23rd March 2006

Press Release

Smart City – A Human Resources Strategy

A delegation from the MEA council led by the President, Mr. Pierre Fava who was accompanied by Deputy President Dr. Paul DeBattista, council member Mr. Marvic Fenech Adami and the Director General, Mr. Joseph Farrugia met top officials at the ministry for Investment and IT to discuss a human resources strategy for the Smart City project. During the meeting, Mr. Claudio Grech from the Ministry explained the Government's plans to ensure that the project is a successful venture and that Malta will generate the necessary human resources, in terms of quality and quantity to match the requirements of the project with the supply of adequate trained personnel.

The Association presented a set of proposals for a human resources strategy to the Ministry, and further meetings are planned with the Ministry to explore ways in which MEA can be a bridge between the Ministry and the business community to maximize the economic and social benefit of this important venture.

Government already has in place a number of initiatives aimed at channelling human resources into the IT sector, among which is the **MYWEB** training programme which provides training in basic computer skills to adults.

The MEA proposed a holistic strategy human resources strategy to ensure that Malta will reap the full benefits from this project, and avoid bottlenecks that can result in labour shortages and wage inflation which may negatively affect all sectors of the economy.

The main points of the strategy are:

1. Identify resources needed

A comprehensive exercise is required to evaluate the human resources that will be required for the project, with particular emphasis on IT qualified persons. This should be preceded by taking stock

of the current available human resources in order to measure the expected skills shortages that arise.

2. Calculate possible increased demand for skilled labour in IT if the Smartcity project attracts other similar investment.

Any projections would also have to take into consideration the possibility of increased demand for IT personnel resulting from other FDI that may be attracted to Malta as a result of the Smartcity project.

3. Quantify student capacity at University and MCAST

Another exercise should be conducted to calculate the student capacity in our educational institutions. The Association has pointed out previously that students applying for IT courses at MCAST are being left on a waiting list. Some were offered evening courses against payment and also forfeiting their right to stipends. The educational system cannot be a bottleneck, or a disincentive, to persons seeking a career in IT.

4. Design courses to match Smart city requirements

Existing courses in IT, being offered by both public and private educational institutions should be reviewed to assess whether they need to be customized or changed to suit Smartcity's requirements. Thus should involve the input of the ETC and the constituted bodies to ensure that the qualifications match emerging requirements.

5. Offer IT courses for unemployed, particularly in lower grades

Basic courses in IT may be offered to the unemployed to encourage them to take up careers in IT. Such courses may also be made available to employees in companies that have signaled closure, or who are working in declining industries.

6. Increase stipends to students in IT.
The current policy of using student stipends to incentivise students to follow may be intensified even further to discriminate in favour of students following IT courses, if a shortage of qualified persons is anticipated.

7. Offer evening courses free of charge to full time students, and employees working in low-value added manufacturing companies

In line with point 5 above, evening courses should be offered free of charge for a number of years to increase the supply of qualified persons in IT. Such courses should also be free of charge to employees seeking retraining to change career. Full time students may also be offered a stipend if they are constrained to follow evening courses because the day-time courses are fully subscribed.

8. Offer incentives to lecturers in IT

The Smartcity project will possibly cause a drain in lecturing staff, who may be attracted to industry because of superior conditions of employment. It is important to anticipate this as it can result in a serious barrier to training fresh graduates.

Affiliated to the International Organisation of Employers (I.O.E.)
and Association of Business Organisation in European Capital Cities (O.P.C.E.) and
European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (C.E.E.P.)

This factor has to be anticipated and, if necessary, augmented packages may be given to tutors in IT. Agreement may have to be reached with the unions on this issue.

9. Develop apprenticeship schemes

ETC, employers and educational institutions can combine efforts to generate new apprenticeship schemes for IT students at diploma level. The educational system should also encourage students to develop awareness in IT at primary and secondary levels.

10. Educational Facilities

There should be sufficient investment in space and facilities in educational institutions to accommodate an increased number of students. Utilize facilities in under-utilized private sector schools.

11. Develop ancillary services.

Smartcity will attract many foreign employees, a considerable number of which will be expected to visit the island with families. This will generate demand for various services. Private schools, particularly those with a tradition of offering educational services to foreign students, may be encouraged through incentives to set up boarding facilities that will be in demand by such expats, and which will attract other students from abroad. This is an area in which Malta can have considerable competitive advantage, and which in itself also generate jobs and foreign exchange revenue.

It was noted that government was already acting on many of the points raised by MEA. The meeting was very positive and there was an undertaking by the MEA to offer its full assistance to the Permanent Unit that will be set up to oversee the setting up of this project, and to organise any activities that may be necessary to keep the business community informed of the opportunities offered by this project and to help it realise its full potential.

Affiliated to the International Organisation of Employers (I.O.E.)
and Association of Business Organisation in European Capital Cities (O.P.C.E.) and
European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (C.E.E.P.)