

## **Article 1 - Right to work**

### *Paragraph 1 - Policy of full employment*

The Committee takes note of the information contained in the report submitted by Malta.

### **Employment situation**

The Committee notes from Eurostat that the GDP growth rate in Malta fell from 4.3% in 2007 to 2.9% in 2010, but was still above the EU-27 average (2.0% in 2010). Although the economic crisis led to a contraction of real GDP by 3.4% in 2009, Malta experienced a marked rebound in economic activity in 2010.

The employment rate increased slightly from 54.6% in 2007 to 56.1% in 2010 (but was still significantly below the EU-27 average of 64.1%).

The unemployment rate remained stable between 2009 and 2010, standing at 6.9% during both of these years.

The youth unemployment rate decreased from 13.9% in 2007 to 13.0% in 2010. On the contrary, the long-term unemployment rate (as a percentage of all unemployed persons) increased from 41.9% in 2007 to 46.3% in 2010 (remaining above the EU-27 average of 39.9%).

The employment rate for older workers (aged between 55 and 64) remained very low (30.2% compared to the EU-27 average of 46.3% in 2010).

The Committee notes that the labour market situation in Malta continues to be characterised by a low employment rate. The major concern remains with long-term unemployed and older workers, whose situation has not improved despite a relative healthy economic context.

### **Employment policy**

The Committee notes that the Government has set its employment rate target at 62.9% by 2020. Five priorities have been identified to address the bottlenecks with a view to rising the aggregate employment rate: (i) increasing the participation of women in the labour market, (ii) increasing the employment rate of older workers, (iii) activating vulnerable groups, (iv) improving the employability of the workforce, and (v) maintaining efforts to tackle undeclared work.

The report mentions that the Employment and Training Corporation continues to implement active labour market measures. A description of some of the measures that have been put in place during the reference period is provided.

The Committee in particular notes the Community Work Scheme, which aims at providing the long-term unemployed the opportunity to undertake community work under the direction of Local Councils and NGOs with a view of enabling them to obtain further skills, improve their employability and their chances of finding employment. Since its inception in 2009, a total of 177 individuals have participated in the scheme. Moreover a total of 56 individuals were struck off the unemployment register, and 21 have entered into employment as a direct result of the scheme.

The report shows that the total number of participants in different labour market measures was 2,920 persons in 2010.

The Committee notes from Eurostat that the activation rate in Malta, that is, the number of persons taking part in an active measure as a percentage of the unemployed, was only 2.8% in 2009. This was one of the lowest activation rates among the EU-27 countries that year, where the average was 28.9%.

According to Eurostat, public expenditure on active labour market policies in Malta amounted to 0.13% of GDP in 2009, which is far below the average of the EU-27 countries (where the average public spending on active labour market measures as a% of GDP that year was 0.78%).

The Committee finds that employment policy efforts in Malta, measured both in terms of the activation rate and spending on active labour market measures, were modest during the reference period, and asks whether there are plans to implement more measures in this area, namely in respect of long-term unemployed and older persons.

Finally, the Committee recalls that labour market measures should be targeted, effective and regularly monitored, and asks in this respect whether the employment policies in place are monitored and how their effectiveness is evaluated.

#### *Conclusion*

Pending receipt of the information requested, the Committee defers its conclusion.

The Committee considers that the absence of the information required amounts to a breach of the reporting obligation entered into by Malta under the Charter. The Government consequently has an obligation to provide the requested information in the next report on this provision.