



THE MALTA CHAMBER

FEEDBACK BY THE MALTA CHAMBER (TMC)

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## Malta's National Strategic Action Plan for Further and Higher Education

**Presented to** : Ministry for Education, Sport, Youth, Research, and Innovation (Malta Further and Higher Education Authority)

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## INTRODUCTION

**Human resource shortages have been a mounting concern for several years.** As our economy grows and demand for labour increases, new entrants into the labour market cannot meet the gaps left by the droves of people who retire and the increasing demand for more complex skill sets. The gains made through a steady increase in female participation in the last decade have plateaued, and the declining birth rate coupled with the eagerness of young graduates to seek greener pastures overseas, is making it very difficult for businesses to recruit locally. The international competition for third country national workers is also making it **harder to recruit and retain capable foreign workers.**<sup>1</sup>

The Malta Chamber believes that it is **high time the acceptance of low achievement levels in our education system are challenged** by acknowledging that the underperformance of our educational system has become an endemic challenge that has hardly improved over the last decades, requiring the country to commit publicly to bold objectives and implement drastic measures.

The Malta Chamber published an **Education for the Future strategy report** underlining the importance of quality in education, upskilling & and reskilling, lifelong learning, periodic curriculum reviews, developing and empowering educators, and introducing Social Emotional Learning and Service Learning for both students and teachers.<sup>2</sup> The document was followed by another Malta Chamber report titled **The Malta Chamber's position on a National Workforce Strategy** outlining 56 tangible recommendations, paired with 48 quantifiable success measures<sup>3</sup> calling for a much-needed national debate on the future of education based on the skills we need today and beyond, involving all those who have a genuine interest in the prosperity and well-being of future generations.

In its recommendations, The Malta Chamber reiterated the importance of **bridging the gap between educational institutions and industry by identifying the shortages of skills vis-a-vis industry, prioritising the educational experience through the involvement of business leaders to provide a more practical experience through entrepreneurial teaching.**<sup>4</sup> This would also be coupled with a process to identify and invest in sectors that offer high quality jobs which are value-adding to the economy, providing emerging skills requirements in the green and digital transitions.

It is **positive to note that the consultation document published by Malta Further and Higher Education Authority (MFHEA) acknowledges the need of higher education which is better aligned with labour market needs.** Equally positive is the acknowledgement that **education is an overarching Ministerial responsibility** in addressing the country's needs.

The document however **stops short from articulating an implementation action plan with an effective monitoring role for Government with the active involvement of independent stakeholders.** The document also seems to have adopted a more of an **inward-looking approach and lacks a substantive far-reaching (visionary) outlook** at addressing the challenges ahead.

The Malta Chamber believes in changing certain inherent attitudes and behaviour by instilling values and a sense of responsibility towards the community. **A root-and-branch reform is required not just at higher education but also at primary and secondary levels.** At primary educational level, students should start understanding technology, be provided with a basic level of problem solving, reasoning

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<sup>1</sup> <https://www.maltachamber.org.mt/en/legitimate-business-is-about-hard-work-smart-ideas-and-capable-people-marisa-xuereb>

<sup>2</sup> <https://www.maltachamber.org.mt/en/the-malta-chamber-launches-a-document-led-by-the-education-thematic-committee-titled-education-for-the-future>

<sup>3</sup> <https://www.maltachamber.org.mt/en/a-national-employment-policy-which-identifies-the-key-challenges-of-our-labour-market>

<sup>4</sup> <https://www.maltachamber.org.mt/en/malta-chamber-and-mcast-colloquium-on-future-skills>



and critical thinking. At secondary level, our students should be more exposed to citizenry (in Malta and beyond), environmental stewardship which incorporate concepts that nature should have rights, financial illiteracy, economics, media literacy, use of technology, social issues, cultural diversity and inclusion. The basis of such reform is three important 'c's, **collaboration, creativity and communication**. Falling short of this, The Malta Chamber believes that the pressing risk of overdependence on imported labour for continued sustainable economic growth would increase.

Building on the outlined strategy, The Malta Chamber looks forwards to a **holistic Education Action Plan which goes beyond Further and Higher Education**, with the input of all relevant independent Stakeholders to help Government achieve its ultimate objective with a clear visibility of the desired destination.

Finally, The Malta Chamber would like to enquire how the MFHEA National Strategy will be complementary to the [Higher Education Strategy for Malta](#), which was published by former Educational Minister Justyne Caruana. The document was intended to provide an overall strategic direction of the proposed "Framework for the Education Strategy for Malta for 2014 to 2024" and aimed to deliver specific targets with regard to higher education. The strategy had proposed measures and an action plan following "*an internal consultation and regular feedback by a steering group including representatives from the University of Malta, MCAST, ITS, ETC and the Ministry for Education and Employment*". It is for this reason that The Malta Chamber is asking for more clarity on whether the current strategy is complementing or replacing the mentioned strategy by former Minister Caruana. It is also unclear whether the [Framework for Education Strategy for Malta 2014-2024: Sustaining Foundations, Creating Alternatives and increasing employability](#) has been shelved.

The Malta Chamber cautions that a meaningful process should **move beyond PR window dressing and this time serve as a serious commitment to prepare our human capital towards an ever evolving and competitive world**.



## PILLAR 1: POLICY DESIGN AND GOVERNANCE

### Review of governance structures in FHE to support joined-up policy:

The Malta Chamber agrees with the overall principle because the **national skills development policies cannot be seen in isolation from other policies** and should be conceived within a framework that has both a **short-term and a longer-term perspective**.

It should be the **outcome of a consultative and inclusive approach, driven by true leadership** which unfortunately has been missing for several years. As repeatedly explained in [The Malta Chamber's position on a National Workforce Strategy](#) strategic Government actions on human capital need to rely on **skills forecasting intelligence to guarantee an adequate understanding of labour market demands**. The Malta Chamber believes that this strategic approach to education is still fragmented and insufficiently coordinated, leading to sporadic measures and duplication of efforts. A comprehensive view of the labour market, including current and predicted trends in the quantity and educational background of Maltese nationals entering the workforce is required. The study should incorporate the migratory patterns of EU nationals relocating to Malta on a semi-permanent or permanent basis.

Ministries, Departments and Agencies should seek to know how students are encouraged, in multiple ways, to study subjects in which skills shortages and labour demand exist while all students acquire advanced transversal skills that can be applied in a wide range of settings, such as critical thinking and problem-solving skills.

### Review of effectiveness of FHE public spending

The Malta Chamber notes that Malta has been **investing significantly in its education system in recent years, and that this investment is not at par with the expected returns**.

Despite recent progress, the **early school leaving rate** remains high, although it may have diminished slightly, a matter which nonetheless should not detract from its needed attention. **Basic skills attainment** is poor in comparison with other countries. Our **labour market requires more relevant skills** from the vocational education and training (VET) system.

In this context, The Malta Chamber believes that **primary and secondary education are in most need of reform**. We note that out of the 29 countries (27 EU countries + Iceland and Norway) Malta ranks 8th in expenditure on education as a percentage of GDP but only 24th in PISA scores, with a budgeted government expenditure in education for last year more than €704 million.

**A 5-point reform is therefore recommended:**

1. A split within the Ministry of Education whereby the **regulator would be separate from the operator / service provider**.
2. **Transform all public colleges into foundations and give them autonomy on operations**, charge fees, reward the best educators with the best salaries, choose where to place investment and run as independent organisations.



3. Publish **anonymised data for all students, teachers and grades**. This will increase the level of transparency of who is really running the best schools and who are the best educators, also within the higher education space.
4. Provide all parents with **student vouchers to have the option to choose which colleges their children opt to go to**, with Government awarding additional funding to the most successful colleges. Government should also give vouchers to students based on success with the faculty to choose where and what to study at post-secondary level. Specialized accredited private education provides a quality service (example to follow ACCA program) which is not inferior to public education.
5. **Increase contact hours, school hours and wages of all educators and reduce school holidays.**

Furthermore, a **true evaluation of expenditure should not be conducted by the Government** but through the involvement of independent stakeholders. **Industry can play a key role in being proactively critical on how to shift resources** towards what constitutes real value for the economy which provides value-added jobs. The Malta Chamber believes that just as private enterprises try to mitigate rising costs by increasing efficiency and cutting down on trivial expenditure, so must Government rationalise its spending. Public expenditure is financed through the hard-earned taxes paid by law abiding businesses, workers and consumers. The promotion of **fiscal morality gains credibility when Government manifestly commits to optimising its use of resources, both in terms of public sector employment as well as public procurement**. The Malta Chamber therefore favours a **joint Government Stakeholders Monitoring Committee** which would render certain processes more transparent with a higher return on investment. Taxpayers are inclined to spend more on public education if it results in a greater value for money from government investment. MFHEA itself should also operate independently from Government and be freed from any interference within its remit of competence, including in **monitoring KPIs and conducting evaluations**.

The Malta Chamber reiterates that **public tenders for hardware and software solutions in Education should be improved**. The current practice simply ensures that only companies that have a specific set of services and products can bid, while not ensuring that the best products are selected. The process for education public procurement, especially for tenders under €10,000, can be expedited while observing all ethical provisions throughout the process.

The Malta Chamber is also of the opinion that the **€20m investment in science labs in schools is money well spent**.

#### **MFHEA Working Group on Policy Intelligence**

The Malta Chamber agrees with a **concentred stakeholder effort to address lacunas, not least the need of an accelerated recognition of qualifications and improvement in the transfer of learning from apprenticeship for the vocational path** (through better application of the European system of credits for apprenticeship for VET).

We believe that stakeholders should recognise **apprenticeship as a common priority for strengthening our companies' competitiveness** by developing a common training curriculum, coordinating approaches, and strengthening mobility programs for all groups. Developing mentoring



practices which are recognised as a suitable solution to respond quickly to the changing needs of the labour market are also required.

## PILLAR 2: EXPLOITING EMERGING OPPORTUNITIES

### Setting up of a National Coordination Mechanism on Emerging Opportunities

Our competitiveness as a country has always rested on a **combination of investment-friendly government policies and diligent human resources**. Every sector that we have managed to establish in our economy has been built on robust fiscal and regulatory incentives coupled with a workforce that delivered good value for money.<sup>5</sup>

There is currently a lack of knowledge on the ongoing compliance with evolving environmental standards and policies, not because finances are not focused in this direction but because of **unclear regulations, communication and guidelines, not to mention the persistent challenge our businesses face on significant skills shortages**. Companies are forced to invest in employee training without a clue **where to source trainers to delivering such training**. These challenges will necessitate substantial support, which is not just financial, as well as entrepreneurship promotion. **As things stand today, it is inevitable that businesses will face significant skills shortages and will be forced to invest in employee training**. These challenges will necessitate substantial support in the form of funds for mentorship, reskilling and upskilling, as well as entrepreneurship promotion. The green transition will succeed only if job creation, support for job redefinition, and positive entrepreneurial attitudes towards the establishment of new sustainable businesses are prioritised.

A [joint European Committee of the Regions and Eurochambres survey in 2020](#) revealed that around 75% of businesses took decisive steps to digitalise their activities during the pandemic. In this regard, financing of their digital transformation was identified as the main bottleneck, followed by a lack of digitally skilled employees and shortcomings in collaborative networks between academia, governments, and businesses.

The Malta Chamber agrees with this pillar intention because **skills requirements are evolving faster than ever before and the timely understanding and forecasting of entrepreneurs' needs is crucial**.

The **curricula of schools, university, and vocational training programmes must be reviewed** to reflect the most recent findings of skills intelligence tools, with the latter being used more effectively and consistently to update curricula and design policies.

Our educational system is a key component in **nurturing a strong local ecosystem for video games and Esports**, helping local talents to grow while attracting international competitions.

On **aviation**, Malta needs to invest to attract new aviation inspectors and explore options on how to retain existing ones. A successful aviation and aerospace sector also requires an efficient financial services sector. Given the nature of transactions that take place in this industry, operators are

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<sup>5</sup> <https://www.maltachamber.org.mt/en/legitimate-business-is-about-hard-work-smart-ideas-and-capable-people-marisa-xuereb>



particularly exposed to local issues in the banking sector which have been compounded year on year and which are not conducive to attracting further activity in the sector.

In this context, the **National Coordinating Mechanism on Emerging Opportunities** has a significant responsibility and should be trusted. The Malta Chamber requires more information on the (a) terms of reference of the proposed Working Group and (b) power leverage which will be able to exert pressure on other educational stakeholder entities, like MATSEC.

### **Targeted Action Plan on Emerging Opportunities**

The Malta Chamber cannot reiterate more the importance of having a skilled workforce that is **digitally literate to be able to make these improvements possible**. Disjointedness exists between the demands of industry, which are constantly changing and the education system in providing a digitally skilled workforce. Business incentives should also be provided to target companies investing in their employees to undergo specialised IT related courses, particularly in E-Health, Manufacturing, Fintech, and Gaming. Grant incentives on Cybersecurity promoting and supporting the essential steps to protecting one's business rendering them future proof to insider threats are also needed. Cybersecurity should be prioritised with digital-centric schemes for businesses to shift, upgrade, and improve their digital infrastructure, systems and solutions.<sup>6</sup>

Higher vocational education has an enormous potential for **individual professional development and for companies training and retaining competent workers**. There are opportunities in aviation, hospitality and tourism, linked to leisure/entertainment, health and well-being. Much depends on skilled staff that can spearhead and manage innovation and transition. The impacts at global level affecting supply chains and access to key resources together with the **transition to Industry 4.0** (followed by 5.0), are having local consequences for enterprises, forcing them to rethink their business models.

Yet the Malta Chamber believes that **more can be reaped from sectors which are already contributing significantly to the local economy**. The Malta Chamber proposed several recommendations to **improve the touristic experience and product in Malta publication 'Rediscover'**. The aim is to build a year-round destination to reduce seasonality, improve the quality that is being offered and ensure that tourism operators embrace digital transformation, improve the customer journey, encourage authentic and unique experiences, and build Malta's capabilities as a country.

There is scope to **incentivise Niche Tourism**, primarily through the development of wellness and medical tourism, agribusiness, arts tourism and gastronomy niches whilst retaining and investing further in established niches such as English Language Teaching, diving, yachting and Meetings, Incentives, Conferences and Exhibitions (MICE).

Having said that, **tourism and hospitality stakeholders are currently competing for the same employees, the same skills, and given that working conditions in the hospitality industry may not always seem attractive, students from hospitality schools often choose a different career path**. The retention and acquisition of talented employees is currently at critical levels, not just in Malta. Industry professionals should acknowledge this issue and try to conceptualise innovative methods adopted in countries like the Netherlands, Japan and the US.

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<sup>6</sup> Time to Step Up, Proposal 82 <https://www.maltachamber.org.mt/loadfile/5fe5f1ed-2d0c-4d6c-98c5-67602c11d19d>



## PILLAR 3: ENHANCED EDUCATIONAL ATTAINMENT, RETENTION AND COMPLETION

### Setting up of a Working Group on Educational attainment, retention and completion

The Malta Chamber attributes significant value to this pillar in its [Education for the Future](#), calling in particular for the Introduction of **social emotional learning and service-learning programme** that allows children/students across different ages to engage with personal, collective and life issues.

Through **extended school hours, students will be able to master knowledge, nurture personal traits, attributes, and values**. They can do this by engaging in community work and possible links with industry.

The acquisition of key competences such as numeracy and digital skills are not an academic or industry specific monopoly but relevant across the board in our community. The European Commission is emphasising further on this point, promoting the development of more fit-for-purpose STEM and ICT higher education programmes based on **STEAM** – science, technology, engineering, the arts and mathematics – approaches to education.

The Malta Chamber believes that all Government entities should be sensitive of the need for **vocational education to play a crucial role in bridging the gap between education and the workplace**. A **structured dialogue between University, MCAST and industry should be established and maintained** to respond to changing needs very quickly, strengthened further by offering **more work experience of quality linked to the area of study**.

MFHEA also join efforts with industry stakeholders to ensure that the Individual Learning Accounts (ILAs)<sup>7</sup> initiative at European level would consider **the variety of tools and systems already existing in other Member States and identify the best coordinated efforts to foster upskilling and reskilling**. The Malta Chamber believes that **peer learning activities among different Member States public agencies and authorities should be encouraged** and could be intrinsically linked to national and regional instruments for skills forecasting (mentioned above) to determine the selection of critical training opportunities with involvement of business organisations like The Malta Chamber which is aware of such demands.

It is also worth looking at the European Entrepreneurship Competence Framework (EntreComp)<sup>8</sup> which creates a **shared understanding of the knowledge, skills and attitudes that makes up what it means to be entrepreneurial**. It helps discovering and acting upon opportunities and ideas, and transforming them into social, cultural, or financial value or others. The Framework recognises the opportunity **to be entrepreneurial in any situation, from curricula at school to innovation in the workplace, from community initiatives to applied learning at university**.

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<sup>7</sup> <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12876-Individual-Learning-Accounts-A-possibility-to-empower-individuals-to-undertake-training>

<sup>8</sup> <https://ec.europa.eu/social/main.jsp?catId=1317&langId=en>



## PILLAR 4: ROBUST QUALITY ASSURANCE AND TRANSPARENCY

### Setting up of a Working Group on Quality Assurance and Transparency in FHE

The Malta Chamber believes that **this Pillar needs to be strengthened significantly** since it incorporates only very basic concepts of accountability and transparency without sufficient reference to consistent level of quality amongst FHE services.

The Malta Chamber believes that **two major policy goals need to be set**, which are (a) increase the percentage number of students in education combined with increased uptake in STEM and (b) a roadmap on how to improve further on PISA/TRIMMS scores against timeframes.

The Malta Chamber is also of the opinion that **tertiary education institutions must review and publish data and analysis on students' degree and higher education qualification outcomes**.

Timeframes should be provided for the WG output leading to the Holistic Action Plan which should be the natural subsequent step to this policy consultation document.

### Targeted Action Plan for QA, Monitoring and Evaluation and Review of FHE Providers

The Malta Chamber believes that **quality assurance promises will only be achieved if tough decisions are taken to address current weaknesses**. Political bodies, unions and stakeholders should commit to a concerted effort to overhaul the education sector in the national interest. Various political administrations have **unfortunately failed to make radical changes to the educative system** which would have led us to a better state of play today.

The Malta Chamber notes that as a country, we are making progress on digitalisation and good governance, but **we are struggling with sustainability and human capital**. Digitalisation delivers immediate productivity gains and is therefore the easiest to get decisionmakers to buy into. The only real constraint to our progress on digitalisation is the availability of adequately qualified and affordable human capital to make things happen<sup>9</sup>.

In this context, The Malta Chamber requires **more clarity on how the QA policy coherence will be strengthened and implemented**. A key priority for the Action Plan up to 2025 is the organisation of programme audits of institutions to match qualitative requirements.

## PILLAR 5: IMPROVED RELEVANCE OF TEACHING, LEARNING AND RESEARCH

### Setting up of a Working Group on Relevance of Teaching, Learning and Research

Today's **EU-level indicator on equity** is built on a more severe definition of educational under-achievement whereby we feature amongst the worst 8 Member States yield shares above 15%: Bulgaria (32.0%), Romania (29.8%), Cyprus (25.7%), Malta (22.6%), Greece (19.9%), Luxembourg (17.4%), Slovakia (16.9%) and Hungary (15.4%).<sup>10</sup>

As amply explained in [Education for the Future](#), The Malta Chamber believes that much needs to be done to **anticipate new career paths and skills needs** in the private sector. The Malta Chamber advocates **well-coordinated synergies amongst education, research, and industry to carve out co-designed policies** extended to the digital, health and environment policy areas, amongst others.

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<sup>9</sup> <https://www.maltachamber.org.mt/en/legitimate-business-is-about-hard-work-smart-ideas-and-capable-people-marisa-xuereb>

<sup>10</sup> Education and Training Monitor 2022 Comparative report, page 11



The Malta Chamber **highlights importance of Education 4.0 which reimagines education** as an inclusive, lifelong experience that places the responsibility for skills-building on the learner, with teachers and mentors acting as facilitators and enablers to educational systems. Much needs to be done in Malta to upgrade the adaptability of the three critical skills<sup>11</sup> that Education 4.0 must impart to students.

## **PILLAR 6: SOCIAL DIMENSION: WIDENING PARTICIPATION AND ADULT LEARNING**

### **Setting up a Working Group on the Social Dimension**

The Malta Chamber acknowledges the need to overcome the resistance to **converting learning from traditional in-person delivery to blended adult learning courses**. This represents a challenge in the promotion of digital education in Malta, particularly in enticing older age groups to remain engaged in the labour force. Nonetheless, a determined drive is required to meet the European target of at least 60% of adults participating in learning by 2030.

As part of Eurochambres, The Malta Chamber is signatory to the [Pact for Skills](#). It is a promising idea that can **broaden the scope of learning opportunities for adult workers**. Large-scale partnerships for skills development will function only once they are followed by substantial financial support.

The Malta Chamber notes that **gender has been and still is a major dimension of inequalities in higher education**. No demographic characteristic is so fraught with stereotypes than that of gender. In social life, school and later in higher education, some students are bound by the stereo types like women are more social or men are more technically apt. The document does not delve much in the matter and therefore a clarification on whether the subject carries sufficiently its deserved importance is welcomed.

### **Targeted Action Plan on the Social Dimension of FHE**

By centring individual skill-building and classroom learning around problem-solving, collaboration and adaptability, **Education 4.0 offers young people the greatest possible opportunity to succeed in a global economy**. This would reduce inequalities in educational systems and capitalise on the promise of educational technology.

More potential could be reached by **encouraging more students to pursue STEM fields** to address the weak technical skills and human resources rather than further expand overly populated courses which do not match labour demand.

The present **student stipend system** does not seem to promote adequately a 'meaningful' social mobility. It tends to make it easier for students to opt for tertiary education courses that do not necessarily help their career chances for most jobs in need. On several instances, beneficiaries of tertiary educational stipends **end up finding a job posting abroad, without effective incentives to consider returning to work in Malta**, which would mean a return on investment on invested stipends for the community. Consideration should therefore be given to having part of the student stipend tied to a commitment to work in Malta within the private sector for a qualified number of years. The proposal could work out as a part of existing or additional allocation to the current provision to which the students may opt-in or opt-out.

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<sup>11</sup> Collaboration, creativity and communication.



The Malta Chamber calls for **strengthening and widening the executional arm of Educational Ombudsman**. The Education Ombudsman should be adequately resourced on a long-term basis, with more effective terms of reference and assigned extended to pro-active functions rather than just reactive.

At a European level, the Malta Chamber welcomes the launch of the [European Commission Pilot Talent Pool](#) focused on the integration of Ukrainian refugees into the labour market.

Lastly, as explained above, The Malta Chamber believes that an **easier process of recognition of qualifications, especially non-formal and informal ones is required**. Apart from ensuring appropriate professional qualification pathways, this would contribute to mitigating the lack of skilled workforce by attracting qualified third-country nationals to Malta, together with other legal and policy improvements which may render our country more comparatively attractive in the southern European region.

## **PILLAR 7: INTERNATIONALISATION AND MOBILITY**

### **Setting up of a Working Group on Internationalisation and Mobility**

The Malta Chamber recommends **inclusion of business representation in the Working Group**. More clarity on how certain **international service providers of questionable reputation** gain accreditation. The initiatives will not yield the expected results if they are not based on businesses concrete labour needs.

**Faster and easier procedures for obtaining the right to live and work in Malta** are a *sine qua non* conditions for attracting skilled talents from abroad. Employers cannot wait for months for the administrative procedures to be completed. It should also be easier for talented third country nationals to be granted clearance for family members.

The Malta Chamber encourages specialisation of local industries towards a **greater ability to differentiate as well as encourages the development of cluster businesses for internationalisation**. Resourcing Education Malta, Tech.mt and Trade Malta to assist on internationalisation strategies, including foreign market analysis, identifying foreign market entry strategies, leveraging efforts with embassies as business facilitators and participating in international fairs, would help in this regard.<sup>12</sup>

### **Targeted Action Plan on Mobility**

The results of the [30th annual Eurochambres Economic Survey](#), based on feedback from over 42,000 entrepreneurs in 25 European countries, highlighted strong concerns regarding a shortage of skilled workers. Companies' negative expectations related to the levels of employment in 2023 are heightened by growing skills mismatches and become clearer when companies embark on green and digital projects.

The return on investment in education must be reassessed throughout Europe, not least Malta, also by **bridging the gap between FDIs and home-grown qualitative operators in education by providing effective support for them to attract more and deliver better value**.

The Malta Chamber appreciates the importance given to internationalisation and mobility in the consultation while noting that **optimal living and learning environment** for international students and

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<sup>12</sup> Time to Step Up, Proposal 22 <https://www.maltachamber.org.mt/loadfile/5fe5f1ed-2d0c-4d6c-98c5-67602c11d19d>



teachers, with a range of education and research opportunities are part and parcel of the attractiveness package.

The Malta Chamber looks forward to understanding more the “*joined-up approach*” being referred to by MFHEA to put in place, integrating education, research, innovation, environment and enterprise policies and actions in a mutually reinforcing way.

The Malta Chamber recognises that **Third Country Nationals (TCNs) cannot be the answer to all local labour shortages**, and as illustrated in other parts of this document is committed to promoting an educational and digitalisation strategy that feeds into our broader workforce strategy.<sup>13</sup> However, The Malta Chamber also firmly believes that having recognised how essential TCNs are to short and medium term functionality of the Maltese economy, the government should undertake particular efforts to ensure that the related visa and permitting process takes place in an expeditious manner. Amongst the most prominent stumbling blocks in the efficient integration of TCNs into the local labour market is the **bureaucracy involved in the current permit procedure which can be costly to employers**. The Malta Chamber is aware of several cases in which businesses have experienced issues related to conflicting information provided by different contact persons at Identity Malta. This conflicting information can lead to a degree of uncertainty amongst employers and potentially a lack of trust in the fairness and universal application of the agency’s processes.

**Other proposals which The Malta Chamber has constantly raised with several authorities** on this topic include:

- The needs to widen the scope of the **Key Employment Initiative scheme** to attract individuals in possession of certain critical skills and qualifications that are running short in the labour market.
- A **3-month interim work permit to be granted under the same criteria as the approval in principle from Identity Malta**. This would mean that once the TCN has received an invitation letter declaring their approval in principle, they would have the right to work for three months effective from the date of their arrival in the country. In this three-month grace period, the employer would be obliged to ensure that the employee goes through the health screening process and submit a rental agreement.
- A **single, transparent, and publicised policy should apply to student visas exceeding 90 days**, and removal of the 150-day requirement.

### **Targeted Action Plan on Internationalisation**

The Malta Chamber is seriously concerned about the **declining level of written and spoken English**, which is our language to relate with international peers. The number of Maltese who use English as a medium of communication has increased yet that does not mean that its quality improved. As a country we need to address the serious decline in English language proficiency and devise an action plan which addresses this lacuna if we want to strengthen our economic position in the world market. A feature which may be contributing to this deficiency is that **Malta ranks amongst the bottom 4 performing countries with respect to underachievement in reading, with the lowest intended instruction time at age 14**.<sup>14</sup>

<sup>13</sup> The Malta Chamber, The Malta Chamber’s Position on a National Workforce Strategy <https://www.maltachamber.org.mt/loadfile/5e05dfbe-b494-40cc-9d02-a4f569b89ac3>

<sup>14</sup> The European Commission, Education and Training Monitor 2022, page 55



Turning Malta into an **education hub** should have been a process which started a while ago. The Malta Chamber cautions that the process should not be a marketing ploy without substance put into it or disproportionately inclined towards attracting FDI as against facilitation of home-grown companies to grow. The process should be directed towards substance value not numbers. Malta based private operators already provide international training to some degree but operators feel they lack any kind of Government support. Malta Enterprise should therefore provide quality initiatives that would boost local companies within an overarching strategy of nurturing the local eco-system to make the hub idea work.

In the **post-Brexit EU scenario**, there are only 3 officially English-speaking language countries, which are Ireland (too expensive for education), Cyprus (lacks quality) and Malta (quite well placed to play a more active role due to a manageable cost-structure). It is therefore of utmost importance for industry to attract both further and higher education teachers and students since we lack input and output talent.

As explained above, **comparative analysis is required to identify what would entice international students to study in Malta and remain in Malta** (standard of living / remuneration / integration in the community etc).

Finally, discussions may also be directed towards improving certain **banking sector processes** regarding duration of processes undertaken as well as related issues in the sphere of customer service and digitalisation.



## CONCLUSION

The consultation document is overall a **positive step aimed to provide an enabling framework to work together as public and private stakeholders to unlock capacities and opportunities which lay ahead**. As a country we need to acknowledge the **holistic and collective need to step up our efforts in education**, not just in at further and higher level.

The business community seeks **qualifications that improve the chances of achieving prosperity which could concretely lead to a network of high-quality education providers that are ready to act as enablers for change**. Education providers are key for industry to respond to challenges while contributing to research, innovation, and excellence. The Malta Chamber acknowledges the need for **teachers to be equipped and be given the necessary support**, be it financial, human, and technical to take our local human capital to the next level. It is positive to note that like Finland, Ireland and Italy, Malta is in introducing a minimum qualification requirement for staff working with children in addition to establishing systems to support CPD.<sup>15</sup>

The Malta Chamber agrees with what stated by Minister for Education, Sports, Youth, Research & Innovation Dr Clifton Grima in saying that *“relevance of teaching, learning and research, as well as strategic internationalisation and mobility will connect us and move us forward to advance and address the sustainable development goals”* which requires an innovative policy approach through *“challenging times of pandemic, conflict and the drive towards economic, societal and individual recovery at all levels of society and the economy.”*

**Crisis management and building long-term resilience to crises should not detract attention from the need to advance ongoing efforts to build a holistic culture of quality in education** because failure of the education system to prepare citizens and young people for this new world, will have negative knock-on effects for society.

The **2023 European Year of Skills** is an excellent opportunity to work with EU level instruments to respond to labour market needs, such as mobility schemes, upgrading Vocational Educational Training (VET) and forecasting tools.

**As the National Chamber of Commerce in Malta we can support in improving upskilling/reskilling of the workforce to keep competitiveness and to address the transformations related to the green and digital goals, while reinforcing entrepreneurial attitudes, equip individuals with skills and competences invaluable for their future or newly established businesses, to allow SMEs to reach new markets and develop their enterprises thanks to innovative ideas and techniques that can be materialized into new products or services.** The Malta Chamber therefore looks forward to work closer with Malta Further and Higher Education Authority to explore ways how industry can contribute further the structural and policy knowledge and research capacity in its areas of responsibility.

**The Malta Chamber is of the firm belief that policy is only as effective as its implementation.** Setting achievement targets, developing clear implementation plans and identifying a lead agency or ministry responsible for implementation are important. Advocacy and financial support for target groups will ensure that there is sufficient uptake of new programmes.

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<sup>15</sup> The EU Commission, Education and Training Monitor 2022, page 22



THE MALTA CHAMBER

While **thanking the contribution of its members within the Educational thematic committee**, The Malta Chamber looks forward to a holistic education implementation plan for our country where **Quality** is prioritised over quantity, **Substance** is prioritized over form and **Long-term** vision is prioritised over short-term goals.<sup>16</sup>

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<sup>16</sup> <https://www.maltachamber.org.mt/en/legitimate-business-is-about-hard-work-smart-ideas-and-capable-people-marisa-xuereb>