



# **GRDA FEEDBACK STATEMENT**

## **MALTA LABOUR MIGRATION POLICY**

ISSUED BY THE MINISTRY FOR HOME AFFAIRS , SECURITY  
AND EMPLOYMENT

FEBRUARY 2025



**GOVERNMENT OF MALTA**  
MINISTRY FOR HOME AFFAIRS,  
SECURITY AND EMPLOYMENT

# Malta Labour Migration Policy

## Feedback by the Gozo Regional Development Authority

### 1. Preamble

The Gozo Regional Development Authority (GRDA) welcomes the Public Consultation Document entitled '*Malta Labour Migration Policy*' published by the Ministry for Home Affairs, Security and Employment.

This Consultation Document was published as reaction to Malta's recent economic and population developments, and the challenges and opportunities associated with labour migration. As highlighted in the Consultation Document, the Maltese economy has experienced strong growth over the past decade, and consequently a strong demand for labour. Given Malta's demographic trends of an ageing population and low fertility rates, which led to a reduced local workforce, labour migration has become an integral component of the Maltese labour market, filling skills gaps and supporting Malta's robust economic growth. In fact, as outlined in the Consultation Document, foreign workers now make up around one-third of the workforce and now play a critical role across almost every sector. The same dynamics apply for the Island of Gozo.

However, this remarkable economic growth and the resulting rise in the number of foreign workers, has given rise to new challenges, such as increased population density and increased pressures on Malta's resources and infrastructure. Other pressing challenges associated with labour migration, which to-date, is characterised by a demand-driven, employer led approach, include high turnover of foreign workers, issues of foreign workers' integration within the local community, and risks of exploitation and poor working conditions.

Considering these challenges, the government intends to regulate labour migration through the proposed '*Malta Labour Migration Policy*', by introducing a clear framework that determines the inflow of workers on the need of sectors that are essential to Malta's economic vision.

### 2. Gozo Context

Although it is geographically distinct from the main island, Gozo still shares many social and economic realities with Malta, including most of the above highlighted realities and challenges associated with increased labour migration and increased population density. Indeed, throughout the past years there has been an increase in migrant populations residing and working on the

island of Gozo. The number of non-Maltese residents in Gozo has been gradually rising since Malta joined the European Union in 2004. However, this growth has gained significant momentum over the last decade. By 2021, around 20% of the Gozitan resident population held foreign nationalities, a notable increase from the 4.3% recorded a decade earlier. This shift was predominantly propelled by the substantial economic development that Gozo experienced during this period.<sup>1</sup>

Also, the number of non-locals employed in Gozo increased by an annual average rate of 25% over the last decade, reaching a total of 5,231 by the end of 2023, of which 64% were third country nationals (TCNs).<sup>2</sup> This increase in foreign workers, especially in TCNs was observable across all sectors of the Gozitan economy, although the increase in some sectors was more prevalent than in others. These developments and the changing dynamics of non-local employment in Gozo were analysed by the Gozo Regional Development Authority (GRDA), back in November 2021, where the Authority presented its observations and suggestions on the subject in a publication note entitled: ***Foreign Nationals Employed in Gozo***.<sup>3</sup>

The GRDA, which has been set up to formulate, streamline, and help in the implementation of regional policies to help Gozo's socio-economic development, has played a proactive role in an array of areas, including employment in Gozo, economic and human talent development, as well as social development. As part of this role, the GRDA has conducted and published a number of studies and Discussion Papers on these subjects. These include a ***Note on the Labour Market in Gozo with a focus on Foreign Nationals***<sup>4</sup>, a ***Note on Female Employment in Gozo***<sup>5</sup>, a ***Note on Public Sector Employment in Gozo***<sup>6</sup>, and a ***Discussion Paper***<sup>7</sup> and a ***Policy Position Paper on Employment and Skills in Gozo***.<sup>8</sup>

These studies and Papers have provided research material which the Authority used to pilot public discussions and propose a number of policy recommendations for Gozo, including a number of tailored policy recommendations meant to serve as a guide to policy makers to address Gozo's low skills equilibria and unlock its growth potential.<sup>9</sup> These studies and policy recommendations were based on the vision and strategic objectives outlined in the Gozo Regional Development Strategy (RDS), and sought to address some of Gozo's main challenges, some of which were also identified in Malta Labour Migration Policy Consultation Document.

In this regard, the realities, and the most important challenges and opportunities associated with labour migration, which were identified in the Malta Labour Migration Policy, were also identified in a strengths, weaknesses, opportunities, and threats (SWOT) analysis included in the Gozo RDS document. Moreover, the overall mission of the proposed Malta Labour Migration Policy and

---

<sup>1</sup> NSO Census of Population and Housing.

<sup>2</sup> Data Source: Jobsplus.

<sup>3</sup> <https://grda.mt/wp-content/uploads/2021/11/Foreign-nationals-employed-in-Gozo-09.11.21.pdf>.

<sup>4</sup> <https://grda.mt/wp-content/uploads/2021/11/Foreign-nationals-employed-in-Gozo-09.11.21.pdf>.

<sup>5</sup> <https://grda.mt/wp-content/uploads/2023/11/Female-Employment-Note-08.11.23.pdf>.

<sup>6</sup> <https://grda.mt/wp-content/uploads/2024/10/A-Review-of-Public-Sector-Employment-in-Gozo.pdf>.

<sup>7</sup> <https://grda.mt/wp-content/uploads/2023/01/Employment-Skills-in-Gozo.pdf>.

<sup>8</sup> <https://grda.mt/wp-content/uploads/2023/04/Position-Paper-Employment-Skills-in-Gozo-24.04.23.pdf>.

<sup>9</sup> <https://grda.mt/wp-content/uploads/2023/04/Position-Paper-Employment-Skills-in-Gozo-24.04.23.pdf>.

its main guiding principles are in line with the vision and strategic objectives of the Gozo RDS. These interlinkages between the Gozo RDS and the Malta Labour Migration Policy Consultation Document are reflected in feedback provided by the GRDA, in the following section.

### 3. GRDA Feedback

The GRDA fully concurs with the overall mission identified in the ‘Malta Labour Migration Policy’, that of regulating labour migration in Malta by introducing a clear framework that determines the inflow of workers on the need of sectors that are essential to Malta’s economic vision. This enables better management of labour migration and engagement of foreign workers, ensuring a working migration system that is fair, efficient, and effective, and which safeguards the interests and well-being of Malta’s citizens. This mission corresponds with one of the strategic objectives of the Gozo Regional Development Strategy, that of *Re-aligning Economic Growth with Well-Being*.<sup>10</sup>

The Malta Labour Migration Policy Consultation Document articulates a vision whereby labour migration continues to play a key role in Malta’s transformation towards a more digital and green economy. This vision aligns with GRDA’s vision of directing Gozo’s economy towards a greener transition, with success being determined not solely based on economic growth, but also on the quality of life and wellbeing.

This economic vision for Gozo is clearly outlined in the Gozo Regional Development Strategy, which identifies that Gozo still has untapped potential in terms of quality employment and business development. It advocates that creating productive employment in Gozo must continue to be at the core of a long-term strategy, and outlines that such a strategy can be achieved by enhancing human capital with a skilled workforce. This approach highlighted in the Gozo RDS concurs with the approach presented in the Malta Labour Migration Policy which proposes a strategy that not only promotes economic growth but also enhances the capabilities of the domestic workforce through targeted training and upskilling programmes, fostering a more resilient and adaptable labour force.

Overall, the GRDA supports the view, outlined in the Consultation Document, that the main purpose of the labour migration policy should be “to meet labour market needs which cannot be satisfied by the domestic labour supply in a reasonable timeframe, without adversely affecting the domestic labour.” The GRDA also agrees that labour migration policy must also consider broader social implications, and supports the new policy’s overarching priority of ensuring that workers have access to fair wages and decent working conditions that, in turn, support a good standard of living. Again, this corresponds with GRDA’s vision outlined in the Gozo RDS, which highlights that: “*Social sustainability and inclusion are central to improving the overall wellbeing and standard of living of every citizen and resident in Gozo.*”<sup>11</sup>

---

<sup>10</sup> Gozo Regional Development Strategy ([https://grda.mt/wp-content/uploads/2023/09/GRDA\\_RDS-Document\\_ENG\\_A4\\_VH\\_2023\\_WEB.pdf](https://grda.mt/wp-content/uploads/2023/09/GRDA_RDS-Document_ENG_A4_VH_2023_WEB.pdf)).

<sup>11</sup> Gozo Regional Development Strategy ([https://grda.mt/wp-content/uploads/2023/09/GRDA\\_RDS-Document\\_ENG\\_A4\\_VH\\_2023\\_WEB.pdf](https://grda.mt/wp-content/uploads/2023/09/GRDA_RDS-Document_ENG_A4_VH_2023_WEB.pdf)).

The Malta Labour Migration Policy Consultation Document identifies four key guiding principles in address future challenges effectively namely: 1) Retention and Stability; 2) Protection of Employee Rights and Enhancing Working Conditions; 3) Aligning Labour Migration with Labour market needs; 4) A Skills-Based Approach to Migration. For ease of reference, the GRDA feedback will be structured alongside these four guiding principles.

#### **i. Retention and Stability**

The GRDA fully agrees with this fundamental principle of Retention and Stability, and supports the recommendations and measures identified under this principle, which are aimed at promoting the retention of TCNs employed in Malta as well as the protection of the domestic workforce.

In line with the above, the GRDA also agrees in principle with the measures proposed to include stricter employer eligibility criteria based on turnover, as well as with incentives designed to encourage the retention of workers. However, it is important to highlight a key consideration for Gozo's employment sector. Given that the majority of enterprises in Gozo are micro firms with fewer than 10 employees, the effectiveness of *Recommendation 1*, aimed to include stricter employer eligibility criteria based on turnover, would be more limited compared to its impact on mainland Malta.

As outlined in the Labour Migration Policy Consultation Document, enhancing employee retention has several benefits, including less strains on the housing market and infrastructure, as well as significant social benefits, as longer-term stays enable migrant workers more opportunities to integrate into the local community. This fully aligns with the goals identified in the Gozo RDS under the Social Development priority area, including the following: *Increase efforts to fight social exclusion and discrimination; and facilitate the acceptance of diversity and enable the inclusion of different ethnic and racial minority groups.*

In this regard, the Gozo RDS also includes a measure focused on '*Improving Migrant Support Programmes*' aimed at enhancing social inclusion. This measure articulates that:

*"The impact of migration on the small community of Gozo is a reality which needs to be recognised and addressed. The Social Vision for Malta 2035 encourages 'tailor-made measures aimed towards social inclusion' since it 'is in the interest of society to ensure that the benefits and challenges brought about by migration are appropriately managed'. Integration happens through many aspects of one's life such as education, employment and social life. Through evidence-based policy, capacity building and a stakeholder approach, adequate measures need to be identified to address the diverse migrant population of Gozo."*

#### **ii. Protection of Employee Rights and Enhancing Working Conditions**

Under this guiding principle, the proposed Malta Labour Migration Policy seeks to foster a just and sustainable labour market, ensuring that all workers' rights are safeguarded, and that employees are treated with dignity, receive fair wages, and work in safe conditions. This shall be achieved

through a number of recommendations/initiatives aimed to bolster the authorities' capabilities for enforcing laws and regulations through enhanced desk investigation capabilities and more frequent spot checks and audits.

Given the inadequate enforcement of employment laws, which undermine the rights of foreign workers, the GRDA fully supports the initiatives aimed at fostering a just and sustainable labour market, especially measures aimed at protecting workers' rights, and ensuring that employees are treated with dignity, and receive fair wages.

The GRDA supports the view presented in the Consultation Documentation that there is a pressing need for robust enforcement measures to ensure that non-local workers receive fair wages and enjoy working conditions comparable to those of local employees. In this context, the GRDA welcomes *Recommendation 8* of the Malta Labour Migration Policy, which proposes that all salary payments to newly engaged third-country nationals (TCNs) be conducted via bank transfers to enhance the monitoring of employment contract conditions. **The GRDA recommends that such initiative be gradually extended to already engaged TCNs upon their single-permit renewal, to ensure that TCNs currently engaged in Malta are also treated fairly.**

The GRDA also endorses other recommendations aimed at preserving the integrity of the labour market and protecting Maltese workers from unfair wage competition, in particular *Recommendation 14, which proposes a study on skilled-occupation salaries*. Such study would serve as a basis for establishing occupation-specific salary thresholds. Such salary thresholds would ensure fair remuneration for TCNs while avoiding the use of migration to undercut the domestic workforce. This recommendation would be particularly beneficial for Gozo, where job demand is often concentrated in low- to mid-skilled occupations.<sup>12</sup>

Another important measure (*Recommendation 9*) included under this guiding principle in the Malta Labour Migration Policy Consultation Document recommends the *Extension of grace period for TCNs whose employment has been terminated*. This proposal aims to provide adequate time for TCNs who lose their jobs to secure new employment within the Maltese labour market. The GRDA fully concurs with this recommendation, especially when considering the existing tight timeframe for TCNs to secure new employment, which foster uncertainty and compromise their rights and job security.

Another significant challenge faced by TCNs is the bureaucratic complexity associated with work permit renewals and other administrative procedures. This bureaucracy negatively impacts individuals who might find the process challenging, subjecting these individuals to unequal treatment, and impeding their integration into the Maltese society. While welcoming recommendations that reduce bureaucracy, such as the measure proposed to extend the renewal period of TCNs up from one to two years, **the GRDA advocates for further effort to simplify the administrative and the work permit renewal processes.**

---

<sup>12</sup> GRDA Discussion Paper: Employment & Skills (<https://grda.mt/wp-content/uploads/2023/01/Employment-Skills-in-Gozo.pdf>).

Overall, the GRDA believes that strengthening the enforcement of employment laws will benefit economic operators, improve employment competitiveness, and promote a more inclusive society. Also, beyond enhancing enforcement, **the GRDA recommends the introduction of higher penalties for repeat offenders who exploit foreign workers, to create a fair and equitable work environment.**

### iii. Aligning Labour Migration with Labour market needs

As noted by the OECD, the primary objective of labour market policies is to address labour market demands that cannot be satisfied by the domestic workforce. Thus, aligning labour migration with labour market needs is fundamental for achieving an effective Labour Migration Policy. In line with this Guiding Principle, the Malta Labour Migration Policy prioritises the optimal utilisation of the domestic workforce before seeking external recruitment.

Central to this principle is the Labour Market Needs Test, which must precisely identify genuine workforce gaps, ensuring that foreign labour is recruited only when necessary. The Malta Labour Migration Policy seeks to provide a comprehensive enhancement of the Labour Market Needs Test through a number of recommendations, presented under this guiding principle. Through these recommendations, the Policy seeks to preserve the integrity of the labour market and protect Maltese workers, by limiting the inflow of foreign workers to what is absolutely necessary.

The Malta Labour Migration Policy also recommends the introduction of new measures to ensure that TCNs being offered jobs possess the necessary skills and qualifications to fulfil the role. The GRDA strongly supports these recommendations, in particular *Recommendation 17*, which proposes that each applicant be subjected to an independent suitability check, ensuring a transition towards a skills-based approach to labour migration.

Another key measure endorsed by the GRDA is *Recommendation 19*, which seeks to align labour migration with Malta's broader economic vision. This aligns with the GRDA's strategic objectives and directly contributes to the goals outlined in the Gozo RDS under the 'New Economy' priority area.

As highlighted in the Gozo RDS, *'Gozo has the potential to attract new high growth industries that can be a driving force for economic growth and productivity.'* To support this vision, the Malta Labour Migration Policy should facilitate the growth of emerging economic sectors – particularly the digital, green, agritech, and medical industries - which have been identified as key areas of focus for Gozo's economic diversification. The need for a supportive ecosystem that enables these industries to thrive is further highlighted in the Gozo RDS, which outlines that:

*"An economy based on new processes and technologies needs a conducive ecosystem that support it. An ecosystem that reflects the applicable legislative framework and support from public authorities. Currently, Malta Enterprise has several schemes to support new investments. Efforts need to be maintained towards supporting the establishment and growth of businesses*

*in new economy sectors in Gozo, through soft and hard infrastructure, including business support resources and services.”<sup>13</sup>*

#### **iv. A Skills-Based Approach to Migration**

By adopting a skills-based approach, the Malta Labour Migration Policy seeks to attract top talent to complement the existing skills in the local labour market. The GRDA fully concurs with the proposed skills-based approach to economic migration, which prioritises selectivity through criteria that target in-demand skills essential to Malta’s economic and social development.

As outlined in the Consultation Document, this approach not only supports the local labour market but also aligns with the broader objective of upskilling the domestic workforce. By fostering investment in training initiatives, it ensures that local workers acquire the competencies needed to succeed in high-demand sectors. This vision aligns closely with the GRDA’s vision for Gozo’s economy and directly contributes to achieving key goals identified in the Gozo Regional Development Strategy (RDS) under the ‘Economic and Human Talent Development’ priority area. These goals include:

- Continue to foster the diversification of the Gozitan economy;
- Attract talent from outside the Island by offering a good business and lifestyle platform; and
- Further enhance the excellence of Gozo’s labour force by investing more in education and continuous professional development.

The proposed skills-based approach is also in line with a key measure outlined in the Gozo RDS: *“Reassessing the skill profile.”* The RDS emphasises the importance of evaluating future labour demand and skill requirements in light of Gozo’s economic growth. As stated:

*“The rise in economic activity observed over the last decade led to increased demand for labour. This surge in demand was partially addressed by an influx of foreign workers. Efforts should be made to assess the demand for labour in the coming decades and the levels of skills required. This exercise would also bring together education and training providers with representatives from business, to effectively respond to skills needs, and to advise on priority skills needs.”*

By integrating this forward-looking approach, the proposed policy can help create a more sustainable and resilient labour market that not only meets immediate economic needs but also fosters long-term workforce development.

---

<sup>13</sup> Gozo Regional Development Strategy ([https://grda.mt/wp-content/uploads/2023/09/GRDA\\_RDS-Document\\_ENG\\_A4\\_VH\\_2023\\_WEB.pdf](https://grda.mt/wp-content/uploads/2023/09/GRDA_RDS-Document_ENG_A4_VH_2023_WEB.pdf)).





**GOZO REGIONAL**  
DEVELOPMENT AUTHORITY

Tel: +356 22156333

Email: [info@grda.mt](mailto:info@grda.mt)

[www.grda.mt](http://www.grda.mt)