



European Employment Observatory

EEO Review: Promoting green jobs throughout the crisis, 2013

Malta

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1. Introduction: employment in the green economy

For several years, the Maltese Government has publicly expressed its attitude in favour of environmentally sustainable economic development. However, many share the opinion expressed by Rizzo (2011, p.7) that ‘the deep structural and systematic reform’ needed for the implementation of the principles underlying the green economy has not yet been carried out. It is true that the environment agenda has over the years struggled to be given its due weight amid other competing needs such as, education, the welfare system, infrastructural projects, and so on. It is also true that the objectives for a low-carbon economy could have played a more salient role in the government employment strategy during the financial crisis. However, the government drive towards greening the economy has been gathering momentum in recent years. The pressure to shift more resources towards sustainable development is based on the awareness that the pressure on the environment has continued to rise, with a growth in the number of licensed vehicles, the number of annual tourists, and in the amount of waste generated, amongst others (Malta Environment and Planning Authority - MEPA, 2012c), while the country’s share of renewables in the consumption of energy is still negligible (0.4 % in 2010 according to Eurostat, 2012).

When launching the Draft National Environmental Policy (Office of the Prime Minister - OPM, 2011b), the Government estimated that there were about 5 000 green jobs in Malta. This figure was based on a report published by the Employment and Training Corporation (ETC) in 2007, which estimated that the number of green jobs in Malta was increasing by about 6 % yearly. Unfortunately, no more precise statistics have been published to date. The difficulties in reliably classifying green jobs and integrating these types of mechanisms into instruments such as the Labour Force Survey (LFS) appear not to have been resolved yet. The regular production of data about green jobs would help to strengthen their place in the public agenda, and to clarify the extent to which green measures are being translated into green or greener jobs. Such data is also needed in view of the fact that the Government announced its plans to increase green jobs by 50 % to 10 000 jobs by 2015 (OPM, 2011a), a figure that was later reduced by over 3 000 (Ministry for Tourism, Culture and the Environment - MTCE, 2012a). Meanwhile, in 2007, most of the green jobs in Malta were in the waste management and water management and treatment fields. The current situation remains largely unchanged. Data for 2011 indicates that three-fourths of the Government’s environmental expenditure is related to solid and liquid waste management (National Statistics Office, 2012).

2. Selection of green employment promotion strategies and programmes with low-carbon / environmental objectives or activities

This section introduces the context in which green employment promotion strategies in Malta are carried out, by first discussing the role of social partners and then delving into the main policies and measures that the Government is implementing in the sector.

Briguglio, Brown and Aquilina (2011) point to a high level of awareness among social partners in Malta about the need to create green jobs. For example, the General Workers Union stated that it ‘has been actively pressing government to draw out a strategic plan for the creation of a green economy’ (Briguglio et al., 2011, p.15). Major social partners such as the Malta Employers Association and the Malta Chamber of Commerce, Enterprise and Industry have also often urged the Government to promote the green economy. However, as noted by social partners interviewed by Briguglio et al. (2011), the management of sustainability

projects in Malta is centralised within the Government. Despite the efforts to create awareness about the need to protect the environment, the issue of greening the economy and more specifically, the topic of green jobs, still tends to be rather distant from the domain of the general population. The positive attitudes of social partners regarding green employment, have to date, not been translated into a significant mobilisation of their resources in this regard, and the general picture remains largely unchanged since it was described by Debono and Borg (2009). There are no tripartite agreements in place that promote green job quality, and green issues are not normally given prominence in collective agreements.

Malta's Government has been using EU and local public funds that promote environmentally sustainable practices in the public and private sectors for a number of years. Some policies have resulted in positive spin-offs for the environment, such as the Teleworking Policy in the Public Administration, which was mainly adopted to aid female employment; and the public transport reform that was primarily carried out to solve an archaic and inefficient transport system. Other policies and measures were more directly targeted towards environmental sustainability. The need to comply with EU Directives has brought about environmental improvements such as: the drive to reduce carbon emissions and promote building energy efficiency; the reduction of greenhouse gas emissions; the better management of the natural environment; the improvement of waste management systems, bathing water quality and groundwater management; and the better regulation of industrial pollution. Some major energy diversification measures have been in the pipeline for a number of years but have not yet been implemented, like the wind farms project and the energy interconnector with Sicily.

Until recently, environmental considerations and sustainability measures tended to be pursued separately, rather than being integrated and coordinated as a horizontal priority (Institute for European Environmental Policy et al., 2011). The situation started to change with the advent of more holistic policies and strategies, such as the National Energy Efficiency Action Plans (2008 and 2010) among others. The National Reform Programme documents started providing an even wider context, which linked environmental policies with other employment and economic policies. Similarly, annual government budgets also started containing a section dedicated to the environment and sustainable development. However, it is important to note that these policies and strategies tend to sideline the topic of green jobs. The most significant recent government policy relating to the promotion of green employment policies is the National Environmental Policy (NEP). Unlike other policy documents that pre-dated it, this document gave prominence to the dimension of green jobs. The Green Public Procurement National Action Plan is one of the measures mentioned in the NEP. Among the more visible government actions with regards to the green economy is the investment aid for business development and environmentally friendly innovation together with investment in energy-saving incentives for the domestic sector. These measures will be described in more detail in the following section.

3. Detailed description of practices

- National Environment Policy (NEP)

The NEP, published in February 2012, is the most important policy document regarding the promotion of green jobs in Malta. The Government felt the need to draft 'an overarching policy framework that provides direction and coordination time horizon for activities in the [environment] field' (MTCE, 2012a, p.8). The scope of the NEP is wide ranging, 'covering

all environmental sectors and natural resources, including air, waste, water, land, soil, climate, biodiversity, coastal and marine areas, noise, chemicals, and mineral resources' (Internet: <https://secure2.gov.mt/tsdu/environment-nep>). The policy, drawn after months of public consultation, focuses on the implementation of environmental measures for the period 2012 to 2020. It ties to the Europe 2020 Targets and expands on the environment-related objectives and measures listed in the annual National Reform Programme.

The first of the six objectives of the NEP focuses on 'Greening the Economy' by integrating environmental considerations into economic development planning through several measures. A Green Economy Action Plan, to be completed by 2013, aims to drive the transition to a more sustainable economy. The Sustainable Development Act, enacted in 2012, aims to ensure that sustainable development is mainstreamed across the Government while awareness of sustainable development issues and practices is raised across society. Green public procurement is also referred to in the NEP (and will be discussed in more detail in the subsequent section). The NEP addresses the use of economic instruments within national environmental policy, formulating an action plan integrated in the annual budget process. The NEP also focuses on the need to continue taking a stepped approach to environmental taxation. Eco-innovation, which is still in its early stages in Malta (Gatt & Gatt, 2011), is prioritised through the promotion of public-private partnerships. The NEP seeks to enable the private sector to take more initiative with regards to environmental improvements, encouraging environmental certification of manufacturing enterprises, and promoting an environmental focus within corporate social responsibility programmes. The NEP aims to implement measures such as encouraging financial sector investment in green portfolios and products, and the setting up of an Environmental Improvement Fund (MTCE, 2012a) - acknowledging that the scale of investment required for the transition to the green economy necessitates funds from the private sector. The NEP also focuses on green jobs more directly by announcing the preparation of a Green Jobs Strategy by 2013 that will identify the key areas to be targeted for green jobs, and a Green Jobs Training Strategy to be completed by 2014, which will support the implementation of the former strategy.

Some analysts have criticised the document for being overly ambitious rather than providing a realistic, achievable set of goals. The cost of the measures, estimated at EUR 2.1 billion, is huge although 88 % of the budget is already planned and will include substantial EU funds (MEPA, 2012b). It is of concern that the Government has moved the goal posts - the plan to increase green jobs by 50 % to 10 000 jobs by 2015 - as presented in the Draft National Environment Policy - was downgraded to less than 7 000 jobs in the NEP. However, it is encouraging that the NEP contains specific, measurable and time-bound measures to achieve its goals, backed by mechanisms for monitoring and follow-up. With regard to the specific promotion of green jobs, it is hoped that the Green Jobs Strategy clarifies how green jobs will be created.

- Green Public Procurement (GPP) National Action Plan

The GPP National Action Plan launched in November 2011 is a major tool for driving a greener economy in Malta. Public procurement represents a substantial proportion of Malta's GDP and has a significant impact on the environment. The GPP National Plan - developed on the basis of extensive consultation with several ministries, departments, and social partners - intends to promote the purchase and lease of environmentally friendly goods, products and

services in a strategic and co-ordinated manner (DOI), while maximising the Government's economic opportunities. Under the GPP National Plan all public sector organisations are required to follow specific criteria that safeguard the environment in decision-making and set 'targets for eighteen product and service groups for which common GPP criteria have been agreed at EU level' (OPM, 2011a, p. iv).

The GPP National Plan was developed to address the key barriers to implementing green public procurement. These included 'lack of policy and strategic vision, fragmentation of institutional responsibilities, poor awareness of the benefits of the GPP, and lack of technical capacity at the level of public procurers' (OPM, 2011a, p.iv). The GPP National Plan aims to create the opportunity for suppliers to adapt operations in favour of more environmentally friendly goods and services, which in turn should create green or greener jobs, while avoiding market distortions. A National GPP Task Force will monitor implementation, while training programmes for both public authorities and private suppliers will be carried out (DOI). The target of the GPP National Plan, which covers a three year period, is noteworthy, as 50 % of public procurement by 2014 should be compliant with the EU GPP common criteria (MTCE, 2012a).

By 2011, public procurement in Malta was guided by environmental criteria. However, most applicants received full marks on the aspects of sustainability and carbon impact, indicating that existing requirements were too low, and the system was failing to promote more expensive but environmentally friendly solutions and applications (Institute for European Environmental Policy et al., 2011). It is hoped that the GPP National Plan measures will bring about significant improvements over such practices.

- Energy Efficiency Measures for the Hospitality Sector

The increase in the cost of energy has put considerable pressure on enterprise in Malta, including those operating in the crucial tourism sector. Energy Efficiency Measures for the Hospitality Sector, launched by Malta Enterprise in 2011 (which is now closed), aimed to help hotels, guesthouses, hostels, farmhouses, snack bars and restaurants to reduce their energy expenses through the promotion of energy saving solutions and the adoption of renewable energy systems. The scheme was also meant to help beneficiaries attract more environmentally conscious clients.

Interested enterprises were required to submit a Review Energy Audit Report, compiled by an expert appointed by Malta Enterprise, who provided an indication of the potential cost savings that would result through the application of the scheme. The audit was meant to determine the investment programme needed for the conservation of energy and the generation of energy from renewable sources (Malta Enterprise, 2011).

The scheme consisted of a soft loan of up to EUR 400 000 or 80 % of the total investment, which had to be repaid within five years and which had an interest rate of 1.5 % over the discount rate charged by local commercial banks. The aid intensity amounted to 13 % of the loan amount. The scheme was entirely funded by the Government and was allocated EUR 1 145 176 (Ministry of Finance, the Economy and Investment, MFEI, 2012b). An example of the positive results of the scheme was recently on the news; aided by the scheme, the hotel Milano Due managed to reduce its energy costs by 56 % (Schembri Orland, 2013).

The scheme is in line with the National Tourism Policy (MTCE, 2012b) which seeks to instil environmental responsibility in the tourism sector. As the number of tourists visiting Malta has increased substantially in recent years, measures like this are particularly useful in order to contain the environmental impact of the industry.

- **Innovation Actions Grant Scheme (Environment) (IAGSE)**

This scheme was co-financed by the European Union under the European Fund for Regional Development, and formed part of a series of grant schemes managed by Malta Enterprise aimed at supporting small and medium-sized enterprises (SMEs) in order to create more jobs. The scheme, launched in 2009 (now closed), enabled enterprises to go beyond their legal environmental obligations and promote economic development. It provided cash grants for part-financing costs (50 %) involving plant, machinery and equipment, and environmental certification. Companies were helped 'in investing in eco-innovation solutions which support long term competitiveness and contribute to environmentally-sustainable business activities by addressing problems related to water and air quality, waste streams and resource utilisation' (Times of Malta, 2012b). The allocated budget under this scheme was EUR 3 000 000 (MFEI, 2009a).

The scheme while open to SMEs, excluded undertakings in a number of sectors such as agriculture and fisheries, wholesale and retail, tourism, gaming, and financial services (Malta Enterprise, 2012). Four calls for applications were issued under the scheme by April 2012, and 17 applications were received, requesting a total grant value of around EUR 1 103 205 (Internet: <http://www.20millionforindustry.com>).

Maltese SMEs tend to be less environmentally conscious in developing business strategies. This scheme represented a step in the right direction. However, the uptake of the scheme was too small to promote green jobs on a national scale.

- **Energy Grant Scheme (EGS)**

This scheme was based on the premise that energy efficient enterprises not only sustain the protection of the environment but also increase their competitiveness as they 'can redirect their savings to develop new markets, products and services' (Malta Enterprise, 2010). The EGS was launched by Malta Enterprise in 2009 and is now closed. The scheme, co-funded by the European Regional Development Fund, had an allocation of EUR 18 404 493 and aimed to improve the energy efficiency and environmental emissions in Malta through the increased utilisation of renewable energy sources and energy efficient systems (Internet: <https://investinginyourfuture.gov.mt>).

The EGS aimed to reach some 200 enterprises, of all sizes, and assist them to implement solutions that diminished the impact of energy costs on their business. Participants in the scheme could benefit from a 50 % grant up to a maximum of EUR 100 000. For an application to be considered for co-funding, the minimum project value (based on eligible expenses) had to be at least EUR 25 000 and not exceed EUR 200 000. The resultant minimum grant value per project was EUR 12 500 (Internet: <http://www.maltaenterprise.com>). Companies could claim costs 'on investments in energy saving solutions such as intelligent lighting systems, solar heating, thermal insulation, build management systems and energy-saving lighting; and alternative energy technologies such as solar power and wind power' (MFEI, 2012b, p.44).

In total, 139 enterprises benefitted from the scheme in the first two competitive calls (MFEI, 2012b, p.51). In May 2012, the scheme was temporarily suspended after Malta Enterprise discovered irregularities in quotations submitted by some beneficiaries. The case was referred to the police for investigation.

Schemes like this can go a long way in promoting energy efficiency in enterprises. While no studies have been carried out to check to what extent the scheme resulted in the creation of green or greener jobs, it has helped to raise awareness of the link between environmental sustainability and competitiveness.

- Energy saving incentives for the domestic sector

The long-promised environmentally friendly changes in national production of energy have not yet materialised. However, improvements in energy diversification have been taking place in the domestic market since 2006. Consecutive government annual budgets have introduced various energy incentives for families, helping investment in photovoltaic panels (PV), solar water heaters, and more recently roof insulation and double glazing.

Between 2006 and 2012, over 6 200 families invested in PVs while 8 300 families installed solar water heaters or double glazing apertures with the help of the government schemes (MFEI, 2012a). The 2013 Budget (which remains to be approved) also announced that the Government is finalising a scheme that enables families unable to install PVs on their roofs to invest in larger community systems away from their residence. Apart from schemes meant for all families, families falling under specific social criteria were also specifically targeted.

The PV systems scheme announced in the 2010 Budget entitled eligible applicants to a grant of up to 50 % of their capital expenditure up to a maximum of EUR 3 000 (MFEI, 2009a). In the 2013 Budget, the Government intends to extend the scheme to entitle eligible applicants to a refund of 40 % of expenditure up to a maximum of EUR 400 on the purchase of solar water heaters, and for a refund of 15.25 % of expenditure up to a maximum of EUR 1 000 on the installation of insulation measures and measures promoting the efficient use of energy (MFEI, 2012a). In December 2012, the Government also announced that it was waiting for confirmation from the European Commission ‘to launch the biggest ever local scheme to promote the use of photovoltaic units’ (Times of Malta, 2012a). The scheme would deliver more than EUR 17 000 000 in subsidies on the purchase of PVs for the benefit of over 7 000 families (Times of Malta, 2012a).

As stated earlier, the green employment creation effects of these energy saving incentives are unknown. However, they are important both in terms of promoting environmentally friendly systems and in establishing the need for technical jobs relating to the installation and maintenance of such units. Additionally, and perhaps more significantly, these incentives have helped to increase awareness amongst the general public about measures for reducing energy tariffs and diminishing carbon-footprints.

4. Conclusion

This report gave an overview of the Government’s green policies and strategies launched and carried out throughout the international economic crisis. The actions towards sustainable development have become more coordinated and considerable use was made of EU funds to support several of these actions. However, the relationship between green measures and green jobs has yet to be given adequate attention; ‘as we plan to move towards our and the EU’s

respective 2020 targets, we need to have a clearer picture of already existing green jobs as well as serious and clinical assessments of potential job growth in these sectors' (Brincat, 2009). Thus, it is of concern that the Green Jobs Strategy and the Green Jobs Training Strategy were not completed and adopted before the end of the last legislature.

The translation of government policies into green jobs requires the availability of adequate skills. The educational sector has been rather slow in the uptake of new training programmes and the upgrading of existing ones to satisfy present and future green skills needs. Having said this, in recent years there have been advances in education and training relating to green skills. The University of Malta set up several entities that carry out research and manage courses about the environment. The Malta College of Arts, Science and Technology also started offering courses meant to promote green skills. In 2012, the Employment and Training Corporation upgraded its training courses by inserting green modules in them (MEPA, 2012a).

Many challenges still exist in the path towards sustainable development, such as insufficient environmental infrastructure, lack of economies of scale, and insufficient links between the environment and the economic sectors (MTCE, 2012a). The momentum towards environmental sustainability needs to be strengthened if Malta is to reach its targets of increasing the share of renewable energy consumption to 10 % by 2020. It is hoped that the new government elected in March 2013 takes on this challenge and adopts policies and strategies that among others, clarify the current availability of green skills and their future need, further encourage educational institutions to offer training and certification in green skills, and encourage greater involvement of social partners in the quest to promote green jobs.

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