

3rd August 2021

## Media Release

## Urgent measures are required to address Labour Shortages – MEA

The Malta Employers' Association published a <u>position paper</u> that recommends immediate and medium-term measures to address a rising shortage of employees in the Maltese economy. The Association warned that this situation prevails in most economic sectors and reflects demographic changes which are prevalent in many developed economies together with a mismanagement of the domestic human resource due to various factors, amongst them the high rate of early school leavers, over employment in the public sector, and a mismatch of skills.

The position paper focuses on the need to rationalise the human resource in Malta and to treat it as something which is scarce and which will become scarcer in the coming years due to a rapidly ageing population. Among the short-term measures that are being proposed, there is the phasing out of the Community Work Scheme, the cessation of pre-election employment and incentives for people to work post pensionable age. The document also lists a number of longer term proposals aimed at reducing the dependency of the labour market on foreign labour. It mentions a drive for automation, addressing brain drains, and channelling students into more career orientated disciplines among others.