues to be carried out mostly through

uncoordinated ad hoc one-off studies. While these often deal with the skills required in particular economic sectors (Debono, 2008), some studies are more general in nature, like the National Employee Skills Survey (NCFHE, Malta Enterprise, & Jobsplus, 2016). Other studies focus on the supply side, shedding light on the skills of specific social groups, such as the 'Unlocking the Female Potential Report' (National Commission for the Promotion of Equality, NCPE, 2012).

The government recently started implementing plans to improve the production of labour market and skills intelligence in a bid to "identify emerging trends at sectoral level and anticipate the corresponding skills that are required" (MEDE, 2014d, p.51). As part of this strategy, an 'Employability Index', meant to guide students on the types of jobs available for different qualifications, was launched in 2015. Besides, a National Skills Council with broad stakeholder representation was set up in 2016 to "direct studies, propose and plan strategies and training aimed at reducing labour shortages, improving skills and meetings market demands" (MEDE, 2016).

It appears that policy makers make regular use of the existing skills forecasting instruments; yet, such information is scarcely consulted in the development of education and training courses or by career practitioners.

CAREER GUIDANCE

Within compulsory education, career guidance is offered on a one-to-one basis or in groups mainly by guidance teachers and career advisors. Contact with representatives of employers, HE, VET and other important stakeholders is maintained through career exhibitions, seminars, fairs and conventions that are organised regularly at school, college and national level. These stakeholders are also invited by schools to give talks to students. Besides, career orientation visits and job shadowing are organised for students in Forms 4 and 5, the last two years of secondary education. Career guidance within compulsory schools is complemented by career education which forms part of the Personal, Social and Career Development (PSCD) subject. Career assistance is also offered in the main post-secondary, vocational and tertiary educational institutions.

While Malta's employment services have traditionally prioritised immediate job placement rather than lifelong career development, employment advisors within Jobsplus, Malta's public and largest

employment services organisation, impart career guidance while dealing with their clients. Jobsplus has recently started imparting more career guidance to specific social groups such as those not in education, employment or training (NEETs). Besides, it has a number of initiatives, some of which are expected to initiate in 2017, targeted at the skills-development of working adults. An increasing amount of employment services is being carried out by the over 70 registered private employment agencies in Malta. However, the type and quality of the services offered in these agencies is unknown and probably varies considerably, as the sector is not sufficiently monitored and regulated.

Many persons who work in the career guidance field in Malta completed specialised career guidance courses at undergraduate or postgraduate level at the University of Malta, while some others completed courses with foreign universities. The 'Career Guidance Capacity Building' scheme offered a few years ago assisted several practitioners to further their studies in the field. Qualified practitioners are normally trained to interpret data deriving from forecasting instruments. However, many practitioners in the field do not have formal qualifications in career guidance. The latter might be less able and willing to use labour market and skills intelligence. Having said that, career practitioners within both compulsory education and employment services participate in continuous professional development activities offered by government and the Malta Career Guidance Association.

Considerable career guidance work is being carried out in Malta, but there needs to be a more cohesive approach, aided by better labour market and skills intelligence, so that high quality services are consistently provided to satisfy the lifelong career needs of clients.

THE ROLE OF STAKEHOLDERS

HE and VET providers, social partners, Jobsplus, policy makers and other stakeholders are involved in shaping the education and training provisions in line with Malta's labour market needs.

Plenty of opportunities exist for stakeholders to discuss such themes at a national level in conferences and in other fora. The major HE and VET providers in Malta, namely the University of Malta and MCAST, together with Jobsplus, over the years included representatives of social partners on their Boards. Thus, stakeholders are directly involved in the formulation

of these institutions' policies and strategies. At the level of planning and reviewing specific courses, the above-mentioned institutions involve other stakeholders in different ways and to varying extents. Jobsplus holds meetings with employers to ensure that its courses are in line with labour market needs, and many of its courses were prompted by and developed with the help of employers (Debono, 2015). MCAST also gives considerable importance to fostering links with employers and regularly signs cooperation agreements with both public and private sector organisations, besides keeping links with hundreds of employers who offer apprenticeship placements. Malta Enterprise has recently collaborated on the development of new courses with ETC, MCAST, and the Institute of Tourism Studies (ITS) (Ministry for Finance, 2015).

Several social partners carry out training courses for their members according to the arising needs. For example, the General Workers Union (GWU) has an educational branch called Reggie Miller Foundation which organises training courses in collaboration with stakeholders such as the ETC and the University of Malta. The *Union Haddiema Maghqudin* (UHM) organises courses through its Salvinu Spiteri Foundation. The Malta Employers' Association also organises regular courses for their members.

At a macro policy level, social partners and other stakeholders publish policy proposals from time to time. For example, they submit annual pre-budget proposals to government and pre-elections proposals every five years. These documents often include recommendations on education and training. The major social partners are also represented on the Malta Council for Economic and Social Development (MCESD), where issues relating to education and training are among the topics discussed. In 2013, social partners represented on the MCESD together with the main political parties signed a labour market policy document drafted by the UHM (2012) in which they agreed to a number of measures focusing among others on the improvement of existing skills and the anticipation of future skills needs.

The major stakeholders are strongly involved in steering education and training in Malta at various levels and in different ways. However, it is clear that the different stakeholders (including government ministries, entities and departments) should collaborate more together to achieve a greater synergy in the field of skills governance.

CONCLUSION

While considerable work is being carried out to improve skills governance in Malta, the arising skills gaps indicate that such efforts might not be sufficient. Despite the multitude of well-meaning policies, strategies and measures, some other important elements are required to bring about further progress. There needs to be regular thorough evaluation of all actions that are carried out, whether they are incentives, training programmes or career guidance services. This would lead to more focused efforts and an enhanced quality of the services offered. Skills forecasting exercises should be carried out on a regular basis and their results should be more intelligible to career practitioners and other stakeholders. There also need to be greater cohesion among stakeholders in order to ensure a smoother and more thorough implementation of relevant policies and strategies, resulting in a greater responsiveness to the arising labour market needs.

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