

STRATEGIC PLAN 2016-2018

1. The Employment and Training Corporation as one of the members of the European Network of Public Employment Services

The EU/EEA Public Employment Service Network Mission Statement signed by all Heads of PES in December 2006 states that:

"Public Employment Services as public services have a specific role in the labour market: they deliver services free of charge to jobseekers (both unemployed and jobchangers) as well as to employers, which aim to bring jobseekers and vacancies together, and also contribute to improved transparency in the labour market. They play this specific role among other actors."

In improving the functioning of the labour market within which it operates, any PES shall set national targets and outcomes which will benefit directly their jobseeker and employer customers, and which meet the requirements established by Government. A PES should contribute to:

- the development of labour market policy through the provision and analysis of relevant labour market information and trends
- the appropriate implementation of labour market policies
- improved dissemination of employment opportunities
- a decrease in unemployment through active engagement with jobseekers
- a reduction in bottlenecks and mismatches in the labour market
- an increase in labour market participation rates and employment
- helping the disadvantaged and the more marginalised jobseekers into the active labour market
- engage in partnerships with other relevant organisations
- engage in continuous development of staff skills.

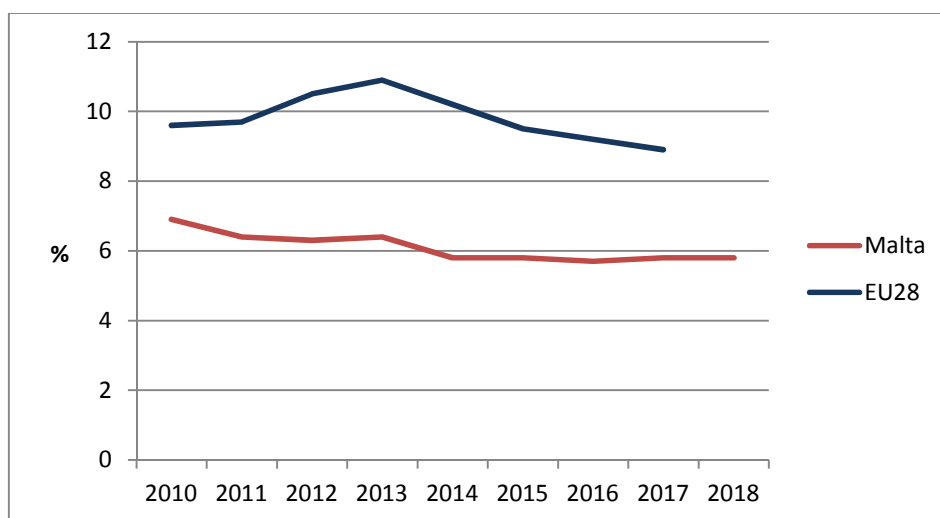
The PES mission statement identifies the strategies to be adopted to reach the above objectives as being: customer focus, early identification and intervention to reduce unemployment spells, modernising service delivery through self-service facilities, partnerships and networking, effectiveness and quality of services.

2. Labour market situation in Malta now and up to 2018

The Maltese labour market showed signs of resilience in the years following the EU economic and financial crisis. As Figure 1 shows, the unemployment rate (as measured by the Labour Force Survey) was not only below the EU28 average post 2010 but also exhibited a moderate decline. The EU Commission (CION) estimates Malta's

unemployment rate to remain low in 2016 and 2017 at 5.7% and 5.8%¹ respectively. This coincides with forecast issued by the Ministry for Finance (MFIN), in the National Reform Program (NRP, April 2015: 9)² whose projections extend to 2018 with an unemployment unchanged from the previous year. It is also worthy to note that unemployment projections for the EU28 average are higher than Malta's estimates by more than 3 percentage points (pp) in the near future (although a slight convergence is expected).

Figure 1: Unemployment rate



(Source: Eurostat, MFIN, EU CION Autumn Forecast 2015)

The low unemployment rate projected above is surely being sustained by the robust employment growth that has been underway in the Maltese labour market in recent years. Table 1 shows 2014 data as reported by the EU CION Autumn Forecast³, as well as forecasts outlined in the same report and MFIN's NRP. Malta's forecasted employment growth is expected to fall slightly in 2016 and remain stable thereafter. It is interesting to note that Malta's MFIN projections are fairly rosier compared to those compiled by the EU CION. Additionally, employment growth is expected to remain above that of the EU 28 average.

¹ http://ec.europa.eu/economy_finance/eu/forecasts/2015_autumn/mt_en.pdf

² http://ec.europa.eu/europe2020/pdf/csr2015/nrp2015_malta_en.pdf

³ http://ec.europa.eu/economy_finance/publications/eeip/pdf/ip011_en.pdf

Table 1: Employment growth rate- annual percentage change

		2014	2015	2016	2017	2018
Actual data	EU 28	1.0				
	Malta	4.5				
Forecasts	EU 28 (EU CION)		1.0	0.9	0.9	
	Malta (EU CION)		2.4	2.0	1.5	
	Malta (MFIN)		2.0	1.8	1.7	1.8

(Source: MFIN, EU CION Autumn Forecast 2015)

Several factors are bound to contribute to these promising expectations. In part these are directly the result of the positive economic growth that should be sustained in the near future: MFIN's projection for real GDP growth stand at 3.1% in 2016 and 2.8% for the two following years. The EU CION estimated even healthier growths for 2016 and 2017 at 3.6% and 3.1% respectively. Moreover, a number of Active Labour Market Policies (ALMP) will also contribute towards increasing the opportunity cost of inactivity.

3. External factors which impact on the Corporation's functions and services

- **political:** overt support by Government to ETC-proposed initiatives; annual budget allocated to ETC is increasing but below the level requested; EU-level policies and legislation and the European Network of Public Employment Services call on ETC to modernise and function effectively
- **legal:** application of 2% legislative quota of persons with disability in employment is being resisted by employers; Government already committed to review the Employment and Training Services Act which stipulates the roles, functions and authority of the Employment and Training Corporation; fines and penalties imposed on employers found guilty of breaching the legal provisions are not high enough to deter the perpetuation of infringements
- **economic:** economy doing well and registering GDP growth percentages which are among the highest in the EU; significant increases in employment levels; significant decreases in registered unemployment; demand for additional labour exists in various sectors of the economy; foreign labour making good for labour and skills shortages among the local population
- **social:** social partners and stakeholders are vociferous about being consulted and engaged by Government before embarking on new legislation or measures; persistent high rates of early school leavers and NEETs; educational system still churning out graduates that do not meet employers' needs; system abuse by registered jobseekers waste ETC's limited resources

- **technological:** technological innovation is moving at a fast pace and is significantly impacting workplaces; IT literacy has become an essential attribute of each worker; the young generation is tech savvy and is best engaged through computer-internet based services; more output can be generated with less workers

4. An updated Mission

The Employment and Training Corporation has been in existence for 25 years. The current scenario of recording the lowest registered unemployment levels ever since the Corporation was established 25 years ago, plus the results being obtained from a buoyant economy, call for a review and updating of the Corporation's functions to better address current and future labour market needs. The Corporation has the opportunity to now focus on increasing employment rather than decreasing unemployment.

The mission that will guide the Employment and Training Corporation for the next three years is to provide an enhanced and easier access to jobs and the labour market, designed for the success of jobseekers, employees and employers.

The renewal of ETC requires a new corporate identity and an update of functions. Hence, legal amendments are currently being drawn up to the Employment and Training Services Act (Chapter 343) to change the name of the Corporation to "Jobsplus", reflecting the new vision of being guided by an innovative, dynamic, sustainable, and fresh perspective towards employment. Changes to the functions will also be implemented. The proposed changes will first be disclosed in a Consultation Paper which will be made available to the public for feedback and comments.

The Corporation aims to remain a key contributor to the setting of national employment and training policies and to provide the required support to the Ministry for Education and Employment. It is committed to increase the taxpayers value for money through the provision of effective services and an effective use of the budget allocated to it. This will be achieved through:

- consultation with stakeholders prior to the introduction of new initiatives.
- being an innovative organisation which continuously develops and implements new active labour market measures;
- engaging fast with jobseekers to limit their unemployment spell;
- acting professionally in providing good and timely vocational guidance to jobseekers;
- matching job vacancies with jobseekers efficiently and effectively;
- refocusing its training functions to provide well-designed training measures aimed at enhancing the employability of the trainees and that appropriately address labour market needs;
- increased level of support in the provision of its services to disadvantaged persons and persons with disability;
- involving other players in the undertaking of its functions through contracting out;
- proposing and implementing projects by utilising the European Social Fund;

- undertaking labour market research to understand needs and determine trends and disseminating labour market information to the general public apart from to Government and established stakeholders;
- being on the forefront of offering services through on-line facilities which do not necessitate the presence of clients at any of its physical centres.

5. Main objectives and innovations for 2016-2018

Objective 1: Contribute to the development of employment policies at both the national and EU level

The Corporate Planning Division contributes to employment policy at both local and EU level. Moreover, it undertakes labour market research and compiles administrative statistics. A recent function of the Division is to more closely monitor performance management at ETC and assist operational and support divisions to reinforce and formalise their quality management systems.

Measure 1.1: Furnish Government Ministries and other organizations with ETC's feedback on documentation presented in the European Council, European Parliament, and the European Commission including also in the subgroups of the above mentioned institutions.

Measure 1.2: Represent the Maltese government on the Employment Committee and its sub-groups. This role intrinsically involves in depth liaison with the Ministry for Education and Employment, the Economic Policy Directorate, and the Permanent Representation of Malta in Brussels as regards the various issues being discussed at EMCO level.

Measure 1.3: Represent the Corporation during meetings of the Board of the European Network of Public Employment Service and actively contribute to the discussions, and learn about best practices which could be applied in Malta.

Measure 1.4: Participate actively in Malta Presidency of the EU Council in January-June 2017

Measure 1.5: Participate actively on the ESCO management committee.

Measure 1.6: Upload labour market reports and statistics on ETC website to contribute to more labour market knowledge

Objective 2: Performance management, quality assurance and internal audit

Measure 2.1: Regularly monitor ETC performance in terms of implementation of initiatives, throughputs and outcomes.

Measure 2.2: Evaluate selected ETC services.

Measure 2.3: Examine and improve systems to install a more professional performance management system at ETC based on the model established by the European PES Network.

Measure 2.4: Conduct internal audits.

Measure 2.5: Conduct value-for-money audits of selected services/processes.

Objective 3: Enhance services for jobseekers/job-changers

A key challenge for ETC is to assist persons in their transitions - from education to employment, from unemployment to employment, from inactivity to employment, and from one employment to another.

Measure 3.1: Undertake legal amendments to create one register for jobseekers instead of the current Parts 1 and 2.

Measure 3.2: Registration with ETC will immediately trigger referral to an employment opportunity or activation measure.

Measure 3.3: Reach out to those seeking employment but not being registered unemployed and with youth NEETs.

Measure 3.4: Launch the on-line competence based job matching system on the ETC website.

Measure 3.5: Activate all registered youth within the framework of the Youth guarantee.

Measure 3.6: Activate the long-term unemployed within the framework of the Council Recommendation on the integration of the long-term unemployed into the labour market through the Work Programme Initiative.

Measure 3.7: Develop job profiles and respective competences to facilitate career advice and progression.

Measure 3.8: Propose new and innovative employment initiatives/schemes.

Objective 4: Enhance recruitment services to be more responsive to employers' needs

Closer links with employers will enable ETC to determine the labour, training and skills needs of employers, which can be addressed through ETC services. Hence, the Corporation will be stepping up its efforts to capture and fill more job vacancies to better address the needs of employers and will keep their needs at the heart of its strategies, activities and initiatives.

Measure 4.1: Apart from assisting employers to use the online competence-based job matching system, ETC will conduct outreach services with employers with the aim of capturing more job vacancies and improve the job vacancy-customer matching.

Measure 4.2: Reduce administrative burden on employers and other external and internal customers.

Measure 4.3: Conduct labour and skills shortages survey among employers to forecast their needs and to articulate ETC services accordingly. Give feedback to policy makers, educational institutions and other interested stakeholders.

Objective 5: Enhance training services

ETC will analyse its training services with a view to refocussing its training functions. While it will continue to deliver training courses that meet labour market needs and which are not provided by others, it will primarily focus on the organisation of traineeships, work exposure schemes, skills assessment and certification.

Measure 5.1: Design training initiatives in a way that provides learners with technical, soft skills and transferable skills. Ensure that vocational training courses are accredited by the National Commission for Further and Higher Education and pegged to the Malta Qualifications Framework.

Measure 5.2: Deliver accredited competence-based training programmes that meet the needs of the labour market. Although most of these courses will be run at the ETC's Skills Centre at Hal Far, arrangements will also be made to organise courses closer to customers.

Measure 5.3: Maintain the comprehensive Quality Assurance framework to ensure that the training initiatives are being delivered in accordance with the standards set by the Corporation.

Measure 5.4: Increase the number of traineeship and work exposure opportunities on offer in consultation with stakeholders.

Measure 5.5: Propose new and innovative training initiatives.

Objective 6: Offer active labour market measures for persons with disabilities and other vulnerable groups

In the case of persons with disability, the profiling will be enhanced by focussing on one's aspirations, interests and abilities for work. Apart from pursuing its efforts to itself provide supported and sheltered employment opportunities to persons with disability, ETC is also enforcing the 2% quota on employers and is contracting out the placement of persons with disability.

Measure 6.1: Enforce the 2% legislative quota on employers that are legally bound to employ persons with disability.

Measure 6.2: Make more extensive use of occupational therapy and psychology services to better identify the potential of persons with disability and other vulnerable groups.

Measure 6.3: Strengthen the training offered to persons with disability and other vulnerable groups who are seeking employment through tailored pre-employment training. Offer training to employers and peers to create awareness and increase their knowledge about disability and vulnerability.

Measure 6.4: Through the Public Private Partnership with the Lino Spiteri Foundation, offer placement, supported and sheltered employment services to persons with disability to empower them to obtain and retain employment.

Measure 6.5: Operate Sheltered Employment Training to train persons with disability who are not suitable for open employment to learn job skills and undertake productive and remunerative work.

Objective 7: Facilitate the upgrading of the skills profile of the Maltese labour force

With very low levels of registered unemployment, ETC will be focussing more on facilitating the training and re-training of jobseekers and the economically inactive. The Corporation endeavours to make good use of European Social Funds for the purpose. In its endeavours, ETC will work closely with the Managing Authority of EU funds.

Measure 7.1: Launch the ESF-partly funded Investing in Skills Programme to promote the concept of lifelong learning amongst employers (undertakings) engaged in an economic activity. Training grants will be provided to eligible undertakings to partly make good for the training costs they incur to train their employees.

Measure 7.2: Publicise the Average Wage Training Allowance to attract to further training those employees who earn less than the national average wage of €300 per week from their full-time or part-time work.

Measure 7.3: Implement the Training Pays initiative to facilitate the upgrading of skills of the local workforce.

Measure 7.4: Remain active in the validation of knowledge, skills and competences obtained through informal and non-formal learning through assessments carried out by Trade Testing Boards.

Objective 8: Incentivise employers to employ disadvantaged persons

The Employment and Training Corporation will continue to incentivise employers to employ jobseekers who are disadvantaged in obtaining employment.

Measure 8.1: Implement the ESF-partly funded Access to Employment Programme to encourage undertakings to continue employing disadvantaged persons through the payment of employment aid.

Measure 8.2: Implement the Work Programme Initiative which involves the contracting out of training and placement services of long-term unemployed registered jobseekers.

Measure 8.3: Better address the needs of young jobseekers by engaging early with them to facilitate their school to work transition. Liaison with the Education Division will be maintained to provide appropriate services to youth who are not in education, employment or training (NEET) so as to attract them to the labour market by encouraging them to further their education or to undergo further training and eventually integrate in the labour market.

Measure 8.4: Supervise the workings of the Community Work Scheme Enterprise Foundation which is providing services to Local Councils and NGOs.

Objective 9: Provide services to Gozitans in Gozo

The specific challenges faced by Gozo, such as its double insularity coupled with its strong reliance on tourism and agriculture, call for specific response in terms of employment services that address this reality.

Measure 9.1: Offer in Gozo all the employment services that are available in Malta.

Measure 9.2: Promote job vacancies created in Malta with Gozo-based jobseekers.

Measure 9.3: Provide short competence-based training courses in Gozo to facilitate the training of Gozitan jobseekers and of those willing to upgrade their skills.

Measure 9.4: Maintain effort to guarantee accuracy of labour market information obtained from employers.

Measure 9.5: Implement the National Insurance Contribution Refund Scheme through which employers based in Gozo will be encouraged to recruit additional staff on a Full Time basis and offer the same opportunity of full time employment to their Part Time employees.

Measure 9.6: Implement the Seasonality Scheme to alleviate the wage costs incurred by employers during the Winter Period and to enhance the skills of Full Time and Part Time (primary job) employees working in the Tourism Industry through sector-related training.

Objective 10: Promote the benefits of legal compliance

ETC is responsible for maintaining a database of persons in employment and of ensuring that legislation concerning the declarations of employment is observed.

Measure 10.1: Thoroughly examine whether it is feasible to buy an automated registration system for the purpose of registering persons for employment, and if in the affirmative, procure one. If not, implement a different system that better suits the purpose.

Measure 10.2: Regularly conduct law compliance inspections at workplaces to ensure that employers are adhering to legislation and take action as appropriate.

Measure 10.3: Work jointly with other state enforcement agencies including the Department of Social Security, the Department of Employment and Industrial Relations and the Department of Inland Revenue to increase the effectiveness of curbing abuse.