



BEYOND GDP II

Third Country Nationals in Malta:

**Sharing in our economic future or
serving labour market interests?**

DECEMBER 2024



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Foreword

In November 2020, the Justice & Peace Commission launched the joint initiative ***Beyond GDP***, proposing a framework to consider a broader picture in evaluating national progress not only by economic output but also by the quality of life and overall well-being of Maltese citizens. This framework was structured around six dimensions: Income and wealth, Housing, Education and skills, Jobs, Health and lifestyle, and Environmental quality. We are encouraged by how this report catalysed national dialogue on these issues, inspiring several “Beyond GDP” initiatives and sparking interest in alternative ways to measure and pursue prosperity.

To further contribute to this evolving conversation and inspire necessary change, we now turn our focus to one of the most pressing topics today: the huge influx of migrant workers, specifically Third-Country Nationals (TCNs) with single work permits in Malta in the last decade. As Malta’s economic engine continues to run at a fast pace, the presence of these migrant workers has become indispensable to keep the momentum going and ensure that the wheels keep on turning. Yet, we firmly believe that TCNs should not be seen as mere cogs in Malta’s economic engine. Their lives, their challenges and their contributions matter and they go beyond economic output alone, touching on every aspect of Maltese society and demanding thoughtful consideration.

Beyond GDP II aims to provide an objective snapshot of TCNs’ roles in Malta, examining the dual relationship of both their economic contributions to the local economy as well as the support Malta’s economic and social systems provides to them. By exploring the financial, social, and personal realities of these TCNs, the study sheds light on the challenges they face and the processes they navigate both before arriving and during their stay in Malta. This holistic view offers the Maltese public a clearer understanding of these mutual dependencies and the daily realities of TCN workers, realities which often are not discussed.

The study has three primary aims: first, to depict the economic and social impacts of TCNs on Malta, alongside effects on their quality of life; second, to provide a comprehensive understanding of the experiences these workers encounter; and third, to equip policymakers with insights that support informed, compassionate, and effective decisions regarding migration policy. While this report does not make formal recommendations, we hope the insights offered here will contribute to the ongoing policy discussion, especially

as Malta prepares an update to its migration policy by the end of 2024. With both quantitative and qualitative findings, we aim to support constructive reforms and look forward to contributing further ideas in the near future.

As highlighted by the Church in its extensive teaching on the dignity of work, work is not only about putting food on the table, but it is mainly about being able to contribute to society and be part of a community. We hope that ***Beyond GDP II*** will serve as a tool for policymakers, NGOs, and citizens alike, helping all of us to see not only the value that TCNs bring to Malta but also the importance of fostering a society where everyone, Maltese or foreign-born, can find purpose, dignity, and community.

Daniel Darmanin
President Justice & Peace Commission
25/11/2024

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List of Abbreviations

CBM	Central Bank of Malta
EU	European Union
GDP	Gross Domestic Product
GVA	Gross Value Added
ICT	Information and communication technology
ITS	Institute of Tourism Studies
LFS	Labour Force Survey
NSO	National Statistics Office
TCNs	Third Country Nationals
TCN SP	Third Country National on a Single Work Permit
TFP	Total Factor Productivity
UM	University of Malta

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Executive Summary

Beyond GDP II builds directly on the vision of Beyond GDP I, which called for a shift from solely profit-driven metrics to an economic framework focused on human wellbeing and societal progress. Commissioned by the Justice and Peace Commission (part of the Archdiocese of Malta) and supported by EY along with several freelance authors, Beyond GDP II applies this vision to a crucial and timely issue: the roles and contributions of Third-Country Nationals (TCNs) in Malta.

TCNs are indispensable to Malta's economic growth, filling key roles across various sectors, yet their experiences reveal a fundamental gap in the system—a gap between economic reliance on their labour and the support they receive as part of the Maltese society. Beyond GDP II is a critical follow-up exploring how Malta's migration and labour policies support or undermine the principles of social wellbeing and inclusivity that were advocated in Beyond GDP I.

The report combines quantitative and qualitative data. The statistical data was obtained via public sources, as well as through Jobsplus and the National Statistical Office and looked into the sectors TCNs work in, the occupations they hold, the productivity levels related to the sectors, their socio-demographics data as well as income and salary data, amongst others. On the other hand, direct insights from the TCNs' themselves on their

personal experiences were collected via semi-structured interviews with TCN community leaders as well as NGOs working alongside such groups. The discussions revolved around the single-permit application process, working conditions, accommodation arrangements and family reunification matters.

The mixed-method approach taken in this study sheds light on the impact of TCNs on Malta's economic growth, its evolving labour market, and the socio-demographic challenges that arise. It also highlights the systemic limitations and social vulnerabilities faced by TCNs, illustrating the dual nature of their role: while they are essential contributors to Malta's economy, they are often placed in vulnerable positions, facing challenges from agents, employers, landlords, and policy-related structural barriers throughout their time in Malta.

enough to fill the demand. Moreover, many of the TCNs on a single work permit are found to occupy roles of elementary, services and sales or craft occupations. Studies showing that most TCNs are overqualified for their current occupations, might suggest structural barriers being present preventing such workers from gaining upward mobility in order to engage in higher-paying, higher-productivity jobs, stalling their economic welfare and quality of life.

→ **Wages, Productivity, and Financial Contributions:**

While TCNs are critical to maintaining workforce numbers in key industries, their concentration in lower-productivity sectors and lower occupation levels, means that they are also mostly relegated to low wages, possibly leading to wage stagnation in such sectors. It was found that on average, TCNs' income is circa 17% lower than average salary in the local market. This contrasts sharply with the generally high GDP growth in Malta and emphasises this structural reliance on such low-cost labour and possibly fuels a societal divide between 'us and them'. Despite these limitations, TCNs are significant contributors to Malta's social security system, having collectively paid over €1 billion in national insurance from 2012 to 2023. Their tax and social security contributions help to sustain essential public services, which are especially vital as Malta's ageing population and therefore pension payout, place increasing pressure on the local systems.

→ **Migration flows:**

Despite the recorded and perceived large number of TCN workers on a single-work permit, migration flows are also characterised by a number of TCNs leaving the island yearly, with studies indicating that a large number of workers leave within two years of their arrival. This is due to a variety of reasons mentioned in the study and it leads a high degree of instability both for the TCNs themselves as well as the local employers, who need to retrain and reinvest in new workforce. This also undermines the development of the social fabric, since such transient stays do not enable the formation of solid relationships.

Thematic Analysis: Lived Experiences and Socio-Political Realities

The thematic analysis, derived from interviews with TCNs, illustrates the challenges they face within Malta's policy and social frameworks. It is essential to clarify that the quotes included in this study are direct, verbatim accounts shared by the participants, with the

aim of keeping their authenticity and empower the TCNs in retelling their stories. The Commission does not have the capacity to independently verify or corroborate the accuracy of these statements.

These insights complement the quantitative findings and illustrate the TCNs contribution to the local economy whilst highlighting the challenges they face in view of the systemic limitations they experience on a daily basis, ranging from the process of applying for a single work permit in itself, to the struggles they face in terms of working conditions, housing as well as family reunification matters.

→ **Challenges in the Process:**

TCNs made mention of how the application process itself and the documentation requirements are often cumbersome and complex. Coupled with the language barrier, they often find themselves pushed to engage with agents, who have been reported to often charge exuberant prices and abuse of their positioning. Moreover, given the delays in the processes themselves, TCNs are sometimes led to accept illegalities (e.g., start working before the permits are issued) in order to sustain themselves once they are in Malta. Many participants also claimed that they perceive much of the documentation requirements to be a revenue generating tool which puts extra financial pressure on the applicant.

Moreover, the complex and often inconsistent renewal processes further heighten uncertainty, with bureaucratic delays leading to temporary legal precarity and instability for TCNs. These restrictive policies ultimately limit TCNs' economic potential, as many are unable to shift to positions that align better with their skills, which results in inefficiencies in the labour market. It also feeds in to the sense of instability and precarity.

→ **Employment Related difficulties:**

Given that TCNs operate under the single-work permit, they are bound to a specific employer and a specific job. This makes their stay in Malta conditional on the benevolence of their employer, limiting their mobility and sense of agency. This structure leaves TCNs vulnerable to exploitation, as many hesitate to report poor working conditions or mistreatment out of fear of job loss and deportation. This continues to feed in the sense of insecurity, often leading them to accept unequal treatment, precarious contracts, inconsistent hours, health and safety issues and other breaches of their contracts, highlighting

Key Findings

Quantitative Analysis: TCNs' Economic and Community Contributions

→ **Demographic and Labour Force Impact:** As at August 2023 (the cut-off date chosen for this study), TCNs represented approximately 20% of Malta's working-age population, with over 56,000 individuals holding single-work permits. They hailed from a variety of different countries, with the top three nationalities being India, the Philippines and Nepal, bringing with them a variety of different socio-cultural backgrounds. Such foreign workers made up about 10% of the total workforce. TCNs between the ages of 25-39 accounted for 68% of the TCN workforce, which helped and continues to help counterbalance the demographic trend of an ageing Maltese native population.

→ **Sectoral Presence, Occupational Levels and Economic Contributions:**

Statistics indicate that TCNs are predominantly concentrated in essential, yet traditionally low-wage sectors like construction (whereby they account for 25% of employees), administration and support (which include temping agencies), retail and hospitality. TCNs fill critical labour gaps in these sectors underserved by local workers, which face persistent labour shortages as native workers shift away from such industries. TCNs provide the necessary workforce to sustain these areas, which remain key contributors to Malta's GDP growth. It was also found that such sectors tend to have lower productivity levels, possibly raising concerns about the long-term sustainability of this economic model. However, despite lower in numbers, TCNs can also be found in high skilled sectors such as ICT, whereby native workers are not

the power-imbalance between employer and employee.

→ **Housing Challenges and Living Conditions:** The influx of TCNs has also created high demand for properties in the rental market, with 74% of Malta's registered renters being TCNs, driving up prices. This high demand, along with the lack of awareness of different options and regulations in place, often lead TCNs to accept substandard housing conditions, such as places with poor hygiene or being overcrowded. It also enables landlords to carry out exploitative practices, knowing that if one tenant leaves, the demand is high enough to find new ones.

Although recent policies aim to curb overcrowding and improve living conditions by enforcing occupancy limits and requiring lease attestations, these measures often increase the financial burden on TCNs, particularly those in low-wage roles. As a result, TCNs' quality of life remains strained, and high housing costs perpetuate a cycle where they struggle to achieve financial stability or improved living conditions, as some might also accept suboptimal conditions to save on costs and send remittances back home.

→ **Family Reunification Challenges:** Participants outlined how increasingly stringent income thresholds and complex requirements for family reunification are creating significant barriers, isolating many TCNs from their families and

essential support networks. Others have mentioned that despite having ID cards of their children rejected, these minors are sometimes ending up remaining in Malta for the lack of caring options in the country of origin, living an invisible life locally, increasing their vulnerability. Moreover, the financial and procedural challenges associated with meeting the family reunification requirements often lead to emotional strain and challenges the TCNs long-term commitment to Malta, undermining their potential as stable contributors to the community. A number of interviewees mentioned the fact that a good number of TCNs are deciding to move to other countries, such as Germany, which might have more family-friendly measures.

Moreover, participants mentioned that even in the eventuality that family reunification is granted, delays in the processes are leading to complications in terms of access to education for children which undermine a secure attachment with the country.

This analysis does not seek to victimise TCNs. Through the interviews, it was clear that these workers are often resilient and inventive in the face of challenges and struggles faced along the journey to work in Malta. Nevertheless, their stories also point towards three major underlying sentiments that arise due to the structural and non-structural barriers they are facing, namely a sense of disempowerment, helplessness and insecurity.

Conclusion

The report's findings reveal a critical juncture for Malta's economic model. Whilst TCNs are indispensable to sustaining local GDP growth, addressing labour shortages and supporting the native ageing population, the current emphasis on economic gains, without corresponding social protections, risks deepening inequities that could destabilise Malta's social and economic fabric in the long term.

This report highlights the potential of a Beyond-GDP perspective to offer a more sustainable path forward—one that values TCNs not just as economic assets but as integral community members whose well-being, stability and inclusion are fundamental to Malta's overall prosperity. This recognition is vital as it lays the groundwork for a more comprehensive economic strategy. By moving away from a narrow focus on GDP

and embracing a more holistic approach, Malta has the opportunity to cultivate a balanced economy that not only promotes growth but also respects the dignity of work and improves the quality of life for everyone, irrespective of their origins.

1. Introduction

1.1. Our point of departure

In November 2020, the Commission for Justice and Peace (herein after referred to as, the Commission), in collaboration with EY and Seed Consultancy and with the support of the local branches of the Focolare Movement, the Centesimus Annus Pro Pontifice and APS Bank published a first study entitled “Beyond GDP” (Commission for Justice and Peace, 2020).

The primary objective of the study was to provoke conversation around the exclusive use of Gross Domestic Product (GDP) figures to gauge the success and well-being of society. Moving away from the notion that GDP can be the sole indicator of a successful economy, the study made use of the OECD Better Living Index to reflect on other indicators relevant to the Maltese context, namely; income, housing, education and skills, jobs, health and lifestyle and environmental quality.

Since 2020, the Maltese economy has continued to expand, with an impressive recovery from the slump experienced globally due to the COVID pandemic, recording a real GDP growth rate of 12.5% in 2021, which was more than double the European Union (EU) average of 6% (World Bank, n.d). Over the past 15 years, Maltese GDP figures have more than doubled in size according to Eurostat figures, placing it as one of the front-runners in the EU in terms of economic growth.

Yet the question posed by the Commission back in 2020 still stands today, “Do higher GDP growth rates necessarily indicate a successful economy which provides a better quality of life for all the people in the economic system?” It is imperative to note that here we are referring to all the people making part of and contributing to the economic system, not just Maltese citizens.

This clarification is essential, in view that over the past decade Malta has attracted and hired thousands of foreign workers (both from the EU and outside), through targeted economic policies aimed at sustaining

the current economic model and growth rates (Macdonald, 2019; Martin, 2019; Ministry for Finance and Employment, 2021).

Given our small island and open economy, the flow of people has always had an outsized effect on economic growth.¹ But in recent decades it has become an economic strategy in and of itself. Inward migration, traditionally from the EU but increasingly so from outside, the so-called “third countries”, has fueled population growth and with it, GDP growth. The government has linked this growth in the labour force with substantial GDP growth (Borg, 2023). The Malta National Employment Policy for the years 2021–2023, acknowledged that, “the economy grew much faster than expected and migrant workers alleviated the stresses of resulting labour shortages” (Ministry for Finance and Employment, 2021, p.10). Therefore, this increased inflow of migrant workers from third countries, was not a mere coincidence, but a direct response to systematic migration policies put in place to attract workers from overseas.

1.2. The economic, political and social mechanics behind labour migration

The economics of migration often tends to highlight a positive net impact on the host economy. Net migration increases lead to an expanding population and reduces the rate of ageing, particularly valuable for economies, such as the in the EU (including Malta), with ageing populations and fertility rates much lower than the replacement rate (“It’s not just a fiscal fiasco”, 2023).

Foreign workers fill in both high and low skills’ gaps. Highly skilled migrants, drive innovation, with research showing a link between skilled migration and entrepreneurial ability (Hunt, 2010), whilst lower-skilled migrants work in industries which native-born workers move away from (Borg & Debono Drury, 2024).

Thus migration (in the EU and Malta), serves a distinct economic purpose. In 2022, 9.93 million non-EU citizens were employed in the EU labour market, out of 193.5 million people aged 20 to 64, corresponding to 5.1% of the total, being defined by the European Commission as “essential workers” (2024). The ‘European Dream’ now rivals the American one as a selling point for third country nationals (TCNs) as the place to find security and thrive.

In Malta, in 2023, 35% (107,406) of the total workforce was in-fact non-Maltese (Borg & Debono Drury, 2024, para. 11), with two-thirds of them being TCNs (Jobsplus, 2024). Malta witnessed record numbers of foreign workers who “have been driving economic growth across several industries” (Borg & Debono Drury, 2024, para. 3), changing the labour force structure, contributing substantially through social security payments (over €1bln in NI payments between 2012 and 2023) (Balzan, 2023) and sustaining the current pension system. Moreover, as Maltese workers move away from manual jobs to more white-collar professions, foreign workers fill in such emerging gaps (Borg & Debono Drury, 2024).

Yet, suboptimal economic implications remain. Such influx, especially in the low-paid jobs often leads to a ‘race to the bottom’ in terms of salaries, whereby foreign workers accept very low wages, pushing out locals from

such industries. Moreover, the resulting rapid expansion of the population, generates greater demand and pushes prices up and contribute to inflation, particularly in the rental property market.

“Politicians promise to cut immigration while knowing their societies couldn’t function without it” (Kuper, 2024). Whilst governments are aware of the need of TCNs in their economic markets, political attitudes towards migration are increasingly shifting to a more far-right stand, with governments in the EU and UK, stiffening their immigration policies (AFP, 2024), shifting towards closing borders and keeping outsiders out (Dubois & Hall, 2023). As elections’ results seem to favour such ideologies, centre and left-leaning parties are more inclined to adopt such restrictive migration policies as well (AFP, 2023). The EU “need-hate” relationship with migrants has turned the European Dream into ‘Fortress Europe’ (“Europe is stuck in a need-hate relationship with migrants”, 2023).

This is also reflected in Malta. “The Government is conscious that migrant workers are required to sustain the demand for labour by Malta’s private sector” (Ministry for Finance and Employment, 2021, p.254) and there is an acknowledgement “that many non-EU workers are contributing productively to the economy” (Ellul & Zammit, 2023). Yet, concurrently “there is a concerted effort to limit the population growth” (Ellul & Zammit, 2023), as locals become more vociferous on the matter.

Over the past few months, the government has announced various clamp downs on migrants in general, with an increased number of raids (Agius, 2024; Cordina, 2024), as well as stricter rules in terms of TCNs working in Malta, such as the introduction of a Skills Card for people working in the hospitality industry (Xuereb, 2023) and the sudden decision to refuse further work permits for cab drivers and couriers (Ellul, 2024), amongst others. In the past few months, the local migration policies have been in constant flux, creating

¹ Like many other countries, Malta has witnessed both inward and outward migration flows. While most recent experience is of significant inward flows, in the 1950s and 60s up to a third of Malta’s population left the country for Australia, the UK, Canada, and the US, among others, as part of the country’s assisted passage scheme.

a degree of uncertainty, for employers and foreign workers alike.

The societal aspect is also complex and brings an array of repercussions for both the migrants and locals alike. Locals' reactions are mostly driven by the fear of the unknown, the feeling of being 'taken over' by foreigners and the sudden changes that occur in the social fabric as a result of larger and more diverse population numbers, in such a short period of time.

Even though this mass importation of foreign workers has had a positive impact on the financial prosperity and economic growth in Malta, it has also created unprecedented pressures on the local infrastructure, with foreign businesses operating locally expressing their concern that the infrastructure is not adequately prepared for this population growth (EY, 2023).

Overpopulation and migration issues have been recorded as some of the top concerns for both the business community (Chamber of SMEs, 2024) and the public in general (Debono, 2024; Eurobarometer, 2024). Almost half the respondents (48.4%) to a study carried

1.3. Focus of this study

In light of this complex and evolving context, the Commission has decided to embark on this second study, 'Beyond GDP II' and focus primarily on TCNs on a single work permit, who as at August 2023 amounted to 56,694, accounting for 20% of the total working age population (Jobsplus, 2024).

The Commission decided to focus on such cohort, being the largest group of non-EU Visa holders in the local labour market who are contributing to the economic growth and whose employment and residence arrangements are deemed to be the least stable and most precarious.

The study provides an analysis of this group's contribution to the economy (e.g. productivity indicators, Gross Value Added (GVA), and analysis of sectors and occupations they hold), whilst also delving into their lived experience related to the (i) their income, (ii) the single-work permit process itself, (iii) employment conditions, (iv) accommodation conditions and (v) family reunification issues.

out by the University of Malta (UM) stated that locals perceived migrants as more of a burden than a strength of the country (Azzopardi, Bonnici & Marmara, 2021).

TCNs themselves, upon arrival, often face a reality that is completely different to the conditions they have been told abroad. Some migrants are made to pay extortionate fees for jobs that never materialise, becoming dependent to visa sponsorship and at risk of taking on risky and precarious cash-in-hand jobs. Anecdotes of exploitation of TCNs by employers (Azzopardi, 2024; Ellul, 2023a; Tortell, 2024), recruitment agencies (Ellul, 2023b) and landlords (Cummings, 2023, 2024) are rife. Moreover, the application and renewal processes, family reunification issues, such as the possible repatriation of children (Abela, 2019) and the ever-changing policies put extra pressure on the TCNs themselves. Prof. Manwel Debono, from the Centre of Labour Studies (UM), stated that, "TCNs are often treated unfairly by our society. They are viewed as a commodity rather than as human beings and there is hardly any attempt at integrating them in the Maltese society. This is morally wrong." (Vella, 2023, para.10).

By no means does this study aim to underestimate the complex role of balancing the economic growth and financial prosperity of a country with the necessary migration policies and safeguarding the human rights of both the host community and the migrant workers. Yet, based on the Catholic Social Teachings and with a special focus on the 'dignity of work' as specified by Pope Francis in many occasions, this study aims to explore in greater detail the risk of the commodification of TCNs and their work, with the sole aim of boosting economic growth.

“But there are many slaves today too, many men and women who are not free to work; they are forced to work in order to survive, nothing more. They are slaves: it is forced labour. It is forced labour, unjust, ill-paid, and which leads men and women to live with their dignity trampled underfoot.”

(Pope Francis, 2020, para. 5)

1.3.1. Research Questions

This study aims to answer the following research question: *“What are the costs and benefits faced by TCNs on a single work permit in Malta in relation to their contribution to GDP growth and beyond?”*

In order to answer such questions, the following sub-questions will be answered.

- a. What are the demographics of the different TCNs on a single work permit working in Malta?

- b. What is the economic contribution nationally and specifically to the various sectors created by the population under study?
- c. What policies and regulations in Malta influence the quality of life for TCNs on a single work permit in Malta in the areas of;
 - a. employment conditions
 - b. accommodation conditions
 - c. family reunification policies
- d. What other challenges and barriers are faced by TCNs on a single work permit?

1.4. Structure of this study

The report is structured as follows. This first chapter outlined the *raison d'être* of this research project as well as the different dimensions related to labour migration (economical, political and social). Moreover, it highlighted the research questions around which the study has been developed.

The second chapter will lay out the methodology adopted, outlining the quantitative and qualitative approaches applied. The third chapter provides a context to the study, outlining statistical figures about the Maltese economy and demography which act as a backdrop to the migration flows of TCNs, as well as the relevant policies and legislations which relate to this same cohort.

Chapter four presents the real lived experience of TCNs on a single work permit in Malta, by outlining major statistical facts and figures about this group, whilst chapter five presents the voices of foreign communities and stakeholders, discussing challenges and issues which they face locally. This aims to give these people a voice in an arena whereby often their voice does not feature, whilst also illustrating the reality that these workers live and that the general public might not be aware of. We hope that this will help in forming evidence-based policies moving forward, whilst bringing greater awareness to the local population. Finally, the final chapter provides a synthesis to this study.

2. Methodology

Understanding the role of TCNs in Malta's GDP growth requires a thorough understanding that goes beyond surface-level gains. To achieve this, a comprehensive research effort is necessary to capture both the measurable impacts and lived experiences of TCNs. This dual approach is crucial for understanding TCNs' multifaceted contributions, requiring a mixed-methods approach that integrates quantitative analysis of economic impacts, employment trends and demographic data with qualitative insights into personal narratives, cultural integration and community dynamics.

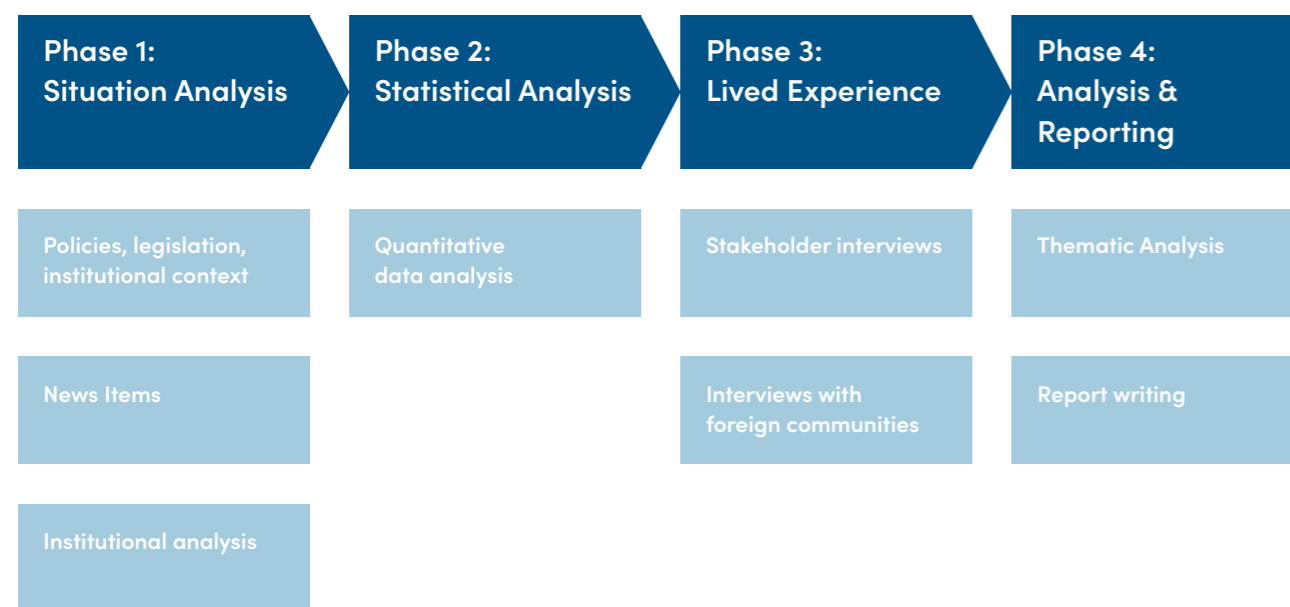
The quantitative analysis used datasets from the National Statistics Office (NSO) and Jobsplus (the national public employment service), to assess the employment landscape up to August 2023². These datasets were instrumental in quantifying the number of employed TCN, delineating their demographic profiles and categorising their employment status. Additionally,

salary data from the Labour Force Survey (LFS), provided by NSO was also analysed.

However, this statistical data alone does not capture the depth of the TCNs' lived experiences, personal challenges and unique narratives. Therefore, qualitative methods were employed to capture these personal experiences which are often overlooked in quantitative studies. The qualitative component included a systematic review of published news as well as in-depth interviews with institutions, stakeholders and members from the six most predominant TCN communities in Malta. This approach helped put the numerical data into context, making it possible to understand the personal and unique experiences of these TCNs.

This mixed-methods approach involved an iterative process organised into distinct phases, as illustrated in Figure 1 below. A full description of the entire phased approach employed in terms of methodology of this study can be found in Appendix A.

Figure 1 Illustration of phased approach



² An August 2023 cut off point was adopted, given that at the time of writing and analysis, that was the most recent disaggregated data Jobsplus could provide the authors with. Waiting for later data sets would have led to further delays in the analysis.

3. Context analysis

This chapter offers a better understanding of the context of this study. It focuses on Malta's economic, demographic and policy context, highlighting how socio-economic changes in recent years have led and sustained the increase of single work permit TCNs in Malta.

3.1. Economic snapshot and local demographic developments

This first sub-section provides an overview of Malta's economic performance and demographic shifts. It includes an examination of economic growth rates, sectoral changes, productivity considerations and changes in the structure of the native population and changing labour market.

3.1.1. Economic growth

Despite its small size, Malta's economy has come a long way, transforming itself from a naval base into an independent state with a diversified economic base, triggered by market liberalisation, investment in human capital and a targeted foreign direct investment (FDI) strategy.

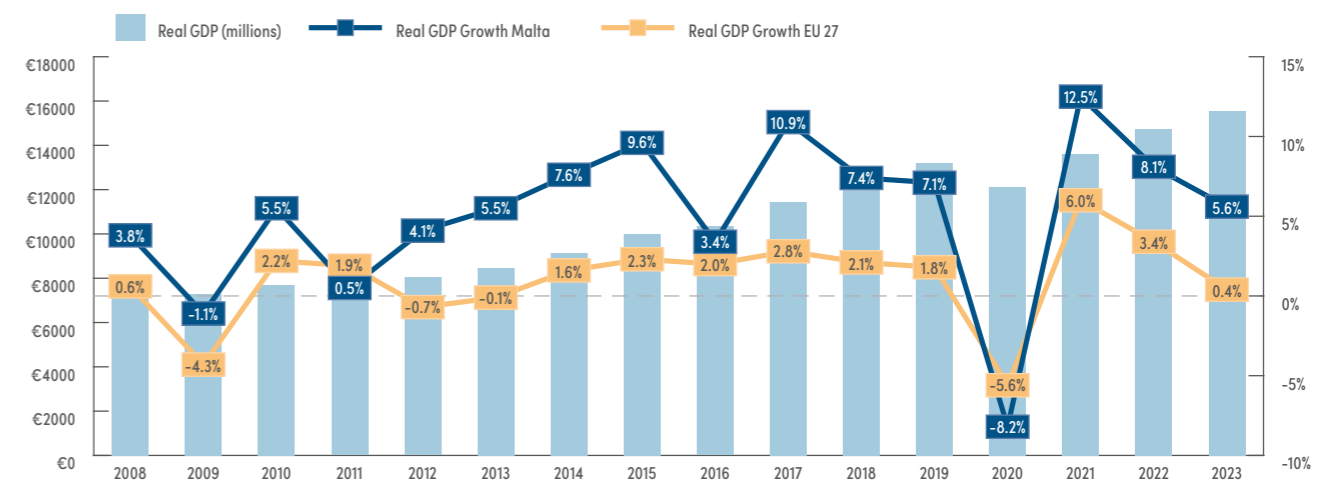
Its small size and nimble nature allowed for rapid growth and agile response through targeted measures and efficient aid, when faced by external national and

global shocks. As depicted in Figure 2 Real Economic Performance the economy managed to rebound swiftly both after the 2008–2010 financial crisis as well as after the Covid-19 pandemic, underlining its strong resilience.

In the past 15 years, the Maltese (real) economy has more than doubled in size, reaching €15.5 billion in 2023. The local growth rates have been topping the EU figures for years on end, with the average annual real GDP growth rate being that of c. 6.3% between the years 2013 and 2023 (Vs 1.5% EU27 average).

Whilst considered to be a resounding success by many, the fears of an overheating economy have also been voiced by a number of stakeholders, questioning the sustainability of such trajectory, as well as the non-financial costs related to such growth rates. (*'Editorial: Cool down the overheating economy', 2023*),

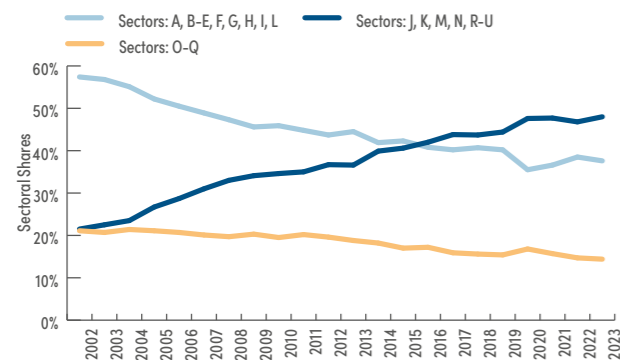
Figure 2 Real Economic Performance



Source: EY figure using Eurostat data

Malta's most notable economic transformation has been its successful shift towards becoming a service-based economy. Since joining the EU, the share of the services sector in Malta's economy has expanded by 25 percentage points, accounting for approximately 48% of the economic activity in 2023. As illustrated in Figure 3, Malta has managed to diversify its economic fabric with targeted regulatory frameworks and incentives (including tax incentives). The current economic structure features a mix of sectors including emerging high-value, knowledge-intensive service industries such as financial services, gaming, information and communication technology (ICT), and professional services. These are complemented by traditional sectors that form the cornerstone of Malta's economic development, including tourism, manufacturing, and family-run enterprises in the wholesale and retail industries. Such a diversified economy has been crucial for the local small open economy to cushion against excessive vulnerabilities and exposures to external shocks.

Figure 3 Sectoral Transformation



Source: EY figure using Eurostat data

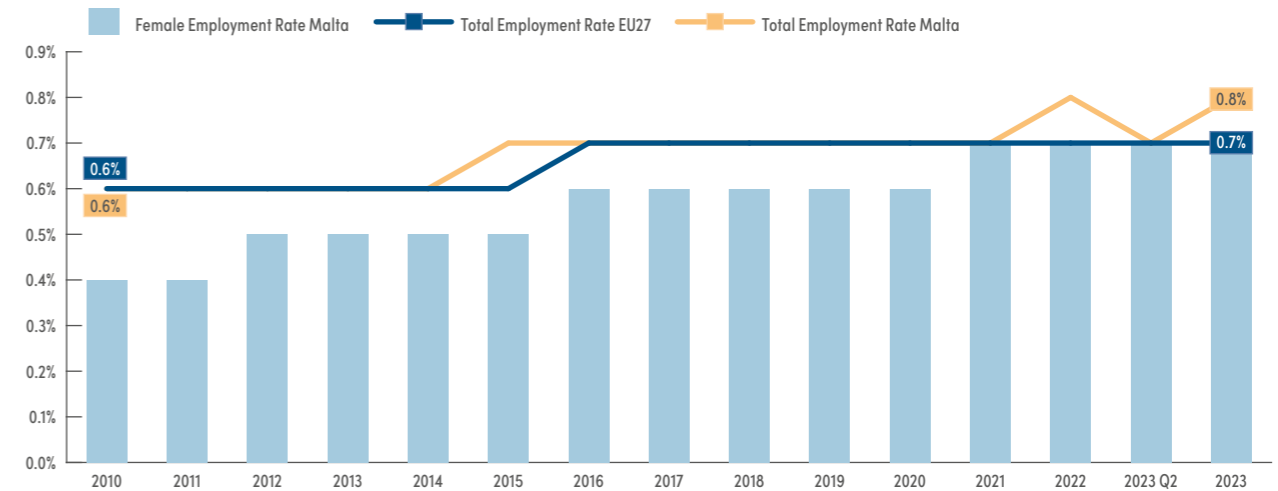
NACE Codes Definition:

- A: Agriculture & fisheries
- B – E: Industry including Manufacturing
- F: Construction
- G: Wholesale & Retail
- H: Transportation & storage
- I: Accommodation & food services
- J: Information & Communication
- K: Financial & Insurance
- L: Real Estate
- M: Professional services
- N: Administrative & support services
- O – Q: Public administration, education & health
- R – U: Arts, entertainment, gaming & other services

3.1.2. Overall employment trends

Malta's strong economic performance is also reflected in its record employment figures that have consistently outperformed EU averages. Malta's employment rate surpassed the EU27 average in 2016 and stood at 77.0% (Vs 70.0% EU27) in 2023 (Figure 4 Employment Rates). This significant increase from the 56.0% recorded in 2010 has been spurred by the numerous active labour market policies, including those aimed at attracting females into the labour market (e.g., the provision of free childcare), leading female employment participation rates to increase from 40.0% in 2010 to 71.0% by the end of 2023.

Figure 4 Employment Rates



Source: EY figure using Eurostat data

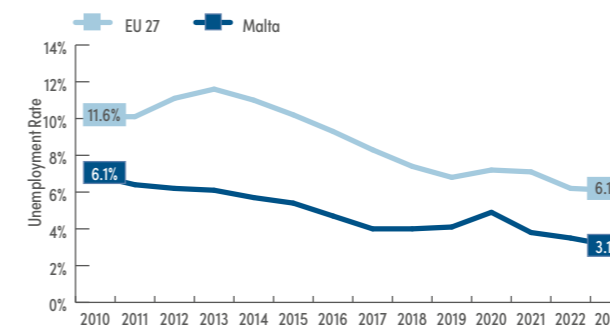
Another key transformation in Malta's labour market was the sharp increase in non-Maltese workers, also driven by government policies aimed at attracting foreign workers to fill in the shortages and further sustain the ever-growing GDP growth rates. Back in 2018, the Maltese Prime Minister stated that, "An influx of foreign workers is not only inevitable but necessary for Malta to maintain current economic growth levels" (Cocks, 2018, para 1). As outlined in Chapter 4, the non-Maltese workforce has been the largest contributor to the growth of Malta's labour force and has contributed significantly to overall economic performance. Non-Maltese nationals made up roughly 35.0% of Malta's total workforce in August 2023 (Jobsplus, 2024). In parallel, Malta consistently achieved some of the lowest unemployment rates in the EU, being at its natural rate of unemployment since 2017 and reaching record lows in 2023. The LFS shows how over ten years Malta halved its unemployment rate from 6.1% in 2013 to 3.1% in 2023. Although there was a slight increase in unemployment in 2020 due to the pandemic, the rate quickly reverted to the pre-pandemic levels of 2019 by the 2021 (Figure 5 Unemployment Rates).

3.1.3. Productivity and competitiveness

Malta's burgeoning economic performance came off the back of several sectoral developments, including the diversification and the establishment of new niche, primary service-based sectors. Intersectoral diversification was also a key policy initiative with sectors being developed into ecosystems and new sub-sectors established, such as the Fintech, pharmaceuticals and advanced manufacturing. It is therefore imperative to look at the sectorial contribution.

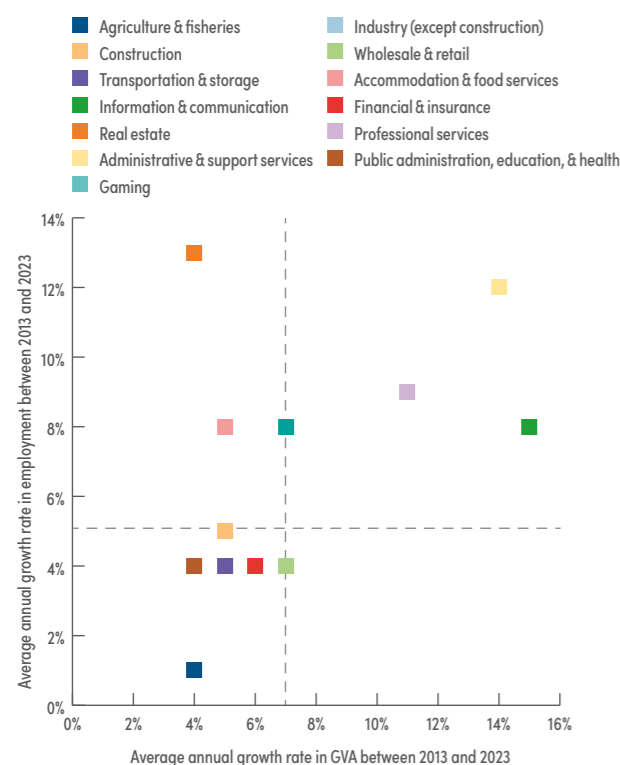
In this study we have looked at the GVA and employment growth to better understand the sectoral developments over the years. Figure 6 Average Annual GVA & Employment Growth: 2023 vs. 2013 illustrates how sectoral disparities exist in relation to their correlation between productivity and employment growth, suggesting that greater employment growth doesn't necessarily translate in higher productivity (GVA).

Figure 5 Unemployment Rates



Source: Eurostat, 2024b

Figure 6 Average Annual GVA & Employment Growth: 2023 vs. 2013



Source: EY estimates, based on Eurostat and Jobsplus data, 2024

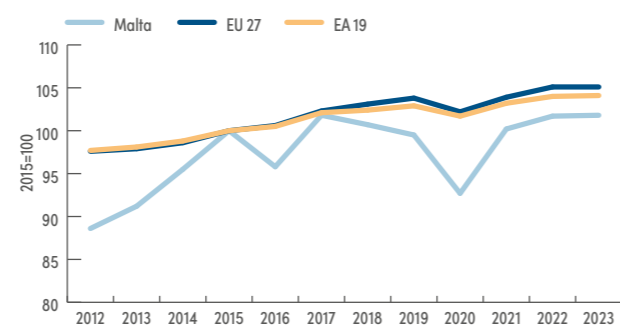
As evident in the above quadrants, delineated by the average annual growth rates in employment (5% - Horizontal dotted line) and average GVA (7% - Vertical dotted line) between 2013 and 2023, not all sectors exhibited faster GVA and employment growth.

During the period under review, four sectors (top-right quadrant) – ICT, professional, scientific & technical, administrative & support services³, and gaming – all exhibited strong growth in employment and GVA indicating booming industries. Yet, industries in the top-left quadrant, such as construction, accommodation and food services, and real estate, exhibited strong employment growth which did not translate into proportional GVA growth, suggesting lower productivity levels within these industries. The sectors falling into

the bottom-left quadrant indicate lower-than-average growth in both employment and GVA.

Moreover, Malta's Total Factor Productivity (TFP), which is typically related to productivity from technological advancement, has grown significantly over the years, peaking and converging to EU27 and EA19 averages in 2017. Yet, it has gone down again and remains below the EU and EA averages. (Figure 7 Total Factor Productivity). All of the above suggests that productivity presents a key challenge for Malta.

Figure 7 Total Factor Productivity



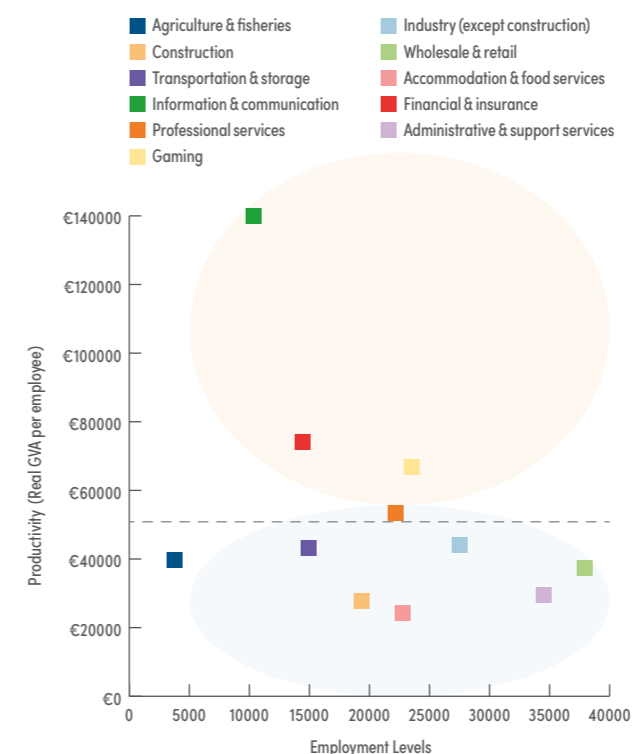
Source: European Commission, 2023

Figure 8 Productivity and its relationship with Employment (2022), delves deeper into productivity figures, by calculating the real GVA per employee per sector, so as to better understand productivity per sector. The graph indicates that in 2022 the service-oriented sectors were the most productive (per employee) and contributed significantly to the economic improvements observed from 2013 to 2023, as has already been highlighted in Figure 6 Average Annual GVA & Employment Growth: 2023 vs. 2013.

The Maltese economy appears to be divided into two distinct groups, delineated by the average national productivity figure of approximately €49,000 per employee in 2022.⁴ The first group includes sectors like gaming, ICT, and other service industries, which exhibit above-average productivity, delivering high

value-added with a leaner workforce. The second group comprises of sectors that are more dependent on manual labour and have not achieved high productivity levels. In fact, there is an inverse relationship between the productivity of these two groups. This stands to show that having a larger workforce does not necessarily equate to higher productivity.

Figure 8 Productivity and its relationship with Employment (2022)

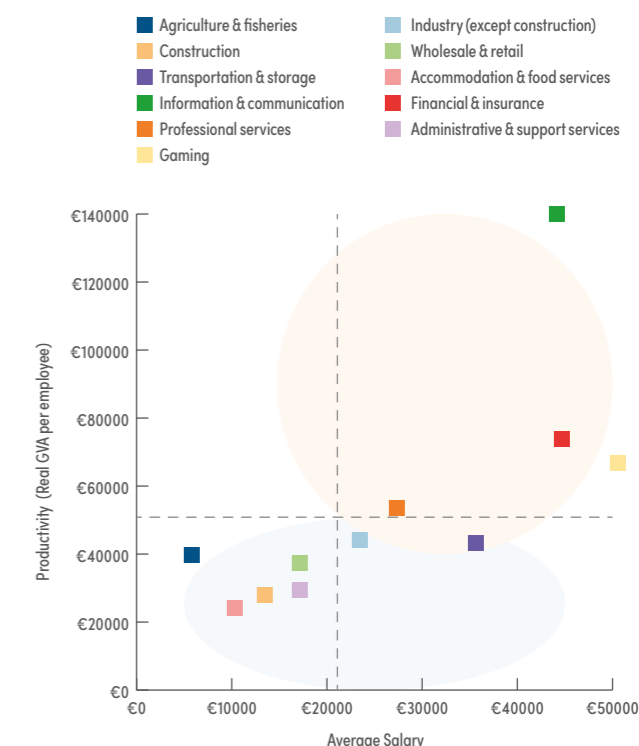


Source: EY estimates, based on Eurostat and Jobsplus data, 2023

Moreover, productivity is not only the key driver of economic activity, but could also be an indicator of wages and living standards, as shown in Figure 9 Productivity and its relationship to Wages & Salaries (2022) below. The figure indicates that salary growth rates vary between the two distinct productivity clusters within the Maltese economy. The first cluster, comprising of sectors such as gaming, ICT, professional services, and financial and insurance services, are at the forefront of productivity and record higher-than-average salaries, which in 2022 was circa €26,000 per employee (vertical dotted line). These sectors are typically associated with skilled labour and technological innovation, which justifies the higher remuneration and reflects their substantial contribution to the economy's value-added. In contrast, the majority of industries in the second cluster, includes sectors that rely more on

manual labour and less on technological advancements. These tend to offer wages that gravitate towards the national average. Hence, from this analysis one can conclude that there is a generally positive correlation between productivity and salaries, which could possibly indicate a better quality of life of the employees.

Figure 9 Productivity and its relationship to Wages & Salaries (2022)



Source: EY estimates, based on Eurostat and Jobsplus data, 2023

These insights have significant implications for policy makers who are tasked with steering the economy in a desired direction. Understanding how productivity correlates with wages, and how different sectors contribute to the overall economic landscape, can guide strategic decisions, particularly in the context of Malta's population growth, which is an important factor to consider.

3.1.4. Local demographic developments

Malta has also been experiencing a structural change in demographics with an ever-increasing ageing population. Between 2003-2023, the percentage of Maltese citizens aged 65 and over, rose by 10.7 percentage points, climbing from 12.8% to 23.5% of the total population (NSO population statistics). This

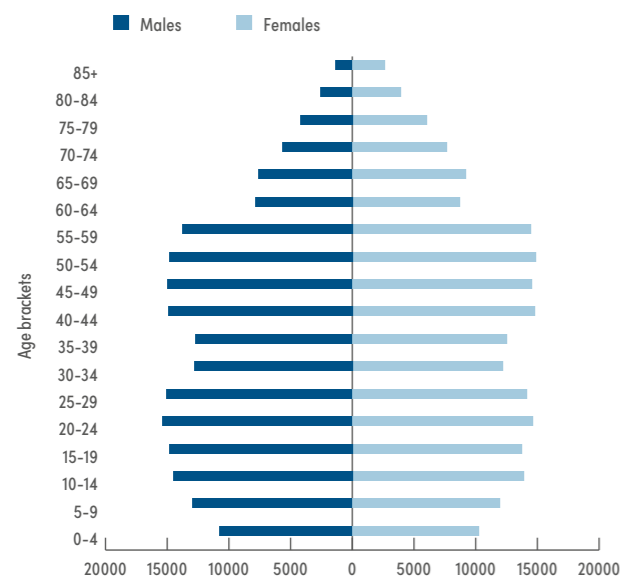
³ The administrative and support services' sector includes an array of activities that support general business operations such as leasing activities and office support, as well as the activities of employment placement / temping agencies which recruit workers from abroad to fulfil a wide array of services and economic needs, ranging from cleaning and delivery services to carers and nurses.

⁴ Productivity analysis has not been undertaken for public administration, as its results can often be distorted due to public administration's involvement in other economic activities that are inherently unproductive, such as instances where the government intervenes in market failures. Additionally, health and education, which are frequently aggregated with public administration for statistical reasons, have not been separately evaluated for productivity because the necessary data to assess them independently is not consistently accessible. Furthermore, the real estate sector has been excluded from the analysis because productivity is measured by dividing the GVA by the number of employees in the sector. In the real estate sector, GVA primarily comes from the sale or rental of property. Additionally, the sector has a significant number of part-time workers, making productivity analysis potentially misleading compared to other sectors. In fact, calculating productivity for the real estate sectors works out at Eur 206,000 per employee

demographic shift is attributed to both improved life expectancy and a declining birth rate. In 2022, the fertility rate stood at 1.08 (NSO, 2024a), being below the replacement rate (c.2.1), accentuating the trend towards an ageing population. This is illustrated by the age-sex pyramid for the native Maltese population (i.e., those holding Maltese citizenship).

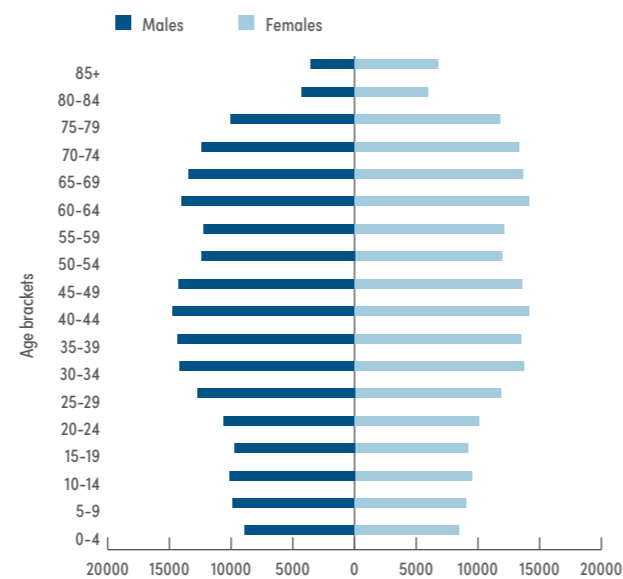
Moving from a broad base in 2003, indicative of a substantial young and working-age population supporting a relatively small elderly population (Figure 10 Population Distribution of Maltese Citizens 2003), to a shift towards a bulging middle and contracting base of the younger age group, and an expanding segment of older individuals in 2023 (Source: EY figure based on NSO population statistics). Progressively, Eurostat projections for 2040 suggest an inverted pyramid for the native Maltese population, emphasising the severity of the ageing population challenge, with a dwindling younger demographic to support the increasing number of elderly (Figure 12 Population Distribution of Maltese Citizens 2040).

Figure 10 Population Distribution of Maltese Citizens 2003



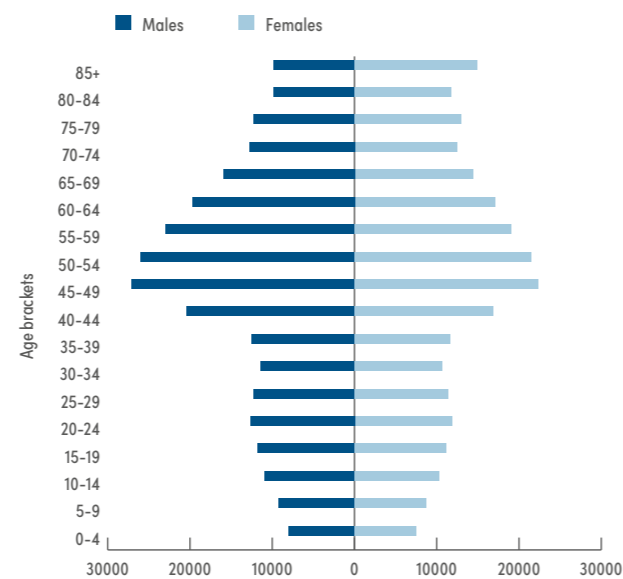
Source: EY figure based on NSO population statistics

Figure 11 Population Distribution of Maltese Citizens 2023



Source: EY figure based on NSO population statistics

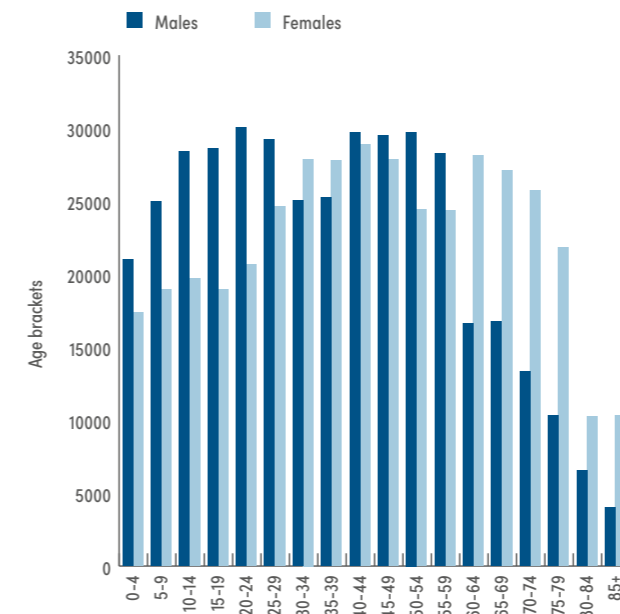
Figure 12 Population Distribution of Maltese Citizens 2040



Source: EY figure based on Eurostat population projections, 2024

Such population demographics have clear implications on the labour market (Figure 13 Population of Maltese Citizens 2003 and 2023). Focusing solely on Maltese citizens, the count of individuals younger than 19 years has fallen by around 28,000, while the number of those exceeding the retirement age has surged by about 45,000. Over the next decade, Malta stands to lose at least another 14,000 from its native working age population due to retirement, that is, 5% of this total.

Figure 13 Population of Maltese Citizens 2003 and 2023



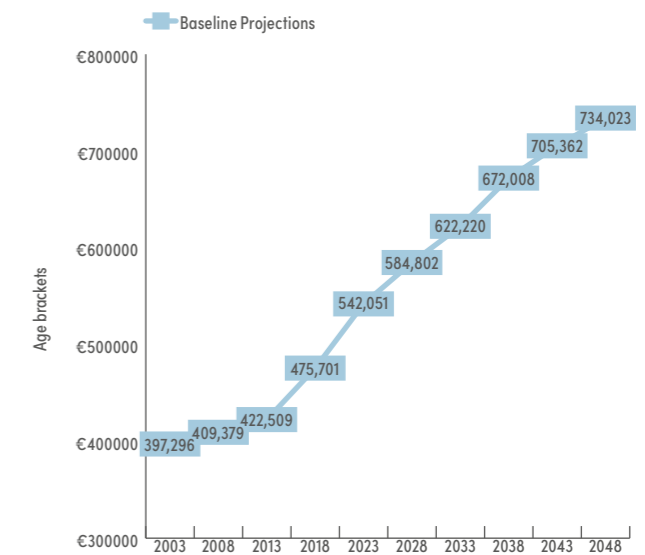
Source: EY figure based on NSO population statistics

The number of old-age dependents per 100 people in the workforce stands at around 45, that is, for every one elderly, two are contributing through employment. This ratio would decrease to 33 old-age dependents per 100 workers if the non-Maltese workforce were included, indicating a more favourable three workers for every elderly person (EY calculation).

To this end, today it is widely acknowledged by operators across all sectors that the influx of non-Maltese workers has played a key role in transforming Malta's economy and in sustaining the level of economic growth registered in recent years, particularly in the face of these demographic changes.

As a result of this influx, Malta's population has increased by about 28.0% from 422,509 in 2013 to 542,051 in 2023 (NSO, 2024b) – an average increase of 10,000 people each year. Malta not only retained its place as the most densely populated EU country, but the population density continued to soar, reaching 1,693 persons per square kilometer in 2022 – an increase of 345 persons per square kilometer from 2013. Looking ahead, based on Eurostat's projections and assuming current trends persist, Malta's population could exceed 700,000 within the next 25 years (Figure 14 Population Projections).

Figure 14 Population Projections



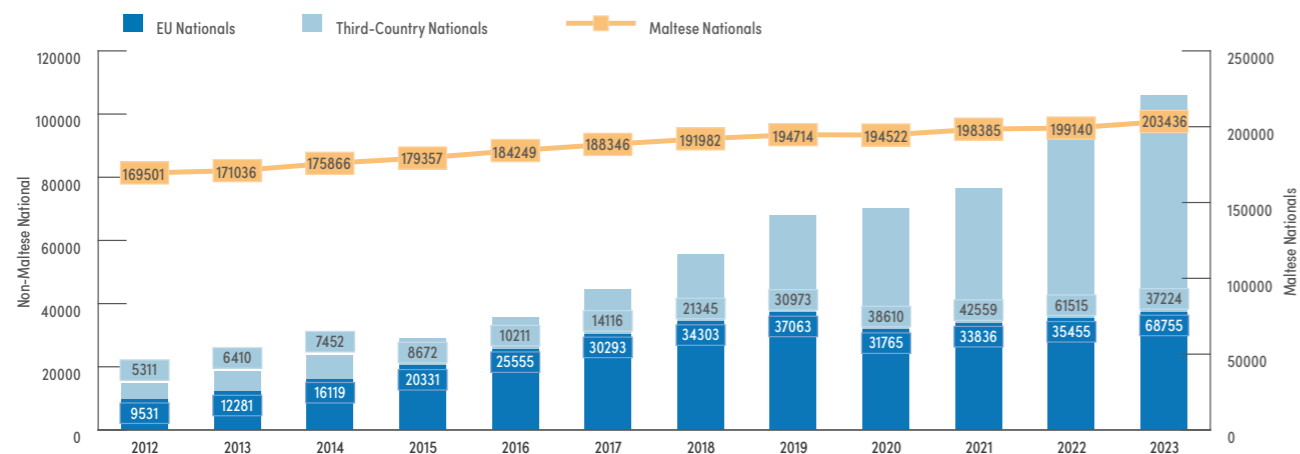
Source: Eurostat, 2024

3.1.5. Labour market developments

This population change is mirrored in the labour market, which exhibited a significant growth in the participation of both EU and non-EU nationals. Between 2012 and August 2023, the non-Maltese component of the labour force exhibited the fastest average annual growth rates. Whereas, the Maltese cohort grew on average by 1.6% each year, in line with the natural population growth rate, the TCN cohort registered an average annual growth rate of 27.8% followed by 14.0% registered by the EU national category.

As of August 2023, 34.3% of the total Maltese labour force comprised of non-Maltese nationals, with almost two-thirds coming from third countries. As of August 2023, Malta had the second highest share of non-Maltese employed in the labour market when compared to EU27, second only to Luxembourg which had a staggering 54.2% of its labour force who were foreign, the majority of which were EU nationals (45.1%) (Eurostat, 2024a). However, of all the EU member states Malta has the highest share of non-EU nationals making up its labour force – in 2023 these amounted to approximately 22.2% of the total employed. Indeed, the TCN share in the labour force continued to increase over the years, surpassing the number of EU nationals working in Malta in the last three years (Figure 15 Labour Market Composition).

Figure 15 Labour Market Composition



Source: EY figure based on Jobsplus data, 2024

The sharp rise in TCN workers, particularly from 2017 onwards, suggests the increasing reliance on these employees, as they become an essential component of the Maltese workforce, with all the implications for policy regarding immigration, integration and labour market regulation.

As of August 2023, the number of TCNs with a single work permit in Malta reached a head count of 56,694⁵. Chapter 4 will concentrate on single work permit holders, and will give a more in-depth analysis of characteristics of this cohort.

3.2. Policy developments

The influx of TCNs on a single work permit was a direct result of targeted policies and measures aimed at attracting such foreign workers. This sub-section provides an overview of these major policies which regulate such workers, not only in the work sphere, but in other indirect areas which impact their quality of life (e.g., housing and family reunification). Such policies have been undergoing several changes in the past months. As outlined in the methodology, the authors decided to set a cutoff point of September 2024 in terms of policies hereby being reported.

3.2.1. Single work permit

The Immigration Act (Chapter 217 of the laws of Malta) and its related subsidiary legislation outline the legal framework for non-Maltese citizens to live and reside legally in Malta. While EU citizens have the right to live, study, and work in any EU country, including Malta, on the basis of EU Treaties and EU law, the rights of non-EU

or TCNs legally residing in Malta, vary according to the kind of residence permit they hold.

Most TCNs residing in Malta are on a single work permit, regulated by the S.L. 217.17, which transposes the Directive 2011/98/EC. The objectives of this subsidiary legislation are (i) to establish the process for issuing single applications to TCNs wishing to live in Malta for the sole purpose of working and (ii) to guarantee a common set of rights for eligible TCNs, based on “equal treatment with Maltese nationals” (p.1).

Holders of a single-work permit are entitled to the equal treatment and same rights of the Maltese nationals, including in i) working conditions, including pay and health and safety at work, ii) freedom of association, affiliation or membership with organisations representing employees as well as iii) education and vocational training (Identita’, n.d)⁶.

3.2.1.1. Process

When the application process is being undertaken, the TCN could still be outside the Schengen area or already legally staying in the Maltese territory (thereby applying for renewal or change in permit applied for) or else residing legally in another Schengen country. The S.L. 217.17 states that the authorities should express a decision on the application within 4 months from the date of application. This timeframe can be extended in exceptional complex cases. Through the interview held with an Identita’ representative, it was claimed that this process usually takes around 6-10 weeks, comparing well with other EU member states.

Authorities are free to grant or otherwise such a permit following the assessment in line with the labour requirements of Malta, any quotas in admissions previously established and/or other justifiable circumstances. For instance, in July 2024, applications for cab drivers and food couriers started being refused, as the authorities felt that there was no need for more of such labour (Meilak, 2024).

Prior to applying for a single permit for a potential employee from a third county, prospective employers must conduct a candidate search and advertise the vacancy to ensure that there are no suitable candidates within the local and EU/EEA area (Jobsplus, n.d.). In case of an application rejection, the authorities must notify the applicant in writing and provide a reason for such rejection.

TCNs cannot apply for the permit directly themselves. Rather their prospective employer/s, must apply on their behalf. A due diligence is carried out in terms of the employer to allow his/her registration as employers, but also to allow him/her to employee TCNs. In the case of live-in carers, the TCN workers are allowed to apply directly, whilst ensuring that the application is endorsed by the employer.

This highlights how the single-permit of residence and employment of TCNs is completely linked to their employer and job specified on their application. Single permit holders are not allowed to i) get paid for jobs by other employers not specified on the application, ii) carry out tasks not related to the ones indicated in the application for the same employer and/or iii) be assigned tasks abroad. Identita’ clearly states that “any changes occurring in either [designation and/or employer] would render the permit null and void, irrespective of the date validity showing on the same

document and necessitate a new application” (“Change in designation or employer’, n.d., para, 2). Hence, a change in job and/or employer would require a new single-permit application.

The application process takes the following form. The employer must be registered as such with Jobsplus and then register with Identita’ for access to the single permit portal. Once the employer identifies a potential TCN to work in Malta, a contract must be drawn up in line with the local employment law regulations and this must be signed by both parties. The employer then sets up an online application as per the requirements on the Identita’ Portal. This application is then automatically sent via email to the prospective employee, who can review the documents on the application and endorse them. The employer then confirms the payment and submits the application to Identita’. If the application is in scope and documentation provided is complete Identita’ passes on the information to both the police and Jobsplus to assist in the due diligence process. If the due diligence is negative, the application is refused and the TCN has the option to appeal the decision. If on the other hand the due diligence is positive, an ‘Approval in Principle’ letter is issued. It is worth noting that this letter is not the permit in itself, since the original documentations will need to be assessed when the TCN is in Malta.

In the case that the TCN is outside the Schengen area, coming from countries which require Entry Visa, this must be first granted before flying to Malta. On the other hand, other TCNs already legally in the Schengen area, and/or other TCNs coming from countries who do not require an entry Visa (e.g., South American countries) can already travel to Malta.

Upon arrival the prospective employee will still have a number of pending processes. Depending on the country of origin, the applicant might need to carry out a health screening, details of which would have been disclosed in the letter of approval mentioned above. The TCNs will also be required to arrange their accommodation matters and present a valid lease agreement registered with the Housing Authority. More details about this are outlined in Section 3.2.2.

During the interview with the Identita’ representative, it was stressed that this requirement is not asked for before giving the letter of approval, since it would be unfair to ask applicants to pay a deposit on housing without any indication of whether the application would

⁵ Concurrently, in August 2023, the number of TCNs registered for employment with Jobsplus was 68,755. The variation between these figures can be attributed to the reasons explained in the data limitations section

⁶ TCNs on a single work permit however, do not hold the right to vote, even if having renewed their permit for multiple years. This might put them at a disadvantage in the political arena, whereby their rights and viewpoints are not represented.

be approved or otherwise. Moreover, the TCN will have to book through the online portal an appointment to have one's biometrics taken, during which appointment the documents are also checked. At this point Identita' checks that the TCN holds a legal residence, if not (e.g., their Visa is expired and/or they overstayed their permit) they would be obliged to leave Schengen territory. However, in the case that the TCN holds legal residence, biometrics are taken and following final checks approval for residence permit would be given through a letter inviting the applicant to collect the residency document from Identita'

The application process entails a fee of €300 which is discounted to EUR 27.50 for live-in carers.

The single permit is generally valid for one year and the renewal process follows closely the single-permit procedure, with the same application fee of €300. In order to avoid falling within an irregular migration status if the permit is not granted on time, applicants are encouraged to apply for renewal around 90 days prior to the expiration of their previous permit, so as to ensure enough time for processing. In the case that the applicant is to submit a health screening, this should be submitted only 30 days prior to the expiration ('Single permit', n.d.).

Upon renewal, the employers are once again passed through the due diligence process, and if it is found that the employer is not compliant (e.g., evading tax, employing people illegally etc.) their registration might be revoked and the single-work permit will be refused. In this case the TCN employee would need to find another employer (within the 10-day time frame) if he/she wished to remain in Malta.

3.2.1.2. Skills Card

As of May 2024, additional requirements have been imposed on single permit applicants seeking work in the tourism and hospitality industry, who are expected to obtain a Skills Pass issued by the Malta Institute of Tourism Studies (ITS), which costs up to €475.00 and includes three mandatory courses and five assessments (Borg, 2024). This course includes classes in English language proficiency, customer care, hospitality and Maltese culture and history. Although the employee needs to apply for the Skill Pass, a 50% tax credit incentive is available to those employers who decide to sponsor it.

By September 2024, 1,233 Skill Pass Certificates had been issued, whilst 50% of the applicants who sat for the test failed (Magri, 2024b). By January 2026, the requirement for the Skills Pass will be extended all employees working in the hospitality industry, including EU and Maltese workers (Borg, 2024). However, these workers, or their employers, will not face fines if the skills card is not obtained (Cummings & Borg, 2024).

3.2.1.3. Termination

Given the fact that the single-permit is inextricably connected to the designation and employer specified on the application, in the case of termination of the employment, the employer must fill in a termination form and notify JobsPlus within four days from the date of termination. Employers who do not submit the termination form within this stipulated time, are liable to a fine as outlined in Articles 50 to 54 of the Employment Training Services Act (2018).

In Malta, TCNs who wish to change their employer must obtain a new work permit from Identita'. Under the current regulations, TCNs are allowed a 10-day grace period to apply for a new work permit before their current permit expires and/or if they are fired or terminated from their previous employment. The Identita' representative interviewed outlined that in truth the immigration law does not even give a 1-day allowance, so this 10-day window is to be considered as "ex-gratia". In exceptional circumstances, the Identita' representative also explained that this 10-day window is extended.

If a TCN fails to submit a new work permit application within the 10-day grace period, the permit is considered lapsed, and the individual will be required to leave Malta immediately. Furthermore, the individual may be prevented from re-entering Malta for a specified period. Remaining in Malta once the status is lost is considered to be a violation of the Immigration Act (Cap 217).

3.2.1.4. Recast single-permit directive

Following proposals 2022/0131 (COD) and 2022/0134 (COD) from the European Commission, the Directive (EU) 2024/1233 was published on the EU Official Journal on 30th April 2024. This repeals the current single permit regulatory framework with effect from 22nd May 2026, therefore S.L. 217.17 is expected to be amended with an impact on policies and procedures applied by Identita'. This is because members states, including Malta, will have two years to transpose this directive into national legislation.

This revision seeks to shorten and make more efficient the application procedure, whilst strengthening the rights of TCNs and protecting them from exploitation. Among other important changes, is the decision to issue a permit within three months of receiving a completed application, and subject to certain conditions, single-permit holders will be allowed to change their employer within the period of validity of the permit. More importantly, when single permit holders lose their job, within the validity of their permit, they will be allowed to remain legally in a member state for up to three months whilst looking for a new job. This goes up to six months if they have been on a single permit for more than two years (European Council, 2024).

3.2.2. Housing

The increase in the number of foreign workers in Malta has led to a heightened focus on rental accommodation. Foreign workers make up the bulk of registered rental accommodation in Malta, at 91% of registered rental accommodation (Maltese legislation exempts holiday lets and second homes from having to be registered as rental accommodation) (Housing Authority, 2022, 2024). TCNs make up by far the biggest share of registered rental properties (74%).

As previously mentioned once the approval letter from Identita' is granted to TCNs, they would need to provide a proof of local residence. In an attempt to curb illegalities of fake registrations and contracts which have been on the rise, in September 2024, Identita' added a lease agreement attestation form, which requires the official stamp of a notary, a lawyer or a legal procurator, among the necessary documentation to obtain the single permit. Following an initial period of uncertainty, when the legal professionals refused to stamp the form, an agreement between Identita' and relevant stakeholder was reached and now the legal professionals verify the identity of TCNs against their official document as well as the identity of the landlord of the property being leased, fill in a form per lease and witness the signing of the lease agreement, which may be drawn up by the parties (Communication with Notarial Council (Kunsill Nutarili ta' Malta)).

Analysis of foreign workers in the context of Malta's housing rental market remains limited and largely anecdotal. But Maltese Housing Authority reports suggests that TCNs are more likely to live in overcrowded rental accommodation compared to workers from the EU. Such evidence has led to a policy update. In 2020, the government included mandatory

registration for rental properties not used for holiday rentals and second homes, recourse to arbitration, so-called "forbidden clauses" in rental contracts, and rules governing contract cancellation. (Frank Salt, n.d.).

More recently, the government in 2023 tabled more amendments to Malta's rental laws. The amendments included a cap of two tenants per bedroom (and in larger properties, a requirement for additional bathrooms), and the possibility for tenants to be substituted without the need for new rental agreements. The amendments included that the tenants could inform the landlords that they would leave the property within a month (given they would have stayed at least six months), whilst the landlords had to advise the tenants at least three months prior to ending the contract (Tihn, 2023).

Further policy amendments to the Private Residential Leases Act and the 2023 Regulations on the limitation on the number of residents in rented homes were also introduced in September 2024. These amendments reinforced the limit of having two people per bedroom to control for overcrowding. (Farrugia, 2024).

3.2.3. Family reunification

Family reunifications are regulated by S.L. 217.06 which transposes Directive 2003/86/EC on the right to family reunification. To be able to sponsor the reunification with the spouse and the unmarried minor children, TCNs need to provide evidence that they:

- a. have been legally living in Malta for at least two years
- b. hold a residence permit of at least 1 year validity
- c. have reasonable prospects to obtain long-term residence status;
- d. hold documentation proving the relationship with family members;
- e. have appropriate accommodation which meets the minimum general health and safety standards as defined every five years by the Ministry responsible for housing
- f. hold a sick insurance policy covering the sponsor and family members;
- g. have stable and regular financial resources which is enough to maintain sponsor and family members without making use of social assistance system. This minimum level of income required is defined as being equivalent to the average wage in Malta, plus another 20% of this income or resources for each family member.

The duration of the permit for family members cannot exceed the one of the sponsors. Once the permit for family reunification is obtained, the family members have access to educational and vocational training and they can lawfully be employed or self-employed after 12 months from the arrival, otherwise they would require an employment licence. Should the long-term residence status not be awarded after 5 years, the spouse and the children who are no longer minors will require an autonomous residence permit.

Given that not all TCNs living in Malta fulfil the conditions outlined above, since 2021, the Maltese government is providing another avenue for family reunification through a Policy on family members of TCNs who do not qualify for family reunification by means of the Family Reunification Regulations S.L. 217.06 ('Family Members Policy', n.d.).

Under this policy, the TCN is required to provide evidence of a lawful residence in Malta of only one year prior to application. In this case, instead of the average wage mentioned in S.L. 217.06, the proof of sufficient resources is calculated on the basis of the median wage, as estimated by the NSO, with the latest quoted figure being €18,940, with the addition of 20% for each family member. In this policy, the definition of family member also includes unmarried adult family members if they can prove that they are dependent on the family's household, from a financial and physical point of view ('Family Members Policy', n.d.).

This chapter has outlined the economic, socio-demographic and policy context in which TCNs on a single-work permit are operating. This should act as a back-drop to the quantitative and qualitative analysis presented in Chapter 4 and Chapter 5 respectively. Being aware that the real-lived experience of TCNs in Malta does not happen in a vacuum should help the reader understand the various dynamics at play.

4. The Current State of the Maltese Labour Market: Key Trends and Statistical Insights on TCNs

This section offers an in-depth quantitative analysis of the labour market and the role of TCNs within it, examining the different socio-economic indicators pertinent to this group. It provides a comprehensive analysis of single work permit holders in Malta, focusing on the socio-economic factors that directly impact the

workers, as well as broader elements that go beyond mere employment statistics to better investigate the financial implications of TCN employment on both the individual workers and the national economy as a whole.

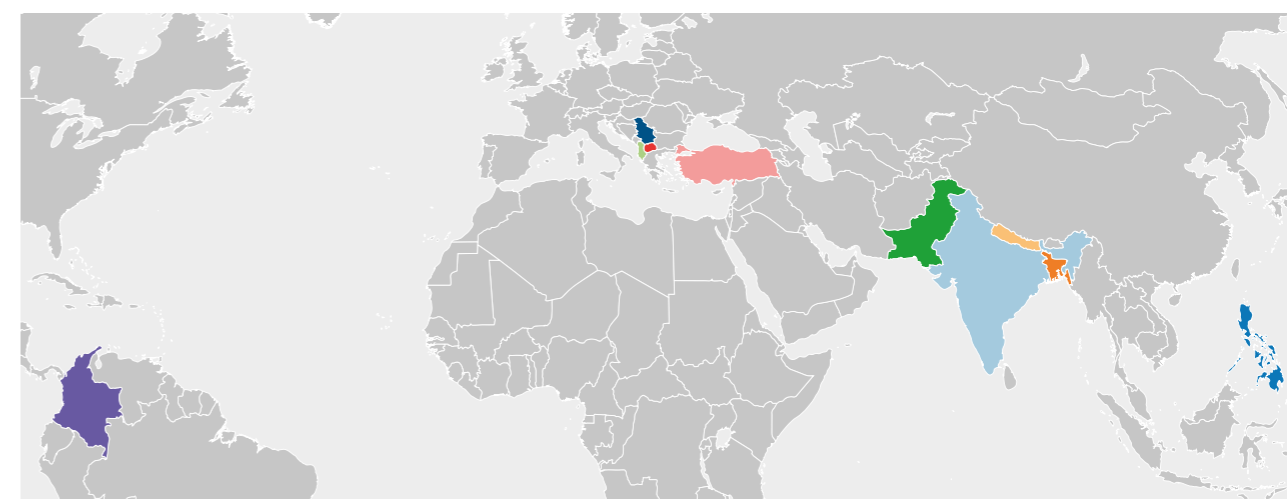
4.1. Single work permit TCNs by Country of Origin

Today, Malta has a diversified international workforce. The top ten countries from the non-EU cohort are shown in Figure 16 Top 10 non-EU Nationalities. As at August 2023, the largest group of TCNs holding single permits in Malta hailed from India (13,143 individuals), followed by the Philippines (9,365) and Nepal (8,355). TCNs from these three countries accounted for circa 10.0% of the total registered employed in Malta, highlighting their significant role in the nation's labour market.

by interviewing the top 6 TCN communities. As will be made clearer in Section 5, such diversity underscores the necessity for a comprehensive integration strategy and policy, since TCNs from different countries, follow different trajectories both in their arrivals as well as their lived experience in Malta. This approach is essential to ensure that the diverse community of TCNs is effectively integrated into Maltese society, fostering social cohesion and maximising the benefits of this cultural richness for both the individuals and the broader economy.

As explained in the methodology, the report attempted to gauge this diversity in nationalities and cultures

Figure 16 Top 10 non-EU Nationalities

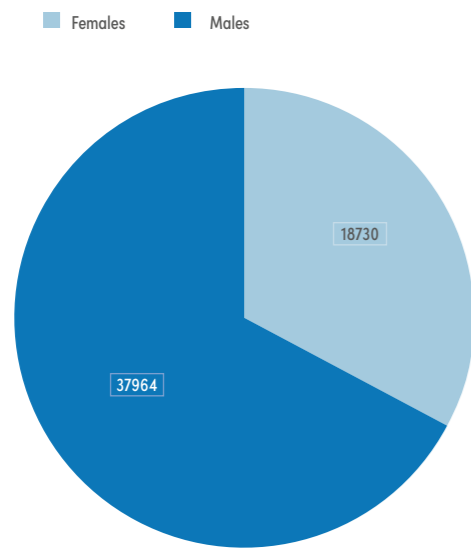


Source: Jobsplus (Single Work Permit TCNs), August 2023

4.2. Gender and age distribution

The total number of TCNs on a single work permit, as at August 2023 amounted to 56,694. As depicted in Figure 17 Gender Distribution of TCNs, approximately two-thirds (67.0%) of these were male, and this trend is more or less reflected across the majority of all the different age groups. On the other hand, women represented approximately one-third (34.0%) of the TCN demographic.

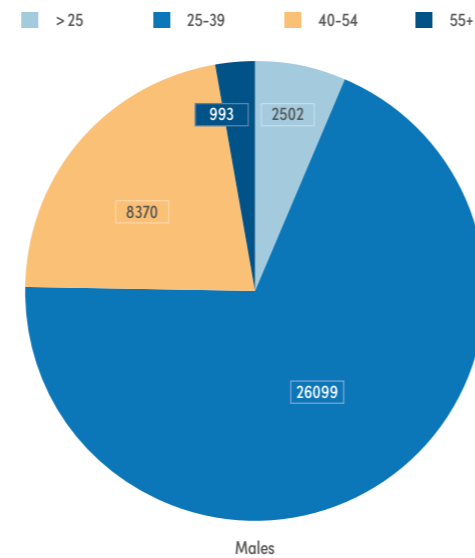
Figure 17 Gender Distribution of TCNs



Source: Jobsplus (Single Work Permit TCNs), August 2023

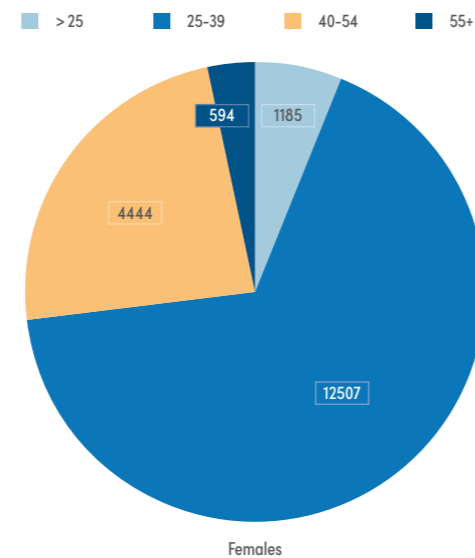
The inward migratory flows of workers over the past decade have come in all ages, although predominantly – 68.1% of the entire single work permit TCN workforce, encompassing both genders, fall within the 25-39 age range. This corroborates to previous observations that the indigenous ageing Maltese workforce is made sustainable and is being supported by this influx of foreign workers. Meanwhile, approximately 22.6% of all single work permit TCNs are aged between 40 and 54, fewer than 7.0% are under 25 years old, and around 2.8% are over the age of 55.

Figure 18 Age distribution Males



Source: Jobsplus (Single Work Permit TCNs), August 2023

Figure 19 Age distribution Females



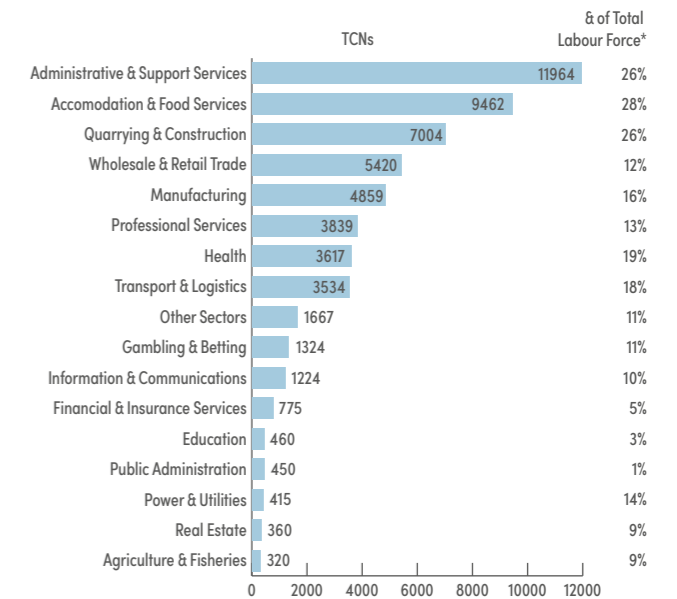
Source: Jobsplus (Single Work Permit TCNs), August 2023

4.3. Sectoral distribution of single work permit TCNs

The employment of single work permit TCNs is evident across all sectors of the economy. However, such workers are primarily employed in sectors which are seeing a retrenchment of Maltese workers (Figure 20 Number of Single Work Permit TCNs in each Sector). The industries with the highest number of single work permits are the administrative and support services, which includes the activities of employment placement and temping agencies⁷, followed by the accommodation and food services sector, the quarrying and construction sector, the wholesale and retail trade sectors, and the manufacturing sector. Combined, these sectors employ 68.3% of all the single permit work holders in Malta. Linking this to Figure 9 above, such sectors are often lower productivity sectors which are also translated into lower salaries. Figure 20 Number of Single Work Permit TCNs in each Sector highlights that such workers represent a substantial proportion of the workforce in these sectors, with TCNs making up over a quarter of the employees in these sectors.

Single work permit TCNs are also contributing to knowledge-intensive sectors like professional services, gaming, ICT, and financial services, as well as critical services like healthcare, where the native Maltese workforce is falling short of supplying levels needed to adequately meet growing demands in these sectors. For example, in the healthcare and transport and logistics sectors, single permit TCNs comprise 19% and 18%, respectively, of the total workforce in these sectors (Figure 20 Number of Single Work Permit TCNs in each Sector).

Figure 20 Number of Single Work Permit TCNs in each Sector



Source: Jobsplus (Single Work Permit TCNs); Jobsplus (Registered Employed Database), August 2023, EY estimates

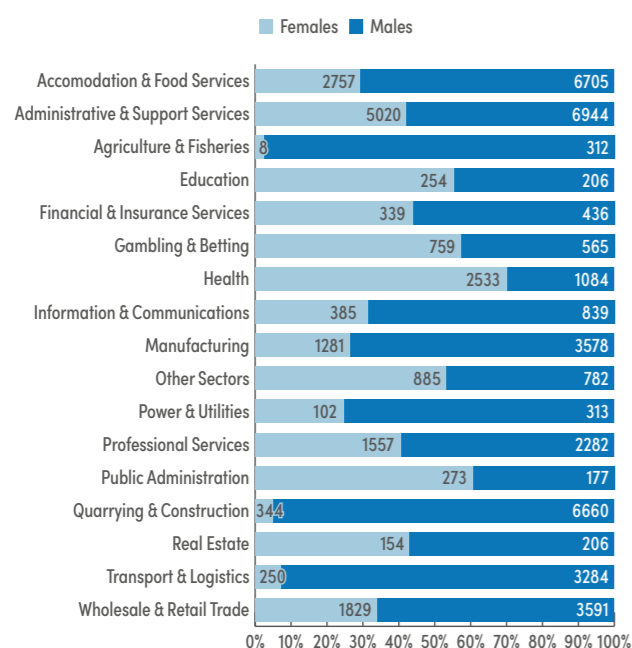
Note: * Figures are approximations, refer to the Methodology section for an explanation on the potential data discrepancies.

Figure 21 Gender Distribution of Single Work Permit TCNs by Sector is reflective of the higher male presence of single work permits TCNs in Malta, with men being the main contributors in most economic sectors, except for industries such as the health sector (comprising of nursing and healthcare positions), as well as in education and the gaming industry, whereby female figures are higher, possibly also indicating different skills set amongst the genders being attracted to Malta. This underscores the varied contributions of TCNs towards Malta's economy, reflecting a complex interplay of workforce dynamics across different industries. The predominance of female TCNs in the health and education sectors, points to a trend in employment that aligns with global patterns of women being overrepresented in care-related and education professions. Such presence provides essential services that support the well-being and health of the Maltese population, which is ageing and is increasingly demanding such services.

7 This type of classification also hides the real sector in which such employees are ultimately employed in, e.g., cleaning or delivery

Furthermore, the notable involvement of female TCNs in the gaming sector, being one of the high value-added sectors in Malta, indicates that women are also stepping into sectors that are at the forefront of economic innovation and growth and which were traditionally predominantly male dominated. This indicates the diverse skill sets that female TCNs bring to Malta's economy, including those in technology and creative fields that drive economic advancement and diversification.

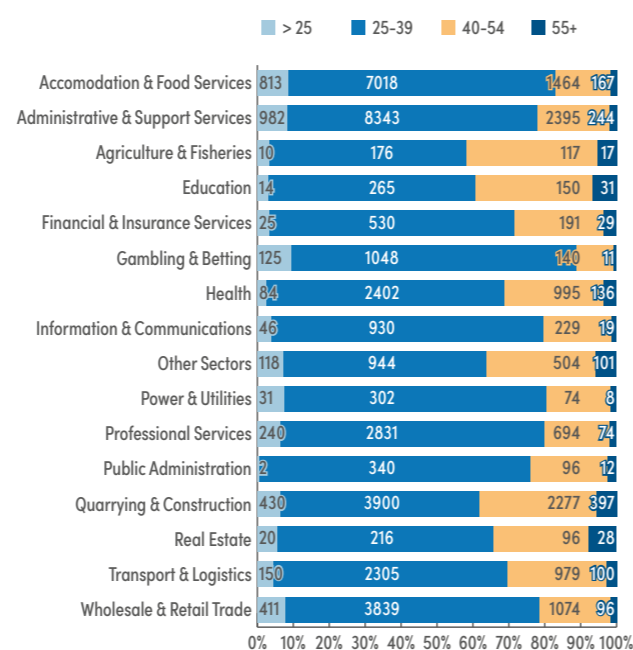
Figure 21 Gender Distribution of Single Work Permit TCNs by Sector



Source: Jobsplus (Single Work Permit TCNs), August 2023

Reflective of the overarching trend, most single work permit TCNs in different industries fall within the 25-39 age bracket, pointing towards a workforce that is young and dynamic. Yet, the 40-54-year age range also has a notable presence in sectors such as Agriculture & Fisheries, Education, and Quarrying & Construction, pointing towards a more mature and experienced portion of the TCN workforce, possibly more skilled in particular crafts (Figure 22 Age Distribution of Single Work Permit TCNs by Sector).

Figure 22 Age Distribution of Single Work Permit TCNs by Sector



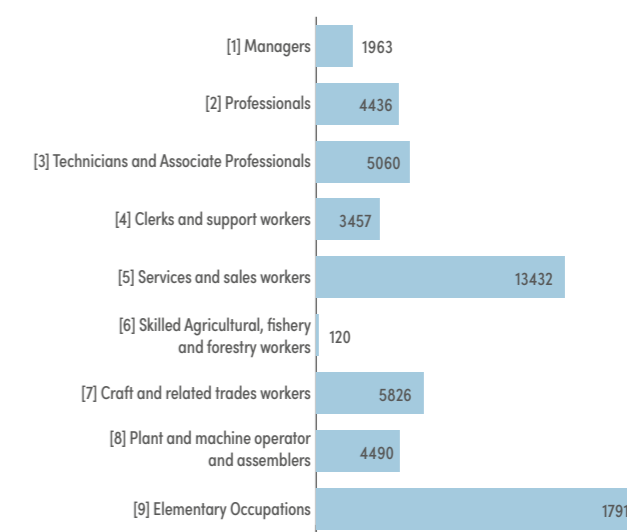
Source: Jobsplus (Single Work Permit TCNs), August 2023

4.4. Occupation distribution of single work permit TCNs

Figure 23 Occupational Distribution of Single Work Permit TCNs presents a snapshot of the occupational landscape for such workers. Data reveals that a significant portion of TCNs, representing 31.6% (17,910 workers), are employed in elementary occupations. These roles typically involve routine tasks and often require lower levels of formal education and training. This is followed by the services and sales sector, engaging 23.7% (13,432 workers). This indicates a substantial dependency on single work permit TCNs for roles that are customer-oriented e.g., in retail and service industries. Another 10.3% (5,826) are employed in crafts and related trades. These positions demand specialised skills and are particularly relevant to industries like construction, where trades like plumbing, plastering, and tile laying are essential.

This distribution suggests that many TCNs are occupying essential positions, especially in roles that might be less appealing to the local workforce due to lower wages or less desirable working conditions, amongst other reasons. This also suggests their role in providing a flexible labour supply for jobs with a high turnover. Their significant involvement in the services and sales sector underscores their role in sustaining consumer-driven industries, which are crucial for both domestic markets and the tourism sector. Moreover, the presence of TCNs in crafts and related trades highlights their importance in addressing skill shortages and supporting the local labour market with specialised trades.

Figure 23 Occupational Distribution of Single Work Permit TCNs



Source: Jobsplus (Single Work Permit TCNs), August 2023

It is worth noting that such occupational distribution is not necessarily reflective of the actual skills of such TCN workers. A Eurostat study has indicated that, "almost half [48.7%] of all non-EU workers in Malta were overqualified for their jobs in 2023" (Magri, 2024a, para 1), standing at 9.3 percentage points higher than the EU average (Magri, 2023a). This shows that the local labour market seems to have in place barriers (structural or otherwise) which keep TCNs in low occupational levels and in turn in low-paying jobs, as indicated in the Sub-section 3.1.4.

4.5. Salary and wage analysis

The data on wages and salaries within the Maltese labour market, presented in Table 1 Average Basic Salaries by Citizenship in 2023, reveals distinct discrepancies between TCNs, Maltese residents, and EU nationals. In 2023, the average basic salary for Maltese residents was €22,912, which is 3% above the overall average salary of €22,054. On the other hand, EU nationals, benefit from a more substantial premium, with an average basic salary of €25,319 (14% above the overall average). In contrast, TCNs earn an average basic salary of €18,443, which is 17% below the average wage in Malta.

Table 1 Average Basic Salaries by Citizenship in 2023

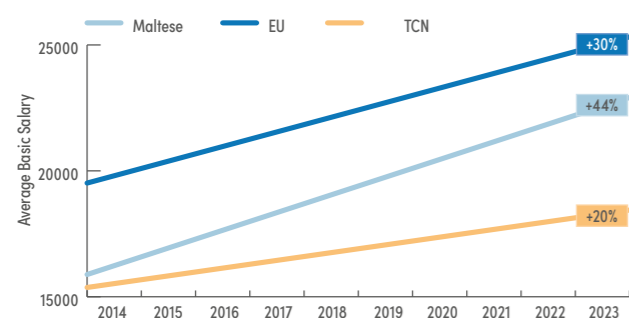
Citizenship	Average Basic Salary (2023)	Difference from Average
Maltese	€22,912	+3%
EU	€25,319	+14%
TCN	€18,443	-17%
Average	€22,054	

Source: NSO LFS

Over the years, the wage gap has undergone a dynamic shift, with the discrepancy between TCNs and both Maltese and EU nationals widening. Historical salary

data indicates that from 2014 to 2023, the average salary for Maltese nationals increased by 44%, while EU nationals saw a 30% increase. However, TCNs experienced a more modest increase of only 20% over the same period. This trend suggests that while wages for Maltese and EU nationals are converging, TCNs are not keeping up pace, leading to a growing divide in earnings (Figure 24 Trends of Average Basic Salary by Citizenship).

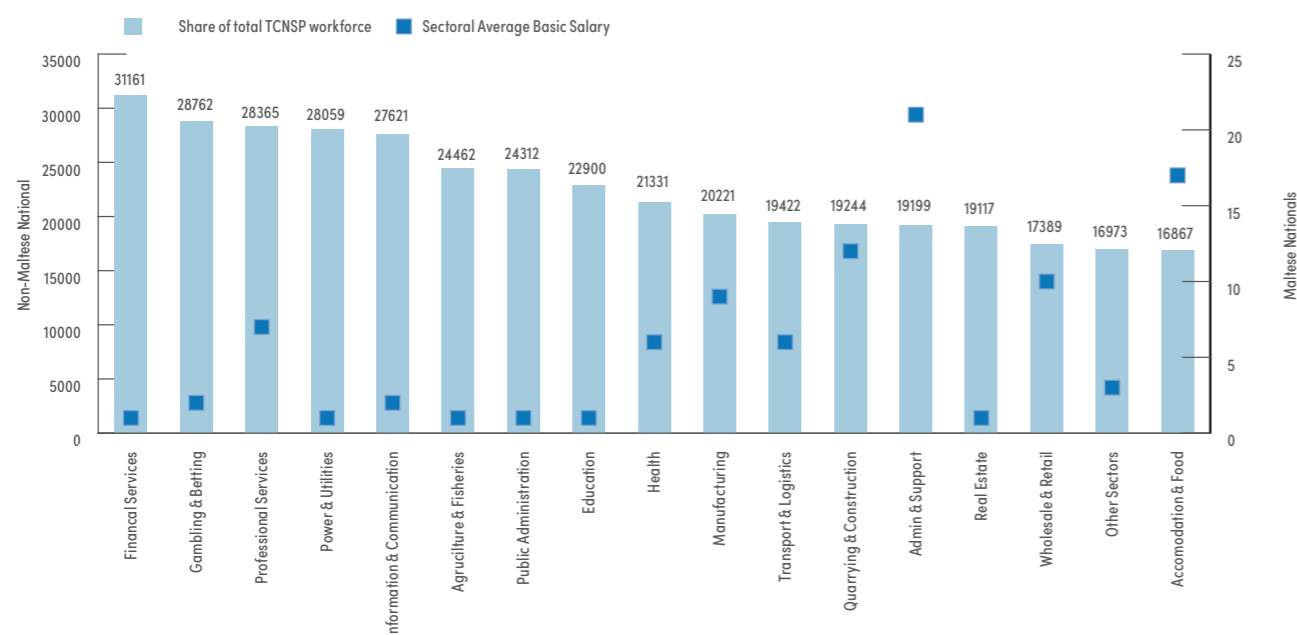
Figure 24 Trends of Average Basic Salary by Citizenship



Source: NSO LFS

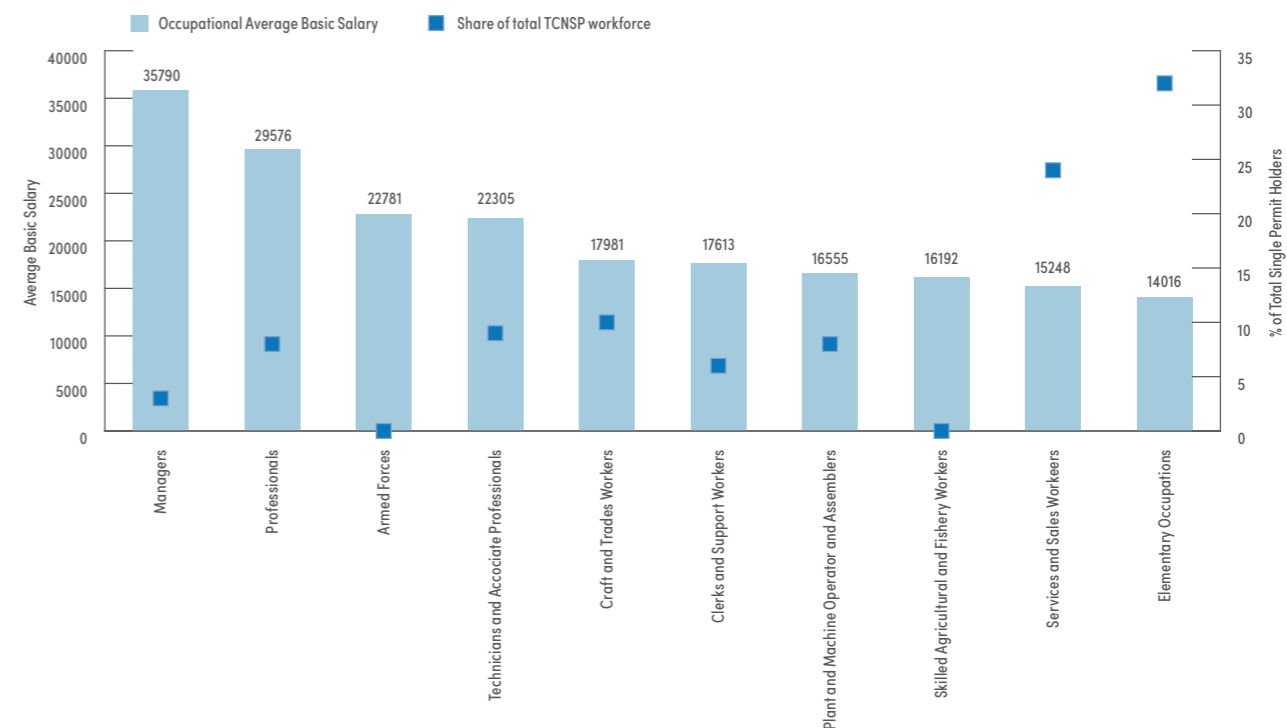
This discrepancy in earnings is largely attributed to the sectors in which TCNs are predominantly employed and the types of positions they occupy. As illustrated in Figure 25 2023 Average Basic Salaries and Percentage of Total TCNSP by Sector, many TCNs find employment in sectors with lower GVA, which typically offer positions with lower average wages. Specifically, in industries where wages are above the national average, only a small fraction (less than 4%, with the exception of the professional services sector) of TCNs holding single permits are employed. On the other hand, 21.0% and 17.0% of TCNs with single permits are found in the Administration and Support services and Accommodation and Food Services sectors, respectively, where the wages are typically lower than the national average. Additionally, as can be observed in Figure 26 2023 Average Basic Salaries and Percentage of Total TCNSP by Occupation, TCNs often occupy elementary positions within these sectors, which further contributes to the wage disparity. These roles, while essential for the functioning of the economy, are undervalued in terms of financial compensation. The wage gap thus reflects not only the economic valuation of these jobs but also the broader social and policy challenges related to the integration and fair treatment of TCNs in the Maltese labour market.

Figure 25 2023 Average Basic Salaries and Percentage of Total TCNSP by Sector



Sources: NSO LFS, Jobsplus (Single Work Permit TCNs), August 2023

Figure 26 2023 Average Basic Salaries and Percentage of Total TCNSP by Occupation



Sources: NSO LFS, Jobsplus (Single Work Permit TCNs), August 2023

Addressing the wage disparities that have emerged in Malta's labour market is a critical step towards fostering a fair and just working environment. The current trend, where TCNs are often engaged in roles that are less appealing to local and EU workers, raises significant social and economic concerns, especially when coupled with the fact which was already outlined that many TCNs are overqualified for the jobs they hold (Magri, 2024a), relegating them to low paying jobs and a lower standard of living. Such lower salaries, might also be an indication of TCNs accepting lower wages, and locals being pushed out of certain industries, which could cause further resentment in the population.

This situation risks creating a segmented labour market where certain jobs are de facto reserved for TCNs, potentially leading to social stratification and economic inequality. Such a segmented market may discourage further skill development and upward mobility for TCNs, initiating a cycle of low wages and limited opportunities for this cohort. This inevitably segregates TCNs into less desirable, low paying jobs, denying them the possibility of higher paying positions, even if their skills allow for this, limiting their chances of advancing and prospering. This might also be considered as a potential under-utilisation of the available skills and resources in the local labour market, whereby structural and non-structural barriers limit job mobility of TCNs.

4.6. Remittances and economic impact

In relation to salaries and income, one should also mention that many TCNs working in Malta, come with the aim of supporting their families back in their home countries, other than earning a living for themselves locally. Remittances (financial transfers going to foreign countries), are indeed a crucial aspect of the economic relationship between Malta and non-EU countries, representing a significant outflow of funds from our economy which sustain families and communities abroad.

According to the NSO Balance of Payments Unit (data provided by NSO via email communication), the values of remittances sent from Malta to non-EU countries in 2022 amounted to €54.0 million. In 2023, this figure decreased to €35.2million. Given that the number of TCNs in Malta did not decrease substantially during this period, the reduction in remittances may be indicative of a lower ability for existing TCNs to send money home, attributable to the combination of relatively low wages and the recent inflationary pressures, which have likely

eroded their disposable income. This could also be a reflection of the slower increase in salaries for TCNs than for Maltese workers, as indicated in Figure 24. Trends of Average Basic Salary by Citizenship above (20% vs 44% respectively). This could underscore the economic vulnerabilities faced by TCNs and the direct impact that wage levels and cost of living adjustments have on their capacity to support families abroad.

Remittances play a vital role in the economies of the receiving countries, often providing a stable source of income that can help to alleviate poverty, improve living standards, and fund services like education or healthcare. For Malta, understanding the flow of remittances is important not only for its impact on the local economy but also for the insight it provides into the lives and priorities of TCNs working within the country.

4.7. Duration of stay and social contributions

While the number of TCNs in Malta has been rising over the past decade, there have also been a considerable number of TCNs leaving the country, indicating a high turnover. This pattern of migration has broad implications in relation to both social cohesion and the social fabric, and also economically, in terms of the social security system, particularly pension and their economic contributions.

TCNs contribute to the workforce and social funds while they're here, but their departure can also impact the planning and resources of these systems. Understanding how long TCNs stay, and their social contributions is key for shaping policies that support Malta's social and economic well-being. Figure 27 Migration of TCNs [2013-2023] shows how during 2023 there were a total of 33,075 TCNs⁸ moving to Malta and another 13,560 moving out, possibly returning to their home country or moving to another EU nation. This was further corroborated through the interviews, whereby some participants mentioned that many of their compatriots decide to leave Malta to go to other EU countries, which have better conditions, especially in terms of family reunification. These numbers could also be linked to Section 4.6 above, outlining the fact that sending remittances has become more difficult and therefore, people might decide to move to places where the cost of living is cheaper, enabling them to assist their families better.

Figure 27 Migration of TCNs [2013-2023]



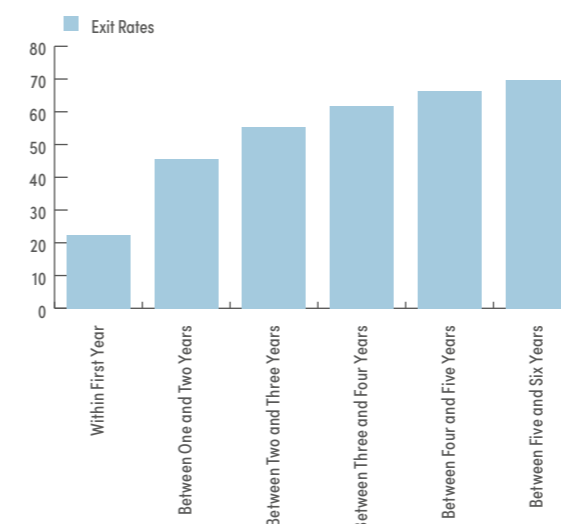
Source: NSO Population and Migration Statistics

In recent years, Malta has seen a consistent pattern in the length of stay among foreign workers in general⁹. According to a 2019 study by the Central Bank of Malta (CBM), a significant proportion of these workers leave after a short while, with a considerable number exiting within the first two years (45.5%) of their engagement (Figure 28 Average Exit Rates. Exits as a percentage of new entrants). Within four years, 61.7% of all foreigners coming to Malta for work would have left the Island. The economic ramifications of these short-term stays (on average 3.5 years) have become more pronounced, with the number of workers leaving within a year rising substantially (Borg, 2019). Ideally, such data would be updated for more recent years and disaggregated

by type of migrant worker, to better understand such dynamics.

The occupational level of workers also plays a role in determining their length of stay, with those in managerial and professional positions exhibiting lower turnover rates. This could be reflective of the opportunities and job security these roles typically offer, as well as the salaries and overall working conditions in lower-level occupational levels.

Figure 28 Average Exit Rates. Exits as a percentage of new entrants



Source: Central Bank of Malta, 2019

The implications of these patterns are multifaceted. Frequent turnover of foreign workers can hinder the accumulation of human capital, reduce productivity within firms and inflate training and recruitment costs, posing challenges for the employers. This also erodes at the social capital whereby meaningful relationships are undermined due to the volatility of TCNs stay in Malta. Moreover, these dynamics also have significant implications for the workers themselves, particularly in terms of social security contributions, contributing towards a pension scheme from which they are unlikely to benefit due to their short-term residency. The situation is particularly acute for those who do not have the option to transfer their pension rights or accumulate benefits across borders, which is often the case for TCNs.

In conclusion, while this 'short-term' labour force has been instrumental in Malta's recent economic expansion, it is essential to consider the long-term effects of such patterns on the employers, the labour market and the broader economy. Enhancing retention

and integration could be key to stabilising the workforce and sustaining economic growth. Alongside these considerations, it is crucial to address the social protection of TCNs to ensure that their contributions to social security are acknowledged and valued. Developing policies that might include bilateral agreements for the portability of pension rights or pro-rata pension benefits for short-term workers could provide a much-needed safety net. These measures would not only safeguard the interests of TCNs but could also make Malta a more attractive destination for foreign labour, potentially improving retention rates and contributing to a more resilient economy.

8 These numbers look at TCNs in general, not only those on a single work permit. As of, 2020, TCNs include citizens of the United Kingdom

9 In this case, CBM was looking at foreign workers in general and not only TCNs

5. The lived experience: Interview findings

To gain a deeper understanding of the lived experience of TCNs holding a single work permit in Malta, the above statistics were further corroborated with an analysis of the semi-structure interviews held with the TCNs communities themselves as well as other stakeholders engaged with these communities.

Through thematic analysis, four major themes have been identified:

- a. Challenges in the Processes;
- b. Employment-Related Disparities;
- c. Housing Instability and Substandard Living Conditions;
- d. Obstacles to Family Reunification.

Exploring these themes in a comprehensive manner allows for greater recognition of the realities faced by TCNs in Malta, facilitating an understanding of the challenges they encounter and how immigration policies, labor market conditions, and social cohesion interact within the broader societal dynamics. This understanding is crucial for developing targeted interventions and policies that facilitate the integration of TCNs, ultimately promoting greater equity and inclusivity.

The findings are ultimately shaped by the subjective experiences of the participants who were interviewed. While the thematic analysis effectively highlights

significant trends, the challenges identified may not universally apply to all individuals within their communities.

Furthermore, it is essential to clarify that the quotes and experiences presented in this study are direct, verbatim accounts of what the interviewees chose to share during the interviews. The interview process included probing questions to ensure a comprehensive understanding of the context, yet the Commission does not have the capacity to independently verify or corroborate the accuracy of these statements. It is important to note that the intention of including these quotes is to authentically represent the participants' lived experiences. Participants were informed that their contributions would be included in the study and their consent was obtained for the use of their statements. Therefore, while the Commission is committed to uphold the dignity and respect of all participants, ensuring that their voices are heard without misrepresentation or harm, the perspectives shared by participants are their own and do not reflect the views, opinions or endorsement of the Commission. The findings are intended to illustrate and should not be construed as an indictment of any individual, group or entity. The Commission is not liable for how the content is understood or perceived by individuals and emphasises that any conclusions drawn are based on the readers' personal interpretations rather than the Commission's intent.

5.1. Theme 1: Challenges in the Processes

Systemic problems within the immigration process, such as bureaucratic delays, rigid policies, and inefficiencies, affected all six nationalities under discussion. These problems are not just occasional setbacks but recurring obstacles built into the system, affecting different nationalities in different ways. As a result, they create barriers to a smooth transition and application, produces delays in the system and generate feelings of frustration and helplessness among the affected communities.

5.1.1. Application and Renewal Issues

TCNs face significant delays and inefficiencies in both the application and renewal processes for work permits. These delays, often exacerbated by administrative bottlenecks, leave many workers vulnerable and unsure about their legal status. The prolonged waiting times also contribute to feelings of anxiety and helplessness. Workers often feel trapped within a bureaucratic system that seems indifferent to their struggles. This environment of uncertainty is not just a byproduct of waiting; it is deeply embedded in the ambiguity that exists within the system itself.

Ambiguous system

Interviewees felt that guidelines and processes are often lacking. Coupled with the system's inherent complexity and bureaucratic nature, as well as the constant changing goal posts, presents significant challenges for applicants. They often encounter unclear documentation requirements, inconsistent information from officials and limited access to support services. This leaves many unsure on how to complete the necessary steps or avoid critical errors that could compromise their applications. As a result, the process itself—not to mention the outcome—is ambiguous. This ambiguity directly affects the daily experiences of TCNs, as evidenced by the observations of those familiar with the system. For instance, the Indian community leader noted:

" Sometimes, they won't even let you go in to speak to the customer care. So again, it depends on the mood of the people who are there." [Both new and renewals]. [Indian Community Leader]

This remark highlights how the quality of assistance available to applicants is inconsistent and often arbitrary, depending heavily on the attitudes of individual officials. Such variability can leave TCNs in a precarious position, where their ability to engage with the system hinges on factors outside their control.

Further illustrating the pervasive impact of this bureaucratic confusion, an NGO representative stated:

Disempowerment through agencies

Many foreign nationals find it challenging to manage the work permit requirements on their own, often ending up seeking assistance from intermediaries or agents. However, this dependence on third-party assistance frequently exposes them to exploitation, misinformation and a lack of transparency. Many workers remain unaware of the official procedures required to regularise their status and, in some cases, are taken advantage of by these agents.

An Indian community leader highlights how pervasive the issue is, explaining that the fees for such services can vary greatly:

"You're in constant state of anxiety. Even the lawyers of bank sometimes call me. Because their employees are stuck in this system. It's across the board." [Aditus]

This shows that these challenges are not only faced by TCNs, but at times also to professionals navigating the same complex processes. This shared difficulty underscores the systemic nature of the issues, revealing how the complexities of the system create widespread obstacles for everyone involved.

"...some are not very greedy, but still they are agents, you are doing at the end of the day agency work. For example, if someone takes €3000 there are cases that take more than €6000. In certain cases, there are multiple agents. Not only one. There will be middle man in between, so those €6000 will be divided." (Indian Community Leader)

Similarly, members of the Colombian community report experiencing similar abuse by agencies. In their case, this manipulation is aggravated by the language barrier and the misleading promise of employment that is rarely delivered as simply as advertised:

“Another problem is the agencies – they abuse. So they say– “puedo hablar espanol contigo” (I can speak with you in Spanish), ‘ahh it’s easy to find a job.’ But the agency, takes a high percentage and abuses the workers.” (Colombian Community Leader)

Workers from the Philippines face their own unique challenges, since, if they are leaving directly from the Philippines they must comply to their local legal requirement of going through recruitment agencies in their home country. One Filipino leader explained the extensive and expensive process:

“So if you are coming from the Philippines, you need to go through the proper channel – you have to go through a recruitment agency in the Philippines [...] you need to pay one-month equivalent salary, other expenses like mandatory insurance, travel insurance, medical check-up, visa, and airfare. [...] Overseas Filipino workers need to secure the OEC [...] the Overseas Employment Certificate.

[...] the employer’s side [...] need to be registered in our embassy, in Rome. [...] our embassy in Rome will check if this employer is good enough to hire this Filipino [...] they will say to the recruitment agency in the Philippines, yes, we verified this is good, you can proceed.” (FILCOM)

Despite this rigorous procedure, not all employers are willing to wait through the long recruitment process, sometimes leading workers from the Philippines to seek informal, if not illegal, means to bypass bureaucratic delays:

[...] Not many employers would be willing to wait four months just to get you to Malta. [...] sometimes they go through what we call the ‘illegal’ way [...] you pay someone who knows an immigration officer [in the Philippines] that will let you out of the border [...] there are many agents, some are very hungry for money. [...] this problem is also caused by the employers. [...] they keep on hiring, applying for work permits if they know they don’t have a job [...] Because [...] they get money from the agency [...] they have an agreement, we get, let’s say, €500, 250 for you, 250 for me.” (FILCOM)

Others highlighted the fact that agencies might have connections, which individuals alone cannot access, therefore they abuse of their position and networks

to exploit foreign workers who might be desperate to regularise their stay.

“Like what I told you [...] they process his paper and it was refused. But then suddenly he applied in an agency, right? And then they make magic. And suddenly he has his working permit. Maybe the agency has some connections inside. I think its €3,000. And its salary deduction. You cannot pay immediately, so you have to work for it.” (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

Interestingly, the Albanian community has found ways to circumvent the agency system altogether. This shift away from agency reliance reflects a growing awareness of the exploitation involved and an effort to take back control of the job search process. Networking within their community seems to have proven far more effective than dealing with agents. This could also be due to the fact that their community has long been established in Malta.

“It was before through agency, but we are connected to each other [...]. We don’t need an agency. Even those who came with agency before they found out that they just steal them you know?” (Albanian Community Leader)

Across the various nationalities, a common thread emerges: the system as it is allows agents to exploit the vulnerabilities of foreign workers, while the complexity of the legal process leaves them with few alternatives but to accept the guidance of such middlemen. NGOs active in this sector reported that the significant lack of understanding about the legal underpinnings of the process was compounded by a lack of access to legal support; those on a single work permit are not entitled to a legal aid lawyer and NGOs are almost never able to provide pro bono legal assistance to TCNs. For many, this creates a cycle of dependency and exploitation, where the path to legal employment is impeded by unnecessary barriers and inflated costs.

5.1.2. Documentation Challenges and Legal Vulnerabilities

Documentation challenges and legal vulnerabilities for migrants are significantly shaped by the burdensome requirements of multiple forms and documents

necessary to secure permits, compounded by substantial language barriers.

In view of such delays and complexities, many individuals feel pressured to seek informal employment

Non-realistic and/or irrelevant requirements

Documentation challenges go far beyond the initial steps of application, since at arrival stage as well as renewal stage further documentation is often required, overwhelming the applicants. One such requirement is related to visa applications, which sometimes, might not be easy to obtain once in Malta (e.g., for renewal). For instance, the Nepali community illustrates, how they are required to have a passport valid for more than 8 months, when renewing their single-permit, yet, given there is no embassy in Malta, they would need to travel to update it. This might not always be possible, especially if the previous permit has expired and they are being ‘processed’ for the new one. Also delays in receiving such essential paperwork, might lead to frustrating situations:

“This is the biggest issue we are facing, because we have no embassy here in Malta. We have to travel to Spain. [...] Example. I changed the employer and my card is expired in June, but I already submitted in Identity Malta department, everything is done and when I am waiting for the approval letter, it says your like passport is not valid, its less than 8 months, please provide us with passport of 8 months. How that guy, can provide the passport?” (Nepali Malta Association).

This reflects a disconnect between administrative expectations and the realities of applicants’ situations, where rigid timelines create impossible situations to navigate.

Compounding these bureaucratic inconsistencies, are health screenings at renewal stages, which add further burdens to the process. The Albanian community leader highlighted this frustration, noting that these additional requirements only serve to complicate an already challenging situation, possibly in view of making additional revenue.

or enter exploitative arrangements to make ends meet in the meantime. Furthermore, numerous communities view these processes as primarily aimed at generating revenue for authorities, rather than offering genuine support to those trying to comply with the system.

“So, they go to health scan in the first year. They didn’t move from Malta to get disease... because you can see from his passport – he cannot travel – even economically, what you want another health screening?” (Albanian Community Leader).

Albanian and Serbian nationals do acknowledge the convenience of online platforms to apply for permits when compared to a couple of years ago when one had to go queue for long hours. However, they still encounter bureaucratic hurdles that delay permit processing. They mention how employers themselves are not spared the uncertainty of a poorly signposted process that leaves them as much in the dark as their own employees. As a result, employers tend to apply the same requirements to all staff, even when specific documentation may not be necessary for certain nationalities:

“And I think now it is much more easier to apply – but there are still some problems with those applications, because even employers they don’t know how to apply..... employers they ask for some documents, but it’s not necessary for applications, because they don’t know. They read something, let’s say health screening, you know? there is some difference between countries, you know.. For example, for Serbia you don’t need X-ray, but for some countries you need – and then it’s much easier for them, to say I need all this same for everyone.” (Serbian Community Leader).

Illegalities placing migrants into greater vulnerabilities

Many TCNs mentioned how delays in finalising permits frequently compel them to begin working without official authorisation, putting them at risk of legal consequences and potential exploitation:

“So you know that by the law you can’t start the work without, but you know system here is like this and people start, you know. First they start, they have training you know something like that they see, if this is good or not and then they decide, then they start procedure, with insurance, Housing authority, and all these things and they have everything ready and then they apply” (Serbian Community Leader).

“... Many start cause I would need money! Let’s say I arrived today and then tomorrow morning I go to work, quick...” (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

As it has also been disclosed in various media portals over the past months, community leaders mentioned that indeed, a variety of fraudulent practices (e.g., fake documentations), albeit not recommended from their end, are available and sometimes TCNs feel they are forced to accept such practices. This perpetuates the legal vulnerability of the TCNs:

“... so the agents would have to get (from my knowledge) they have a contact here, an agent also for this rental properties, they say ok, I will pay you €50 or €100 for each of these person... sometimes they have the reservation fee, two months advance, but in actual fact there is no properties, it’s just a name and an address. And they would accept it just to get through applying the Visa. ... when they receive the Visa, then they will find the real accommodation that they need, [and then they re-apply for change of contract] Cause, by the time they come here they will use the real one. For Identita’. (FILCOM)

Similarly other communities confirmed that the documentation and information hurdles are complex, and often to navigate their complexity with some having to resort to making use of networks, connections and

bribes to find a way around the process. This, again, places them in greater vulnerability.

“Here is not important what you finish from the school – it’s much more important which person you know.” (Serbian Community Leader)

“Yes, there’s a saying “it’s not How many you know, it is WHO you know.” (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

“... You can manage everything. What you cannot buy with money, you can buy with more money” (Albanian Community Leader)

Language barriers

For Colombian nationals, understanding the documentation requirements is additionally challenging because of the language barrier. Many struggle to understand what is required:

“If you want information about Malta in Spanish there is but not too much for the important processes there is not too much [...]. The main problem for our people is the language. I think this is the main problem.” (Colombian Community Leader)

He recounted the situation of one woman who faced significant difficulties because of this:

“Now she is in appeal and she is still sleeping [not doing anything about it], the appeal supposed takes maximum 1 year, the same I tell her go ask go ask, call the lawyer, but the main problem for her is she does not speak English. Three years here and she still does not speak English. I think she is afraid to go and she doesn’t know how to speak to people. But now more than one year and still in appeal!”(Colombian Community Leader)

This was also confirmed by lawyers who seem to encounter such problems often:

“People say I didn’t understand. And it could be that sometime these orders are not given to them in a language they understand. Often, they’re given in English. There are a significant number of TCNs not knowing [at all], or [knowing] little or very little English.” (JRS)

Documentations perceived as revenue generating

Many made reference to the fact that they feel that many of the documents required are simply there to increase expenses and for the authorities to make money. The Albanian Community Leader mentioned this in terms of the health screening. In line with the illegalities mentioned above, he also alleged that some people are also managing to go round this requirement by simply paying to circumvent it. :

“€300 for health screening? He needs to work one weekend more for that health screening. [...] And everywhere [there are] those who are engaging without sending the applicants you know. You go, pay and that’s it...” (Albanian Community Leader)

Most of the community leaders criticised the skills card as primarily a revenue-generating measure.

“I think its just a revenue generating – imagine you have the skill card, and then you have another assessment that you need to pay another €100 something, and then what, if you don’t pass you have to go back to your country? That easy? (FILCOM)

One Filipino leader stated that ensuring that the employees have skills should be the employers’ responsibility, a priori to applying for that person to come here:

“I am hiring the right person for the right job. If you want to hire a butcher, you don’t hire a construction worker. If you want to hire a construction worker, because you don’t get people who have experience, or some people are having experience but their rate is too high. So, you need to train the person right? But make sure that you get the right person. You can see it through your interview!” (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

This reflects a broader sentiment among workers who feel that the skills card requirements add unnecessary financial pressure without guaranteeing job security or relevance.:

“For me the skills card, the health insurance, food handling, health screening – all of those are useless just to pay money.” (Albanian Community Leader)

As these communities strive to better understand the processes they encounter and advocate for their needs, it becomes clear that the system often prioritises institutional interests over genuine support for individuals. NGOs active in the sector described a process that felt “complicated for no reason”, “highly bureaucratic”, “onerous”, and “unreasonable”; one NGO noted applicants often could “never manage to bring everything together” in a process prone to last-minute changes and changing interpretations by the authorities.

5.2. Theme 2: Employment-Related Difficulties

Employment-related challenges for TCNs in Malta present a complex landscape. Although some respondents reported a positive work experience, where their employers provide fair treatment and foster inclusivity, they also made mention of many other members of their community who do not face the same fate. For many TCNs, employment in Malta seems to be fraught with insecurity, precarious contracts and unequal treatment, compounded by power imbalances that leave them vulnerable to exploitation and abuse.

This disparity highlights the ongoing struggles within the workforce, where the experiences of a few may not accurately represent the difficulties faced by the majority. The challenges TCNs encounter can create an environment where negative experiences are more common and often overlooked.

5.2.1. Job insecurity and precarious contracts

TCNs, particularly in sectors like construction and caregiving, often encounter significant employment

challenges. Participants from Nepal and India, mentioned that many find themselves in temporary and unstable contracts that offer little job security. This precarious employment affects both their financial stability as well as their mental health and overall well-being, making it difficult for them to build stable lives in Malta.

The constant fear of losing their jobs weighs heavily on these individuals, as they face the harsh reality that their livelihoods can be terminated at any point at their employer’s discretion. This uncertainty discourages them from seeking better opportunities or voicing concerns about unsafe working conditions and unfair treatment. As a result, many accept subpar conditions, leading to a pervasive culture of silence that allows exploitative practices to persist. Such dynamics undermine the dignity of workers and contribute to systemic issues within these industries, where the well-being of TCNs is often neglected in favour of profit.

Fear to Report

Despite various risks, TCNs hesitate to raise concerns, as their jobs—and, by extension, their right to remain in Malta—are precariously linked to their work permits:

“[Re lack of health and safety] No, until now – none of them have reported anything. They are ok they are doing the work like that. Most of the thing is they are afraid you know about their job. What if I complain, what if my job, my employer throws me out? That worry is in there.. maybe that is the reason why no one is reporting.” (Indian Community Leader)

Nepalese TCNs face a similar predicament, where fears around their single-permit status discourage them from reporting issues. The threat of losing their job or facing employer retaliation creates a culture of silence:

“they don’t want to report [...] we are in single permit we are based on this and so they do not want to report. Because if they report maybe the employer would terminate or if they do not terminate they will be making issues. So, people are scared of this as well, because we are in third country, so you have to think. You are here already far from your family...” (Nepali Malta Association).

This power-dynamic was confirmed by the NGOs.

Unequal treatment

Many also complained of unequal treatment between local workers and themselves. Agencies frequently underpay workers compared to their Maltese counterparts and offer fewer job benefits, while subjecting them to unequal and discriminatory treatment in the workplace:

“For sure for sure we do not have same conditions as the Maltese people. [...] For example, the company says I pay €2000 for the job but find something for me. But they [the agencies] pay minimum wage.” (Colombian community leader)

Inconsistent Hours

TCNs also frequently face inconsistent work hours. Contracts promise a 40-hour work week (as per legal requirement), but many find themselves working fewer hours, especially in off-peak seasons, leaving them financially vulnerable. In sectors like hospitality and caregiving, this instability is particularly pronounced:

“The fact that you’re tied with [an] employer and renewed annually. It’s ripe for abuse. It’s bureaucratic. The main problem with Single permit is that you’re tied to [the] employer. Abuz jista’ jkun immens [Abuse can be immense]. Tied to one person who with a click of a button can terminate you and make you go home basically.” (Aditus)

Others mentioned that Maltese are too connected, and if you report you would have everyone against you.

“People don’t report because the company with who you work, its cousin, or first cousin with 10 other biggest companies. Everything here goes to a circle. [...] if you are going to make a report, a legal case, here everybody would be against you.” (Albanian Community leader)

“Locals can speak and can have a conversation for 30 minutes and doing nothing and for us, let’s say if you just chat for a little bit and laugh, they tell you ‘why are you laughing, you are not doing your work, focus on your work.’ [...] And then we have the more work. Even though let’s say we are the same position, cleaner. Since you are local – can you do this for me? Clean this one? ‘I will just clean the kitchen’. So that’s it. You have three bedrooms, three toilets, and the local will just clean the kitchen” (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

“Yes it is. it is. Let’s say I applied for a waiter in a hotel, and they say aaa you can have your overtime, legally you can work 40 hours a week and then beyond that you have your overtime. Right? You will gain more, you can have a net of around €1200, €1300. Wow its good its good! And then they didn’t know that the recruiter is not saying that during summer time it is good to work as a waiter, but during the winter time you will shocked that you say’ oh I am not getting my 40 hours a week’. (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

Even in the care sector, there are often significant gaps in actual work assignments, leaving employees with fewer hours and little compensation. Many workers are unaware of their rights and lack the resources to report such discrepancies:

“I don’t think they have done the proper work before they come in. I mean no one is imagining when you come here, you will have less hours etc. You will be dreaming for a better life...and you will be thinking ‘ok every month we will get this salary and every month we will send to home [...] Last week I heard some in the care field. I asked them ‘if you contract is forty hours right?... ‘We didn’t know it should be like this – they gave us this many hours [...] Let’s put it like that 10 hours... So the remaining 30 hours, they might send them to [other residential/medical institutions]. If they are lucky enough, there are cases they do not. They get paid by the hour and they are worried. They are worried and unaware that they can go and report it to the job plus.” (Indian Community Leader).

This irregularity in work hours, combined with low wages and insecure contracts, exacerbates the financial and emotional strain many TCNs experience. Women, in particular, are vulnerable, facing harassment and

Irregular practices by employers

The working environment for TCNs in Malta is marked by significant power imbalances between employers and workers. In many cases, employers exploit these

assault in addition to these economic challenges. For some, the fear of losing their job, the financial burden of supporting their families back home and the fear of being sent back, makes reporting such incidents seem impossible.

“I heard there is also one case, she was raped [...]. Thing is she did a part time job, like undeclared, and she got raped. My friend sent me a message, that this lady is going to contact me about what happened to her, I waited but she did not contact me, and I know that she is scared to report. [...]. Because, first of all, to get here it’s a lot of money. Majority of those workers, they sell their property in the Philippines, or they get money from lending, from family members, from a bank, or they pawn their property. To cover the cost of coming here to Malta. So, if they come here and unfortunately, they come here and they don’t have work or less hours of work, coming here, accommodation is not free, you have living expenses, for themselves they cannot afford already, how much paying their debt back home? So instead of making an issue they will just keep quiet and find another job. (FILCOM)

5.2.2. Power imbalanced and lack of employer support

The employment conditions for TCNs in Malta are also characterised by significant power imbalances that enable employers to neglect their responsibilities to provide essential support for their workers’ well-being and professional development. This lack of support manifests in several ways, including a disregard for health and safety standards and the evasion of legal obligations, such as employee registration and the provision of necessary training. Consequently, TCNs often find themselves in precarious situations where their rights are compromised, further entrenching a cycle of unfair treatment.

dynamics to avoid accountability, often leaving TCNs with the blame and/or no recourse:

“he is working with a first employer and a second employer and during that time, there was an inspection and he got caught and they bring him to immigration [...]. So that is why I want to make you aware of this also – because instead of you giving penalty of something to the employee if you give some penalty to the employer, definitely they will not do. So we need some changes in this and stricter rules.” (Nepali Malta Association).

Some employers evade even basic legal requirements, such as registering employees with Jobsplus. This became clear from our discussions with Jobsplus in terms of the discrepancies in their numbers and the ones from Identita’. Moreover, Serbian and Albanian

Health and Safety

Health and safety is another area where employers neglect their responsibilities. TCNs in construction, for instance, report unsafe working conditions, yet they refrain from raising these issues because of the pervasive fear that reporting will lead to further repercussions, as already mentioned above. This creates a cycle where workers are left to fend for themselves in hazardous environments:

Lack of training and resources

This pattern of exploitation is exacerbated by inadequate training and orientation, which leaves many TCNs ill-equipped about their roles. Employers often fail to provide the necessary guidance, forcing workers to resort to alternative methods, such as learning through online resources:

nationals, in particular, reported that many employers circumvent regulations, making it difficult for workers to renew permits or secure legal status, often through no fault of their own:

“Yesterday I had situation from one guy, he told me I have been working for the company for almost one year, I have ID with them. They did not apply for me in jobs plus, they didn’t [...] I have my NI number. That thing is – before 5-6 years [ago], you can’t renew your permit, if you don’t have from your employer that he paid tax for you, NI number and these things. It was bullet proof. Now they don’t ask..” (Serbian Community Leader).

“I heard that in construction field [...] the people who worked in Dubai or so... they say ‘[...] job safety, work place safety, health and safety, they give more importance and there is a lot of measures taken for their safety – but [...] here unfortunately it is very less and its very risky to work.” (Indian Community Leader).

“Plus there was a lot of accidents, I was two - three times, taking care of everything till the body goes back... its very bad. [...] In my opinion first of all is health and safety, second of all here every job has to be done fast. [...]” (Albanian Community Leader).

“And then I work in the butcher as well. And you know who is my trainer when I am working as a butcher[...] ? Youtube. Yes, because they train you in butcher, but I am changing from butcher to deli, butcher to deli, and after 4 days they send me to *** (another location of the shop). And then I download a video from youtube ‘how to cut the pig!’ (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

While some TCN community leaders and organisations strive to empower workers by sharing information about their rights, and giving them the need resources, recruitment agencies and employers actively discourage workers from engaging with these support networks. The fear of being ostracised or retaliated against by recruitment agents keeps many TCNs from seeking help or reporting abuses:

“...we always offer help, we always post information, that is why we are active in discussion like this, so we know what to tell our community, I think it is more on them, empowering themselves on how to partner with the organisation, to know more about, how to change jobs, if they are facing problems with their employers.... But sometime they, I don't know, maybe they don't believe us, I don't know, [...] The agents is telling them no to join groups and organisation like this because they know that, once we ask if someone new in Malta we always ask how much you pay to come here, the second question is, who is your agent? That is our first two questions.” (FILCOM)

A picture of exploitation of TCN workers also emerges from NGOs active in this sector. The balance of power in the relationship between employer and TCN rests firmly in the hands of the former, with the latter “completely dependent” on their employer. Deceit around working conditions is common, and in some cases leads to outright exploitation and trafficking. TCNs are treated unfairly relative to Maltese workers – especially in industries where Maltese workers are already unionised and TCNs might not be members of such unions, for a variety of reasons.

The overall lack of employer support, combined with the power imbalances that disadvantage TCNs, perpetuates a cycle of exploitation where workers feel powerless to advocate for themselves or seek justice for workplace abuses.

“They were handled by an agency, so the agency, rented a flat and in the room they are 6 persons. They make, I hear also, double decks and they are paying €250 per bed. And from what I've known, is the flat is rented for €750, because it's here in Victoria, it's a small flat... they are paying to the agency and the agency is deducting it right away from their salary and that is illegal.” (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

Overcrowding is common among TCNs, particularly for Indian, Nepalese and Filipino nationals. Some, especially those new to Malta, are unaware that these cramped and substandard living conditions are not the norm. They come to accept them as part of life in Malta:

“Some of my people who were coming to Malta, and my husband and I went to see the house to see how it is and we went for viewing, my God, the scenario was disaster, I mean I would say, a lot of people, like bunk beds, open toilets... So we literally ran out... from many of the houses. [...] “Those who stay there, they are not here in Malta for long time. They are here for maybe one year, so what in their mind is, ‘this is the condition, this is the housing condition all over in Malta,’ so they think it that way.” (Indian Community Leader)

“From my side, I think solution is that if it is for family, price must go down. If it's for sharing, that is another. If it's for subletting that is another option. Three options. And I think that is fair. But if you want to take €1800 from family, how much money do I need to earn? And then there is electricity, water and these things that is €2000 for sure per month without eating, without clothes, without anything.” (Serbian Community Leader)

The prevalence of fake contracts significantly undermines the integrity of Malta's rental market. Many TCNs only discover these fraudulent agreements when they engage in formal processes, such as undergoing biometrics or applying for residency documents. The Albanian community leader illustrated this reality by recounting the experiences of two individuals who held identical contracts but faced vastly different outcomes. The first individual, who did not have access to any language support, was deported, while the second individual, who was accompanied by the community leader himself—acting as his translator—managed to be identified as a victim rather than a perpetrator. These fake contracts are not only widespread but are also sold and distributed online, complicating tenants' ability to verify the legitimacy of their rental agreements. The community leader recounted the dire situation faced by the first tenant:

5.3. Theme 3: Housing Challenges and Living Conditions

Housing presents a significant challenge for all nationalities in Malta, characterised by rising accommodation costs and limited availability of affordable options. High demand for housing has allowed landlords to exploit tenants, leading to a range of difficulties that affect the living conditions of TCNs.

5.3.1. Rising accommodation costs, overcrowding, and poor living conditions

Rising accommodation costs and overcrowding are critical challenges faced by many TCNs in Malta, particularly for new arrivals. This situation can lead to a cycle of instability, where the lack of affordable housing options and limited awareness restrict their ability to seek better living arrangements. Additionally, cultural differences and language barriers may prevent these individuals from effectively asserting their rights or seeking assistance. The Colombian community leader observed that housing in areas like St. Julians—where

jobs are readily available—have become prohibitively expensive relative to their income:

“Nowadays, I think, if I want to come to Malta like single and I do not speak English I think it's a bad idea to come Malta. Because the salary is like – €900 I think the minimum? And if you want to get room, ohhh many of the Colombian people they love the party, they love where is the people, ovjament St. Julians, all these places, there is jobs but it's expensive. But if you get €900 and need to pay €500 for a room, sometimes shared...” (Colombian Community Leader)

Filipino nationals often face even worse conditions, particularly those brought to Malta by employment agencies. These agencies cram multiple workers into small flats, forcing them to share bunk beds, while deducting rental fees directly from their wages:

5.3.2. Exploitative landlord practices and power imbalances

The Maltese housing market is heavily skewed in favour of landlords, who exploit the high demand for rentals. TCNs, particularly from Serbia, Albania and Colombia or similar countries, frequently fall victim to these exploitative practices, given that for their initial stay in Malta (90-day visa) they do not require to submit a registered housing contract. Therefore, once they apply for the single permit and requesting such registration, many landlords would then refuse to register leases or issue fake contracts. In some cases, they take advantage of tenants' limited language skills to charge inflated prices or charge more in order to register the accommodation.

Serbian families describe the difficulty of affording rent without sharing accommodations, a reality that emphasises the financial strain and power landlords hold over their tenants. For many, the cost of living, including utilities, leaves them vulnerable:

“Actually, they found in the same flat 500 lease agreements – and they deported that guy and gave him a ban for three years all around Europe. He didn't even speak English.” (Albanian Community Leader).

The Albanian community leader described how he advised the second individual, who was initially fearful of the process due to his friend's deportation. The community leader's advocacy, along with the clear documentation he provided, led the authorities to ultimately regard the second tenant as a victim rather than an accomplice. However, this situation supports various anecdotes related to how the housing authority requirements might have loopholes which are more prone to scams, making it easy for unsuspecting tenants to fall for these schemes. The community leader highlighted the systemic issues at play:

“The inspector told me, ‘Listen, we found him guilty because...’ I told him – ‘yes, actually thank God that we met you – to tell me where is that guy to give us back the deposit. I have proof that we didn’t do anything fake’. (Albanian Community Leader).

NGOs with links to TCN communities in Malta described a similar situation between landlord and TCN tenant in the housing sector as the one between employer and TCN worker.

“I think landlord like having TCNs because they can abuse them more. That is the impression I get.” (Solidarjeta’/ Malta Tenants Support Group)

NGOs noted several examples in which this imbalance manifested itself, including a reluctance by landlords to register rental contracts with the authorities, landlords exploiting loopholes to subdivide rental accommodation into smaller (and potentially overcrowded) units, and a reluctance by tenants to raise disputes with their landlord.

This situation highlights the wider challenges encountered by TCNs, who are confronted with a housing environment filled with deception and few options for recourse. It ultimately exposes the deep-seated issues within the system that perpetuate their vulnerability.

5.4. Theme 4: Family Reunification Challenges

The longing to reunite with loved ones is often hindered by stringent regulations that not only prolong family separations but also evoke feelings of frustration and helplessness among the affected communities. Personal testimonies reveal the profound emotional toll these challenges take, particularly concerning stringent financial requirements and delays that are detrimental, in particular, to children’s education.

5.4.1. Stringent income thresholds and other legal barriers

Processing delays present considerable challenges for many families, while the continually shifting legal requirements further complicate reunification efforts. A particularly concerning development is the recent refusal of applications for children already living in Malta which has intensified frustration among affected communities.

“I know a lot of cases, that they get refusal for the income. Some of them get approval after the appeal, some no and still persist persist. [...] Now they are refusing process for the kids when they are in Malta already and is the first time¹⁰. I had seen a lot of families speaking about this when they come together” (Colombian Community Leader)

Similarly, the Albanian community leader echoes these sentiments, noting how the financial burdens associated with family reunification have increased:

“Before the income [requirement] was in the paper but they were not counting it, [...] you know what I mean? They used to close one eye, when is applying for a kid. But now they are refusing also kids born in Malta, that they have a Maltese birth certificate” (Albanian Community Leader).

One participant mentioned how the strict financial standards do not reflect the real-life situations families face. The disconnect between rigid financial metrics and lived realities becomes painfully evident in their daily struggles:

“ For me, let’s say. I am not meeting the quota. Let’s say I have two children. But I can feed them well, we can send them to school, the school is free [...] but I am not meeting the criteria? But my family is not starving here! It is too high as a threshold”. (Filipino Family Gozo Community / Filipino Bayanihan sa Malta)

Others mentioned that this is giving rise to a situation whereby children are being refused documentations

but, given they cannot go back to their country of origin alone, they remain in Malta, with no documentation and therefore with no rights and protection and in vulnerable legal position.

“Yes yes. And then we are coming to reason why kids are staying here. You know mother and father they are working, but kids they don’t have papers. Let’s say that they are all staying. I know a lot of them – I don’t know what means a lot – but 10 is a lot. You know... 1 is a lot already. I know a lot of them who has some problems with these things. Especially because now identita’ has increased the amount.” (Serbian Community Leader)

NGOs active in this sector also noted the insurmountability of the income threshold. One NGO noted that the income threshold would have been prohibitive for Maltese people in full-time, reasonably paid employment, let alone a TCN worker in lower-paid employment.

Moreover, during the time of writing, many participants claimed that the requirements have become more stringent and ambiguous with family members being rejected without a clear explanation why, even when the financial and other thresholds were met. This is also leading many to consider moving to other countries, like Germany who are more open to family reunification.

“ ...Both the parents are working (independently) and have a child (2nd) born here. When the first child came here (family reunification status) and applied for the ID card, she got refuse & had to appeal through a solicitor for which they had to pay €500. [...] [Abroad] Its easy to take their children and their whole family. So, I mean at one point they made it easy, but now they are making it again harder and harder. [...] (Indian Community Leader).

The challenges related to income requirements and other legal requirements go beyond paperwork and significantly affect the emotional well-being of families seeking stability.

“ Yes and it will be on your mind you cannot concentrate at work, and you would be thinking a lot.... Its really hard. I don’t know how many they are going to contact us. But these are two for now.” (Indian Community Leader)

This emotional burden is shared across the TCN communities, as many face similar difficulties compounded by the constraints of single work permits, which limit their opportunities for financial stability:

“Yes income is the biggest [hurdle] and there are some criteria, that a normal worker, general worker cannot approach to that also. But definitely if there was a way to reunify the family, everyone would like to bring their family as well. [...] Definitely we want, of course, even myself I have two kids, I want to bring my family for almost 3 and a half years. But because of these things... we are on single work permit as well, so I am working as well, and despite working when I get the free time I am doing this for the society [referring to the NGO]. “I am not saying that that is a problem, but there should be like change. If there could be some changes, it would help to grow the economy for Malta also. Because when people comes with the family they will stay longer.” (Nepali Malta Association).

5.4.2. Delays in the Process and Access to Education

Moreover, a number of participants mentioned the delays and the lengthy processes related to the family reunification documents, especially those in terms of attaining the ID cards for children, which ultimately have an impact on the education of the children.

Indeed, the ramifications of this process extend into the education sector, where access to schooling for children is often tied to parental documentation. The Serbian community leader provides a sobering account of the practical implications of this issue:

¹⁰ This quote indicates that lately, TCN communities are seeing more and more reunification applications for their children being refused, even if they are already in Malta. They mentioned that this is the first time they are seeing this happen

“Now things about school are, it’s a big issue now. Let’s say by months to explain. When you apply, let’s say mother and father apply go days, that is three months, usually process, it depends on the company is 2-3months, that means that 5-6 months kids are not going to school because you don’t have the blue paper. If you want kids to stay, they must have pay slips of 6 months, that means that one full year – passes. They can’t go to school without blue paper, that you apply for them. Now you need wait for 6 payslips. Before you didn’t” (Serbian Community Leader)

This situation raises important ethical concerns about the right to education, emphasising that access should not be determined by legal or bureaucratic hurdles.

5.5. Synthesis of key findings

The findings from this analysis reveal that TCNs face a complex interplay of challenges that can be categorised under three overarching sentiments:

Disempowerment

Disempowerment is a pervasive sentiment among TCNs, stemming from systemic inefficiencies and bureaucratic obstacles within Malta’s immigration processes. Many migrants report feeling powerless in the face of delays, lack of transparency and constant changes to regulations. They also feel like pawns in the hand of agents, employers and landlords, all of which have

Insecurity

Insecurity permeates various aspects of life for TCNs, particularly in employment and housing. TCNs frequently encounter unstable job contracts and unsafe working conditions, coupled with an inherent power imbalance in their relationships with employers. This precariousness leads to a lack of confidence in their ability to secure stable employment. Housing challenges, characterised by rising rental costs and exploitative landlord practices, further intensify this sense of insecurity. Many TCNs find themselves in substandard or

The urgency of this matter is further highlighted by the Albanian community leader, who asserts that education should not be contingent upon parental documentation:

“But actually, the school for me has not to be related to the documents of parents, in my opinion. Not only do you not give the ID, but the school is a basic human right, of every kid in every corner of the world.” (Albanian Community Leader).

The difficulties created by processing delays, strict income requirements and legal barriers highlight the pressing need for a more compassionate approach to policy surrounding family reunification. These narratives reveal that behind every application are families yearning for connection and security.

a say in the trajectory of their stay here in Malta. The challenges associated with family reunification further compound feelings of disempowerment, as many face lengthy processing times and stringent income requirements that hinder their ability to bring family members to Malta and live the life they wish to enjoy.

overcrowded living conditions, which undermines their overall quality of life. This insecurity is also ingrained in the system itself which requires them to renew their application every year, meaning that there is this long-term unknown factor and inability to plan.

Helplessness

The sentiment of helplessness is evident in the overwhelming bureaucratic barriers that migrants face in their daily lives. Inconsistent work hours, inadequate support from employers and a lack of orientation leave TCNs feeling ill-equipped to face their circumstances. Family reunification processes often contribute to feelings of helplessness, where families must endure long waits for necessary documentation, resulting in prolonged separation from loved ones. The cumulative effect of these challenges fosters a sense of helplessness among TCNs, as they struggle to exert control over their lives and future prospects in Malta.

This analysis underscores the urgent need to recognise and address the profound sentiments of disempowerment, insecurity and helplessness experienced by TCNs in Malta. These feelings not only shape the individual experiences of migrants but also have broader implications for social cohesion and economic stability within Maltese society. Ultimately, addressing these challenges is not merely an obligation; it is an investment in the social and economic vitality of Malta.

6. Conclusion

With a backdrop of shifting migration policies and sentiments, both at EU and local level, this report has served as a reflective tool, to get a glimpse of the true lived experience of TCNs on a single-work permit in Malta, looking both at the relevant statistical figures, but also going beyond in an attempt to delve deeper into their own experiences whilst being major economic players.

This report has shown that TCNs on a single work permit have undeniably contributed abundantly to the Maltese economy. Engaged in various economic, social and systemic dimensions, TCNs have supported GDP growth through labour participation and consumption, addressing critical labour shortages in areas whereby local workers are reluctant to operate, whilst also sustaining the current pensions system through their social security contributions, amongst others. Yet, the sudden influx of workers has also led to increased demand for public services, possibly overwhelming the system and its operations, leading to delays and lack of clarity in certain instances. Moreover, this same influx led to unprecedented pressures on the local infrastructure and have potentially led to wage suppression in particular industries.

By looking at the available statistics related to TCN numbers for the period of August 2023, one can conclude that TCNs on a single work permit were predominantly males, with females representing a higher percentage only in specific sectors such as health and education. In terms of age, a high percentage of TCNs fell in the 25–39-year age cohort, indicating a young and dynamic group.

TCNs on a single work permit were found to be employed predominantly in sectors such as Administration and Support (due to temping agencies), accommodation and food, quarrying and construction, wholesale and retail as well as manufacturing. Moreover, the vast majority occupied roles of elementary, services and sales or craft occupations. This indicates that many TCNs are relegated to low productivity and/or low skilled jobs, which is also reflected in their salaries, which was found to be 17% lower than the average salary in the local market. Given the fact that studies have shown that many TCNs are overqualified for their occupations, one can deduce that barriers (structural or other) are in place which are preventing TCNs from accessing, better and higher paid jobs, with the risk of creating further

divides in society, with an ‘us and them’ mentality and increased inequalities.

It was also found that despite the large influx, migration flows are also characterised by a large number of TCNs leaving the islands. This could be due to rejected applications, lack of renewals, as well the voluntary decision of TCNs to leave, in part due to greater struggles to send remittances and sometimes in the search of better conditions such as better family reunification processes, as confirmed by interviewees of this study. This high turnover, does not only lead to instability for the migrants themselves, but can be considered as a burden and cost for employers and could also be undermining the local social fabric, whereby relationships with neighbours, colleagues and friends become more unstable, fluid and less long lasting.

Whilst acknowledging their indispensable role in the current economic growth trajectory, this study sought to also look into the lived experience of these workers, to understand the challenges faced in terms of obtaining the single work permit and maintaining it, whilst also looking at other well-being factors such as their accommodation conditions and possibility to reunite their families.

This has uncovered various complex dynamics, some of which were also dependent on the country of origin of the TCNs, given that different nationalities had different requirements. However, across the board, participants mentioned how the application processes in themselves are complex and ambiguous, often being enablers to third parties and agencies to exploit such intricacies and take advantage of very often ‘overwhelmed’ TCN applicants.

Moreover, documentation requirements were found to be very cumbersome, and sometimes unrealistic given the realities of TCNs (e.g., Renewing a passport when there are no local Embassies). Lengthy delays in obtaining the necessary documents, are sometimes leading TCNs to accept certain illegalities, such as starting to work before permits are issued and/or accepting fake housing contracts due to pressures from employers, agents and/or landlords, as well as the real need to sustain oneself financially once in Malta. Such illegalities put them in more precarious and vulnerable positions. Language barriers were

also found to make it harder for TCNs to understand entirely all that is required from their end, whilst many claimed that much of the documentation necessary seems to be a revenue generating tools (e.g., skills card, health checks for renewals etc.) rather than genuine checks to make sure that whoever is coming here is adequate. This sentiment was further exacerbated by the fact that many interviewees mentioned that applicants who have connections and/or who can pay extra, can often find ‘illicit’ pathways to overcome such documentation requirements.

As already stated, TCNs are in their majority relegated to low productivity and low paying industries. Yet, employment conditions go beyond remuneration. Given that their stay in Malta is dependent on the ‘benevolence’ of their employer, often times TCNs accept suboptimal conditions, precarious job arrangements, unequal treatment, as well as safety malpractice, without reporting, given the fear of being terminated and hence, deported. This does not only result in job insecurity for the migrants, but it also enables employers to carry out irregular practices, such as employing workers for lesser hours than the agreed 40 hours per week or not registering the employees with Jobsplus. Such circumstances are the direct result of the design of the system, which ties the applicant to the employer and who is therefore fully dependent on him/her, leaving them little space to advocate for oneself. Moreover, this single permit structure could also be acting as an enabler for discrimination and abuse.

Apart from the specific processes tied to the application itself and labour market realities, the wellbeing of the TCNs is also dependent on the accessibility and affordability of accommodation. The rising rental costs as well as lack of awareness of different options and rental regulations often lead TCNs to accept suboptimal conditions, such as cramped spaces or inadequate living conditions and exploitation by landlords. In some instances, TCNs also accept such conditions in order to minimise their current costs and allow them to send remittances back to their families, remittances, which (as per NSO statistics), have been decreasing over the years, possibly due to such inflationary pressures.

Participants mentioned how family reunification processes are also imperative in terms of their well-being, claiming that whereas in previous years the process was somewhat simple, at the time of writing, the policies became more onerous (e.g., higher income requirements) and stricter, leading to an increased

number of rejections for children’s ID cards, even if these were born in Malta. Such situations, especially when both parents are working locally, are increasingly leading to issues of children remaining in Malta whilst undocumented, putting them in a vulnerable and illegal positions. Other parents who manage to meet the threshold, still face long processing times to get their children IDs, which often delays enrolling children to school, even up to one year. This has ramifications on the parents, the children, as well as schools which will eventually host such children.

It is not the intention of this report to victimise the TCNs working in Malta on a single work permit, or remove in any way their sense of agency. Rather, this report seeks to give a voice to these workers who have been contributing to building our economy and growing our GDP and which are often left unheard when discussing their own challenges within the system. The aim of this report is to illustrate a holistic picture of how such migrants contribute, benefit but also suffer when navigating the single-work permit process. Such workers are empowered and resilient individuals who travel in the search of better life opportunities for them and their families, but often find themselves stuck in a system whose current design leaves them feeling disempowered, insecure and helpless.

It is therefore imperative that policies effectively redesign the systems to remove loopholes or structures which enable abuse and exploitation of such workers, whilst ensuring that TCNs just like Maltese workers, are not ‘commodified’ or considered to be just another cog in the wheel of the GDP creation. This will also make sure that basic human rights of all workers are protected, as per the UN declaration of human rights, of which Malta is also a signatory. Whilst acknowledging and appreciating their contribution to the local economic growth, it is imperative that growth does not come at the expense of their well-being. TCNs should be ensured access to adequate rights, services and security.

In conclusion, a holistic approach that integrates economic, social and systemic considerations is essential for formulating effective policies. By addressing challenges proactively and leveraging diversity as a driver of innovation and resilience, Malta can effectively acknowledge that TCNs are not mere economic agents but integral members of the Maltese society whose contributions extend beyond conventional GDP metrics. It emphasises the importance of balanced growth that prioritises inclusive development, cultural enrichment and responsive governance.

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Appendix A

7. Methodology

This section outlines in greater detail the full methodology adopted for this study.

7.1. A phased approach

This mixed-methods approach involved an iterative process organised into distinct phases, with each phase carefully structured to build on the findings of the previous one. This strategic design facilitated a seamless integration of data and insights across the different phases. Consequently, the research benefited from continuous data refinement and validation, adhering to the principles of triangulation. Four distinct phases were established, as depicted in Figure 1 in Chapter 2

7.1.1. Phase 1: Situation Analysis

This initial phase set the foundations of the study, by examining a wide array of secondary data sources which provided a clearer picture of the context. The reviewing of existing policies, processes and frameworks was crucial to understand the rules and structures governing TCNs, whilst the analysis of recent news items reflected the current public discourse and emerging issues. In June 2024, an interview with Identita' Malta was held to clarify the single work permit application and renewal processes². A Q&A email correspondence with Jobsplus offered practical perspectives on operational realities. This thorough review provided critical insights into the regulatory and institutional environment impacting TCNs and clarified the mechanisms of their entry and stay in Malta. This phase set the ground work for the identification of

broader patterns and trends in the TCN experience explored in the second phase.

Phase 2: Statistical Analysis

This second phase entailed the collection and examination of statistical data from the NSO, Jobsplus, Eurostat as well as through parliamentary questions (PQs)³. This phase offered a broad overview of the economic and socio-demographic variables of TCNs on a single work permit in Malta.

The data points analysed included:

- Malta's GDP growth figures
- GVA per sector
- The number of TCNs⁴, EU nationals and Maltese employed in Malta (up to August 2023).
- Age and gender distribution of these individuals
- Breakdown of employees by sector and occupation level
- Average salaries per occupation and per sector (where available)

The sectorial breakdown provided in the datasets were categorised using standard NACE classification codes. To streamline the analysis and make the results more accessible to a non-specialist audience, the sectors were categorised in broader industry classifications⁵.

1 In terms of policy and legislation updates, a 30th September 2024 cut off point was adopted. Given the frequent and constant changes in policy this was necessary to be able to close off the report. We note that other policy changes made following the cut-off point could alter the context hereby being described.

2 Any further changes in policy between June and September were analysed via media sources.

3 It is to be noted that the Commission forwarded a number of parliamentary questions in terms of the subject, through Hon. Dr. Abert Buttigieg, namely PQs 18441, 18442, 18443 and 18444. Only one question (18443) was answered, for the rest data was still being collected at the time of questioning.

4 In this study TCN figures do not include UK nationals.

5 (i) Agriculture & fisheries, (ii) Manufacturing, (iii) Power & utilities, (iv) Quarrying & construction, (v) Wholesale & retail trade, (vi) Transport & logistics, (vii) Accommodation & food services, (viii) Information & communications, (ix) Financial & insurance services, (x) Real estate, (xi) Professional services, (xii) Administrative & support services, (xiii) Public administration, (xiv) Education, (xv) Health, (xvi) Gambling & betting, and (xvii) Other sectors.

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Similarly, the occupational groupings on the provided datasets were also categorised⁶. These quantitative findings illustrated significant trends, providing a data-driven foundation for the qualitative exploration in phase 3.

7.1.2. Phase 3: Lived Experience

The third phase sought to capture the personal and subjective experiences of the cohort under study. This phase involved conducting two parallel interview streams: one with stakeholders working closely with TCNs and one exclusively with TCNs themselves.

For both groups semi-structured interviews were held, with the aim of striking a balance between having consistency across interviews whilst allowing interviewees to elaborate, emphasise and introduce other pertinent topics unique to their own experience. The research schedules are included in Appendix B. The questions focused on four major areas:

The single-permit process itself and possible long-term residency: Examining the clarity, efficiency and user-friendliness of the application process.

- Employment conditions: Understanding the relationship of TCNs with their employers, the conditions of work and possible challenges they encounter on the jobs.
- Accommodation: Examining the accessibility and affordability of housing options, considering factors such as rental costs, availability of accommodation and living conditions.
- Family reunification processes: Investigating the processes and challenges involved in bringing and/or retaining family members (e.g. children and/or spouses) in Malta, including legal procedures and practical hurdles.

7.1.2.1. Participant selection Stakeholder interviews

The stakeholder interviews were carried out between April and May of 2024. The stakeholders selected comprised of key experts and organisations with significant involvement in or extensive knowledge of TCNs in Malta (Table 2 Stakeholders interviewed).

Table 2 Stakeholders interviewed

Organisation/ Stakeholder	Focus
Jesuit Refugee Services (JRS)	Legal
Aditus	Legal
Malta Tenants' Support Group / Solidarjeta ⁷	Housing issues and working conditions

Lawyers from JRS and Aditus, specialising in immigration, human rights and employment law, offered detailed insights into the legal complexities faced by TCNs. Their expertise was crucial for understanding immigration policies, human rights protections and labour laws, family reunification processes and for assessing the adequacy of legal safeguards and identifying gaps in TCNs' rights and access to justice. The third interviewee provided insights on the housing accessibility, affordability and challenges faced to retain accommodation. They shared valuable information on systematic issues related to single work permit

application and renewals, as well as the working conditions and issues related to the labour market.

TCN community leaders and members

Between July and August 2024, interviews with the TCN communities themselves were held. The largest six TCN nationalities with a single work permit at the time of writing were chosen, namely: India, Philippines, Nepal, Serbia, Albania and Colombia (Jobsplus, 2024). These nationalities collectively represented c.71% of all TCNs with a single work permit (Table 3 Number and percentage of TCNs on a single work permit by

nationality). Where possible TCN formal organisations' representatives were interviewed. When these were not available/ non-existent, other informal community leaders were contacted.

Table 3 Number and percentage of TCNs on a single work permit by nationality

Country	Count	Percentage
India	13,143	23.04%
Philippines	9,365	16.41%
Nepal	8,355	14.64%
Serbia	3,826	6.71%
Albania	3,147	5.52%
Colombia	2,969	5.20%
Total	40,805	71.52%

Source: Data provided by Jobsplus. Reporting period as at August 2023

As indicated in Table 4 NGOs and/or community leaders interviewed by nationality, seven interviews were conducted covering these six different nationalities, one per country and two for the Philippines, given that one organisation reached out directly to share their insights. Such interviews were deemed an imperative part of the research, since it gave a voice to the protagonists and aimed to empower them to speak about their own life situations.

Interviewing different nationalities allowed to capture the diverse realities they face due to their different cultural and economic backgrounds. These not only

impact how they perceive and interpret experiences, but also result in different permit requirements and access to legal assistance. The different pathways used by these individuals to arrive in Malta, result in differing documentation requirements and bureaucratic challenges. The approach hereby described, not only acknowledges the diversity within TCN communities but also seeks to understand the common issues they face. This research methodology ensured that the findings were grounded in real experiences and perspectives, enhancing the relevance and applicability of the research outcomes.

Table 4 NGOs and/or community leaders interviewed by nationality

Foreign Community	Organisation/ Community Member interviewed
Indian	NGO requesting to remain anonymous
Philippines	Filipino Community in Malta (Fil-Com Malta)
Philippines	Filipino Family Gozo Community & Filipino Bayanihan sa Malta
Nepal	Nepali Association Malta
Serbia	Community Leader
Albania	Community Leader
Colombia	Community Leader

7.1.2.2. Data collection and management

Before the interviews, detailed information sheets were shared with the interviewees highlighting the study's objectives, participant roles and anticipated outcomes (Appendix B). These were essential to ensure that

potential participants fully comprehended the purpose of the research and could make informed decisions regarding their participation. Additionally, consent forms (Appendix B) were explained to the participants and collected so as to formalise their voluntary agreement to

⁶ [1] Managers, [2] Professionals, [3] Technicians and Associate Professionals, [4] Clerks and Support Workers, [5] Service and Sales Workers, [6] Skilled Agricultural Fishery and Forestry workers, [7] Craft and Related Trades Workers, [8] Plant and machine operator and assemblers, [9] Elementary Occupations.

⁷ One of the persons interviewed represented both the "Malta Tenants' Support Group" and "Solidarjeta"

take part in the study. These forms included provisions detailing confidentiality, anonymity (where applicable) and participant rights, ensuring clarity and protection throughout the research process.

All interviewees consented for audio recordings which allowed for more accurate data capture. Interview recordings were then transcribed ad verbatim and anonymised during the analysis so as to protect participants' identities and uphold confidentiality. This approach ensured that data was handled securely and ethically, adhering to stringent data protection regulations, whilst preserving the richness of the participants' narratives.

To uphold research rigour, various quality assurance measures were implemented throughout the study. These included:

- Bias Mitigation: Although reflexive journaling was not used, the research team ensured objectivity by holding regular discussions to address biases and adhere to established research protocols.
- Peer Debriefing: Regular debriefing sessions with research collaborators and practitioners were conducted to critically evaluate the research process and findings, ensuring depth and breadth in analysis.

7.1.2.3. Ethical Considerations

The study adhered to the principles of respect, beneficence and justice, ensuring that all participants were treated with dignity and fairness. The following ethical practices were implemented:

- Informed consent: Participants were provided with detailed information about the study, allowing them to make an informed decision about their participation.
- Voluntary participation: Participation in the study was entirely voluntary and participants had the right to withdraw at any stage without any consequences or further questions asked.
- Confidentiality and anonymity: Strict measures were taken to ensure participants' confidentiality and anonymity. Personal identifiers were removed during transcriptions and analysis to protect participants' identities.
- Data protection: Any recordings taken during the interviews for the purpose of note taking were stored safely in a password protected computer and deleted once transcripts were completed.

- Beneficence: Researchers prioritised the well-being of participants, ensuring that the study did not cause harm.
- Justice: Efforts were made to ensure that the study's benefits were equitably distributed and that no group was unfairly burdened or excluded.

This in-depth exploration in the qualitative data analysis set the stage for integrating all findings in the final phase

7.1.2.4. Phase 4: Analysis and reporting

The analysis and reporting phase synthesised the findings from both the quantitative and qualitative data collected.

For the qualitative data, the thematic analysis was conducted in accordance with Braun and Clarke's six-phase framework (Braun & Clarke, 2006), which facilitated the systematic identification, analysis and reporting of patterns within the qualitative data. The process unfolded as follows:

- a. Familiarisation: The data was reviewed multiple times to identify recurring patterns.
- b. Generating initial codes: A set of codes was developed based on the recurring themes found in the responses covering key issues. The codes derived can be found in the following box below.
- c. Searching for themes: The codes were organised into broader themes, representing the most salient issues across the different nationalities.
- d. Reviewing themes: Themes were reviewed/ refined to accurately reflect the participants' experiences.
- e. Defining and naming themes: Each theme was clearly defined and named, based on the issues they encompassed.
- f. Writing up: The results were written up as a structured report, with direct quotes from participants used as supporting evidence.

The initial coding process outlined above served as the foundation for the analysis, enabling a structured exploration of the realities experienced by various nationalities. By organising these initial codes into broader themes, the analysis facilitated a comprehensive examination of both commonalities among participants and the unique challenges faced by each nationality, ensuring that the findings accurately reflected the lived experiences of the participants.

However, it is important to acknowledge that the findings are ultimately shaped by the subjective experiences of the participants. While the analysis effectively highlights significant trends, the challenges identified may not universally apply to all individuals within their communities.

Coding System and Descriptors

The analysis uses the following coding system:

Theme 1: Challenges in the Processes

Application Issues (AI): Delays and problems with initial applications and renewals.

- AI-I: Issues with initial application processing.
- AI-R: Delays in permit renewals.

Documentation Challenges (DC): Problems with collecting or meeting documentation requirements.

- DC-M: Missing or incomplete documents.
- DC-R: Difficulty fulfilling documentation requirements.

Long-Term Residency (LTR): Issues with understanding or applying for long-term residency.

- LTR-U: Lack of understanding of long-term residency processes.
- LTR-B: Bureaucratic hurdles in the long-term residency process.

Legal and Policy Changes (LPC): Impact of changes in immigration laws and policies.

- LPC-P: Effects of recent policy changes on migrants.
- LPC-L: Confusion and lack of awareness regarding new legal requirements.

Theme 2: Employment-Related Difficulties

Job Security (JS): Problems related to contract stability.

- JS-TC: Temporary contracts causing job instability.
- JS-JS: Overall concerns about job stability.

Workplace Discrimination (WD): Unfair treatment and harassment.

- WD-UT: Unequal treatment based on ethnicity or nationality.

- WD-H: Harassment or mistreatment by employers and/or other local employees.

Work Hours and Flexibility (WH): Issues with irregular or inflexible work hours.

- WH-IH: Inconsistent working hours.
- WH-LF: Lack of flexibility in scheduling.

Employer Support (ES): Quality of assistance provided by employers.

- ES-OT: Inadequate training and orientation.
- ES-AR: Lack of resources and support for job-related issues.

Theme 3: Housing Challenges and Living Conditions

Accommodation Costs (AC): High and rising costs of renting housing.

- AC-HR: High rental prices.
- AC-IC: Increasing rental costs over time.

Housing Availability (HA): Difficulty finding suitable housing.

- HA-LO: Limited availability of rental properties.
- HA-HD: High demand for housing, leading to exploitation by landlords.

Living Conditions (LC): Problems with overcrowded or poor-quality housing.

- LC-PQ: Poor quality housing.
- LC-OC: Overcrowded living conditions.

Theme 4: Family Reunification Challenges

Application Delays (AD): Delays in family reunification processes.

- AD-P: Processing delays in reunification applications.
- AD-D: Delays caused by documentation issues.

Legal and Procedural Barriers (LPB): Legal challenges in family reunification.

- LPB-CP: Complex and confusing application procedures.
- LPB-LR: Stringent legal requirements for reunification.

Financial Constraints (FC): The financial burden of family reunification.

- FC-SC: Sponsorship costs.
- FC-IR: Challenges meeting income thresholds for reunification.

7.2. Limitations and mitigating factors

As for every study, a number of limitations and challenges were faced, yet the team employed mitigation measures and quality assurance measures whenever possible.

7.2.1. Data limitations

In the data collection phase, Jobsplus provided two datasets, one containing the number, gender and nationality of single work permit holders registered with Identita; whilst the second dataset is compiled by Jobsplus itself and includes TCNs (irrespective of work permit status) who submitted an engagement form with Jobsplus. Upon inspection, the two data sets seemed to not reconcile. Following discussions with Jobsplus, it was clarified that these two datasets were not directly comparable due to potential discrepancies such as, TCNs holding a single work permit with Identita', but whose employer would not have submitted an engagement form with Jobsplus on time, or TCNs who may have left Malta but no termination letter would have been submitted. As a result, there could be a potential overstatement or understatement of figures across different sectors in the second Jobsplus dataset.

To address these challenges, the study adopts precautionary measures:

Deliberate use of Separate Datasets:

To maintain the accuracy and integrity of the study, it was decided that the data sets would be used separately.

- The Identita' data set was used as a primary source for the current state analysis of TCNs
- The Jobsplus dataset was used to undertake a comparative analysis that calculates the proportion of TCNs relative to the overall number of employees in Malta. This analysis is also useful when drawing comparisons with Maltese and EU nationals registered within the local workforce. In this case this data set was used to identify trends rather than quote absolute figures.

It is therefore crucial to acknowledge the potential discrepancies highlighted by Jobsplus to avoid misinterpretation of findings.

Focus on Trends:

Recognising the inherent limitations, the analysis of Jobsplus data focuses on identifying trends rather than relying on absolute figures. This methodological approach aligns with best practices in comparative analysis, allowing the study to uncover meaningful patterns and insights despite data discrepancies.

For ease of reference, the first dataset will be referred to as the Identita' dataset, and the second as the Jobsplus Dataset.

7.2.2. Ensuring meaningful participation

The aim of the research was to capture the diverse experiences of TCNs on a single work permit. Yet, time and resource limitations, meant that only the top six nationalities were considered. Despite this being a representation of c. 71% of the total TCN on a single work permit population (as at August 2023), this delineation inadvertently marginalised less represented TCN communities who are already a minority.

Moreover, the individual interviewees gave their own experiences and even though they spoke on behalf of their community, their input might have excluded the vast experiences within the same community. Participants were selected based on their availability and willingness to participate, this could have introduced bias by excluding individuals who were harder to reach or less visible within the community, such as those with limited access to communication channels, a non-English language preference or those less willing to engage with researchers.

Caution is therefore warranted due to the reliance on a relatively small, pragmatic sample. The findings may not fully capture the diversity of the broader TCN

population, raising concerns that the perspectives of community members who are more readily available or willing to engage in studies are given more prominence. However, the insights gained from their experiences are still valuable and meaningful. Their willingness to engage offered deep insights that were essential for building a comprehensive understanding, albeit with the acknowledgment that the findings may not fully generaliseable to all segments of the TCNs population.

7.2.3. Policy and legislative changes

As stated above, the policy and legislation cut-off date for this study was September 2024. This was set due to the fact that throughout the research period, legislation, policies and government actions had been continuously changing due to the volatile nature of the local migration environment. While this constant flux poses challenges for the long-term validity of the context hereby described, it also underscores the inherent instability and uncertainty in the migration process, which directly impacts employers and TCNs themselves, being therefore, a finding in its own right. Despite this, the core insights of the research remain valid and relevant, as the study captures key trends and patterns amidst this evolving landscape.

Appendix B

Interview Schedule Foreign Representatives

Interview Schedule Identita'

Interview Schedule Stakeholders

Information Sheet

Consent Form

Interview Schedule – Foreign Representatives

1. Can you kindly introduce yourself and give us some background on how long you have been representing your community here in Malta?

Application process

2. Does your organisation help your fellow nationals in terms of obtaining/ maintaining or any issues with the single work permit applications etc.?
3. What is the usual route people from your country take to come to Malta? (First get here then apply for single work permit? Through an agent, through people they know?)
4. What are the greatest issues surrounding the single work permit system?
5. Do you feel your fellow nationals are aware of their rights and obligations when applying for a single-work permit in Malta? If not, why not and what can be done to improve this?
6. Do you think most Single Work Permit holders leave once they are rejected, or do they try to appeal?
7. The law states that it is the responsibility of the TCN to leave the islands once the application is rejected. Do you believe that many truly leave or do you think that many still stay on?
8. What do you feel are the main problems with the current Single-work Permit as it is? How can it be improved?

Long term residency

9. Do you think most of your fellow nationals want to leave Malta after a while, or are they looking for long-term residency?

10. If they want to stay, what are the main hurdles faced in applying for long-term residency?

Income and Employment conditions

11. Identita' claims that single-work permits hold the right to the same working conditions as Maltese. Do you feel that in general this is the case and that violated rights are the exception?
12. Do you feel that if they are violated, the people you represent would report?
 - a. If not, why not?
 - b. If yes, is the enforcement working?

Housing Issues

13. What are your general thoughts about the housing situation your fellow nationals are facing (e.g. price, availability, discrimination, fake contracts)?
14. In order to apply for a single-work permit TCNs would require a valid housing contract, which is sometimes leading to fake contracts. To you feel TCNs are aware that the contracts provided are fake or not?

Family reunification

15. Do you feel that many of the people you represent would like to bring their family over? IF yes, what are the major challenges?

General

16. Any other thoughts/ comments on the situation of TCN single work permit holders

Interview Schedule – Lawyers

1. Kindly introduce yourself and give us some background of your work and/or connections to Third Country Nationals (TCNs) holding a single work permit in Malta over the past few years/months?

Application process

2. Do you feel TCNs are aware of their rights and obligations when applying for a single-work permit in Malta? If not, why not and what can be done to improve this?
3. The average waiting time for an application to be seen to is claimed to be 2 months (identita'). Do you believe this is true (for renewal and new applications)?
4. Applications are to be renewed year-on-year and at any point the Director might reject such application. The S.L. 20 states that the Director shall give reasons in writing in case of rejections – Does this truly happen? What are the major reasons quoted?
5. Is it common practice to reject single-work permits after having them renewed for a number of years? Or are they usually renewed in the majority?
 - a. Do you think many TCNs appeal rejections, or do they simply leave?
 - b. The law states that it is the responsibility of the TCN to leave the islands once the application is rejected. Do you believe that many truly leave or are we maybe underestimating the number of TCNs in Malta?
 - c. What do you feel are the main problems with the current Single-work Permit as it is? How can it be improved?

Income and Employment conditions

6. Identita' claims that single-work permits hold the right to the same working conditions as Maltese. Do you feel that in general this is the case and that violated rights are the exception?
7. Do you believe there is a wage gap between foreign workers and Maltese working the same jobs?
8. In case foreign workers feel that their rights are being violated, do you feel that they are reporting?
 - a. If not, why not?
 - b. If yes, is the enforcement working?

Housing Issues

9. In order to apply for a single-work permit TCNs would require a valid housing contract, which is sometimes leading to fake contracts. To you feel TCNs are aware that the contracts provided are fake or not?
10. The new legislation states that there cannot be more than 6 people (not same household) renting the same household? Do you feel that this is helping in controlling over crowding etc. Do you feel this is being enforced?

Family reunification

11. Is it possible for TCNs on single work permits to bring their families over? Law seems to allow for it, but in real terms is it possible?
12. Do you feel many single-permit holders apply for family reunification?
13. What are the major hurdles faced by single-permit holders to get their families in Malta?

General

14. Any other thoughts/ comments on the situation of TCN single work permit holders in Malta?

Interview Schedule – Identita’

1. Kindly introduce yourself and give us some background of your work and/or connections to Third Country Nationals (TCNs) holding a single work permit in Malta over the past few years/months?

Application process

2. Do you feel TCNs are aware of their rights and obligations when applying for a single-work permit in Malta?
3. What are the main issues you face as Identita’ when employers apply to bring in TCNs to work in Malta?
4. The average waiting time for an application to be seen to is claimed to be 2 months (identita’). Do you feel that this process is now taking longer or not, given the rise in numbers?
5. Can TCNs on any other type of VISA apply for a single-work permit from Malta or do they need to do so from outside of the EU?
6. Applications are to be renewed year-on-year and at any point the Director might reject such application. The S.L. 20 states that the Director shall give reasons in writing in case of rejections –What are the major reasons quoted?
7. Do you think many TCNs appeal rejections, or do they simply leave?
8. The law states that it is the responsibility of the TCN to leave the islands once the application is

Information Sheet

In 2019, the Justice and Peace Commission had embarked on a research study to identify what other metrics could be applied in Malta to measure the success of the economy and the society over and above the sole metric of GDP. The research study had culminated in November 2020 through the publication

rejected. Do you believe that many truly leave or are we maybe underestimating the number of TCNs in Malta?

9. What do you feel are the main problems with the current Single-work Permit as it is? How can it be improved?

Long term residency

10. Long-term residency can be applied for after 5 years – do you see / feel that TCNs are looking for long-term residency?
11. What are the main hurdles faced by TCNs who want to apply for long-term residency?

Employment conditions

12. In the case that the workers report employers for exploitation etc. are they protected to remain in Malta (for at least a period of time?), or are they sent back to their country given the work would then possibly have been terminated?

General

13. Any other thoughts/ comments on the situation of TCN single work permit holders in Malta?

of the ‘Beyond GDP’ report⁸. The Commission has now embarked on a second phase of this project.

It is an undeniable fact that the expanding GDP of Malta has and continues to be enabled by the large numbers

of foreign economic migrants who are joining the local labour force.

Therefore, the Commission is seeking to analyse the impacts and implications on the quality of life of these Third Country Nationals, specifically focusing on those single-permit holders. The research will focus on 4 main pillars:

- Income
- Housing Arrangements
- Employment conditions
- Family ties and possible reunification

As part of the research study, we are seeking to carry out 45minute-1hour interviews with representatives from the major foreign communities whose members make up most of the TCN single-permit holder community here in Malta. We would like to discuss and explore the true lived experience in relation to the themes mentioned above.

All the information gathered will remain confidential and no reference to your name, contact details or identity will be made. In the case that you are representing an organisation/ organisation, you can choose to disclose the name of the organisation.

If you have any questions or would like to clarify anything, please do not hesitate to contact us. We look forward to hearing from you and thank you in advance for your cooperation

Thanks, and best regards,

Ms. Maria Giulia Borg
mariagiuliapace@gmail.com
(#contact number)

and/or

Mr. Mark Cachia
mark.cachia@maltadiocese.org
(#contact number)

8 <https://gp.knisja.mt/wp-content/uploads/2022/03/BEYOND-GDP-REPORT-2020-3.pdf>

Consent Form

I, agree to take part in this research project.

1. I have had the purposes of the research project explained to me.
2. I understand that I am free to accept to participate, or to refuse or stop participation at any time without giving any reason and without any penalty. Should I choose to participate, I may choose to decline to answer any questions asked. In the event that I choose to withdraw from the study, any data collected from me will be erased.
3. I have been assured that my anonymity and confidentiality will be protected
4. I agree that the information that I provide can be used for educational or research purposes, including publication.
5. I am aware that excerpts from the data I may provide may be cited in this study's report without disclosing my identity.
6. I understand that if I have any concerns or difficulties I can contact:
 - a. Ms. Maria Giulia Borg: mariagiuliapace@gmail.com (#contact number) and/or
 - b. Mr. Mark Cachia: mark.cachia@maltadiocese.org (#contact number)
7. I am aware that, by marking the first tick-box below, I am giving my consent for my identity to be revealed in publications, reports or presentations arising from this research. **MARK ONLY IF AND AS APPLICABLE**
 - I agree that my identity be revealed in publications, reports or presentations arising from this research.
 - I do not agree that my identity be revealed in publications, reports or presentations arising from this research.
8. I am aware that, by marking the first tick-box below, I am giving my consent for the identity of my organization (if any) to be revealed in publications, reports or presentations arising from this research. **MARK ONLY IF AND AS APPLICABLE**
 - I agree that the identity of the organization I represent may be disclosed in the research outputs
 - I do not agree that the identity of the organization I represent may be disclosed in the research outputs
9. I am aware that, by marking the first tick-box below, I am giving my consent to having the interview recorded. **MARK ONLY IF AND AS APPLICABLE**
 - I agree to this interview being audio recorded / video recorded.
 - I do not agree to this interview being audio recorded / video recorded.

I assign the copyright in my contribution to the Justice and Peace Commission for use in education, research and publication.

.....
Signed

.....
Date

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