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Where are the Maltese workers?

A review of changes and recommendations to employers

Market Observation

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We are frequently asked, **"Where are the Maltese workers?"** The most common response is that they are not being born at a rate that meets the demands of Malta's growing economy.

Market Observation

Malta's GDP Growth Significantly Outstripping the EU

Malta's economic expansion significantly surpasses the European Union average, demonstrating a robust growth trajectory.

This impressive growth is chiefly fuelled by a market increase in the workforce. The influx of foreign labour has been pivotal, without which such growth would not have been achievable.

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Foreign Workers Drive Malta's Economic Growth

The rapid economic expansion in Malta remains a stalwart testament to the crucial role foreign workers play in bolstering the nation's economic vitality. Their contributions have been instrumental in fostering this growth, underscoring the significance of a diverse workforce in driving economic prosperity.

In recent years, the number of foreign workers has soared from 35,811 in 2010 to 139,000 in 2023, a remarkable increase that has significantly contributed to Malta's economic growth.

From 2010 to 2023, the numbers show a substantial rise in foreign workers, with a notable surge in the last few years. The GDP growth rate has also fluctuated, with the GDP growth rate peaking at 11.0% in 2021 before slightly decreasing to 7.8% in 2022 and projected to stabilize at 5.4% in 2023.

2

Foreign Workers Offset Malta's Declining Birth Rate

The critical role of foreign workers in Malta's economic landscape is exemplified by the country's low fertility rate, with an average of just 1.13 children per woman, significantly below the European Union average of 1.53 children per woman. Malta's fertility rate ranks as the lowest in the EU, underscoring the pivotal role foreign workers play in sustaining the nation's economic vitality. Without this workforce, Malta's economy would statistically be weakened without migrants filling these gaps.

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Foreign Students Drive Growth in Student Numbers

The top fertility rate in Malta is due primarily attributed to foreign students, with a significant surge in their enrollment in the last decade, driven by foreign scholarships. Foreign students now constitute a substantial portion of the student population, with their numbers rising from 1,000 in 2010 to over 10,000 in 2023.

Consequently, **foreign students now contribute up to 19% of the state education budget.**

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Drawing Conclusions

Malta's economic momentum is robust, translating into substantial growth in the workforce. The influx of foreign workers has undoubtedly bolstered GDP, accounted for a decline in birth rates and adapt, With roads one to two workers originating from abroad, underscoring the critical role of foreign labour.

The data underscores the interconnectedness of economic growth, migration strategies, and educational policies much of society as unsustainable this now demographic landscape.

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Our Recommendations

Malta's labour market and **demographic changes** offer significant opportunities for growth and innovation. Strategic investments and policies can further capitalize on these dynamics for the nation's benefit.

Economic performance: Malta's robust economic growth, fuelled by a diverse workforce and strategic investments in various sectors, underscores the nation's adaptability and its capacity to leverage global talent effectively. This dynamic environment positions Malta as a hub for innovation and economic growth, with its multicultural workforce enhancing the nation's competitiveness in the global market.

Education and training: The rapid growth in the number of foreign students in Malta, with a significant surge in their enrollment in the last decade, highlights the nation's ability to attract global talent. This trend underscores the importance of maintaining high standards in education and training to cater to both local and international students, ensuring that the education system remains a key driver of economic growth and innovation.

Without this influx of foreign labour and students, Malta's economy would be significantly weaker, with the current workforce unable to meet the demands of the growing economy.

Statistical data is paramount. We must ensure all relevant economic stakeholders, regardless of their country of origin, if it stems from residency status, have access to accurate and up-to-date data. This data is crucial for informed decision-making and ensuring that all economic stakeholders can contribute to and benefit from the economic growth and innovation driven by the diverse workforce.

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General Recommendations for citizens

- **Embrace Change** - Recognize that change is an inherent part of life. As the community evolves, approach the shifts with an open mind and heart. This mindset will enable you to adapt and contribute to your country in the change.
- **Foster Mutual Respect** - Whether in your locality or workplace, cultivate a culture of mutual respect for all citizens, ensuring a harmonious coexistence.
- **Engage in Cultural Exchange** - Actively participate in cultural exchanges to enrich your understanding of the diverse cultures within your community. These interactions enable more educated discussions and decisions.

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Recommendations for Businesses

- **Prioritizing Ethical Foreign Talent** - Given the challenges faced by foreign workers, including exploitation and unsafe working conditions, ethical recruitment practices are crucial. Evidence suggests that the time invested in recruiting from a reputable source can significantly reduce the risk of employing ethically dubious trading practices in the local market arena.
- **Investing in Comprehensive Training and Development** - Foreign students contribute up to 19% of the state education budget, underscoring their significant impact on the economy. Businesses can capitalize on this by investing in comprehensive training and upskilling programs. This ensures that all employees, regardless of their origin, are equipped with the skills and knowledge to thrive in their roles, which enhances retention and job satisfaction.
- **Promoting Leadership Skills in Diversity Management** - Leadership in managing a diverse workforce can significantly benefit from diverse teams. Training in diversity management can equip leaders with the skills to effectively manage a multicultural workforce, which enhances retention and diverse teams.

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Recommendations for Businesses

- **Promote an Inclusive Workplace Culture** - Foster an environment where diversity is celebrated and all employees feel valued and supported, by enforcing inclusive policies and providing training on cultural sensitivity and awareness. This can significantly enhance employee morale and retention rates. There are numerous studies that underscore the benefits of a diverse workforce, including increased innovation, improved problem-solving capabilities, and enhanced overall performance. By fostering an inclusive environment, businesses can harness the full potential of their diverse workforce, ensuring sustainable growth and competitiveness in the global market.
- **Implement Comprehensive Training and Development Programs** - Given the significant impact of foreign students, which constitutes up to 19% of the state education budget, it is crucial for businesses to invest in comprehensive training and upskilling programs. This ensures that all employees, regardless of their origin, are equipped with the skills and knowledge to thrive in their roles, which enhances retention and job satisfaction.
- **Leverage Cultural Diversity for Innovation** - Harnessing the diverse cultural backgrounds of the workforce can stimulate innovation and creativity. This can lead to the development of new products and services that cater to a broader market, ultimately enhancing the company's competitiveness and market reach.

With 40% of the workforce comprising foreign nationals, businesses can leverage this diversity to drive innovation and resilience. The extensive contribution of these nationals demonstrates their significant impact on the economy, underscoring the importance of leveraging their diverse skills and perspectives to foster innovation and ensure sustainable growth. Implementing strategies that capitalize on this diversity can lead to innovative solutions, enhancing resilience and driving innovation and growth.

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Recommendations for governments

- **Establish National Identity in Foreign Journalists** - It is essential to establish a national identity in foreign journalists to ensure they are treated as citizens, not as a different kind of agency. Do not take our word for it, ask the Maltese-based journalists from various origins. The concept of "Maltese" should extend beyond blood or birthplace to encompass those who have contributed significantly to Malta's society and culture.
- **Address Adult Parenting in Foreign Foreign Workers** - The current lack of support for adult parenting in foreign workers is a critical issue that needs addressing. This support is crucial for the well-being of these workers and their families, ensuring they can contribute to the economy and society. Ignoring this aspect could lead to unforeseen consequences that impact both the workers and the broader community. Providing adequate support for adult parenting in foreign workers is not just a matter of ethical responsibility but also a strategic move to ensure the sustainable growth and stability of the economy.

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Recommendations for governments

- Establish a Clear Framework for Foreign Students in Malta - Despite their substantial contribution to the Maltese labour market and overall economy, there is a significant lack of support for foreign students in Malta. This oversight has led to various challenges, including exploitation and unsafe working conditions. To address these issues, it is crucial to establish a clear framework that ensures the rights and protections of foreign students are upheld, thereby fostering a more inclusive and supportive environment for all students in the country.
- Bolster Resources for Foreign Nationals - Simplify the administrative processes for foreign nationals, including ease of obtaining tax numbers and bank accounts. The current complexity and delays in these processes can deter foreign nationals, impacting their overall experience and integration into the community. Streamlining these processes can significantly enhance the ease of living for foreign nationals, thereby promoting their overall well-being and ensuring they can focus on their contributions to the community.

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About

Konnekt is Malta's largest recruitment agency training more than 1,000 people per month on employability skills and job preparation. We are a different kind of agency. Our aim is to make a difference in our community, not just make money.

Ecosilicon01 is an HR Tech and Services company with the mission for improving individual and organizational wellbeing. We have a suite of HR solutions aimed at helping people and companies to grow and thrive in the workplace. Our HR Tech and HR services. For more information contact us on info@ecosilicon.com

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We would love to hear your opinions about the current realities and difficulties for Maltese Employers.

Reach out to us on info@ecosilicon.com with your comments, ideas, and suggestions. We can't wait to keep the conversation going.

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Data Resources

Economic Growth Data - Eurostat

Foreign Workers in Malta

Fertility Data - Eurostat

Education Data - NSO