



Malta in the light of the Europe-2020-Strategy

Potentials and challenges in the European context



The Europe-2020-Strategy

Europe-2020-Priorities:

1. **Smart growth:** developing an economy based on knowledge and innovation.
2. **Sustainable growth:** promoting a more resource efficient, greener and more competitive economy.
3. **Inclusive growth:** fostering a high-employment economy delivering social and territorial cohesion.

Source: EU COM, 2010.



The Europe-2020-Strategy

EU headline targets

1. 75 % of the **population aged 20-64** should be **employed**
2. 3% of the **EU's GDP** should be invested in **R&D**
3. The **"20/20/20" climate/energy targets** should be met (including an increase to 30% of emissions reduction if the conditions are right)
4. The **share of early school leavers** should be **under 10%** and at least 40% of the younger generation should have a tertiary degree
5. 20 million less people should be at **risk of poverty**

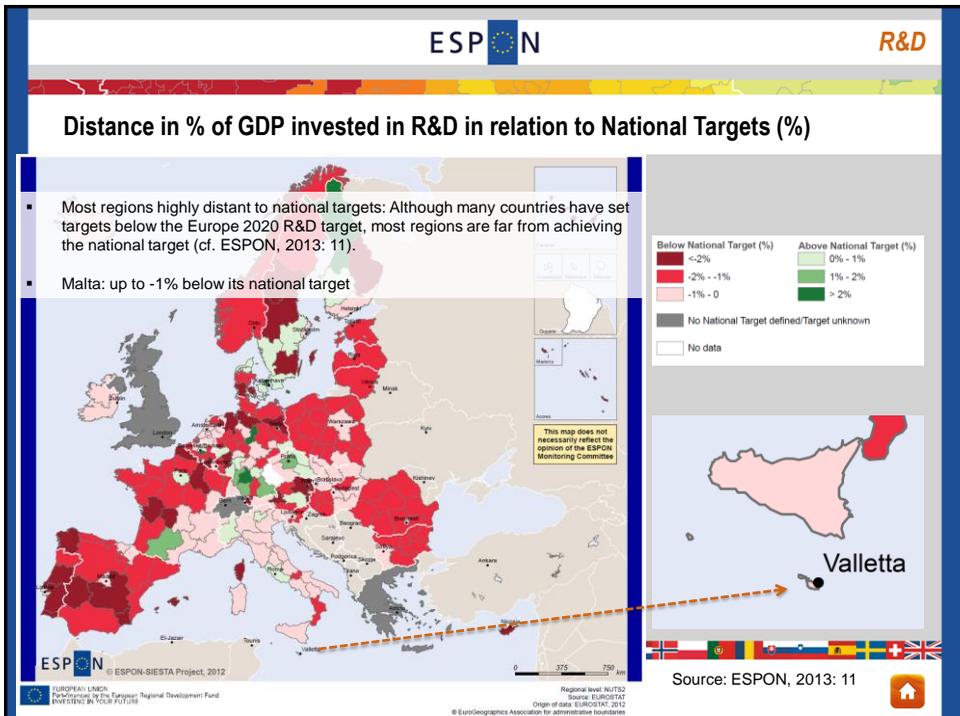
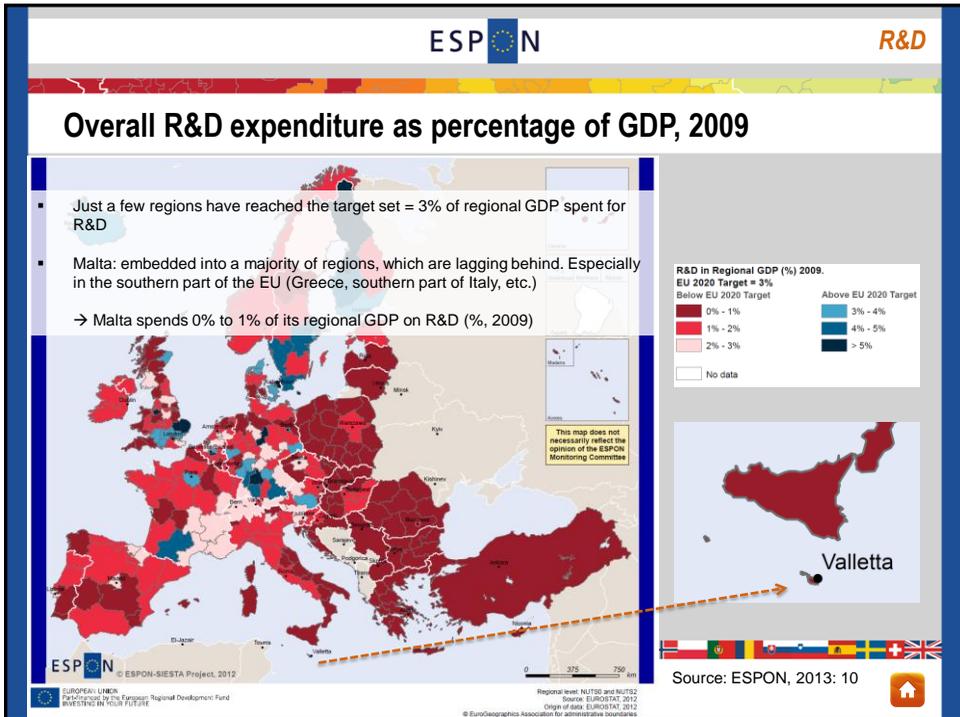
Source: EU COM, 2010.

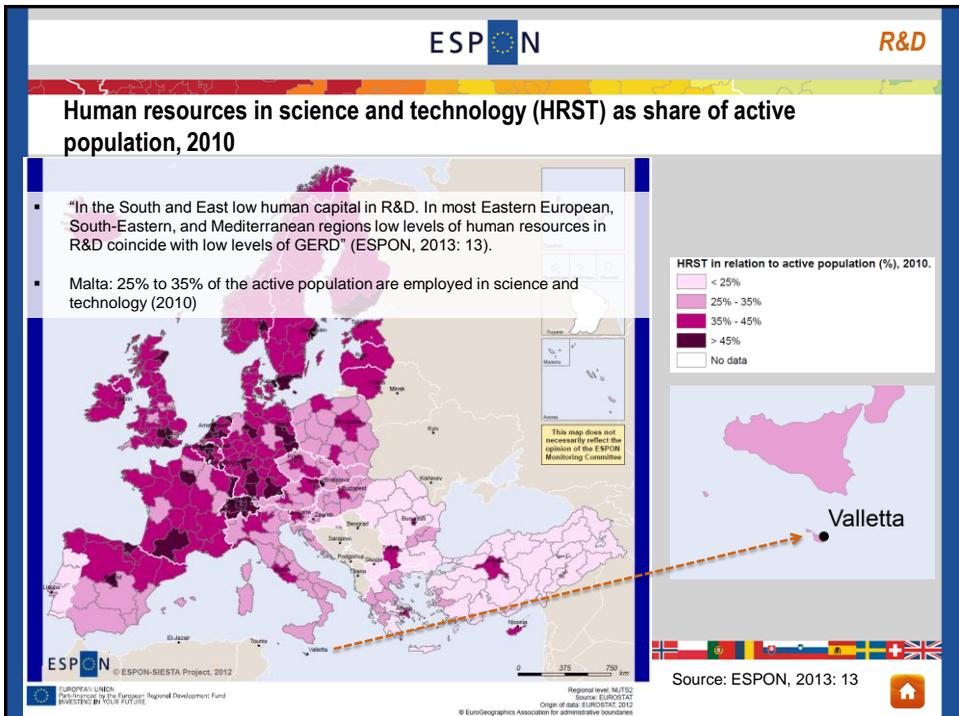
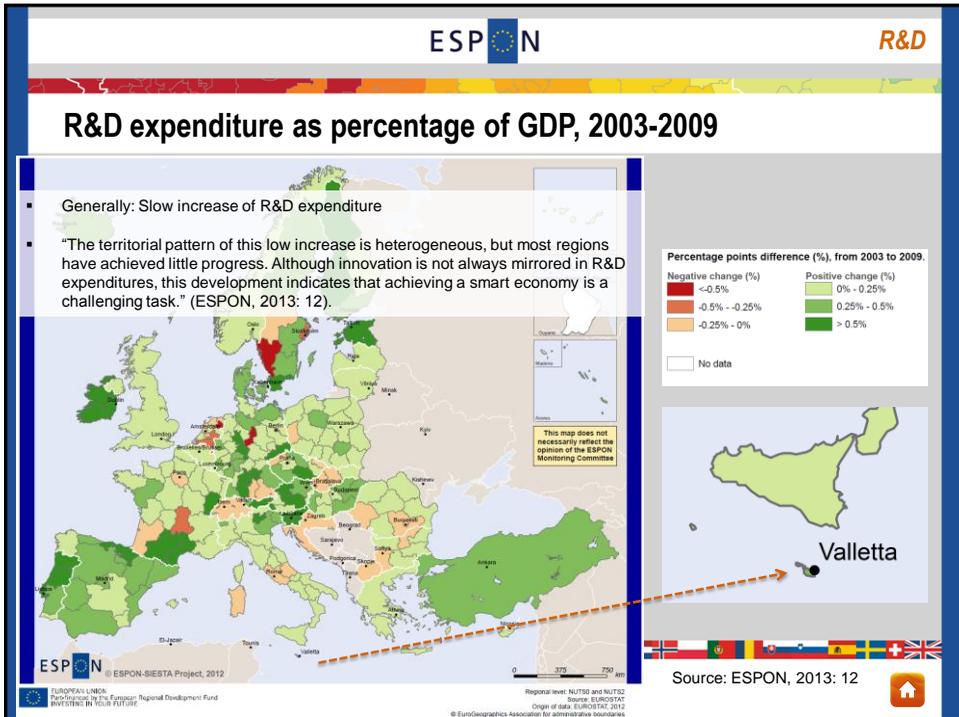


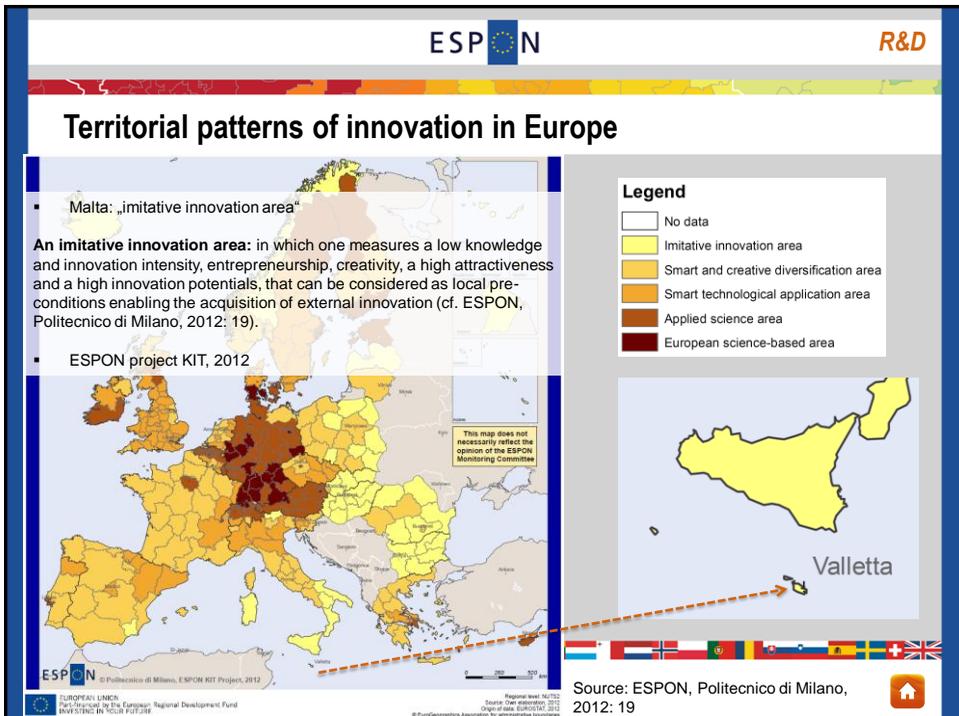
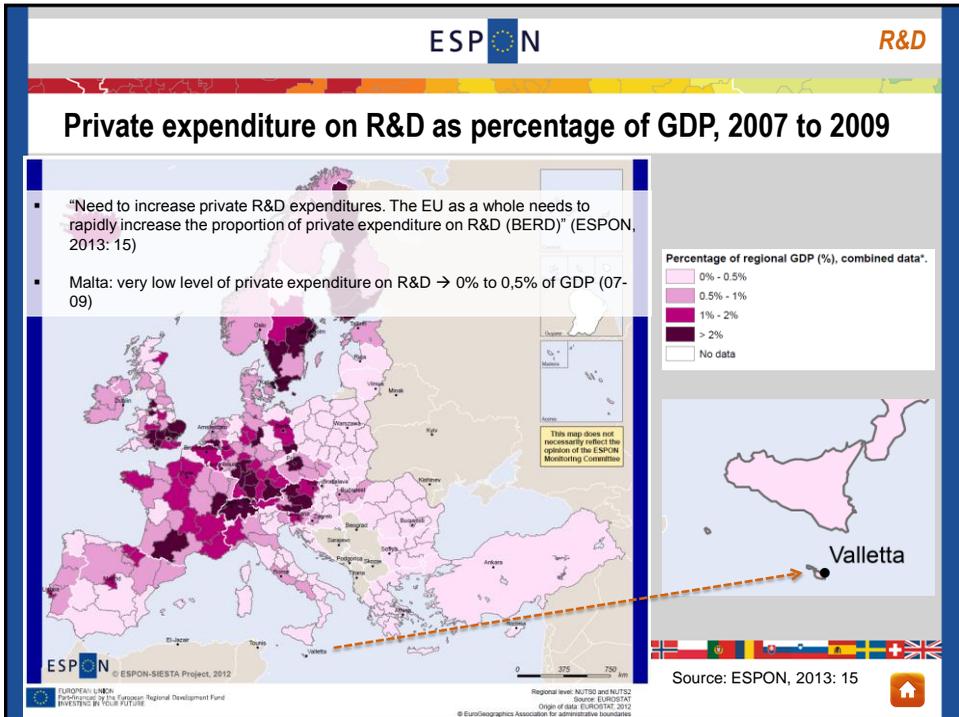
SMART GROWTH

developing an economy based on knowledge and innovation









Smart growth – challenges at a glance

- Low level of **R&D expenditure** → Malta is embedded into a majority of regions, which are lagging behind
- Although:
 - positive change between 2003 and 2009 visible
- Preconditions for R&D:
 - Low level of population employed in science and technology
 - Very low level of private expenditure on R&D
- Malta has been classified as **“imitative innovation area”**: low knowledge and innovation intensity, entrepreneurship, creativity (ESPON KIT)



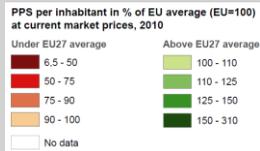
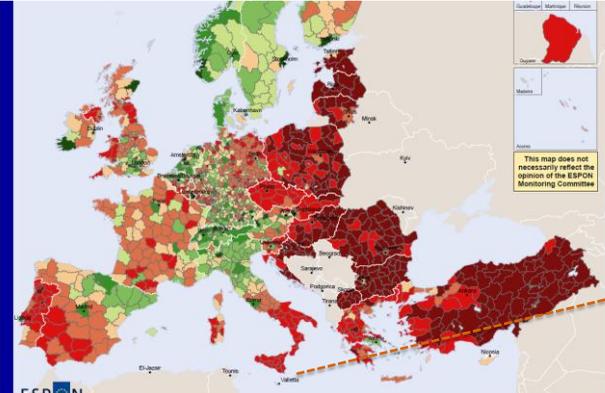
SUSTAINABLE GROWTH

promoting a more resource efficient, greener and more competitive economy



GDP per capita in PPS, 2010

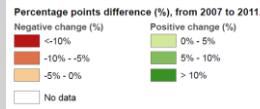
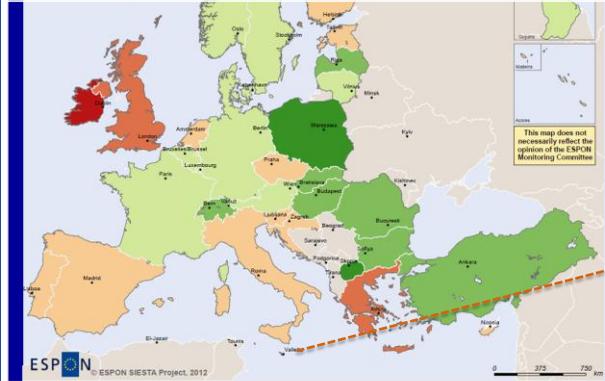
- Clear East-West divide still visible, although: less pronounced than 10 years ago (cf. ESPON, 2013: 32).
- Malta is significantly below the EU27 average → 75-90% PPS per Inhabitant of EU average at current market prices in 2010.



Source: ESPON, 2013: 32

Change in national GDP per capita (PPS), 2007-2011

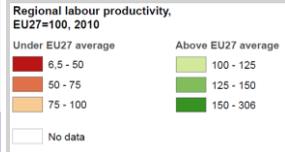
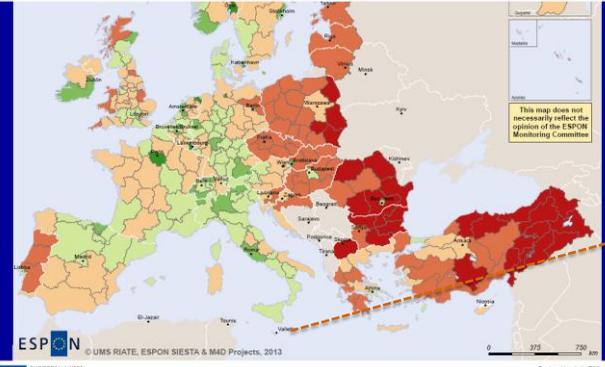
- Highly diverse effects of the crisis
- Increasing disparities between the countries
- Malta: positive change (up to 10% difference btw. 2007 and 2010)



Source: ESPON, 2013: 34

Labour productivity (in relation to the EU27 average), 2010

- Diverse patterns of regional productivity
- East-West divide visible, urban areas show higher productivity
- Malta: below the EU27 average, although: near EU27-average in the field of labour productivity (cf. ESPON, 2013: 35).

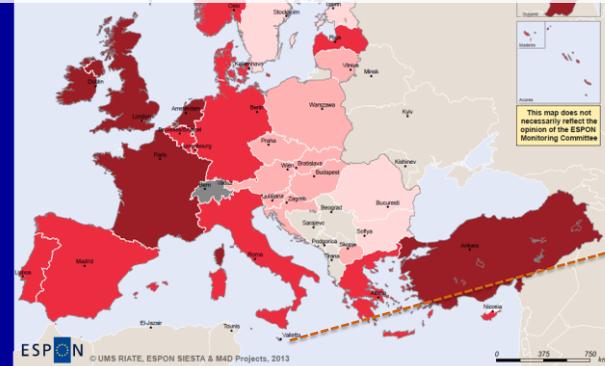


Source: ESPON, 2013: 35

ESPON UMS RIATE, ESPON SIESTA & MAD Projects, 2013
 Regional level: NUT3
 Source: ESPON Database, ESPON MAD, UMS RIATE
 Origin of data: Eurostat, 2010 or latest, Luxembourg and Stockholm, 2013
 © EuroGeographics Association for administrative boundaries

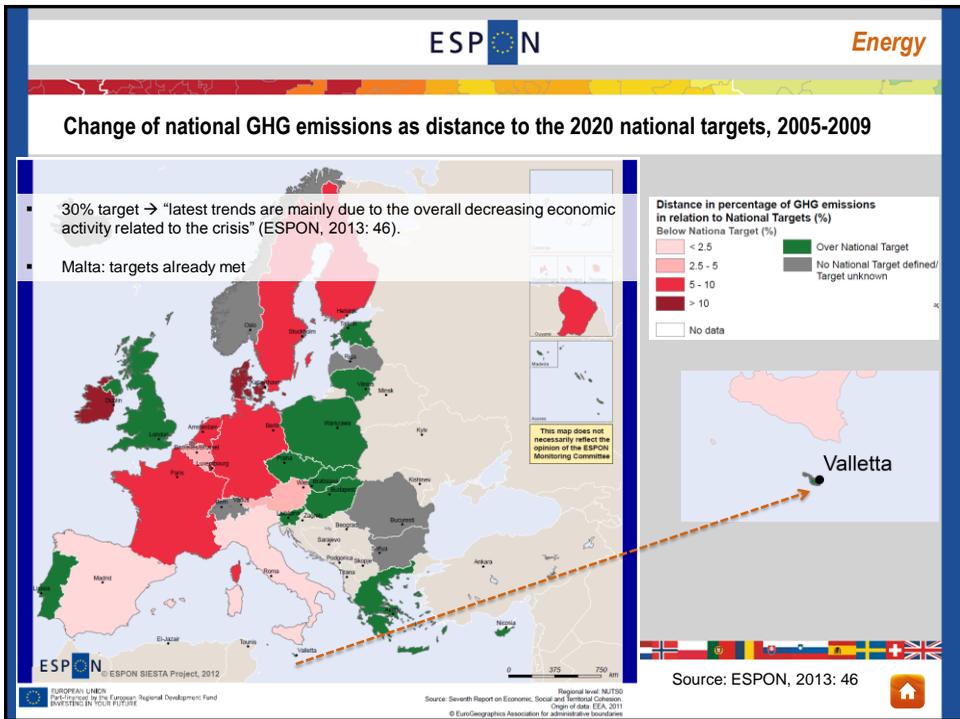
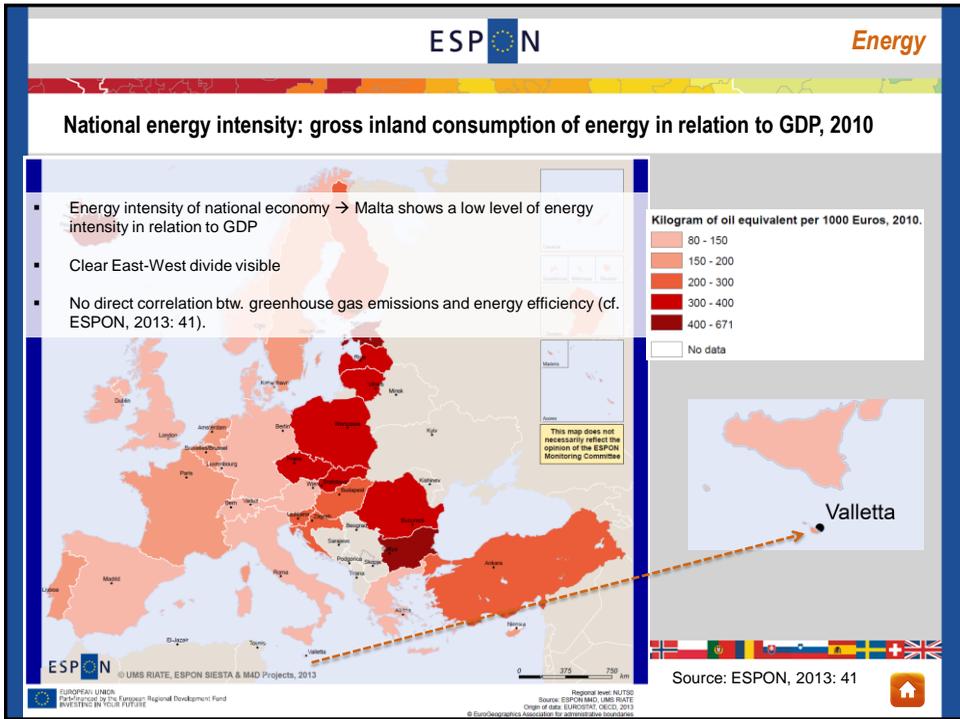
Distance to the Europe 2020 national targets on share of renewable energy in gross final energy consumption, 2010

- 20% renewable energy consumption → realistic target
- Ireland, France → Most ambitious
- Going in line with Malta → more than 9% distance to National 2020 Target in the year 2010 (cf. ESPON, 2013: 38).



Source: ESPON, 2013: 38

ESPON UMS RIATE, ESPON SIESTA & MAD Projects, 2013
 Regional level: NUT3
 Source: EUROSTAT
 Origin of data: EUROSTAT National Statistical Institute of Luxembourg, 2013
 © EuroGeographics Association for administrative boundaries



Sustainable growth – challenges at a glance

- GDP per capita: Malta ranges significantly below the EU27 average
- Although: positive development during the last years visible for the whole island as well as esp. Valetta (ESPON ECR2)
- Efforts to encourage green economy development – key sectors including bio-economy, renewable energy, tourism, etc.
- Malta's labour productivity: below the EU average

- Share of renewable energy in gross final energy consumption needs to be increased → below National 2020 Targets
- Although: change of national GHG emissions: national targets already met

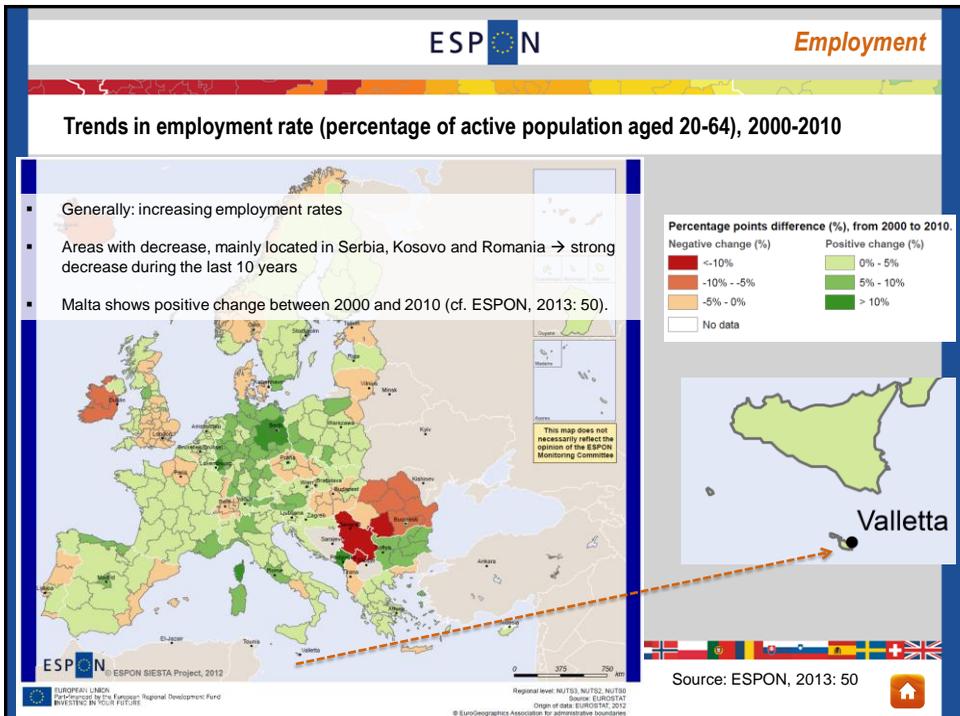
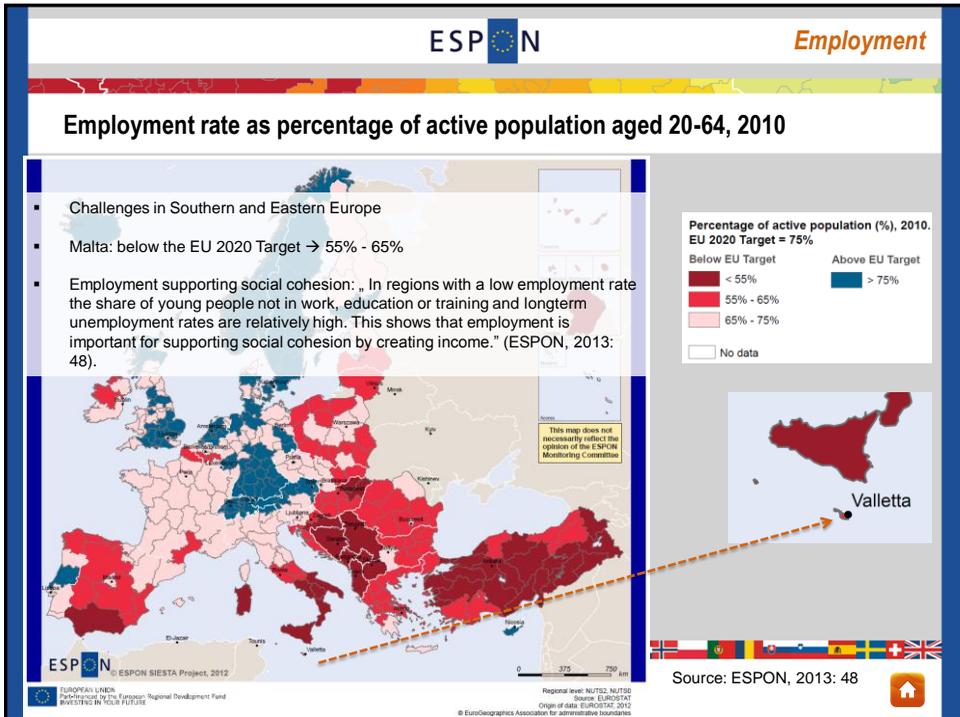
- Medium environmental pressure
- Malta ranges in the lower third of the EU MS regarding climate change policies and measures

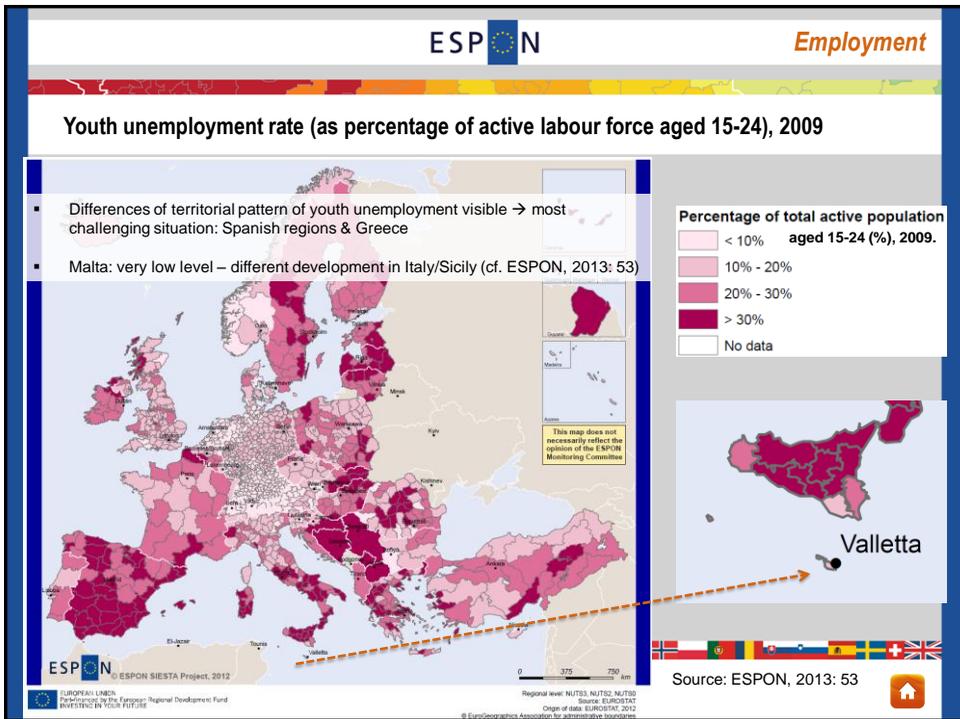
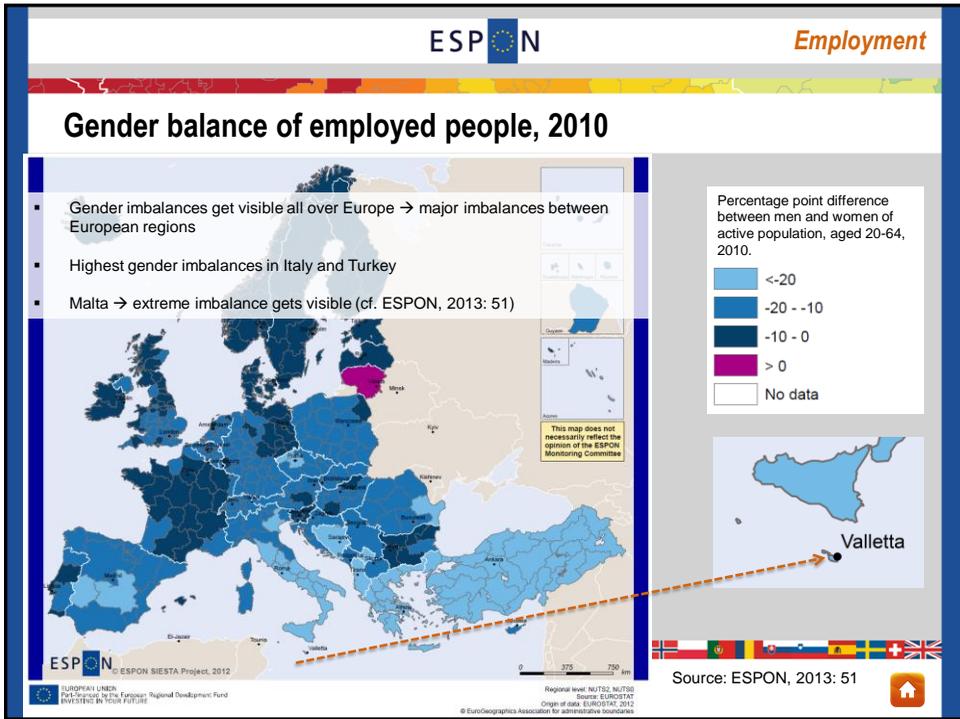


INCLUSIVE GROWTH

fostering a high-employment economy delivering social and territorial cohesion

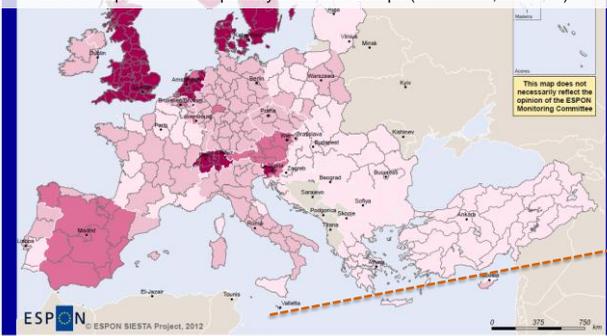
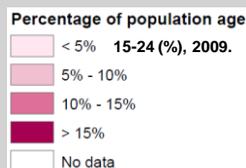






Participation of adults (aged 25-64) in education and training, 2010

- Patterns of lifelong learning → national patterns visible
- Nordic Countries, UK, Switzerland and the Netherlands → participation rates above the EU target (15%)
- Malta: low level of lifelong learning (5% of the population aged 25-64)
- ESF → improvements especially in Eastern Europe (cf. ESPON, 2013: 55)



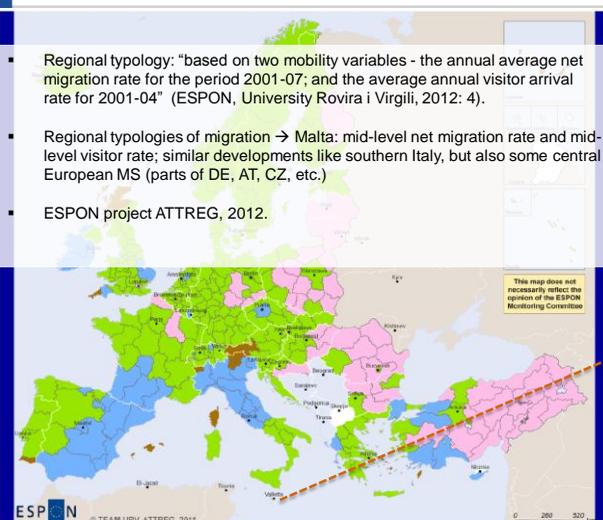
Source: ESPON, 2013: 55

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INVESTING IN YOUR FUTURE

Regional level: NUTS2, NUTS0
Source: EUROSTAT
Origin of data: EUROSTAT, 2012
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Regional typology by types of [migration] flows attracted

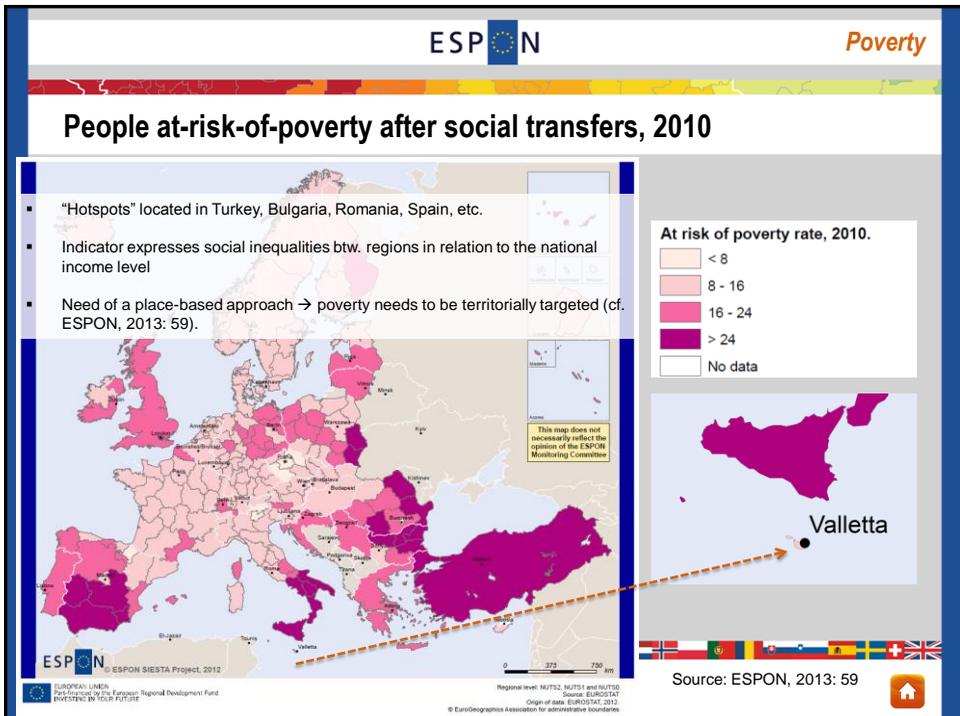
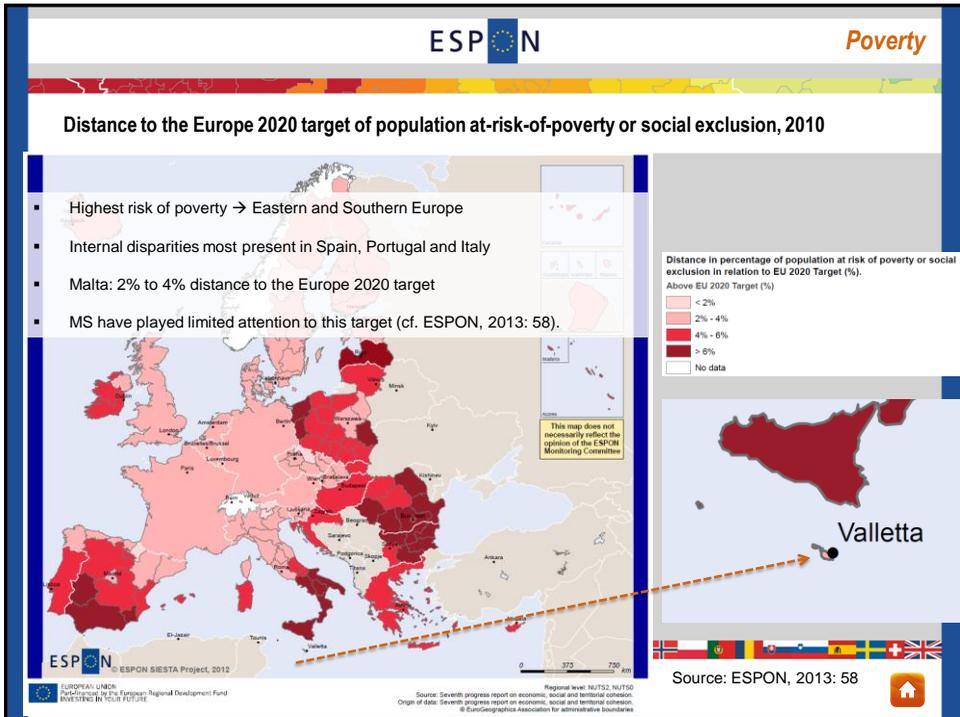
- Regional typology: "based on two mobility variables - the annual average net migration rate for the period 2001-07; and the average annual visitor arrival rate for 2001-04" (ESPON, University Rovira i Virgili, 2012: 4).
- Regional typologies of migration → Malta: mid-level net migration rate and mid-level visitor rate; similar developments like southern Italy, but also some central European MS (parts of DE, AT, CZ, etc.)
- ESPON project ATTREG, 2012.



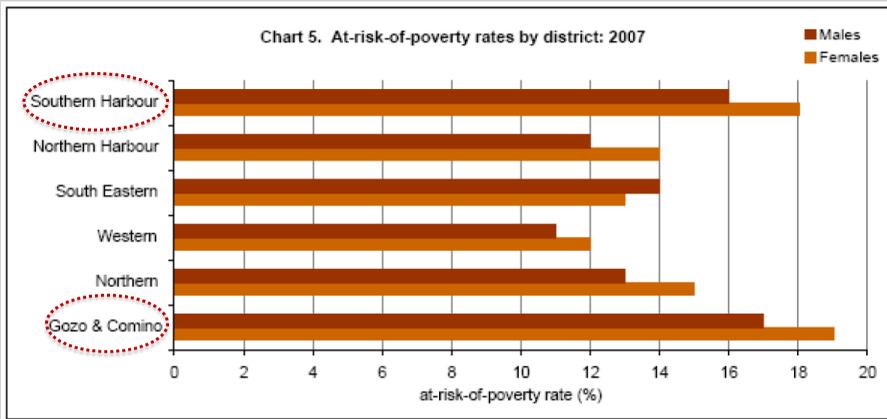
Source: ESPON, 2013: 56

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Regional level: NUTS 2
Source: Our migration by I. Smith
Origin of data: ATTREG Database
Author: S. Roggeveen
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At-risk of poverty rate – districts



Inclusive growth – challenges at a glance

- Employment situation
 - below EU2020 target
 - *Although: positive change of employment rate* (percentage of active population aged 20-64) between 2000 and 2010
 - Youth unemployment at *low level*
- Extreme *gender imbalance* visible (between men and women of active population, aged 20-64, 2010)
- Low level of *lifelong learning*
- Mid-level net migration rate and mid-level visitor rate
- People at-risk-of-poverty – *regional disparities*
 - High level: Gozo & Comino + Southern Harbour
 - Lower level: Western district

Open discussion – Potentials and challenges of Malta

- Did the presentation reflect how you see the **challenges and potentials** in the region? If not, what are the challenges & potentials?
- Are the potentials and challenges in the European context **relevant for strategic policy making** in Malta?
- What is the **status quo** of the **Strategic Development Plan** in Malta?



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