



Research Article

Quality education, social cohesion and active labour market policies: A comparative analysis of two European island states

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Abstract. Societies benefit from the delivery of inclusive education, lifelong learning and from active labour market policies. Therefore, this research presents a critical review of the relevant literature. It features a comparative analysis on the latest socio-economic policies that are currently being implemented in the Mediterranean island states of Malta and Cyprus. The findings suggest that both countries need to attract more students to vocational and higher education in order to improve their employment prospects. The latest European reports indicate that their labour market policies are increasingly targeting vulnerable individuals, including women, single parents, older adults and migrant workers, among others, who are not in employment, education or training. In conclusion, this contribution implies that the pursuit of continuous improvements in quality education and social cohesion can create a virtuous cycle of productivity outcomes, including job creation and societal well-being.

Keywords: quality education, social inclusion, social cohesion, labour market, Malta, Cyprus, European Union, Coronavirus, COVID-19

1 Introduction

Education can contribute to create a fair and equitable society for all (OECD, 2008). It provides opportunities for social mobility as individuals are rewarded according to their own merit (Breen et al., 2005; Mok, 2016). Hence, educational and employment policies may play a significant role in shaping key performance indicators, to achieve social and economic outcomes (Dvouletý et al., 2016; Ramsden, 2003). Various, intergovernmental organisations, including the European Union, (EU), the Organization for Economic Cooperation and Development

(OECD) and the United Nations (UN), among others, have recognised the importance of delivering excellence in education for the advancement of societies and economies. Arguably, the provision of quality education, may result in positive implications for job creation, competitiveness and prosperity (Camilleri et al., 2016; EU, 2014; OECD, 2012).

The United Nations Educational Scientific and Cultural Organisation (UNESCO), among others, suggested that quality education can improve the wellbeing of individuals and their families, whilst fostering better societies. UNESCO's 2003 policy document has reiterated the Delors Commission's 1996 recommendations for an integrated vision of education that provides learning opportunities for each individual to develop his or her full potential.

UN has dedicated a Sustainable Development Goal (i.e. SDG4) to raise awareness on the delivery of quality and inclusive education (i.e. SDG4) (Camilleri et al., 2020; UNSDG4, 2015; Vladimirova et al., 2016). Moreover, relevant theoretical underpinnings reported that higher standards of education would result in cohesive societies as well as economic growth and competitiveness (Gradstein et al., 2002; Green et al., 2003; Gupta et al., 2016; Thorbecke et al., 2002).

This contribution begins by exploring academic and non-academic literature, including regulatory guidelines and policies. It features a comparative analysis on education, social and labour market policies in the context of the island states of Cyprus and Malta. In a nutshell, the findings of this research suggest that both countries are responding to the EU's recommendations:

- i. to reduce the number of early school leavers,
- ii. to minimise the number of young adults and adolescents who are neither in education nor in employ-

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ment, and

- iii. to entice individuals, including the most vulnerable ones, like single parents, unemployed adults and migrants, among others, to pursue higher, vocational education and lifelong learning opportunities, among other targets.

This contribution's underlying research question is: *To what extent and in which ways are education, social welfare and employment policies improving the social fabric as well as the economic performance in the Southern-European states of Cyprus and Malta?*

To the best of the authors' knowledge, there is no other academic contribution that clarifies how social cohesion and active labour market policies could affect the economic growth and competitiveness of small island nations (that are located in the periphery of Europe). Therefore, this research addresses this gap in academic knowledge and puts forward key implications to policy makers.

2 Literature Review

2.1 The provision of quality education for cohesive societies

Public education has been one of the main contributors to social cohesion in many countries (Green et al., 2003; Heyneman, 2000; Mickelson et al., 2012). Uniform schooling reduces re-distributional conflict among distinct groups in society and plays the dual role of building human capital and determining social orientation (Gradstein et al., 2000). Hence, several governments are investing resources, competences and capabilities in education to improve the quality of life of their citizens, including those hailing from the most vulnerable groups in society (Deacon, 2018).

The fourth United Nations' (UN) Sustainable Development Goal (SDG4) and its 10 targets represent an ambitious and universal agenda, that are meant to develop the individuals' skills for better lives. Five of these targets are concerned with improving the quality of education for individual children, young people and adults, to provide them with more competences for the labour market. During the last few decades major progress has been made towards increasing access to education at all levels, to instil individuals with relevant knowledge and skills for decent work and global citizenship (UNSDG4, 2015). SDG4 aims to eliminate gender disparities. It urges governments to provide equal opportunities for their citizens to access education and lifelong learning (UNSDG4, 2015).

A relevant review of the literature links most SDGs with education (Vladimirova et al., 2016) and social cohesion (Gupta et al., 2016). Notwithstanding, the promotion of quality education is already an important policy objective

across many countries (Camilleri, 2017; Camilleri et al., 2016). For instance, Europe's 2020 Strategy was intended to improve the EU's competitiveness and productivity levels that underpin its economy (EU, 2010a, 2010b, 2020c). This strategy identified three priorities as the main pillars:

- i. Smart growth (to develop an economy based on knowledge and innovation;
- ii. Sustainable growth (to promote a more resource efficient, greener and more competitive economy); and
- iii. Inclusive growth (to foster a high-employment economy by delivering economic, social and territorial cohesion)

(Pasimeni et al., 2015).

Europa 2020 aimed to increase the employment rates and to raise the quality of jobs, especially for the disadvantaged groups in society, including women, young adults and adolescents, disabled individuals and older workers (Gravani et al., 2019). It is also its intention to integrate migrants in the labour force. The latest European Policy Cooperation (ET2020) framework is based on a lifelong learning and social mobility approach. It addresses learning outcomes from early childhood to vocational and higher education for adolescents as well as for older adults. EU (2020c) specifies that its objectives are:

- 1. to improve the quality and efficiency of education and training,
- 2. to promote equity, social cohesion, and active citizenship, and
- 3. to enhance creativity and innovation, including entrepreneurial skills.

The EU Commission set reasonable targets to its member states to reduce their rate of early school leavers, and to increase the number of individuals who complete courses in tertiary education (EU, 2022a, 2022b). These targets are also consonant with the United Nations very own SDGs (Camilleri et al., 2020; UNSDG4, 2015). They have the potential to become a powerful political vision that can lead to a shared and long-lasting prosperity in different European contexts (Hajer et al., 2015).

In fact, the EU Commission articulated an action plan to integrate newly arrived migrants from third countries into mainstream education (EU, 2020c). "A cohesive society works towards the well-being of all its members, fights exclusion and marginalisation, creates a sense of belonging, promotes trust, and offers its members the opportunity for upward mobility" (OECD, 2011, p. 17). Education may well reduce any inequalities in society by fostering cognitive, interpersonal and emotional skills as well as promoting healthy lifestyles, participatory practices and

norms (Ayalon et al., 2004; Jackson, 2009). Therefore, the individuals' education as well as their ongoing training and development can improve their position in the social strata as well as their quality of life (Breen et al., 2005; Kilpatrick et al., 2003; OECD, 2012). Moreover, their countries' economic growth is closely linked with their capacity to create, retain and attract human capital (Forrest et al., 2001; Halpern, 2013). Hence, education policy-makers need to anticipate and manage change by investing in skills and training programmes, whilst modernising labour markets and welfare systems.

In the past years, OECD's Programme for International Student Assessment (PISA¹), as well as its adult version, the Programme for the International Assessment of Adult Competencies (PIAAC²) reported that although many countries are experiencing high attendances at schools and other education institutions; only a proportion of their students would eventually achieve adequate and sufficient levels of proficiency levels, when they complete their courses (OECD, 2018, 2019). Hence, bolder efforts are required to make even greater strides to deliver quality education for all (Camilleri, 2021).

These findings are exerting more pressure on education providers to meet their national performance criteria. Education institutions are expected to raise their students' learning outcomes through regular assessments, to improve the quality of their curricula and instruction, and to deal with children from diverse cultural and linguistic backgrounds (Ramsden, 2003; Timar et al., 2012). Some academic commentators argue that quality education ought to be affordable for all segments of the population, as it brings better prospects for upward social mobility and more inclusion in society (Goldthorpe et al., 2007).

2.1.1 Social Inclusion

Social inclusiveness has its roots in human rights, inequality, redistribution, entitlements and capabilities (Gupta et al., 2016). It involves empowering the most vulnerable individuals in society through investments in human capital, to enhance their participation in the labour market (EU, 2013c; Forrest et al., 2001). Social inclusion is non-discriminatory and is age-, gender-, caste-, sect- and creed- sensitive, in terms of income, assets and employment opportunities (Humphries, 2004; Liasidou, 2014). Education has the potential to bring social inclusion through civic and societal engagement (Putnam, 1995, 2001).

The schooling experience itself transmits common values that underpin social capital and social cohesion (Baldac-

chino, 2005; OECD, 2012). Green et al. (2003) argued that quality education acts in differential ways on both concepts. Their "distributional model" shed light on the relationship between the provision of fair education for all and the various measures of social cohesion. Green (2011) noted that Southern European schools in Spain, Portugal, Italy and Greece were not offering the same standards of education across their territories, as opposed to Nordic countries. He went on to suggest that the differences between schools was not driven by differences in social intake, but by the students' backgrounds. This had an effect on the students' performance.

Other authors, including Galston (2001) indicated that school-based efforts to form active citizens may not always be successful if the children's families and their local communities do not provide good opportunities for them to engage in civic activities. Similarly, Putnam (2001) argued that open classroom environments, classes that require practical involvement in social matters as well as the schools' ethos that promote active citizenship, can be conducive to building stronger civic participation, from a tender age. These efforts are most likely to be successful when community environments are aligned together with the institutional efforts made by policy makers (Estol et al., 2018).

The children's well-being and their social progress are more likely to work when their home and community environments are synchronised (OECD, 2010). In addition, quality education creates an inclusive schooling environment that can nurture social cohesive values towards the entire community (Flecha, 2014). Thus, students learn to become more inclusive toward other groups in society. The formulation of specific policies and measures for social equity can foster equal access to education for all. Efforts to close the gender gap in education may help to break the intergenerational transmission of poverty (Jacob, 2002). Therefore, policy makers are instrumental in emphasising the delivery of inclusive curricula and teaching practices that are aimed at fostering diversity in schools as well as in society (Ambe, 2006). An increased awareness among children on cultural and diversity issues would improve the integration of minorities in education, and eventually in the labour market. Inclusive schooling systems tend to perform better in terms of learning outcomes when compared to more segmented ones (Ainscow, 1997).

In reality, a significant fraction of children, mostly from disadvantaged households, are usually deprived access to quality education because they do not afford it (Currie, 2001; Liasidou, 2014). Alternatively, there may be other reasons why they may have missed the opportunity to develop their basic competencies, earlier on, in their life.

¹PISA is OECD's widely used global metric to measure the quality of learning outcomes.

²PIACC is OECD's programme of assessment and analysis of adult skills.

Hence, the governments and their policy makers should adopt a more pragmatic stance to social equity issues in order to maximise the representation, participation and recognition of the disadvantaged groups in society, including older adults and migrants, among others (Humphries, 2004; Raffo et al., 2008).

2.1.2 Social Equality

Gradstein et al. (2002) maintained that education is a socialising force as it instils civic virtues from an early age. The provision of quality education facilitates the interaction between different demographic groups in society. As such, education has often played a key role in forging national identities and in establishing centralised governments. On the other hand, coercive, centralised schooling may result in less welfare than decentralised education (Deacon, 2002; Gradstein et al., 2002). The delivery of quality education and its relationship with economic growth is also conditioned by cultural and religious divisions (Gradstein et al., 2002; Spring, 2017). The distribution of ethnic groups and the social distance between them can affect this relationship (Gradstein et al., 2002). Hence, the design and assessment of educational reforms should take into account their impact on the socialising role of education.

Green et al. (2003) posited that education affects the socialisation of individuals as the schools' ethos and their curricula are conducive to social cohesion. The provision of an inclusive, quality education can lead to improvements to the individuals' communication and transferable skills, as it facilitates their cross-cultural understanding and civic participation. Thorbecke et al. (2002)'s study had indicated a strong correlation between the skills' distribution and income inequality across countries. They found a highly negative and significant relationship between educational inequality / income inequality with social cohesion. In a similar vein, Green et al. (2003) reported that educational inequality exercised a significant, negative effect on social cohesion; whilst quality education was related to social cohesion. The latter generates equal opportunities, in terms of income and cultural capital amongst different people.

Previously, Knack et al.'s 1997 study reported that trust and civic norms are stronger in advanced economies. In a similar vein, Green et al.'s 2003 empirical studies had proved that social cohesion and quality education are highly sensitive to inequality. Perhaps more attention ought to be placed on the development of shared or cooperative values and on the attenuation of inequalities in order to improve educational outcomes. Green et al. (2003) hinted that many Anglophone countries were placing more stress on raising mean levels of achievement

rather than on reducing inequalities.

Arguably, the provision of quality education could lead to significant benefits to the labour market and to the achievement of desired economic outcomes. However, when it comes to promoting social cohesion, there is clearly a case for prioritising the social inclusion of the most vulnerable people in society (EU, 2013c). For instance, Beauchamp-Pryor (2012) maintained that individuals with special needs ought to be involved in policy development. She suggested that barriers such as power sharing, as well as the traditional ideologies are increasingly being challenged by these individuals who want to become more active in the labour market.

Ultimately, the regulatory institutions' responsibility is to tackle inequality that polarises their societies (EU, 2013a). Greater income inequality stifles upward social mobility, thereby making it harder for talented and hard-working people to get the rewards they deserve (Goldthorpe et al., 2007). Generally, the societal and economic development of a country would usually reflect the different dynamics of its institutional policies. In this light, the following sections critically analyse, the educational, social welfare and employment policies of two Southern European states, namely, Cyprus and Malta:

2.2 Active labour market policies of Cyprus and Malta

Cyprus and Malta are two Mediterranean islands. They obtained their independence from the United Kingdom in the 1960s. In 2004 they joined the European Union as fully-fledged member states. Both republics are service-based market economies.

2.2.1 Cyprus

EU (2020a) anticipated that the Cypriot economy was expected to continue growing, albeit at a slower pace, by around 2.8% in 2020 and by 2.5% in 2021, prior to the unprecedented outbreak of the Coronavirus (COVID-19) pandemic and before the Russian invasion of Ukraine. Cyprus' current account deficit was set at 10% of its GDP in the previous budget. Its unemployment stood at 7.5% in 2019, the lowest level since 2011, and this figure was expected to drop even further. Back then, its inflation was one of the lowest in Europe. Cyprus' economic structure and fiscal sustainability enabled it to invest in its public services, including on its national health insurance system, energy efficiency and renewable energy; research and development, et cetera. However, EU (2022a) noted that Cyprus has made limited progress in reforming its educational systems.

2.2.2 Cypriot education policies

Cyprus is striving in its endeavours to continue delivering quality education to its citizens, across all levels ((EU, 2020a, 2022a). In 2017, the Cypriot government has introduced a new recruitment system for teacher appointments that was based on competitive exams. As a result, in 2018 and 2019, 866 candidates were hired through its new system (EU, 2020a). Another deliverable that was incorporated in the strategic plan (2019-2021) of the Ministry of Education and Culture (MoEC) was focused on upgrading the learning content (EU, 2018c). This plan was implemented through the modernisation of curricula and timetable programmes, by improving the pupils' learning outcomes, introducing up-to-date educational material, blending Information and Communication Technologies (ICT) in teaching and learning, and by revising the assessment systems (EU, 2020a). In addition, another strategic objective was to strengthen and upgrade Cyprus' higher education institutions (EU, 2018c). These measures have resulted in a drop in the early school leaving rate and in significant improvements in the attainment levels, in tertiary education, in recent years.

Yet, EU (2020a) reported that a third of Cypriot graduates were employed in occupations that do not require tertiary education. This figure has remained stable over the last decade, thereby indicating a significant challenge in terms of matching the Cypriot graduates' skills with the requirements of Cyprus' labour market. EU (2022a) indicated that Cyprus is also underperforming when it comes to gender equality. It noted that there were less females who pursued tertiary education and who were gainfully occupied in full time employment. This issue could have triggered by their caring responsibilities (of young children). Notwithstanding, the island is experiencing a low participation in vocational education and adult learning. Many young Cypriot adults are not in education, training or in employment, and often lack digital and transferable skills (EU, 2022a).

The students with a migrant background were more likely to be underachievers than native students. Other differences were noticed between disadvantaged and advantaged schools, as private schools were outperforming public schools by more than one year of schooling. Cypriot authorities were taking remedial measures to improve the quality of their education institutions. They introduced migrant integration policies and enacted legislation to foster inclusive education. However, Cyprus still needs to articulate integration policies that are focused on the post-secondary and/or vocational education and training (VET) of young migrant adults (who are mostly asylum seekers). These reforms can help Cyprus to achieve the EU Commission's objectives on "Education and Training"

and to align their provision of education with the labour market requirements (EU, 2020a, 2022a).

The Cypriot government's intention is to address the skill gaps through an increased focus on vocational education and training to support the demands of the labour market. Cypriot education authorities are tracking their VET graduates on placement schemes and are committed to forge strong relationships with business and industry stakeholders on curriculum development (EU, 2018a).

The Cyprus' National Strategy for Youth (2017-2019) implemented new programmes to

- a support creativity, innovation and entrepreneurship (among young people);
- b disseminate information about education and training opportunities among young people;
- c reduce the young adults and adolescents' dependencies on other family members;
- d support and empower students;
- e encourage them to engage in volunteering activities.

Some of these programmes include Makerspace, Students in Action, Summer Youth Leadership School, Youth Business Development Centres and Youth Guarantee, among others.

The strategic plan (2019-2021) of MoEC comprises eight strategic aims that were intended to improve the delivery of quality education and the provision of training to human resources, in the realms of education (EU, 2018c). Hence, the Cypriot government has invested in its educators. It developed a "professional development" framework that specified the training requirements of each school. Moreover, it modified the administrative structures of the Cypriot educational system in order to improve the quality of education services.

A number of different policies such as the establishment of evening technical schools and the new apprenticeship system in Cyprus have resulted in the strengthening of the vocational education and training (VET), however the participation levels and VET graduate employability remain low (EU, 2018a, 2020a). The Cypriot government is making efforts to attract students to VET and lifelong learning. It is establishing relationships with employers from different businesses and industries to provide apprenticeship opportunities to prospective VET students (EU, 2020a).

Despite these ongoing reforms in education, the Cypriot students had low performance levels in digital, science, technology, engineering and mathematics skills. EU (2022a) reported that Cyprus is still lagging behind in its digital transition in terms of 'the provision of high-capacity network coverage', 'basic digital skills', 'shortages of information communications technology specialists' and 're-

lately high broadband price', when compared to its EU counterparts.

2.2.3 Cyprus' active labour market policies

Following the 2012-2013 financial crisis, Cyprus had registered a significant increase in employment figures, year after year. In 2014, Cyprus introduced a Guaranteed Minimum Income (GMI) scheme that was intended to incentivise work among the most vulnerable individuals in society. This scheme encouraged low skilled or unskilled individuals to participate in active labour market programmes. Hence, it was considered as a good instrument to fight poverty and social exclusion (EU, 2018a). Efforts were made also to improve adult and life-long learning. Since 2012, Cyprus has been implementing projects to promote the European Agenda for Adult Learning. For the years 2017-2019, the Cypriot government has opened evening high schools and evening technical schools that were intended to enhance the knowledge and skills (including digital skills) of adult learners, to improve their employability prospects.

At the same time, Cyprus run an Electronic Platform for Adult Learning in Europe (EPALE) that was aimed at adult educators and trainers. In addition, a project that was co-funded by the European Social Fund established mechanisms for the validation of non-formal and informal learning. Moreover, other schemes from the Human Resource Development Authority of Cyprus (HRDA) were targeted at unemployed individuals and new market entrants.

These initiatives have supported vulnerable individuals and assisted them to find jobs in the services sectors as well as in the construction industry, thereby reducing long-term and youth unemployment figures (EU, 2018a, 2020a). EU (2020a) reported that temporary employment has started to decrease as more employees have been offered permanent positions. This positive development translated to significant salary and wage increases for those individuals who were offered indefinite employment contracts. As a result, their conditions of employment were also ameliorated.

Although unemployment increased slightly during the pandemic, it fell again in 2021 (EU, 2022a). However, Cyprus' labour market faces new challenges for upskilling and re-skilling of employees. Most employees, particularly the older ones, need to improve their digital skills. Notwithstanding, there are a number of young people as well as women, who are still not in employment, education or training (EU, 2020a, 2022a). This is probably caused by certain difficulties in school-to-work transition. Alternatively, the young employees are not declaring their employment. EU (2022b) noted that

Cyprus has implemented various VET schemes and other courses that were financed by both national and EU funds. These schemes were aimed at helping vulnerable individuals, including youths, migrants, older adults and people with special needs to train themselves, to increase their chances to return to work.

2.3 Malta

EU (2020b) as well as EU (2022b) reported that Malta has been experiencing fast growth and sustained employment creation. The small island registered fiscal surpluses in recent years before COVID-19. The EU's Social Scoreboards frequently appraise Malta's growth in employment. They indicate that the country's unemployment rates are well below the EU average, during the past few years. Before the emergence of Russia-Ukraine war, the inflation was projected to stabilise at 1.5%. Recently, EU (2022b) suggested that the labour market was performing relatively well, in a post COVID-19 context, but the low participation of women and of other underrepresented groups were affecting labour shortages and their social cohesion.

2.3.1 Maltese education policies

The EU's latest country reports indicated that Malta has several long-term structural challenges including the fiscal sustainability implications of ageing as well as the low skill sets of its older citizens, among other issues. They noticed that the small country's demographic and economic growth are expected to put further pressure on its extant infrastructure and natural resources.

EU (2020b) revealed that some population groups were facing a higher risk of poverty than others. EU (2022b) reconfirmed that Malta still had high levels of early school leaving as well as poor educational outcomes, when compared to other EU nations. The report posited that those children from socially disadvantaged families (e.g. whose parents were single, foreign or with low-income streams) were at higher risk of poverty than other children from middle class and affluent families. The former individuals were less likely to benefit from the best education opportunities on the island and were more likely to lag behind their more advantaged peers. They will usually seek employment after they have completed their secondary education EU (2020b, 2022b).

The Maltese Ministry for Education and Employment (MEE) has drafted coherent strategies to reduce the number of early school leavers and to enhance the lifelong learning opportunities to adults (MEE, 2014a, 2014b). The framework for the (Maltese) Education Strategy for 2014-2024 four goals are to:

- i. Improve the educational outcomes of boys and girls in literacy, numeracy, and science and technology competence.
- ii. Support educational achievement of children at-risk-of-poverty and from low socio-economic status, whilst reducing the relatively high incidence of early school-leavers.
- iii. Increase participation in lifelong learning, and
- iv. Raise levels of student retainment and attainment in further, vocational, and tertiary education and training.

MEE (2014a) articulated the Strategic Pillars for policy development, that comprised;

- i. The Governance of Education Organisations,
- ii. The Social Dimension,
- iii. International Dimension,
- iv. The Provision of Quality Education,
- v. The Student Focus, and
- vi. Strategic Innovation.

In 2013, MEE launched an 'Early School Leaving Strategy' which was aimed to reduce the number of students who leave school at an early age, and to motivate them to continue their studies at tertiary levels. However, the Maltese early school leaving rate is still significantly above the EU's average, and has remained almost unchanged since 2017 (EU, 2020b, 2022b). This rate is considerably higher for males than for females.

Nevertheless, Malta has (and is) intensifying its outreach with young adults and adolescents (Camilleri, 2020). It is targeting those individuals who leave school with few skills and competences. OECD's PISA indicated that the Maltese students' participation in VET was much lower than the EU's average (OECD, 2018). The smallest EU country has introduced preventative measures against student dropouts from the education system. Malta implemented the 'National Curriculum Framework'; increased VET opportunities in compulsory education; strengthened the existent 'Validation of Informal' and 'Non-formal Learning' and developed new forms of teaching and learning, such as 'e-Learning' (EU, 2018b).

As a result, the employment rate of VET students, was one of the highest within the EU (EU, 2018b, 2020b). EU (2022b) noted that more Maltese students are pursuing tertiary education, and that they had higher chances than their EU counterparts to find employment when graduating.

2.3.2 Maltese active labour market policies

EU (2020b) indicated that the employment rate has reached 75.5% in 2018. Recently, the country has recorded one of the highest employment growths within the EU

(EU, 2022b). Moreover, the unemployment rate among young people and long term unemployed, was at a record low.

Evidently, the Maltese authorities were supporting low-skilled individuals, including youths, to improve their employability prospects. The Jobs Plus, formerly known as Employment and Training Corporation (ETC) has made good use of the European Social Funds (ESF) to address the challenge of skill gaps and mismatches in the labour market (ESF, 2009; EU, 2013b, 2020b). The Maltese government relied on ESF funds to create occupational opportunities for disadvantaged individuals and households which were at risk of poverty. It opened social welfare offices called LEAP centres, in different locations around the island, to provide employment and education opportunities to vulnerable groups in society including to single parents, people with disabilities, ex-offenders, migrants and the working poor, amongst others. These segments are considered vulnerable or disadvantaged when compared to other citizens. Hence, the LEAP programmes target inactive, jobless individuals. They are intended to facilitate their access to employment.

Malta's active labour market policies include in-work benefits, tax credits as well as benefit tapering for prospective employees who were never in employment. Other initiatives focused on long-term, unemployed women. They comprise attractive income-tax arrangements for women who return to work after pregnancy; increases in maternity and adoption leave; and exemptions from means-testing for income earned by women working on a part-time basis (EU, 2020b).

Individuals, including single persons, women and persons with special needs are encouraged to return to work, through the provision of free childcare centres (EU, 2022b). Despite these efforts, EU (2020b) noted that the activity gap was still high with just 64% of women aged 15-64 were in employment. The gender employment gap remains one of the widest in the EU (EU, 2022b).

For the time being, the Maltese women (like other European women) are more likely to:

- i. engage in the labour market on a part-time basis (in 2018, 6.5% of men worked part-time as opposed to 23.0% of women),
- ii. fill medium- and low-skilled positions; and
- iii. occupy fewer managerial positions than men.

Notwithstanding, the outbreak of COVID-19 has impacted their participation in the labour market, as well as the provision of childcare services for their young children (EU, 2022b). Evidently, the pandemic has reversed the positive trend that was experienced in the previous

years.

The weak labour-market outcomes of women in employment or of individuals with special needs may be explained by their low level of qualifications and educational attainment (despite recent improvements). The Maltese government mandated companies with a staff count of 20 or more employees, to have at least 2% of their workforce composed by persons with a disability. It introduced schemes that supported this transition (as it included subsidies to employers and exemptions from social security contributions). The employers who fail to adhere to this Maltese legislation are requested to make an annual payment (for every person with disability they should be employing) (Plus, 2020). This policy led Malta to improve its disability employment gap. Currently, this metric is above the EU average (EU, 2022b).

EU (2020b) noted that the Maltese share of low-qualified adults was one of the highest within the EU, at the time. The uptake of upskilling and re-skilling schemes remained low, particularly among small businesses (EU, 2020b). The adult participation in education and training stood at 10.8% in 2018, almost as much as the EU's average (11.1%). However, only 4.1% of low-skilled adults participated in training in 2018, despite their greater need for upskilling. Notwithstanding, the labour-market participation of older individuals (who were between 55-84 years of age) remained relatively low at 50.2%, when compared with the EU average (58.7%), even though Malta was (and is currently) facing labour shortages at all skills levels.

EU (2022b) reconfirmed that Malta had one of the highest shares of low-skilled adults. The labour market participation of people over 55, although increasing, is still low. In response to those challenges, the European Social Fund (ESF) has introduced supporting measures to strengthen the provision of active labour market policies, with a special focus on vulnerable people.

Table 1 features an excerpt of the findings from the EU country reports of Cyprus and Malta. It sheds light on their progress, over the last two years, regarding their implementation of social and economic measures relating to education, social cohesion and employment.

3 Discussion

This research provided a descriptive overview of the policy initiatives that can have an impact on the socio-economic development of Cyprus and Malta. It synthesised the findings from the latest EU country reports that shed light on these countries' education, social welfare and employment policies. Both island states are striving in their endeavours to improve social cohesion and their economic growth prospects through the implementation

of inclusive education and active labour market policies.

Before the outbreak of COVID-19 pandemic, they were moving in the right direction as they were responding to the EU's recommendations, year after year. This research suggests that they were increasingly delivering quality education and training opportunities to their citizens and addressing the skill gaps and mismatches in their respective labour markets. At the same time, these countries' employment rates were rising, and their jobless figures were decreasing.

Cyprus and Malta were taking steps to reduce their early school leaving rates and the number of youths who are not in education and employment (EU, 2020a, 2020b, 2022a, 2022b). Both countries' governments were incentivising the most vulnerable groups in society to join the labour market. They introduced certain measures including the provision of VET to unemployed individuals, as well as continuous professional development and upskilling opportunities to employees in shrinking economic sectors.

Generally, Cyprus and Malta have registered important advances in terms of their countries socio-economic metrics, over these last few years. Both island states have minimised the number of citizens who were at risk of poverty. EU (2020a) posited that Cyprus should monitor those youth who are not in education and employment, the gender employment gap, as well as its unemployment rates. It recommended that Cyprus ought to continue improving the level of the digital skills of its citizens. EU (2020b) clearly indicated that Malta should reduce the numbers of early school leavers. Furthermore, it should continue executing its gender employment policies. EU (2022a) and EU (2022b) suggested that Cyprus and Malta have not resolved these issues, as yet. They reported that there is scope for both Southern European countries to continue developing policy initiatives to improve the social inclusion of vulnerable groups in society, by providing them ongoing education, lifelong learning and training opportunities, as well as with decent job prospects in the labour market.

4 Conclusion and Implications

Relevant academic literature suggest that the provision of quality education and active labour market policies could reduce social inequality among different demographic groups including women, young adults, immigrants, disabled individuals and older workers (Camilleri et al., 2016; Deacon, 2018; Gravani et al., 2019; Gupta et al., 2016; Vladimirova et al., 2016). This research confirms that cohesive and inclusive societies offer numerous opportunities for the upward mobility of disadvantaged

Socio-economic metric	Cyprus 2020	Malta 2020	Cyprus 2022	Malta 2022	
Equal opportunities and access to the labour market	Early school leavers from education and training (who are between 18 and 24 years of age)	Average	Critical	To watch	Weak but improving
	Individuals' level of digital skills (who are between 16 and 74 years of age)	Weak but improving	Better than EU average	To watch	Average
	Youth not in education, employment or training (who are between 15 and 29 years of age)	Weak but improving	Better than EU average	To watch	Better than EU average
	Gender employment gap	To watch	Weak but improving	To watch	Weak but improving
Dynamic labour markets	Employment rate	Better than EU average	Better than EU average	Average	Better than EU average
	Unemployment rate	Weak but improving	Better than EU average	Average	Best performer
	Long term unemployment	Better than EU average	Better than EU average	Average	Better than EU average
	Gross disposable household income	Critical situation	N/A	Critical situation	Better than EU average
Social protection and inclusion	Citizens who are at risk of poverty or social inclusion	Average	Better than EU average	Better than EU average	Average
	Children who are at risk of poverty or social inclusion	N/A	N/A	Average	Average
	Impact of social transfers (other than pensions) on poverty reduction	Average	On average	Average	Critical situation
	Disability employment gap	N/A	N/A	Average	To watch
	Housing cost overburden	N/A	N/A	Better than EU average	Better than EU average
	Children aged less than 3 years in formal childcare	Average	To watch	To watch	Average
	Self-reported unmet need for medical care	Average	Better than EU average	Better than EU average	Better than EU average

Table 1: European country reports' social scoreboards of Cyprus and Malta

Source: EU (2020a, 2020b, 2022a, 2022b).

segments in society. The Cypriot and Maltese socio-economic policies are investing in their human capital to improve the well-being of their citizens, and of their national economies. These Southern European states are implementing initiatives that foster a cohesive labour market to reduce the disparities in their societies. At the same time, they are protecting vulnerable individuals by fighting their social exclusion and marginalisation.

This contribution raises awareness on the importance of delivering an inclusive, quality education for all, to improve the countries' socio-economic performance. Arguably, an indispensable requirement for social cohesion is the eradication of poverty, in all of its forms and dimensions. The pursuit towards continuous improvements in compulsory, vocational and higher education can enhance the individuals' social mobility prospects and may increase their quality of life. The ongoing reforms in education ought to be founded on social inclusion and equity principles, as well as on student-centred curricula and learning outcomes. Moreover, the provision of quality education ought to be supplemented with active labour market policies, including initiatives like; in-work benefits, tax rebates, and free childcare facilities, among other measures, to support individuals to pursue their studies or to return in employment. Active employment policies are required to help job seekers to find employment and/or to assist employed individuals to advance in their career ladder, through life-long learning opportunities. This research implies that governments and employers ought to support the most vulnerable groups in society, including single parents, migrants, older adults, long term unemployed and persons with special needs, who would otherwise risk social exclusion.

COVID-19 situation has had a devastating effect on societal wellbeing and the economy at large. Hence, there is scope for academia to use different methodologies and sampling frames to investigate further the impact of this pandemic on the individuals' quality of life, including on their education and employment prospects, in different contexts.

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