



# European Employment Policy Observatory

## EEPO Review

### Stimulating Job Demand: The Design of Effective Hiring Subsidies in Europe

#### MALTA

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## **1. Introduction: hiring subsidies as an active policy to stimulating job demand**

Hiring subsidies and their functional substitutes have been used regularly and extensively by subsequent Maltese governments since the early 2000s. Such subsidies come in a variety of forms and target many different groups of people. The use of such subsidies is normally based on the premise that particular social groups are at a disadvantage vis-à-vis the labour market. These disadvantages include characteristics such as age, gender, qualifications, skills, disabilities, or social problems deriving from past imprisonment or drug abuse. It is interesting to note that while foreign job seekers appear to experience considerable difficulties in getting and retaining jobs in Malta, subsequent Governments have not previously focussed significant efforts to integrate them in the labour market.

Back in the year 2000, Malta's employment rate stood at a relatively low 54.5 % (Eurostat, 2014). At 6.4 %, the unemployment rate was also rather low, whereas the inactivity rate stood at a high 41.8 % (Eurostat, 2014). The demographics of the workers were very homogenous, mainly consisting of Maltese men aged between 16 and 61, without major disabilities. During the EU accession period (Malta joined the EU in 2004) there was a growth in awareness about the need to increase labour market opportunities for the so-called 'minority' or 'vulnerable' groups. Apart from other measures such as continuing to enhance educational opportunities for everyone, Government Annual Budgets often focused on assisting specific vulnerable groups through hiring subsidies and their functional substitutes.

The schemes have often been entrusted to the Employment and Training Corporation (ETC), Malta's public employment services organisation, or to Malta Enterprise, the Government's agency focused on attracting inward investment and supporting enterprise. The challenges that these subsidies have been geared to address are varied. They include cultural stereotypes, prejudice and misinformation, shared by society in general, including potential workers as well as employers. These act as employment barriers preventing the integration of different groups of people. The challenges also include real extra costs that would be incurred by employers who choose to employ someone with particular characteristics, such as extra training or mentoring costs, and the need to adapt workplaces and procedures.

One may divide hiring subsidies and their functional substitutes in Malta into two broad categories. The first category consists of subsidies given to employers who employ new workers or who give employment experience to unemployed people. For example, the 2010 Budget announced a 40 % tax credit to self-employed people and small employers, who create new jobs or recruit apprentices (Ministry of Finance, 2009). The second category of hiring subsidies consists of assistance (including subsidies) given directly to inactive or unemployed people who get employed, such as the tax cuts announced in the 2009 Budget for mothers returning to work after having been absent from active employment for a number of years, and for recent mothers (Ministry of Finance, 2008). At times, schemes include both types of actions, such as the Supported Employment Scheme announced in the 2005 Budget and aimed at supporting persons with disability through job coaching, personal assistance and financial incentives for employers (Ministry of Finance, 2004). Hiring subsidies are also sometimes combined with other interventions such as awareness campaigns, training programmes, free childcare, and the covering of costs to improve workplace accessibility.

Hiring subsidies and their functional substitutes appear to have had varying levels of success. If one considers the changes in the employment rates of particular groups of people between 2000 and 2013, some groups improved considerably more than others. For example, the female participation rate increased more dramatically than the participation rate of older people. However, the development may have been brought about by other changes apart from hiring subsidies. Unfortunately there is scant publicly-available information about the effectiveness of these subsidies.

## **2. Hiring subsidies today: detailed description**

There are several existing types of hiring subsidies and their functional substitutes in Malta. This report focuses on five major ones, namely the Employment Aid Programme, the Community Work Scheme, the Employment in the Social Economy Project, the MicroInvest Scheme, and the Making Work Pay Scheme.

### **i) Employment Aid Programme (EAP)**

The EAP is an ESF-funded measure managed by the ETC. Its main objective is to facilitate the integration into the labour market of various categories of disadvantaged people. The EAP was launched in 2009 and was allocated EUR 12 200 000 for the 2007-2013 period (PPCD, 2013). The Government intends to continue investing in this measure through the 2014-2020 programming period. The measure gives financial assistance to employers and assists in upgrading the skills of those furthest away from the labour market through work experience.

Till March 2013 when the scheme was suspended as all funds were used, the EAP assisted over 1 000 companies in the employment of 2 656 persons. These consisted of 1 479 males and 1 177 females. 566 persons from Gozo benefitted from the EAP (PPCD, 2013). The EAP also helped a total of 125 persons with disability find employment in the private sector between 2009 and 2012 (Parliament of Malta, 2013a). The Government decided to open applications once more for the EAP up to December 2014 and focus on Gozo. An additional allocation of EUR 1962 500 was dedicated to this (Parliament of Malta, 2014). Most grants were scheduled to start in January 2014 and last for one year. Participation criteria have been amended over the years. The latest eligible client group required an Identity Card showing a Gozo address and any of the following criteria: not having been in regular paid employment for the previous 6 months; having been absent from work and education for at least two years; living as a single adult with one or more dependants; not having attained ISCED 3; being older than 50 years; being a long-term, registered unemployed person; being a registered disabled person with a serious impairment (ETC, n.d.).

The latest version of the EAP entitles employers who recruit new employees 50 % of the basic wage plus half the cost of the employer's National Insurance contribution, for a maximum of 52 weeks. Employers of persons with disability receive 75 % of the basic wage cost. If persons with disability are recruited for 52 weeks, employers need to retain them in employment for a further 4 months. Besides, employers can claim their part of National Insurance contribution in respect of the disabled persons for the first three years of employment (ETC, n.d.).

Over the years, several initiatives were set up to increase employment in Gozo and the EAP is a major one of these. More than 400 applications from prospective employees were received and it was estimated that over 170 different employers would benefit from this measure (Malta Independent, 2013). These figures are substantial when considering the small size of the labour market in Gozo. It is commendable that this measure's eligibility criteria include persons with disability. Having said that, one needs to have reasonable expectations about the success levels of measures that aim to promote the employment of this group of persons. It was reported that in 2013, only 23 persons with disability registering for work with the ETC managed to secure a job (Dalli, 2014).

It was reported that the previous offering of the scheme had an oversubscription of around EUR 4 million (Malta Business Bureau and Bank of Valletta, 2013). Such figure might indicate that the measure suffers from deadweight. Moreover, it is relevant to note the complaint of some large companies "that the administrative process was relatively burdensome for insignificant sums of money" (Malta Business Bureau and Bank of Valletta, 2013, p.17). This indicates that it might be useful to reduce the employers' administrative burden.

The EAP forms part of a number of measures that the Government is planning and carrying out to promote economic growth in Gozo. The Government aims to develop a strategy to attract foreign direct investment to Gozo in economic sectors such as education, research and high-tech manufacturing. Some schemes for SMEs managed by Malta Enterprise (such as MicroInvest) give an extra help to companies operating in Gozo. Furthermore, another scheme by Malta Enterprise subsidises the expenses relating to the transport of goods of companies in Gozo (Parliament of Malta, 2013b).

### **ii. Community Work Scheme (CWS)**

This scheme, which is funded by the Government and administered by the Employment and Training Corporation, provides long-term unemployed people the opportunity to undertake work in the community under the direction of local councils, non-government organisations (NGOs) and

Government entities. The participants work for 30 hours per week and earn 75 % of the national minimum wage for a period of 6 months. While older versions of the scheme existed even ten years ago, the more recent version announced in the 2009 Budget targeted persons who had been registering as unemployed for 5 years or more (Ministry of Finance, 2008). This scheme is gradually being extended to those seeking work for six months and over (ETC, n.d.).

The scheme involves a substantial number of unemployed. From 2009 to April 2013, a total of 868 persons (678 in Malta and 190 in Gozo) were called in for an interview to participate in the CWS, of whom 400 persons were actively enrolled in the scheme in the first quarter of 2013. Over the same period, “52 strike offs from the unemployment register have been made, 19 persons have lapsed from registration, 28 persons were referred to the Department for Social Security for Social Assistance, and 47 persons said they had found employment or were self-employed when they were called in for the initial interview and were therefore never enrolled in the scheme” (Ministry for Finance, 2013b, p.49).

The CWS is effective in keeping down long-term unemployment in two different ways. First, by keeping themselves occupied at work and acquiring new skills, participants improve their employability. Secondly, the scheme combats potential undeclared work by the long-term unemployed as it requires compulsory participation, and those who do not participate are struck off the unemployment register, thereby losing social benefits. ETC Employment Advisors believe that active labour market instruments such as the CWS have been beneficial in increasing the motivation and effort of unemployed persons.

Over the years, the scheme has encountered a number of problems and criticisms, including the difficulty in finding enough placements to accommodate the targeted numbers of participants (Attard, 2010). It has also been remarked by some ETC Employment Advisors that the CWS needs to be combined with off-the-job training in order to be more effective in increasing the employability of its participants. In 2013, the General Workers Union, Malta’s largest union, stated that the CWS was resulting in precarious employment. The union complained against the flat rate of EUR 25 given to the persons doing such work. It argued that the fact that if they refuse to work under this scheme they are struck off the unemployment register makes the situation worse (Calleja, 2013). Since people in this scheme are still officially unemployed, they do not benefit from leave, sick leave and other workers’ rights. On a positive note, participants in the scheme can continue benefitting from ETC services.

### **iii. Employment in the Social Economy Project (ESEP)**

This project, launched in May 2012 and managed by the ETC, promotes the integration, retention and progression of disadvantaged and disabled people by giving financial assistance to eligible organisations working in the social economy to recruit them. The project also seeks to upgrade the skills of the people who are furthest away from the labour market. It aims to bring about greater social cohesion in Malta through the integration into employment of disadvantaged and disabled people. Applicant organisations must not be engaged in economic activity and must not have effected any redundancies during the six months preceding the submission of the application, or in cases where redundancies took place, the ETC needs to verify that the new recruitment represents a net increase in the number of employees in the applicant organisation over the average of the previous six months (ETC, n.d.). The client groups eligible under this project are varied and include: registered unemployed young people (aged 16-24) who have never worked in line with their job preferences or never worked at all; registered unemployed graduates who have never worked in their field of studies; persons who have been inactive for at least a year; registered jobseekers aged 25 and over who have been unemployed for at least six months; persons who have been made redundant within no more than 12 months and who would like to change their job preference; persons with a registered disability; persons without an upper secondary level of education who do not have a job or who will soon be made redundant; unemployed or soon to become unemployed persons older than 50 years; drug addicts or ex drug addicts; and ex-convicts (ETC, n.d.).

The project is co-funded by the European Social Fund, the Government of Malta and applicant organisations and has a budget of EUR 1 095 172. Recruitment had to be made by not later than March 2013 and the project will be closed in June 2014. Financial assistance in most cases lasts for 12 months from the date of engagement in employment. Employers are given grants of EUR 4 500 per

annum per person working full-time (40 hours per week) and EUR 2 250 per annum per person working part-time (minimum of 20 hours per week) (ETC, n.d.).

While the project was planned to employ 200 jobseekers, up to 31 March 2013, 20 persons were engaged under the project, while 2 terminations were registered by the end of February 2013 (Ministry for Finance, 2013b). The project aims that a total of 140 disadvantaged and disabled persons who register as unemployed will find and remain in employment or be furthering their studies, six months after assistance has been provided. Besides, the project aims to retain in employment 25 % of the persons (50 in number) one year from the termination of placement. 10 % of the 200 jobseekers that are planned to be placed in employment under this programme are expected to be employed in Gozo. 70 % of these (14 persons) are expected to remain in employment or to be furthering their studies six months after the termination of the placement (PPCD, n.d.).

It is too early to judge the level of effectiveness of this measure. However, the substantial size of the grants indicates that the measure stands a good chance of achieving its aim of enhancing the financial independence of disadvantaged persons while prevent social exclusion and marginalisation (Ministry for Finance, 2013b). “At the end of this project, a tracer study will be carried out to retrieve data regarding: the amount of participants that are still in employment with the same or with a different employer, the amount of participants that are not in employment and registered with the ETC as unemployed and the amount of inactive clients” (PPCD, n.d.). This aspect of evaluation is an improvement over other measures that do not seek to gather longer-term employment outcomes of participants.

#### **iv. MicroInvest Scheme**

The MicroInvest scheme was launched in 2010 and is managed by Malta Enterprise. In its original formulation, it consisted of a 40 % tax credit given to self-employed persons and enterprises employing 10 persons or less, who in the successive two years, would refurbish, upgrade or invest in premises, machinery and technology or create new jobs. This tax credit increased to 60 % for businesses operating in Gozo. From its start until April 2013, 1 834 small businesses benefitted from tax credits amounting to EUR 13 372 759 while the investments upon which such credits were given amounted to EUR 39 946 336 (Parliament of Malta, 2013d). Around 20 % of the total investment was related to wages (Dive.com, 2013). In January 2014, the scheme was re-launched after being broadened to include businesses employing up to 30 persons (Parliament of Malta, 2013c). The guidelines of the current scheme state that eligible expenses include “wages costs covering a 12 month period pertaining to new jobs and apprenticeships created as from 1<sup>st</sup> January 2013 as long as this constitutes a net increase in the total number of employees of the applicant when compared to the employment figure as on the 30th November 2012” (Malta Enterprise, 2013).

This scheme forms part of an array of measures designed to help small entrepreneurs expand their business and increase their employees. These include: 1. The Business Advisory Services scheme that assists consultancy services to all types of business in areas such as energy audits, business start-ups, industrial space utilisation, and quality management; 2. The Quality Plus scheme which helps SMEs to improve the quality of their processes, products and services through a fiscal incentive that may cover an expenditure of up to EUR 20 000; 3. The Microguarantee scheme that assists enterprises through guarantees covering up a maximum of 80 % of bank loans of up to EUR 100 000 that need to be repaid over a ten years on projects that are approved by Malta Enterprise; 4. The ERDF Energy Scheme which assists businesses through financial grants totalling EUR 5 million in investing in photovoltaic energy; 5. The Network Support scheme which encourages businesses to collaborate in formal networks aiming to stimulate innovation and improve their sector's competitiveness; and 6. The SME Development Grants which assist small enterprises to improve their competitiveness by obtaining consultancy services that help them develop new products (Parliament of Malta, 2013c).

Unlike several other hiring subsidies or their functional substitutes, this scheme does not focus on specific groups of potential employees, thus increasing the possibility of generating unintended consequences such as deadweight and the undermining of competition.

#### **v. Making Work Pay**

The 2014 Budget announced an employment incentive scheme aimed at taking recipients of social assistance and persons who have received unemployment assistance for at least 24 months off social benefits, while increasing the employment rate (Ministry for Finance, 2013a). The scheme is being implemented by the Jobs+ initiative under the Ministry for Education and Employment. Through this scheme, contrary to the traditional welfare system in which social benefits are immediately terminated once a person starts working, benefits decrease gradually over a few years, thus leading to a smoother transition into employment. As can be seen from the table below, 65 % of the benefits are retained by the beneficiary in the first year of work, 45 % in the second year and 25 % in the third year. The employer of the beneficiary receives 25 % of the benefit throughout the 3 years, which is intended to make up for productivity losses. The remaining money goes to a training and placement fund (Ministry for Education and Employment, 2014).

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Training &amp; Placement Fund</b>	10 %	30 %	50 %
<b>Employer</b>	25 %	25 %	25 %
<b>Beneficiary</b>	65 %	45 %	25 %

*Ministry for Education and Employment (2014)*

There are 9 555 people receiving benefits, of whom 7 461 receive social assistance and 2 094 have been registering for work for more than six months. About three quarters of the people on social assistance are women with children aged under 16, while 84 % of the people registering for work are men (Ministry for Education and Employment, 2014). In February 2014 it was announced that these eligible people receiving benefits would be sent questionnaires to verify their willingness to work and in particular to find out about the job they would like to do. The information gathered which will be shared with the training and placement providers should facilitate the organisation of training for beneficiaries (Calleja, 2014). A consultation document was also launched with the aim of contacting private companies which could be interested in training and employing these people. The involvement of the private sector is seen as an important contributor to the success of this scheme. The participating companies will benefit from financial incentives, which will be established after the consultation period. ESF funds will be earmarked to complement the scheme's Training and Placement Fund. In order to enhance the effectiveness of their participation, payments to private providers will be based on job placements and retention (Calleja, 2014).

According to the Government, while this measure has very low costs, it will “be effective in promoting diligence and eliminating excuses [to work]” (Ministry for Finance, 2013a, p.26) This innovative scheme has the potential of assisting long-term unemployed people to improve their quality of life by moving from social welfare into employment. The scheme can reduce the unemployment trap resulting from the narrow gap between social benefits and the minimum wage in Malta. The need for such a scheme has grown over the years due to an increase in the number of people at risk of poverty, coupled with a substantial number of long-term unemployed people. The scheme will be complemented by the Government's introduction of free childcare services which should start in April 2014, since many potential beneficiaries of the Making Work Pay scheme are single parents. However, the scheme has also created some controversy as some stakeholders (including employers) believe that in principle, unemployment benefits should only be paid to unemployed people.

### **3. Conclusion**

Subsequent Maltese Governments have implemented several different types of hiring subsidies and their functional substitutes such as tax reductions to both employers and employees, continuation of social benefits into employment, and temporary job creation schemes. In 2014, a number of measures were in place, some of which received EU co-funding. Most schemes target specific groups of people perceived to be furthest away from the labour market such as people with disabilities, long-term unemployed or inactive, people receiving social assistance (including single parents), people requiring vocational training and people living in Gozo. Schemes often focus more on women, young people (16-24), people older than 50 years, people with low levels of qualifications (including those who will

soon be made redundant) and people with social problems such as drug addicts and ex-convicts. Some schemes (such as the Employment in the Social Economy Scheme) started including the growing number of graduates who never worked in their field of studies as another specific target group. Conversely, some schemes such as MicroInvest do not distinguish among different categories of potential employees. The significant variety and number of people targeted, together with the amount of resources that are being earmarked for such measures make them a major component of the Government's active labour market measures. When considering the demand side of the equation, the existing employment subsidies are related to both public and private enterprises, varying in size from small to large organisations. Acknowledging the significance of social enterprises in the Maltese society, some schemes are intended to enhance the human resources of such organisations. Schemes such as MicroInvest are specifically designed to improve entrepreneurial activity in Malta.

There exists little publicly available information that evaluates hiring subsidies or their functional substitutes in Malta. The Government normally provides standard information such as the number of beneficiaries and the amount of funds used for the measures. Such information can often be found through answers to parliamentary questions and in official documents such as annual reports of the organisations involved (such as the ETC), National Reform Programme Reports and Government Annual Budget Speeches. While one might expect that measures relying on EU funds receive more in-depth evaluation than measures that are only funded by Government, very limited specific analysis of the positive and negative aspects of such measures is published by the Planning and Priorities Coordination Department within the Office of the Deputy Prime Minister, which is in charge of coordinating the use of such funds.

Medium and long-term research about the employment status of beneficiaries is not available. Other important results of the measures that go beyond the number of participants or the size of funds need to be researched. The deadweight effect of employment subsidies, especially those that do not target particular groups of disadvantaged persons (as in the case of MicroInvest) should be examined. In other words, many of these people might have found employment even without the subsidy. It would also be very useful to know which of the targeted groups of people are making least or most use of employment subsidies. Aspects such as the 'creaming effect', when only the best (or specific types of) applicants benefit from the measure should be studied. For example, while some schemes in Malta give employers higher subsidies when they recruit people with disabilities than those from other disadvantaged groups, it appears that very few people with a disability manage to get employed through such schemes. It is unknown whether the subsidies mentioned in this study are distorting competition, potentially resulting in job losses in companies not benefitting from the subsidies. Another phenomenon that is not being given attention is the 'indirect substitution effect' of employment subsidies, through which an existing vacancy filled with a subsidized worker, would have been filled by a different applicant in the absence of such a subsidy. On the other hand, it is positive to note that several schemes have inbuilt mechanisms aiming to block the 'direct substitution effect' of employment subsidies, when the subsidy causes an existing job to be replaced by a subsidised one. For example, the Employment in the Social Economy Project requires organisations to demonstrate that the new subsidised jobs increases the staff complement of the business.

One can argue that by promoting schemes such as Community Work Scheme that offer employment experiences in Government entities and NGOs rather than in the private sector, the Government adopts an easier though less productive approach. On the other hand, the above mentioned scheme appears to have been effective in a range of ways, among others by reducing undeclared work among long-term unemployed persons.

Whereas it is too early to evaluate the results of the Making Work Pay measure, there are a number of factors that bode well for its success. Unlike several other previous schemes, it incentivises both the potential employee to find employment and employer to recruit new staff. The idea of tapering social benefits over a number of years is an innovative one for Malta. Furthermore, by encouraging the participation of private providers for the training and placement of the target groups, the measure may increase the success rate of job placements. The payments to private training and services providers over a four year period, another innovative aspect of the measure, increase the potential for the long-term success of job placements, since it is in the interest of providers to ascertain that the people

recruited remain in employment. This element of the measure brings to attention the need to have measures that do not just facilitate job placements but also offer longer-term career guidance.

A number of hiring subsidies and their functional substitutes are complemented by other measures and schemes. For instance, the Making Pay Work Scheme, which can be of significant help to single parents to find and retain employment, was designed to coincide with another Government scheme that introduces free childcare to working parents. Unemployed people using temporary employment measures such as the Community Work Scheme may continue benefitting from facilities offered by the ETC for unemployed people. Employers recruiting new employees may benefit from other schemes such as those offered by Malta Enterprise, through which they can improve their business infrastructure. Professionals working in the field noted that some of the measures they looked at can become more effective if they are complemented by relevant out-of-work training.

The small size of the country of Malta and its labour market create particular dynamics that may be difficult to replicate in larger countries. Advantages include the ease with which specific people and employers may be targeted and reached. Challenges include the lack of economies of scale that would reduce costs in training, job placement, career advice and so on. In general, reliance on EU funds for the creation of schemes has proved to be a double-edged sword. While it has contributed to more schemes, it has also resulted in their discontinuity when funds run out. Governments should be able to sustain effective schemes through other means when EU funds are used. It is also useful to note the assertion of some large companies that the administrative process involved in accessing EU funds hardly justifies the amount of money they get. When schemes are implemented in collaboration with social partners and other stakeholders (such as training providers), they tend to be more successful. The Government of Malta needs to put more emphasis on the evaluation of hiring subsidies and their functional substitutes in order to determine their real contribution to the economy.



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Annex 2: Measure Description Tables

Measure Title	Type of measure: hiring subsidy, conversion of temporary contracts, voucher scheme, etc.	Target Group	No. of beneficiaries	Amount of subsidy and duration of subsidy	Permanent or Temporary measure and dates of implementation	Conditionality imposed on firms	Funding source and total budget	Describe any measures complementing the initiative (e.g. training, job search assistance etc)	Please indicate if other stakeholders are involved either at the design stage, in the delivery of the measure or in its monitoring	Monitoring arrangements in place	Assessment of the measure: Please give as much detail as possible on the assessment of the measure. Please indicate whether the initiative causes either deadweight, replacement and/or substitution effects. Please be sure to indicate the source of information for the assessment (i.e. is it based on an existing evaluation or is it the experts' own assessment?).
Employment Aid Programme	Hiring subsidy	People with disabilities and other vulnerable categorical	Over 1 000 companies and 2 656 workers by March 2013. The scheme was offered again for businesses in Gozo at the end of 2013 and more than 400 potential employees applied.	Employers receive 50 % of basic wage & half the national insurance contribution for a maximum of 52 weeks. Employers of persons with disability receive 75 % of basic wage cost. Employers can claim National Insurance contribution of worker with disability for 3 years.	Temporary. The scheme was last offered at the end of 2013 and focused on Gozo. Most grants were scheduled to start on the 2nd January 2014 and lasted one year.	The recruitment of the participant must represent a net increase in the number of employees in the undertaking concerned.  If people with a disability are recruited for 52 weeks, employers need to retain them in employment for a further 4 months.	European Social Fund and Government of Malta.	None	Employment and Training Corporation manages the measure.  The Planning and Priorities Co-ordination Division within the Office of the Deputy Prime Minister monitors this measure.	The Employment and Training Corporation together with the Planning and Priorities Co-ordination Division monitor the management of and participation in the measure. They produce quantitative information.	The measure has resulted in the employment of a significant number of people in both Malta and Gozo. No studies are available on the potential deadweight, replacement and/or substitution effects of the measure. However, the overwhelming success of the measure – it was reported that the measure had an oversubscription of around EUR 4 million – might indicate that it suffers from considerable deadweight. Some large employers stated that the administrative burden involved does not justify the funds.
Community Work Scheme.	Temporary contract.	Initially: people who had been unemployed for over 5 years, but the scheme is being extended to those seeking employment for six months or more.	From 2009 to April 2013, a total of 868 people were asked to participate in the scheme, of whom 400 were participating in the first quarter of 2013.	Participants work for 30 hours per week and earn 75 % of the national minimum wage	Temporary. Participants work for a period of 6 months.	Only Local Councils, Non-Governmental Organisations and Government entities may apply to take part in the scheme.	Government of Malta.	Participants in the scheme are registering unemployed and so can benefit from services offered at the ETC.	The Employment and Training Corporation manages the measure.	The Employment and Training Corporation monitors the measure and produces quantitative data.	The measure has been particularly successful in combatting undeclared work by long-term registering unemployed. Besides, it has also provided work experience and skills to many participants. Professionals working in the field remarked that the measure could be improved by adding off-the-job training.
Employment in the Social Economy Project.	Hiring subsidy.	Disadvantaged and disabled people.	200 job seekers were planned to be employed. The total number of effective participants is yet	Employers receive EUR 4 500 per annum per person working full-time and EUR 2 250 per annum per person working part-time. The duration of	Temporary Recruitment for this project had to be made by not later than March 2013 and the project will	Applicant organisations must not be engaged in economic activity and must not have effected any redundancies during the six months preceding the submission of the application, or in cases	European Social Fund and Government of Malta.	None.	Employment and Training Corporation manages the measure.  The Planning and Priorities Co-ordination	The Employment and Training Corporation together with the Planning and Priorities Co-ordination Division	No assessments were available. However, the substantial size of the grants indicates that the measure stands a good chance of achieving its aim.

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			unknown	subsidy is one year.	be closed in June 2014.	where redundancies took place, the ETC needs to verify that the new recruitment represents a net increase in the number of employees in the applicant organisation over the average of the previous six months.			Division within the Office of the Deputy Prime Minister monitors this measure.	monitor the management of and participation in the measure. They produce quantitative information.	
MicroInvest scheme	Tax credit.	Self-employed people and enterprises employing 30 (originally, the number was: 10) persons or less.	From 2011 to April 2013 there were 1 834 beneficiaries.	40 % tax credit to refurbish, upgrade or invest in premises, machinery and technology or create new jobs. This tax credit increased to 60 % for businesses operating in Gozo.	Temporary. The scheme was launched in 2010 and has recently been amended and reoffered	The recruitment of the participant must represent a net increase in the number of employees in the undertaking concerned.  The scheme is currently offered to self-employed people and enterprises employing 30 persons or less.	Government of Malta.	Companies may apply for an array of other measures that facilitate their growth.	Malta Enterprise manages the measure	Malta Enterprise monitors the measure and produce statistics about it.	Unlike other subsidies that often target specific groups of unemployed or inactive persons, this measure does not focus on any particular disadvantaged group of persons. Thus, it is more likely to suffer from deadweight, replacement and/or substitution effects.
Making Work Pay	Continuation of social benefits; payment to private providers of training and job placement; hiring subsidy to employers	Persons on social or unemployment assistance. The latter group need to have received benefits for at least 24 months during the 36 months prior to applying for the measure.	Potentially 9 555 persons	65 % of the social benefits are retained beneficiary in the first year of work, 45 % in the second year and 25 % in the third year. Employers receive 25 % of benefit per year for 3 years. Providers of training and job placement receive staggered payments over 4 years.	Temporary. The measure was launched in February 2014.	The training and job placement firms will receive payments in a staggered form in order to ensure that participants remained employed over a period of 4 years. Employers will receive benefits over a period of 3 years.	Government of Malta. However, the Government intends to also seek European funding for training.	Free childcare	Jobs+  Various training and placement providers	Unknown	Apart from being innovative, this measure appears to be well-thought out and planned. The measure goes against the traditional welfare regime in Malta which social benefits are terminated once a person starts working. The measure is also interesting as it makes use of private training and employment providers unlike other measures which normally use public training and employment providers. The tying up of payments to these providers on a 4 year period ensures that the beneficiaries placed in employment retain their jobs on indefinite contracts. Besides, the measure also encourages private employers to take on board the beneficiaries through a hiring subsidy. Despite it being a very promising measure, it has just started to be implemented and so it is too early to assess its effectiveness.