Impacts of the COVID-19 crisis on 25+ NEETs

COUNTRY REPORT - MALTA

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IN THE FRAMEWORK OF THE PROJECT 'LOST MILLENNIALS – TRANSNATIONAL RESEARCH NETWORK FOR THE EVALUATION OF INITIATIVES

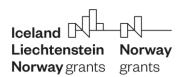
TARGETING 25+ NEETS'

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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).

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Implemented by:





























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1. Introduction¹

1.1 The first period of restrictions: March 2020 – July 2020

Malta identified its first three Covid-positive patients on March 7, 2020. On March 12, the government announced the first mitigation measures – schools and childcare centres were to close for a week. This school closure lasted until the end of the scholastic year.

The authorities appealed to the elderly and vulnerable to stay at home and extended obligatory quarantine to anyone arriving from abroad. On March 16, 2020, bars, restaurants, clubs, cinemas, and gyms were closed. Soon after, the health authorities began appealing to workers who could work from home to do so.

On March 20, 2020, Malta shut the country's borders, only allowing government-organised repatriation flights. Non-essential shops closed on March 22, 2022, and public gatherings were banned. Malta declared a public health emergency on April 1, 2020. In May, mask-wearing in shops and on public transport became mandatory.

In June 2020, restrictions generally began easing. Restaurants and other businesses, like bars and gyms, were allowed to open. Sports restrictions were also eased. The government removed the public health emergency at the end of June 2020, and Malta reopened its borders on July 1 to certain countries, welcoming the first tourists.

1.2 The second period of restrictions: August 2020 – April 2021

In August 2020, restrictions were imposed on mass events, limiting the number of people allowed. In October, further restrictions were imposed, including mandatory mask-wearing outdoors. At the end of October 2020, bars and clubs shut again.

On December 27, 2020, Malta's vaccination program began. In February 2021, restaurants had to close by 11 pm, and holiday rentals faced fines for overcrowding. In March 2021, restaurants and cafes closed again, and mass events banned. All schools, non-essential shops and services closed, and organised sports activities also halted.

1.3 Restrictions eased: April 2021 – December 2021

The situation on the island began to improve in April 2021, and restrictions gradually eased. First, primary schools and childcare centres physically opened, followed by middle and secondary schools. Non-

¹ Based on the chronology published in The Malta Independent, March 6, 2022. <u>Two years of Covid: The pandemic that changed our lives - The Malta Independent</u>



essential shops opened later in the month, and non-essential services resumed. On May 10, 2021, restaurants and cafes reopened, under heavy restrictions.

On July 1, 2021, the government relaxed its mask-wearing rules for fully vaccinated people. Gyms were allowed to open and contact sports to resume. In September 2021, the government started easing certain restrictions for establishments that only permitted people with valid vaccine certificates to enter.

1.4 After January 2022

In January 2022, Malta recorded the highest number of daily Covid cases. On New Year's Eve, the government announced that schools would reopen online for a few days, before resuming in-person on January 10, 2022. At the end of January, Malta announced a relaxation of vaccine certificate requirement rules to being in mid-February. In February 2022, the government also announced several quarantine period reductions. From the spring of 2022, life gradually returned to normal.

Globally, Malta emerged as one of the most successful countries regarding its vaccination strategy and programme. ² Due to the mitigation measures and the vaccination scheme implemented by the government, the Maltese coronavirus mortality rate remained relatively low compared to other European countries.³

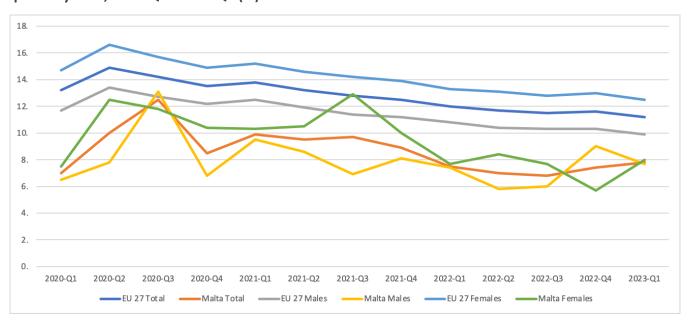
² Agius, S.-Brincat, A.-Cuschieri, S.- Grech, V.-Souness, J (2021)

³ Statista (2023 a)



2. The impact of the pandemic on 25+ NEETs

Figure 1. NEETs rate (age bracket 15-29) in the EU27 and in Malta, total population and by sex, quarterly data, 2020 Q1 - 2023 Q1 (%)



Source: Eurostat (2023 a), author's own chart.

The Maltese NEETs rate remained lower than the EU average between the first quarters of 2020 and 2022. However, the Maltese data show more hectic changes, with two peaks in the third quarters of 2020 and 2021. In both Malta and the EU, most of the time, the NEETs rate for women was higher than the average, while for men, it was lower than the average. The higher female NEETs rates in the EU27 and Malta are probably related to care obligations, which intensified during lockdowns.

Regarding 25+ NEETs, annual data is available.⁵ In Malta, the NEETs rates for individuals aged 25 and above remained significantly less than the European average between 2019 and 2022. In 2019, Malta's NEETs rate for the 25-29 age bracket was 7.0 per cent (compared to the EU average of 17.2 per cent). It increased to 9.7 per cent in 2020 (while the EU average increased to 18.9 per cent), decreased slightly to 9.2 per cent in 2021 (while the EU average dropped to 17.4 per cent), and then almost returned to

⁴ We apply the following timeline as advised in the report template. Before the pandemic: until the end of February 2020; During the pandemic: March 2020 – December 2021; After the pandemic: from January 2022. However, in many cases quarterly or annual data is available, in those cases we examine the closest data available to the milestones declared.

⁵ Eurostat (2023 b)



the pre-pandemic rate at 7.3 per cent in 2022 (while the EU average decreased significantly below the pre-pandemic rate at 15.7 per cent).

2.1 Labour market

2.1.1 Impact on industries

Before the COVID-19 pandemic, Malta had recorded one of the EU's highest real GDP growth rates. However, the impact of the pandemic has shaken the foundations of that growth model, which heavily relies on tourism. Malta's GDP contracted significantly in the first half of 2020 due to safety measures implemented by the authorities and restricted air traffic that interrupted international tourist arrivals to the island.⁶

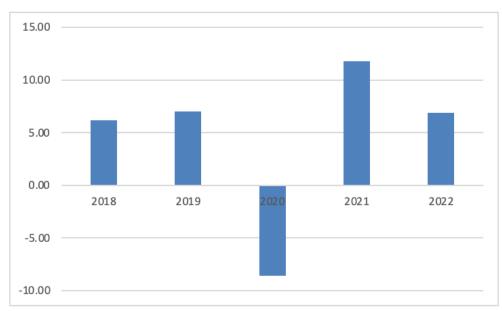


Figure 2. Growth rate of GDP from 2018 to 2022 in Malta (%)

Source: Statista (2023 b).

The tourism industry in Malta was the hardest hit, experiencing a sharp decline in 2020, with tourist arrivals falling by approximately 76 per cent compared to 2019. This downturn in the tourism sector, which includes accommodation and food services, likely had far-reaching effects on other sectors of the Maltese economy.⁷

⁶ European Commission (2020)

⁷ Central Bank of Malta (2022)



2.1.2 Impact on young people's employment

When it comes to unemployment, we have access to data on young people in the 15-29 age bracket.⁸ In Malta, the unemployment rate for individuals between 15 and 29 years of age remained significantly lower than the EU average during the pandemic period, mirroring the European average trend. There was growth in unemployment rate for this age bracket during 2020, followed by a decrease in 2021 and 2022 to a level lower than at the beginning of the Covid-19 crisis. In 2019, unemployment rate for this age bracket was 6.2 per cent (compared to 12.1 per cent in the EU). In 2020, this indicator increased to 7.4 per cent (compared to 13.6 per cent in the EU). In 2021, the unemployment rate for this age bracket dropped to 6.3 per cent (compared to 13.0 per cent in the EU), and in 2022, it fell below the prepandemic level to 5.9 per cent (compared to 11.3 per cent in the EU).

Unlike the EU average, in Malta, the unemployment rate for individuals in the 15-29 age bracket shows a significant gender difference. It consistently remained below the average for females and above the average for males. Data indicates that young people at the European level and in Malta experienced more pronounced increases in unemployment than the total labour force population during the COVID-19 pandemic.

Regarding employment and activity rates, we have quarterly data available for the 15-29 age bracket.⁹ Malta boasts some of the highest employment and activity rates in the EU, both among the 15-64-year-old population and in the 15-29 age bracket.¹⁰ During the period under analysis, in the last quarter of 2019, the employment and activity rate for the 15-29 age group stood at 69.8 per cent (compared to the EU's 48.1 per cent). This indicator reached its lowest point in the third quarter of 2020 at 63.8 per cent (compared to the EU's 45.3 per cent) and rebounded to 70.3 per cent (compared to the EU's 49.4 per cent) by the second quarter of 2022, marking the end of the pandemic.

According to Eurostat data, Malta exhibits a much wider gender gap in the 15-64 age bracket (with over a 10 per cent lower employment rate for women since 2018) than in the 15-29 age bracket (where the female employment rate has occasionally exceeded the male employment rate since 2018). The employment rate of the younger generation (15-29) is lower than that of the 15-64 age bracket population and was more negatively impacted by the COVID-19 pandemic, experiencing a decrease.

Unfortunately, we do not have data on employment in different industries per age group. However, in 2022, the largest portion of the population (26.6 per cent) was employed in the 'wholesale and retail

⁸ Eurostat (2023 c)

⁹ Eurostat (2023 d)

¹⁰ Most recent data: Q1 2023: 15-29 age bracket, Malta 68.0 per cent, EU 49.7 per cent; 15-64 age bracket, Malta 78.1 per cent, EU 70.4 per cent.



trade, transport, accommodation, and food service activities' industry, ¹¹ which was severely affected by pandemic-related restrictive measures. Empirical evidence suggests that many young people work in tourism-related industries, which explains their over-representation in the decline of employment during the COVID-19 crisis.

2.1.3 Impact on young parents

The lockdowns in schools had a direct and significant impact on parents. Although the government introduced measures to promote remote work and home office options, along with a parents' benefit scheme¹² to alleviate the pressure, parents faced many challenges during the COVID-19 crisis.

While we do not have specific data on young parents, a national research project on the impact of the COVID-19 pandemic on education¹³ concluded that at least one in five parents experienced mental health issues due to the new demands and changes in their children's schooling arrangements and their own work realities in 2021. In 2020, 68 per cent of parents felt confident supporting their children with online technology. However, in 2021, this comfort level dropped considerably to 36.1 per cent, suggesting that during the second lockdown, schools were using more complex online teaching methods than before. In 2020, 57.2 per cent of parents claimed they received support from the school regarding their child's learning, but this decreased to just 2.1 per cent in 2021. Many parents emphasised feelings of helplessness and abandonment in 2021.

A positive finding was that most parents (66.4 per cent in 2020 and then 78 per cent in 2021) supported their children's online activities, and even more (76.3 per cent in 2020 and 84.5 per cent in 2021) spent more time helping their children with their schoolwork.

2.1.4 Impact on vulnerable groups, precarious workers

In the context of the pandemic in Malta, "vulnerable groups" referred to those individuals at higher risk of extreme illness if infected with the COVID-19 coronavirus, such as older persons, individuals with disabilities, or those with severe health conditions. The government implemented special measures to ensure their safety, primarily through social isolation.

Eurostat data reveals that Malta's 'in-work at risk of poverty rate' of the 18-24 years age bracket stood at 5.3 per cent in 2019. It decreased to 3.4 per cent in 2020 but then climbed back to 4.4 per cent in 2021 and further increased to 5.6 per cent in 2022.¹⁴

¹¹ Eurostat (2023 d)

¹² The scheme will be introduced under chapter 3.1.

¹³ Bonello, C.-Camilleri, R.-Deguara, J.-Milton, J.-Muscat, T. (2021)

¹⁴ Eurostat (2023 f)



A 2019 study on the Maltese working poor¹⁵ indicated that the risk of in-work poverty was significantly higher among the following social groups: households consisting of single adults with dependent child(ren), self-employed persons, part-time workers, and third-country nationals.

Anecdotally, the construction industry attracts illegal immigrants and individuals in the process of registering for employment, while young people often engage in undeclared work in the tourism sector. Formally inactive women frequently participate in household services (e.g., cleaning) and contribute to family businesses.

To address labour force and skills shortages, Malta's economy heavily relies on a foreign workforce, part of which can be classified as precarious labour (poorly paid, unprotected, and insecure). Before the pandemic, Malta had the highest immigration rates among European Union member states in 2019, with 56 immigrants per 1,000 residents. In 2020, the number of immigrants arriving in Malta was less than half of the 2019 figures. These data reflect the trend observed throughout the European Union in 2020, clearly indicating the impact of the COVID-19 pandemic and related restrictive measures.

Additionally, the author's experience was that, before the total lockdown of the island in 2020, many precarious, undeclared, and undocumented workers (most of whom were young people and third-country nationals) left Malta as they lost their income and were not entitled to benefits introduced because of the pandemic. In 2021 and 2022, immigration data increased again (in 2022, it was 40 immigrants per 1,000 residents), with third-country nationals making up 83.1 per cent of the total net migrants.¹⁷ Data from Jobsplus shows that 22 per cent of the employed third-country nationals were in the 25-29 age cohort.¹⁸

These data indicate that post-pandemic, the previous annual growth trend in immigration to Malta continued, with a rising proportion of third-country nationals, many of whom are engaged in low-paid or precarious employment, often comprising young individuals. This trend could contribute to the elevated risk of in-work poverty in Malta in 2022, surpassing the pre-pandemic level.

2.2 Reskilling and upskilling

The COVID-19 pandemic harmed the progress of adult learning participation in Malta. The shift to online courses did not fully compensate for the decline in traditional training. For the first time since 2010, participation in adult learning dropped by one per cent. The share of low-qualified adults remained

¹⁵ Borg, A (2019) pp 4.

¹⁶ Eurostat (2023 g)

¹⁷ NSO (2023)

¹⁸ Jobsplus (2023)



stable at 44.8 per cent in 2020, but the participation rate of low-qualified adults in learning fell to 3.3 per cent (down from 4.3 per cent in 2019), and their employment rate decreased slightly. The Directorate for Research, Lifelong Learning, and Employability took steps to make online learning available after inperson delivery temporarily shut down in March 2020. However, participation declined sharply, partly due to the lack of digital infrastructure and the relatively low percentage of adults (aged 25-64) with basic digital skills (19 per cent compared to the EU average of 27 per cent). ¹⁹

Furthermore, in response to the COVID-19 pandemic, Jobsplus adopted a mixed-methods approach to training delivery, incorporating both online and in-class methods. This approach aims to provide greater flexibility to better cater to the needs of individuals seeking upskilling and reskilling opportunities.²⁰

2.3 Mental health and well-being

We do not possess specific data on the mental health of the 25-29 age bracket population or 25+ NEETs in Malta during the COVID-19 pandemic.

Richmond Foundation, Malta's leading non-governmental organisation (NGO) providing community services for individuals with mental health issues, conducted a series of public sentiment surveys to assess the impact of the COVID-19 pandemic on the mental well-being of the national population. One of the findings was that 'one out of 100 individuals had thoughts of self-harm or suicide, 47 per cent reported feeling depressed most of the time, and 48 per cent reported a lack of interest in doing anything. Students and unemployed individuals were among the highest groups reporting feelings of self-harm or suicide. The research also revealed that individuals on the frontline of the crisis, particularly those employed in healthcare, public safety, national security, and the food and necessary goods sectors, reported feeling the most fearful'.²¹

A study conducted on the impact of the COVID-19 pandemic among Maltese young people aged between 13 and 25,²² found that all age groups in the study perceived the impact on mental health as negative. Ages 13 to 18 reported being more affected than others, with 29.5 per cent experiencing a negative impact. One contributing factor to this could be the increased time spent at home. Stress induced by fears of the pandemic may have increased tension among family members, and parental stress may have indirectly affected younger family members. Social isolation affecting young people may also be associated with poorer mental health. The study results revealed a more significant percentage of

¹⁹ European Commission (2022) Chapter 6

²⁰ European Commission (2023)

²¹ Richmond Foundation (2020) pp.6

²² Azzopardi, A.-Caruso, J. (2021)



females experienced a negative impact on their mental health (34.05 per cent) compared to males (29.3 per cent).²³

In Malta, reports of domestic abuse to the police increased by 15 per cent in the first six months of 2020 compared to the same period in 2019. Notably, the most frequent type of report related to psychological abuse. Data from the Foundation for Social Welfare Services (FSWS) indicate a 19.38 per cent increase in the number of individuals using their domestic violence services between January and April 2020 compared to the previous year.²⁴ A research paper based on social workers' experiences dealing with domestic violence victims ²⁵ found that their clients (women living in abusive relationships) faced multiple challenges during the pandemic, including financial problems, difficulties reporting and seeking contact, barriers, and mental health struggles. Social workers also reported increased cases involving child-to-(elderly) parent violence and children who witnessed abuse.

3. Support measures

3.1 Employment and financial support²⁶

The Maltese government responded rapidly to the impact of the COVID-19 crisis on employment and financial security. It introduced numerous support measures to counterbalance the adverse effects of the pandemic. While none of the identified measures specifically targeted 25+ NEETs, this cohort may have benefited from support schemes for more extensive social groups. After the pandemic, the 'usual' employment services were available for those needing to reintegrate into the labour market. As discussed earlier, two years after the pandemic began, both employment and unemployment rates had returned to pre-pandemic levels, reflecting a better labour market situation than the EU average. Additionally, due to the temporary halt in immigration during the COVID-19 pandemic, there was an immediate need for labour supply, especially in tourism-related industries, once lockdowns ended.

 COVID Wage Supplement Scheme: Malta provided financial support to businesses and companies affected by COVID-19. Companies received a certain amount of financial support per employee, depending on the drop in sales, to keep their staff members employed.

²³ pp. 26

²⁴ Friggieri, A. (2020)

²⁵ Galea, L (2022).

²⁶ Based on: KPMG Malta (2020) and Deloitte Malta (2022)



- Additional unemployment benefit: Employees made redundant after March 8, 2020, due to COVID-19 and who received a Contributory Unemployment Benefit, were eligible for this additional benefit.
- **Medical Benefit**: Vulnerable persons who, after March 27, 2020, could not leave their homes to work under an order of the Superintendent of Public Health were eligible to receive a medical benefit.
- Parent Benefit: Parents (including single-parent families) with children under 16 years of age
 where both parents worked and could not work remotely after March 8, 2020, received a grant
 if one parent was required to stay at home to care for children.
- **Persons with Disability Benefit:** Persons with disabilities who, after March 8, 2020, were unable to work from home and go to work due to health complication risks related to COVID-19 were entitled to a grant.
- Quarantine Leave: Employers with staff (including themselves) on mandatory quarantine leave were entitled to a one-off lump sum grant.
- **Facilitation of Teleworking Activities**: Employers (including self-employed persons) could apply for financial support to invest in technology, enabling teleworking.
- **Rent Subsidies:** the government granted subsidies to qualifying persons who lost employment because of Covid-19.
- Tax Deferral Scheme: The government deferred the payment of eligible taxes to companies and self-employed persons who suffered a significant downturn in their turnover due to COVID-19 and faced substantial cash flow difficulties.
- Vouchers: The government sent EUR 100 vouchers to each resident aged 16 years and over to be spent locally per cent on accommodation, restaurants, bars, and retail in outlets that reopened following a period of forced closure.
- Liquidity measures: The government provided EUR 900 million in bank guarantees for companies
 requesting operational loans with low-interest rates and more extended repayment periods. It
 also instructed credit and financial institutions to grant a six-month moratorium on capital and
 interest to borrowers that were materially affected by the COVID-19 outbreak.



- Cash grants in lieu of MicroInvest tax credits: Companies benefiting from an existing tax credit scheme could convert 30 per cent of their approved MicroInvest tax credits to a cash grant. These grants were capped at EUR 2,000 for Malta-based enterprises and EUR 2,500 for women-owned or Gozo-based enterprises.
- Business re-engineering: Malta provided EUR 5,000 financing for businesses to use on advisory services to identify new ways of operating, such as through innovative technology.
- Assistance to Gozo-based enterprises:
 - o **Gozo Back Office Employment Refund Scheme**: Eligible employers benefited from a partial refund of the salary cost of employees carrying out back-office operations in Gozo.
 - O Gozo Business Relocation Scheme: The government provided a partial reimbursement of costs or grants for partly or fully relocating or establishing business in Gozo.
 - Gozo Teleworking Scheme: The measure encouraged Malta-based businesses to offer teleworking facilities to Gozitan resident employees, to reduce their commute to Malta.

3.2 Reskilling and upskilling support

The author could not identify reskilling and upskilling programs or support schemes specifically addressing NEETs or 25+ NEETs in connection with the COVID-19 pandemic. However, three related measures implemented in Malta without specific age targeting were as follows:

- Free e-learning to the tourism workforce. While tourism was on hold, the Malta Tourism Authority financed a new e-learning platform which offered free online courses to individuals working in the tourism sector. The platform aimed to maximise employee and employer resources during challenging times and empower the workforce to return stronger and better after the COVID-19 pandemic. The courses covered a variety of skills and occupational levels.
- **Skills Development Scheme 2020**. Through this scheme, Malta Enterprise supported businesses to provide training developing and updating the skills and knowledge of their workforce.
- IT helpdesks. The provision increased the recruitment of coordinators and created an on-site internet hub in the Lifelong Learning Centre at Msida.

Malta's Recovery and Resilience Plan, submitted to the European Commission in 2021, ²⁷ includes numerous reforms and measures reacting to the challenges resulting from the COVID-19 pandemic. Some of these are relevant to our topic.

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²⁷ European Commission (2021)



- The plan consists of 17 investments and 30 reforms. These will be supported by EUR 316.4 million in grants. More than half of the plan (53.8 per cent) will support climate objectives, and 25.5 per cent of the plan will foster digital transition.
- The plan will foster economic growth and create jobs. It will lift Malta's gross domestic product by 0.7 per cent to 1.1 per cent by 2026. This boost to the economy will create up to 1,200 jobs.
- Digital challenges for Malta include digital skills shortages and mismatches. Malta's recovery and resilience plan provides for adopting Malta's Digital Strategy 2022-2027,²⁸ which aims to reduce the digital divide, notably by supporting families with low incomes to connect, have access to computers, and promote digital skills.
- Key macroeconomic challenges with an impact on the medium-term economic performance of Malta include a shortage of skilled labour. The plan contains a set of reforms and investments that reinforce economic and social resilience. For example, there are measures to encourage students to pursue education beyond compulsory education through better vocational education and training.

3.3 Mental health support

Most mental health support provisions reacting to the increased needs during the pandemic targeted the general public.

In April 2021, Agenzija Zghazagh (National Youth Agency) launched the 'Trust Yourself to Talk – Anxiety is this you?' campaign.²⁹ This initiative brought together various efforts to break the stigma associated with mental health problems. It also encouraged young people to seek assistance and access reliable information through professional services. The Agenzija designed the campaign to reach and engage young people aged 13 to 25. In addition to this initiative, mental health support was available to the general public without targeting specific age groups.

In September 2021,³⁰ emergency doctors underwent psychiatric training due to a significant increase in patients seeking urgent assistance for various issues stemming from mental disorders during the pandemic. These doctors encountered a rising number of patients arriving at the emergency room with complaints of chest pains, subsequently identified as being caused by anxiety.

²⁸ https://www.maltadigitali.mt

²⁹ https://youth.gov.mt/mental-health-online-campaign/

 $^{^{30}\ \}underline{\text{https://timesofmalta.com/articles/view/emergency-doctors-see-spike-in-patients-with-mental-disorders.898021}$



By November 2021, requests for assistance with mental health issues had surged by approximately 500 per cent since the pandemic at the Richmond Foundation, which offers mental health support.³¹ As described by the Foundation, when COVID-19 initially struck Malta in 2020, individuals sought help to cope with anxiety and the fear of the unknown. However, as the situation persisted, reasons for seeking support shifted. In the latter half of 2021, the primary reason people reached out for mental health support was pandemic fatigue.

In November 2022, the government launched a 24/7 mental health helpline³² that offers access to eight specially trained psychologists. Malta established this helpline in response to a growing number of calls to the country's COVID-19 helpline, which were not related to swab tests (the original purpose of the line) but instead were individuals seeking someone to talk to about their mental health. Additionally, this new service facilitates quick appointment scheduling at the Mount Carmel Mental Health Hospital.

4. Conclusion

Currently, data and information regarding the impact of the COVID-19 pandemic in Malta do not specifically focus on NEETs or 25+ NEETs. However, since NEETs are part of larger social groups, one can draw conclusions about how the pandemic has affected their lives in Malta. It is important to note that, based on demographic data,³³ the number of 25+ NEETs in 2022 was approximately 3,300 in Malta, representing a relatively small group. This small representation explains why policies and measures do not address 25+ NEETs, especially considering that Malta's unemployment and youth unemployment rates are among the lowest in the EU. Maltese NEETs and 25+ NEETs presumably face challenges, including some consequences of the pandemic. However, these challenges are likely not identified as unique and exclusively characteristic of this social group.

The leading indicators (NEETs rate, unemployment rate, employment and activity rate) show that by 2022, the situation in Malta had returned to pre-pandemic levels, or perhaps even improved, for the age groups in question (young people aged 15-29 and young people aged 25-29). However, it is crucial to acknowledge that promising statistics might conceal underlying challenges. Data suggest that the labour market status of young people was more severely affected by the crisis than the entire working-age population. Youth labour status is probably related to the fact that many young people were employed in tourism-related industries where restrictive measures had a tremendous impact, leading to the loss of jobs. Research findings also suggest that isolation during lockdowns disproportionately impacted

³¹ https://timesofmalta.com/articles/view/requests-for-mental-health-support-jump-500-since-covid.917191

³² https://www.euractiv.com/section/politics/news/malta-launches-new-mental-health-service-amid-growing-concerns/

³³ https://www.populationpyramid.net/malta/2022/



young people's mental health, as the need for socialisation with peers is most important at this stage of life.

While employment rates are exceptionally high in Malta across all age groups, there is a concerning rise in the prevalence of the working poor. A growing trend of precarious workers, often poorly paid and lacking job security, is emerging. Many of these individuals are young people and immigrants from third countries. This bleak outlook may particularly affect a specific NEETs subgroup called the 'discouraged'. These are typically young people with low levels of education who cannot envision a promising future for themselves in the labour market—a future enticing enough to motivate their integration into the world of employment.

The various measures taken in response to the pandemic did not specifically target NEETs or 25+ NEETs in Malta. However, they did impact these groups as they are part of larger social demographics. The COVID-19 crisis has led to sustainable, long-lasting policy changes, including investments in digital skills and literacy, efforts to close the digital divide, and increased resources dedicated to mental health well-being.



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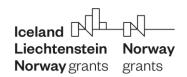
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