

Policy Brief on 25+ NEETs in Malta

CHALLENGES AND RECOMMENDATIONS

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**IN THE FRAMEWORK OF THE PROJECT 'LOST
MILLENNIALS – TRANSNATIONAL RESEARCH
NETWORK FOR THE EVALUATION OF INITIATIVES
TARGETING 25+ NEETS'**

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Project summary:

The project 'Lost Millennials' focuses on a regularly neglected group of the generation of Millennials: young people aged 25-29 neither in employment or education and training (25+ NEETs). This generation started their working life shortly after the economic crisis of 2008, perceiving uncertainty and lack of security for work and well-being, they are more likely to be inactive or in precarious jobs. The main objective of the project is to contribute to the successful integration of 25+ NEETs to the labour market through increasing knowledge on the effects of employment initiatives on 25+ NEETs, building capacity of stakeholders to perform impact studies and thus improving the quality of labour market interventions. This objective will be achieved through the creation of the transnational research network which will share know-how and good practices, the evaluations of governmental and community-based initiatives targeting 25+ NEETs, as well as the engagement of stakeholders to increase the policy-relevance of project results.

For more information, please visit our [website](#), contact us on lm.leadpartner@hetfa.hu and follow our social media ([Facebook](#), [LinkedIn](#)).

The Lost Millennials project is funded by Iceland, Liechtenstein and Norway through the EEA and Norway Grants Fund for Youth Employment.

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1. Key Points

- Malta's employment-related **statistics**, including youth employment and NEETs¹ rates are **quantifiably better than the EU average**. To the credit of Malta, even during the COVID-19 pandemic, statistics demonstrate some positive trends, in contrast to most European countries where the numbers reflected a worsening situation.
- It's crucial to acknowledge that **statistics might mask underlying challenges**. Malta heavily **relies on a foreign workforce** to address skill shortages, which should be taken into account when considering the high employment rate and low NEETs rate.
- Malta's **educational attainment level falls below the EU average**, and the skill set of the labour force does not align with the demands of the labour market.
- While the high employment rate is a positive indicator, it includes groups of **precarious workers** who are poorly paid, insecure, and lack proper protection. Many of these individuals, particularly youth, are **at risk of in-work poverty**.
- Among young people, certain **vulnerable groups**, such as disabled persons, individuals with mental health issues, migrants, refugees, single parents, are at the highest risk of becoming "**Core NEETS**." We use this term for individuals who lack plans, motivation, and available support to integrate into the education system or the labour market.
- The **COVID-19 pandemic**, in line with global trends, had a significantly **negative impact on various aspects of young people's lives**, including their mental health, personal relationships, education, and employment.
- Effective policy making should be based on, and accompanied by, thorough evaluation. However, in Malta, the practice of ex-ante, mid-term, and ex-post **evaluation of strategies, policies, and interventions is rather limited**.

2. Introduction

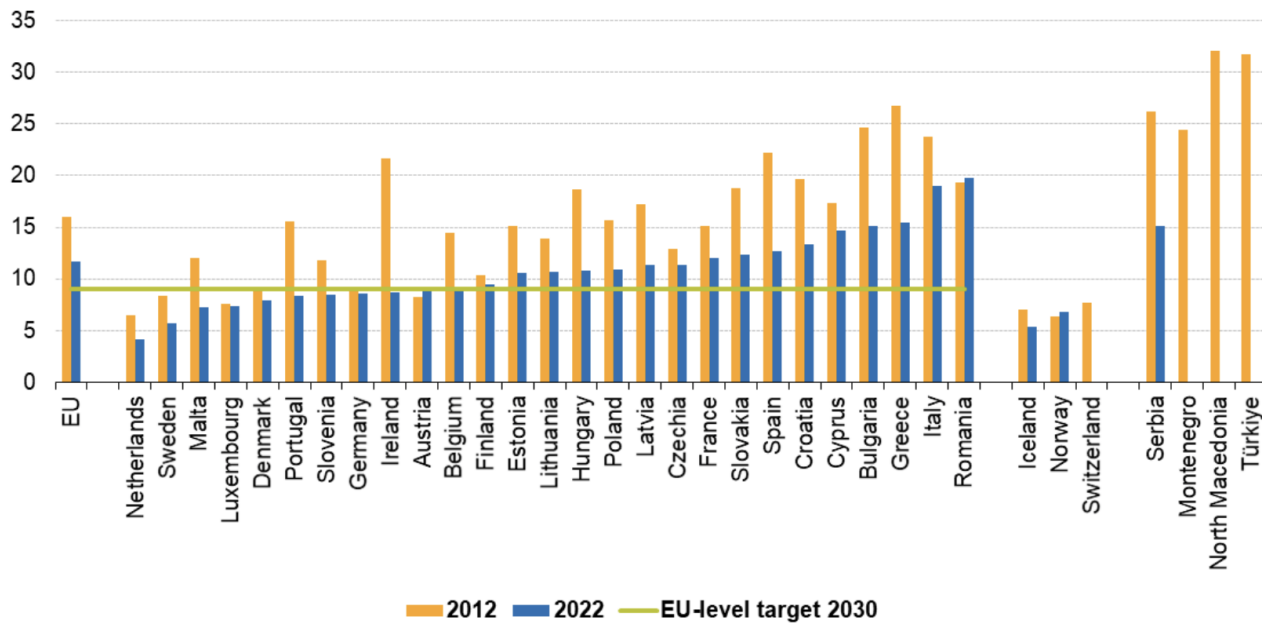
Within the framework of the Lost Millennials Project, we analysed the situation of NEETs and 25+ NEETs in Malta, drawing on literature and statistics (Koller, Tschank, Vana & Wolter, 2022). Additionally, we reviewed strategies and policies that directly or indirectly address this target group in the fields of youth integration, education and qualification, labour market, entrepreneurship, work-life reconciliation, health/social insurance, incentives, taxes, and orientation (Kosa, 2022). We also mapped initiatives

¹ NEET abbreviation stands for: young people aged 15-29 neither in employment nor in education or training. 25+ NEETs means the NEETs aged 25-29.

targeting NEETs and 25+ NEETs in Malta and investigated the extent to which policies and initiatives were subjected to evaluation. Furthermore, we conducted an impact evaluation of a specific project, “Documentation=Employability” by the Aditus Foundation, which was implemented in Malta and aimed at reaching out to vulnerable social groups lacking proper documentation, 25+ NEETs among them. Presently, we are in the process of analysing the impact of the Covid-19 pandemic on Maltese youth, particularly focusing on NEETs and 25+ NEETs.

It is noteworthy that Malta has one of the lowest NEETs rates in the European Union (in 2022 in Malta it was 7.2 percent compared to the EU average 11.7 percent; the 25+ NEETs rate was 7.3 percent in Malta and 15.7 percent in the EU) showing an impressive and radical decrease within a decade. Remarkably, Malta has surpassed the 2030 EU target in this area (Eurostat, 2023 a).

Figure 1 Young people (aged 15-29) neither in employment nor in education and training, 2012 and 2022, %



Source: Eurostat (2023 b)

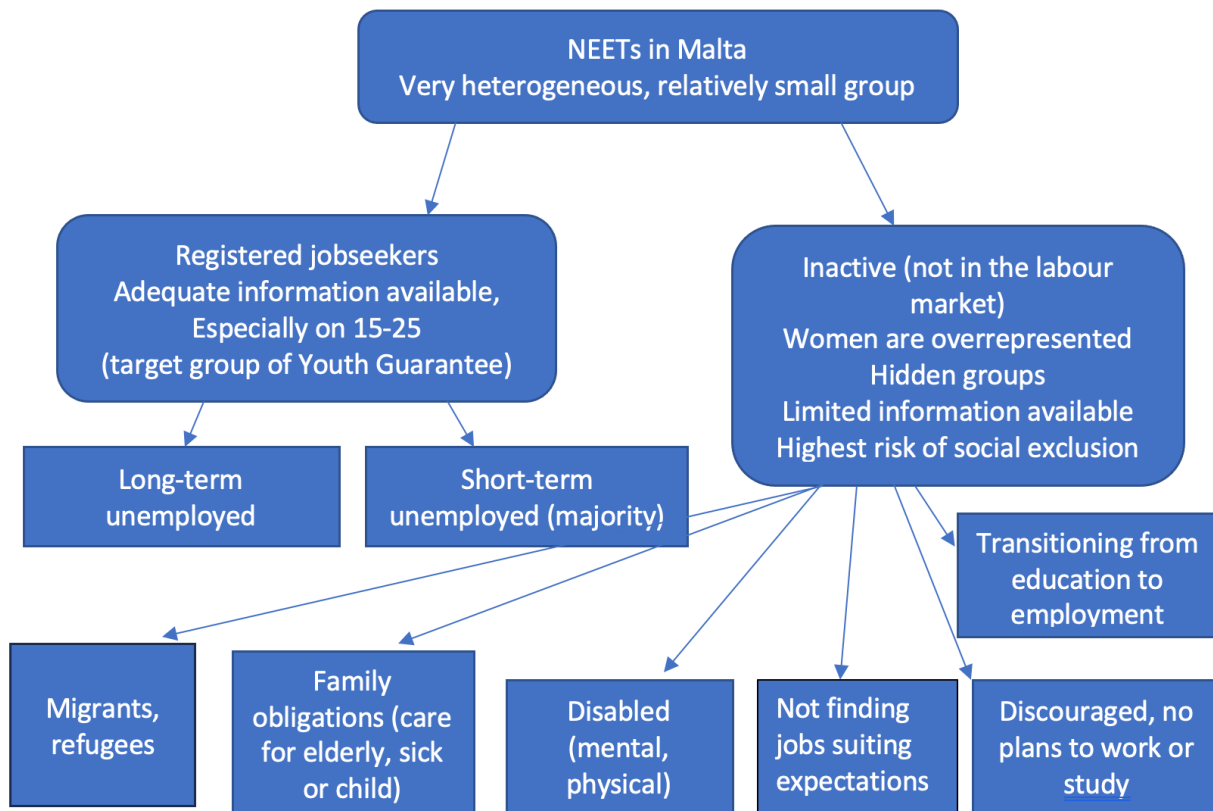
The group of NEETs and 25+ NEETs in Malta is relatively small² but heterogeneous. As part of our research, we have developed a typology of Maltese NEETs (Figure 2.).³

² In 2022 there were approximately 45.000 persons in the 25-29 age group in Malta. (Source: [Population of Malta 2022 - PopulationPyramid.net](#)) 7.3 NEETs rate means approximately 3.300 persons.

³ We developed the typology building on the findings of the NEETs Census 2015, and our own research and evaluation.

The NEETs population in Malta comprises different groups, each with distinct root causes for their situation, facing unique challenges and requiring specific provisions and support to facilitate their integration into the education system or the labour market. Our research and impact evaluation enabled us to identify policy challenges pertaining to NEETs in various areas, including the labour market, education, migration and foreign workforce, long-term effects of COVID-19, young people at high risk of poverty, and the evaluation practices of public strategies, policies, and interventions.

Figure 2 Typology of NEETs in Malta (15-29)



Source: author

3. A summary analysis of the major policy challenges related to 25 + NEETs in Malta

3.1 Education - employability and adaptability

The level of educational attainment in Malta is lower than the EU average. In 2022 40.8 percent of the Maltese 25-74 age bracket had low educational attainment level⁴ while the EU average was 23.3 percent. However, in the 25-29 age bracket the difference was significantly smaller for the same year, in Malta 16.7 percent had low educational attainment level compared to the EU average 14.0 percent (Eurostat, 2023 d).

Undoubtedly, low educational attainment is a significant risk factor for unemployment or inactivity among people under the age of 30. In 2020, within the 25-29 age group, the NEET rate was 21.9 percent for those with basic education, 9.4 percent for those with upper secondary education, and 3.1 percent for those with tertiary education (Eurostat, 2021).⁵

While Malta has seen promising trends, such as increased participation in tertiary education, particularly among women,⁶ and a decrease in early school leavers by one third after Malta's EU accession,⁷ challenges remain in aligning the education systems with the labour market's demand for skilled workers. The impact of crises, like the COVID-19 pandemic, has revealed the fundamental fragility in this regard, underscoring the importance of education, skills, employability, and adaptability. Those with lower levels of education bear the brunt of the consequences more acutely during such crises.⁸

3.2 Labour market - the most vulnerable groups

The employment rate in Malta is one of the highest in the EU (with a considerable gender gap). In the 15-64 age bracket the employment rate in 2022 in Malta was 77.6 percent (83.4 percent for males and 71.0 percent for females) compared to 69.8 percent EU average (Eurostat 2023 g).

Any examination of the employment numbers in Malta must be considered in the context that the country relies strongly on foreign workers to address labour shortages and skills gaps. Employed foreign

⁴ Less than primary, primary, and lower secondary (ISCED 0-2)

⁵ Latest data available

⁶ From 18.8 percent in 2013 to 31.7 percent in 2022, Source: Eurostat (2023 d)

⁷ From 33 percent in 2005 to 10,1% percent in 2022, Source: Eurostat (2023 e)

⁸ Unemployment rate of those with low educational attainment (ISCED 0-2) in the 25-29 age bracket in Malta changed from 6.9 percent in 2019 to 10.8 percent in 2020, while in the same age bracket with all educational attainment it changed from 4.0 percent in 2019 to 5.0 percent in 2020, Source: Eurostat (2023 f)

nationals in Malta and Gozo at the end of 2022 amounted to 96,970 accounting for more than one third of the total employed population (Jobsplus, 2023).

Despite the promising employment statistical data, there are 'hidden' disadvantaged groups both among the employed and unemployed/inactive population, facing social exclusion or discrimination. These groups are often difficult to reach through policies and initiatives aimed at labour market or social integration. Precarious workers are employed - often undeclared - but they are poorly paid, insecure, lack proper protection, and are at risk of in-work poverty. This 'career prospect' is the only one for many under-educated youths with disadvantaged social backgrounds. Discouraging circumstances may lead to long-term exclusion from the labour market.

Among the unemployed/inactive hidden groups are individuals with disabilities and/or mental health problems, migrants, refugees, and single parents or other caretakers. Some of these individuals fall under the NEETs category, specifically the 25+ NEETs category.

3.3 Covid-19 pandemic - negative impact on youth

Malta emerged as one of the most successful countries globally in terms of its vaccination strategy and program (Agius, Brincat, Cuschieri, Grech, Souness, 2021). Due to the mitigation measures implemented by the government, the Maltese coronavirus mortality rate remained relatively low compared to other European countries (Statista, 2023). Additionally, income security was ensured for many during the pandemic through initiatives such as the Wage Supplement Scheme and other financial support frameworks (PWC, Malta 2021).

Nevertheless, the COVID-19 pandemic not only had a direct impact on the health and safety of people in Malta but also had indirect effects on the employment, education and mental health of young people. While Malta witnessed an overall increase in employment levels (15-64) between Q3-2019 and Q3-2020, this trend is not reflected among Maltese youth (15-29), who experienced a 4.7 % decline over the same period (Eurostat, 2023 h).

A national Covid-19 impact study on the 13-25 age bracket (Azzopardi, Caruso, 2021) revealed that one-fourth of young people (19-25) experienced a negative impact on their mental health. The pandemic-induced anxiety, transition to online education, isolation, and lack of in-person connections all had a multiplied negative impact on young people. Socialisation, which is a significant developmental component during adolescence and emerging adulthood, was severely affected.

3.4 (Lack of) evaluation practices

Throughout our research on policies impacting 25+ NEETs, we analysed 20 national strategy/policy documents in Malta (Kosa, 2022). These documents are publicly available, well-structured, and

interconnected. However, it was evident that these policy documents were not subjected to systemic ex-ante, mid-term or ex-post evaluations. Nevertheless, expert reviews assessing the implementation and impact of previous strategies and policies are available for some topics. It is noteworthy that strategies and policies are developed with the broad involvement of experts and relevant stakeholders through public consultations.

During our mapping of initiatives that potentially address 25+ NEETs, and in consultation with officials at the relevant ministry responsible for managing European Funds, we learned that no specific evaluation had assessed the impact of these interventions in Malta. Operative Programmes (OPs) funded by the Structural Funds are subject to evaluations (ex-ante, mid-term, and ex-post) due to the obligations imposed on member states. These evaluations provide a general assessment of the interventions' potential impact on the labour market, employability, and adaptability of the workforce.

4. Recommendations for policymakers

- Target and prioritise 25+ NEETs and vulnerable NEETs to rejoin the education system by participating in the Lifelong Learning courses available in Malta.
- Prioritise 25+ NEETs and vulnerable NEETs in Work Based Learning programs, and give special consideration to these groups in existing apprenticeship and internship schemes.
- Provide targeted e-literacy skills training and support, including devices and internet access, for 25+ NEETs and vulnerable NEETs.
- Specifically focus on 25+ NEETs and vulnerable NEETs in existing entrepreneurship programs and start-up support initiatives.
- Promote available short courses, job counselling, job search assistance, and other Active Labor Market policies to 25+ NEETs and vulnerable NEETs.
- Establish special services and financial schemes for NEETs who cannot join the labour market due to care responsibilities (child care, elderly care, disabled home care, etc.).
- Ensure accessible, free of charge and on time mental health counselling and support services for young people.
- Offer free of charge legal counselling to help young migrants and refugees to obtain proper documentation and decent employability.

- Develop and implement a policy to reduce undeclared and precarious work in Malta, with a special focus on young people, to achieve Decent Work for All.
- Operate “one stop shop” provisions for young people covering employment, education, entitlement to benefits and youth participation related information.
- Encourage organisations active in the various youth integration related fields to apply EU funding sources.
- Make social work and youth work more attractive career opportunities for young people.
- Conduct impact evaluation training courses for project implementers in the field of youth integration.
- Introduce compulsory ex-ante, mid-term and ex-post evaluations for all public strategies and publish the results.

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⁹ The site is no longer available, information summary on the Census is accessible here: <https://ec.europa.eu/social/BlobServlet?docId=20135&langId=en>