


## Chapter 4

# Apprenticeships as a way of Tackling Skills Gaps: The Reform in Apprenticeship Schemes in Malta

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### ABSTRACT

*Malta did not suffer the 2009 economic crisis like other EU Member States. Youth unemployment remained low, and the country was among the first registering economic growth. However, Malta still has a very high percentage of early school leavers and is experiencing a significant skills gap in its labour market. In addition, a Cedefop study forecasted job growth mainly at professional and medium-level qualifications. This chapter is a discussion of how Malta is tackling the skills gap challenge by reforming its apprenticeship schemes. As changes were made to the format and governance of apprenticeships, the schemes were extended to more sectors as well as reflected a more modern approach to learning. As the number of apprenticeships continue to grow, Malta hopes to both be able to keep more young people in school through VET as well as provide a better trained skilled workforce to ensure further economic growth. This chapter can serve as an example for other countries and regions intending to reform their apprenticeship schemes.*

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## **INTRODUCTION**

Malta is a small country of 316 km<sup>2</sup>, situated in the middle of the Mediterranean Sea, south of Italy and the smallest Member State of the European Union. With a population of a little less than half a million, and only the sun and sea as resources, Malta has always relied on its human capacity to survive (Grech, 2016). Although a very small country, lessons learnt in vocational education and training can be relevant to other parts of the world, especially at regional level which tend to be of similar size.

Malta is a country which, despite its size and its resulting vulnerability, has experienced limited impact during the 2009 economic crises due to the then government's immediate intervention (Central Bank of Malta, 2016). Not only did Malta manage to mitigate the loss of jobs and economic slowdown, but was also among the first European countries to reverse the negative economic trend, and start registering economic growth in contrast to the other EU Member States. Malta has since not looked back, and the economy is still continuing to grow solidly (Micallef, 2017). Malta can boast a 7.4% economic growth with real GDP per capita in the first quarter of 2019 over that of the previous year (National Statistics Office, 2019a). This demonstrates that economically Malta is performing very well.

Economic growth can only be sustained if a country has the resources to respond to the demands which a growing economy makes. This chapter discusses the reform in apprenticeship schemes undertaken by the Government of Malta as a strategy to respond to the challenge of ensuring good skills supply while reducing early school leavers, and to keep on strengthening its economy. Apprenticeships are also viewed by government as a means of ensuring better social inclusion as it promotes a smooth school to work transition for youths (Wallenborn, 2011).

## **LITERATURE REVIEW**

Strategic policy in identifying and tackling skills supply to the labour market can have a significant impact on a country's economic growth. The rapid technological advances and global competition have increased the importance for countries to identify labour market needs and skills matching. Identifying future skill needs is a basic building block to ensure effective skills development systems (International Labour Organisation, 2010). Informed policy responses enhance the quality of skills supplied and improve the business climate. They also enable the educational system to prepare a skilled and flexible workforce. Skills gap analysis is also important at company level where inadequate alignment between the human capital of workers and firm-level requirements can be costly with respect to workers' earnings, job

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