

THEME 2 GOVERNANCE & FINANCE

EVALUATION & MONITORING
Research Findings 2018

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INTRODUCTORY NOTE

The Valletta 2018 Evaluation & Monitoring process is a means through which the Valletta 2018 Foundation gains a deeper insight into the various impacts of the European Capital of Culture (ECoC) title on different spheres of cultural, social and economic life.

This process comprises of a series of longitudinal studies commencing in January 2015, three full years before the European Capital of Culture year, and running through to 2019, thereby capturing data before, during, and in the immediate aftermath of Valletta holding the ECoC title.

This process is divided into five themes:

- 1. Cultural & Territorial Vibrancy**
- 2. Governance & Finance**
- 3. Community Inclusion & Space**
- 4. The Tourist Experience**
- 5. The Valletta Brand**

This research is a collaborative, mixed-methods process, involving a number of public entities, collecting and analysing data primarily of a quantitative nature, as well as independent researchers working with data that is predominantly qualitative. These entities and researchers constitute the Valletta 2018 Evaluation & Monitoring Steering Committee, that was set up to manage and implement this research process.

This research process was coordinated by the Valletta 2018 Foundation's Research Department.

Valletta 2018 Research Department

The Research Department is one of the three central departments which were set up at the Valletta 2018 Foundation's birth. After years of work, the Research Department has managed to create a vibrant and multidisciplinary network of international and local researchers, academics, and cultural operators with the overall aim to strengthen Malta's sociocultural fabric through participatory and action-based research. The Department was responsible for the documentation of European Capital of Culture impacts through an evaluation and monitoring research process, as well as the organisation of various seminars and conferences. Well-being, liveability, and community development are the conducting threads that guide the research process.

The Research Department believes on the benefits of practice-based research in the cultural field since it allows the dissemination and practical use of any findings. It involves local communities, artists, operators, activists and local organisations in the process. In this way, research goes beyond, and extends, from an academic perspective, aiming to make a real impact on people's lives.

In April 2015, the Research Department launched www.culturemapmalta.com, an online map of Malta's cultural spaces - the first of its kind in Malta - in which users are invited to upload and update information about cultural spaces. This creates an online, visual database of valuable information which plots the cultural use of public and private cultural spaces across the island. One of the flagship events of the Research Department is its annual international conference, which has been taking place for the past five years. This series of annual conferences focuses on cultural relations in Europe and the Mediterranean, addressing the opportunities and challenges in the local context. These conferences have created a platform of discussion, serving as a knot linking the international and the local cultural spheres, addressing experts, researchers and cultural operators, providing insight into a possible way forward regarding cultural policy, cultural practice and future research.



INTRODUCTION

Issues related to governance and the economic impacts of culture represent a central consideration in the development of the cultural sector, shaping policy decisions and ensuring the sustainable growth of the sector. The research carried out under this theme attempts to address these issues by identifying the broader impact of cultural activity through an analysis of the development of the economic landscape in the creative sectors, and by understanding changes in employment and educational opportunities within the creative industries.

The first of the studies within this theme is carried out by the Economic Policy Department (EPD) within the Ministry for Finance. This consists of a quantitative analysis of the cultural and creative industries in Malta, investigating the economic impact of various cultural activities and identifying the obstacles that hamper further growth within the sector.

Supplementing this analysis is the research carried out by Jobsplus, which looks into changes in employment statistics within the cultural and creative industries, identifying relevant trends and employment patterns in the private and public sectors alike. This study intends to provide a detailed understanding of how employment opportunities are changing in the light of the significant developments taking place within the cultural sector, foremost amongst them the European Capital of Culture.



CREATIVE ECONOMY REPORT: 2018 UPDATE

ECONOMIC POLICY DEPARTMENT

Kevin Vella

ABSTRACT

This report updates the Culture and Creative Industry Report published in January 2018 by the Economic Policy Department and contains an update of the economic evaluation. This update is based on recent national accounts data and closely follows the earlier report including the adjustment to exclude the impact of the printing of currency included in the national accounts data. This adjustment has been carried out outside the realm of national accounts as produced by NSO and utilising data from the financial statements of companies operating in this sector. In the absence of financial data for the last three quarters of 2016, estimates of the currency printing sub-industry were based on the performance of these companies on the international market as portrayed by published financial statements. Due to this limitation, data for the printing and publishing sub-sector is to be considered highly provisional. In 2017, CCIs over this period have outperformed the rest of the economy and increased by 12.2%. As a result, the share of the CCIs in the total economy increased by 0.2% points to reach 7.9% of total gross value added and 6.5% of gainful employment. The positive performance supported the growth in employment, productivity and profit margins.

INTRODUCTION

In 2017, the Culture and Creative Industries accounted for 7.9% of the total gross value added (GVA) created by the Maltese economy, up from 6% in 2010. To put this into perspective, this exceeds the direct contribution of the construction and civil engineering sector (4% of GVA) or the accommodation and food services sector (5% of GVA). The CCIs continued to expand, reaching a growth rate of 12.2% in 2017, thus outperforming the rest of the economy.

In 2017, the CCIs also accounted for 6.5% of total full-time and part-time gainful employment. The CCIs increased employment by almost 926 in 2016 and 1,153 in 2017, following the significant increase of more than 3,600 between 2010 and 2015. Employment in the CCIs increased by a significant rate of 7.3% in 2017, in line with recent trends.

Overall, gross value added per person employed in the CCIs in 2016 is estimated at €45,700 which is currently higher than what is on average generated in either manufacturing (€35,300) or services (€44,900).

These indicators all point to the growing importance of the CCIs in Malta. They show a dynamic industry which generates growth and jobs. Nevertheless, there is scope to further strengthen the indirect contribution of the CCIs, particularly the linkages with the various other industries in Malta. Earlier research carried out by the Economic Policy Department within the Ministry for Finance suggests that in general (excluding the arts which were not covered by the study) and with a few exceptions, the CCIs display relatively weak GVA multipliers compared to other sectors of the economy. Such multiplier effects are not captured by the direct contribution as measured in this report.

Whilst the January 2018 Report highlighted industry trends until 2016, this update provides an account of the economic performance of the CCIs in 2017. Annual data from 2010 has, however, been updated with the latest national accounts data.

METHODOLOGY

The study continues to use the original 2014 Report data as a base. As a result, data for the period 2000 to 2010 remains unchanged from the previous reports. This data was in turn based on detailed information at 4-digit level available from the SBS. Unfortunately, the current SBS no longer contains detailed sectoral data at 4-digit level for most of the sectors represented in the CCIs. Therefore, to complete this update, the aggregate data at 2-digit level from (unpublished) national accounts, made available by NSO, was used to update the figures. For a detailed exposition of the representation of the CCI sub-sectors, you may wish to refer to the January 2017 Update of this report.

It is assumed that despite these over/under representations, the evolution of the CCI sub-sectors over time closely follows the evolution of the selected national accounts data at 2-digit level. This is deemed to be a relatively benign assumption in most cases. Nevertheless, in view of the exclusion of the printing of currencies from the definition of the CCIs, this report adjusts the national accounts data accordingly on the basis of published financial accounts of enterprises operating in this sub-industry. The major constraint remains in the aggregation of the arts which are predominantly based on NACE 90 (Creative Arts and Entertainment Activities) and do not, therefore, allow an accurate distinction between the annual performance of visual arts, performing arts and music. In this context, the detailed results at a sub-sector level should be viewed with more caution.

FINDINGS

In 2017, the Culture and Creative Industries accounted for 7.9% of the total gross value added created by the Maltese economy, up from 6% in 2010. The composition of the CCIs is shown in Chart 1. Since 2010 the CCIs have changed drastically and became more business oriented. This was predominantly marked by the growing share of the Creative Business Services (75% in 2016 compared to 62% in 2010). The Media sector lost its share in the CCIs (from 28% in 2010 to 19% in 2016). Heritage and the Arts also lost their combined share within the CCIs (from 10% in 2010 to 6% in 2016). A more detailed composition is provided in Chart 2, which shows the various sub-sectors making up the CCIs.

Over the course of the last sixteen years, the CCIs have seen their direct share of the Maltese economy grow by 3.3 percentage points, indicating that over this period the CCIs have outperformed the rest of the economy. This followed a period of relative decline in performance up to 2007, after which the CCIs almost consistently outperformed the rest of the economy. Chart 3 shows the share of the CCIs since 2001.

The year 2017 was characterised by the further strengthening of growth in the Creative Business Services, with the positive performance shared by all sectors within the CCIs with the exception of the audio-visual sector which registered its second, albeit more moderate, consecutive decline since 2015. On the other hand, the Arts sub-sector registered a strong growth of 19.4% in gross value added. This represents the strongest growth among the sub-sectors of the CCIs, but only represented a partial recovery following the previous year's decline. It is pertinent to note that the decline in the Arts in 2016 was exacerbated by

the extraordinary increase registered in 2015 which was primarily related to artistic services rendered to the film industry which had recorded a substantial surge during the year in question. The media sector has also experienced an increase in gross value added of more than 8% in 2017. Meanwhile, the creative business services registered another year of double-digit growth rates of 13.2%. Further details are provided in Table 1.

Chart 1: Composition of the CCLs in 2017

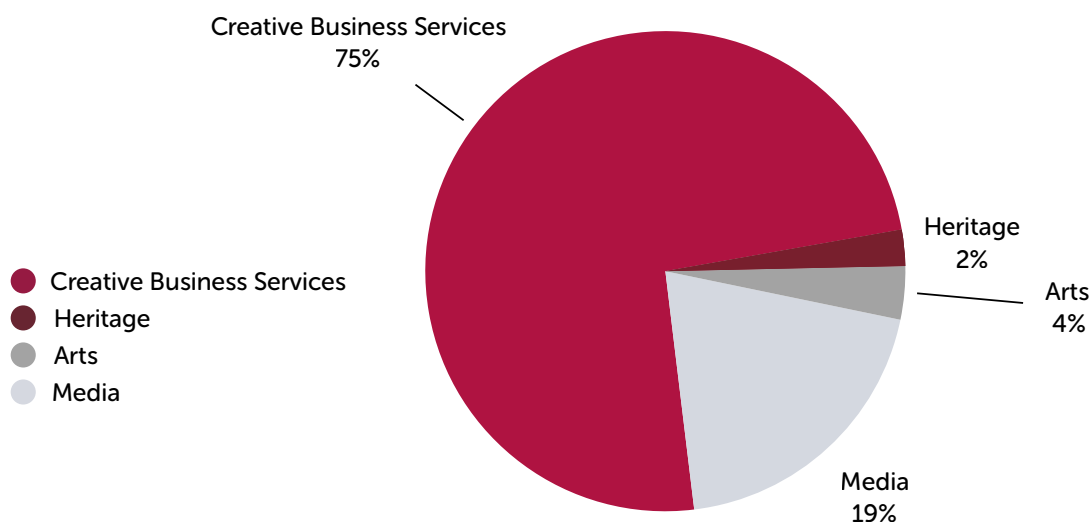


Chart 2: Detailed composition of the CCLs in 2017

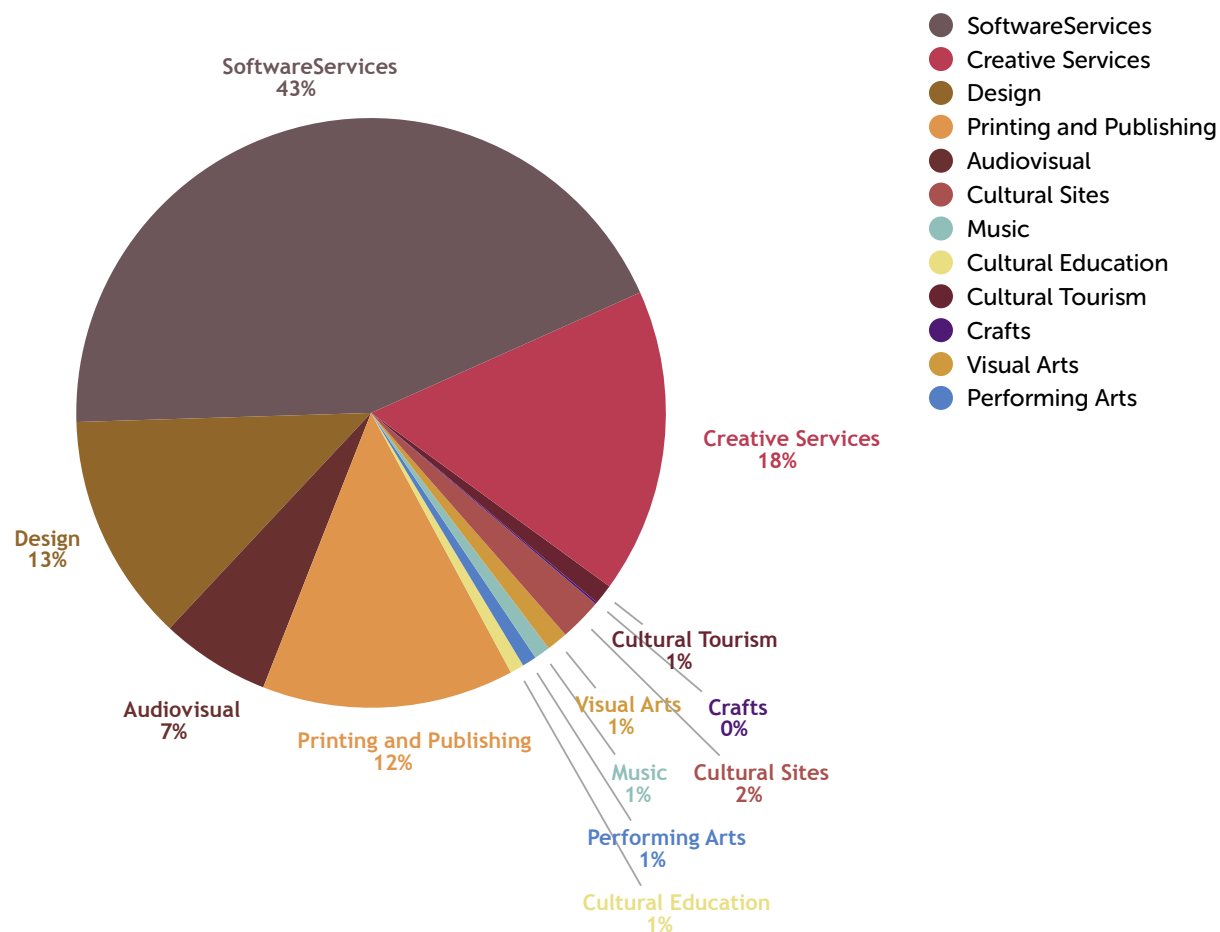


Chart 3: The CCIs as a share of GVA

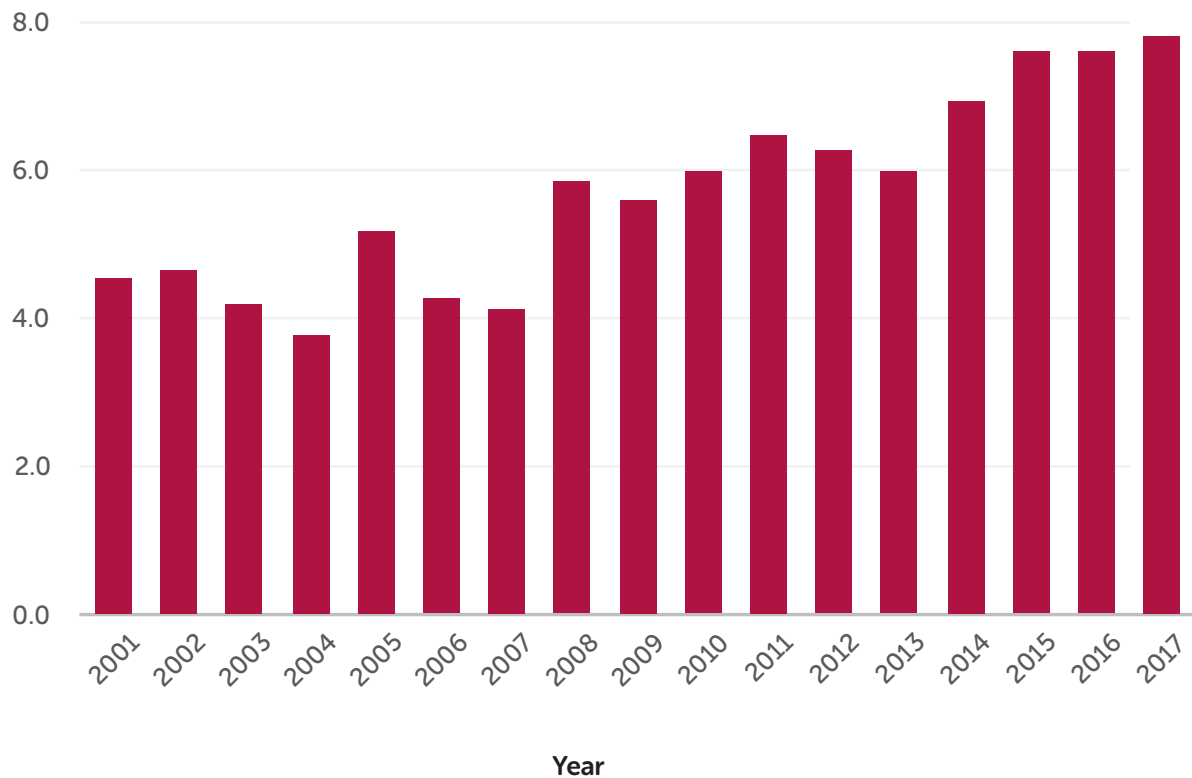


Table 1: Average Annual Growth in Gross Value Added

Average Annual Growth in Gross Value Added (%)					
	2000/05	2005/10	2010/15	2016/15	2017/16
Crafts	-0.9	-10.9	0.0	19.3	9.0
Cultural Sites	:	-2.6	10.1	7.6	2.1
Heritage	47.1	-3.6	9.3	8.3	2.5
Visual Arts	24.2	11.6	-	-	-
Music	0.1	30.9	-	-	-
Performing Arts	-4.1	7.3	-	-	-
Cultural Education	-	-	7.0	5.5	7.6
Arts	5.0	17.6	13.0	-43.9	19.4

Average Annual Growth in Gross Value Added (%)					
Printing and Publishing	0.4	4.0	4.1	-10.8	15.7
Audio-visual	0.0	7.0	19.6	-8.5	-2.8
Media	0.3	4.7	8.8	-9.9	8.2
Design	-	2.1	9.9	15.8	10.7
Software Services	32.1	19.3	15.9	18.6	12.6
Creative Services	145.5	7.3	21.8	17.6	17.5
Cultural Tourism	-	-	-1.0	-9.3	1.9
Creative Business Services	57.6	12.2	15.3	17.3	13.2
CCI	17.3	9.4	13.3	6.6	12.2
excl. CBS	2.8	5.6	9.7	-15.8	9.3

The employment performance in 2017 was also relatively strong, even though it generally lagged behind the growth in gross value added in reflection of labour productivity gains. The CCIs created new jobs as employment increased by around 1,150 in 2017. Employment in the CCIs increased by a significant rate of 7.3% in 2017, in line with recent trends. The strongest employment growth continued to be registered in the Arts sector which recorded growth in excess of 16%, followed by the Creative Business Services which recorded a growth of almost 11%. Further details are provided in Table 2.

Table 2: Average Annual Growth in Employment

Average Annual Growth in Employment (%)					
	2000/05	2005/10	2010/15	2016/15	2017/16
Crafts	-2.7	1.6	-1.8	-1.9	-1.4
Cultural Sites	:	-7.8	2.0	6.3	-6.7
Heritage	42.5	-6.1	1.2	4.8	-5.8
Visual Arts	16.3	8.7	-	-	-
Music	2.6	17.6	-	-	-
Performing Arts	-1.1	-6.8	-	-	-
Cultural Education	-	-	1.8	-0.4	2.4
Arts	3.8	5.5	6.5	8.0	16.2

Average Annual Growth in Employment (%)					
Printing and Publishing	2.2	3.9	0.0	-8.5	-4.0
Audio-visual	2.8	-4.1	4.4	-3.3	-9.9
Media	2.4	1.2	1.3	-6.8	-6.1
Design	-	-2.1	7.6	9.6	12.1
Software Services	11.2	8.0	13.5	19.1	12.1
Creative Services	75.3	1.3	8.4	8.2	6.0
Cultural Tourism	-	-	-2.3	3.0	7.5
Creative Business Services	44.3	2.6	9.4	12.8	10.9
CCI	13.6	2.1	5.9	6.2	7.3
	5.0	1.7	3.2	-0.1	3.4

Productivity in the CCIs is high relative to the other sectors of the Maltese economy. Every person employed in the CCIs generates on average €45,700, which is currently higher than what is on average generated in either manufacturing (€35,270) or services (€40,700). The performance varies significantly by sub-sector as shown in Figure 4. The strong performance is mainly attributable to the Creative and Software Services. The Media sector displays similar productivity levels as the rest of the economy. The more traditional Arts and Heritage sub-sectors display low GVA per person employed, even though this mostly reflects the predominance of part-time employment.

Indeed, the figures used above, which are consistent with the methodology employed in the original 2014 Report, tend to underestimate labour productivity when there is a predominance of part-time employment. The advantage of using national accounts data is that data for employment converted in full-time equivalent is available upon request from NSO. Based on this information, it is possible to get a better idea of labour productivity. This information is also presented in Chart 4. Internal estimates based on these unpublished figures suggests that labour productivity in the crafts, the arts, and in printing and publishing is much higher than previously suggested, whereas productivity in the software services, creative services, the audio-visual and in cultural education is overvalued when full-time equivalent employment is not used. The remaining sub-sectors record relatively contained differences. The main difference in the assessment when utilising FTEs is however noted in the Printing and Publishing sub-sector which now displays a higher productivity relative to the rest of the economy and becomes the third most productive sector among the CCIs.

Chart 4: Productivity per person and per FTE in 2017

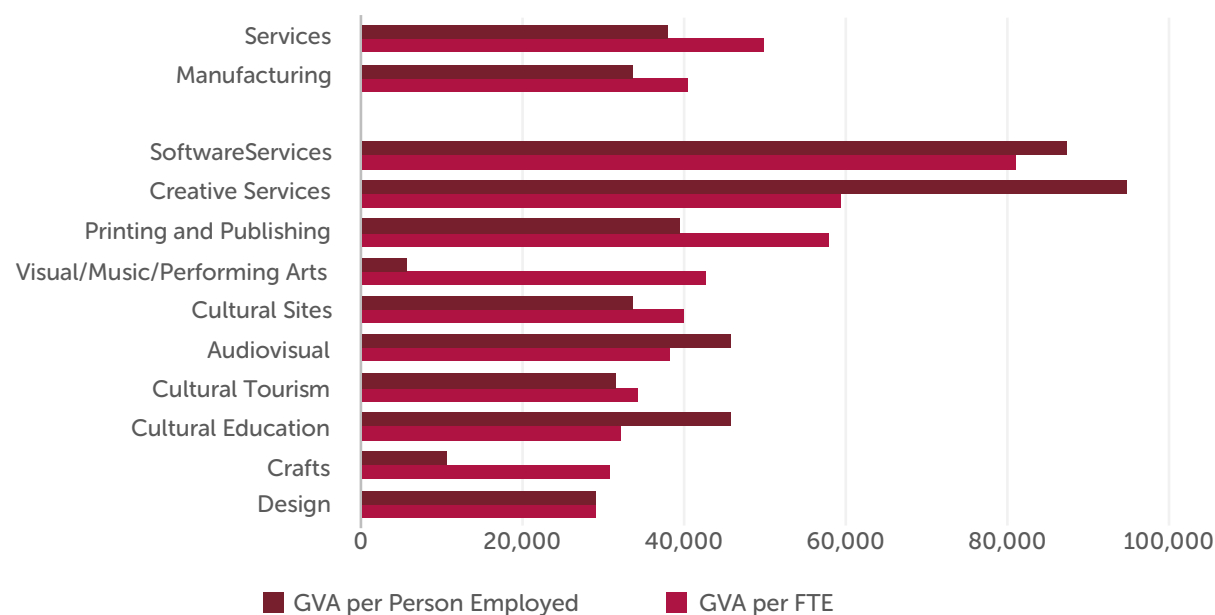


Table 3: Average Annual Growth in GVA per person employed

Average Annual Growth in GVA per Person Employed (%)					
	2000/05	2005/10	2010/15	2016/15	2017/16
Crafts	1.9	-12.3	1.9	21.6	10.6
Cultural Sites	:	5.6	8.0	1.2	9.4
Heritage	3.2	2.7	8.0	3.4	8.8
Visual Arts	6.8	2.6	-	-	-
Music	-2.4	11.3	-	-	-
Performing Arts	-3.1	15.0	-	-	-
Cultural Education	-	-	5.1	5.9	5.1
Arts	1.2	11.5	6.1	-48.1	2.8
Printing and Publishing	-1.8	0.1	4.0	-2.5	20.5
Audio-visual	-2.7	11.6	14.6	-5.4	7.9
Media	-2.1	3.5	7.4	-3.3	15.2

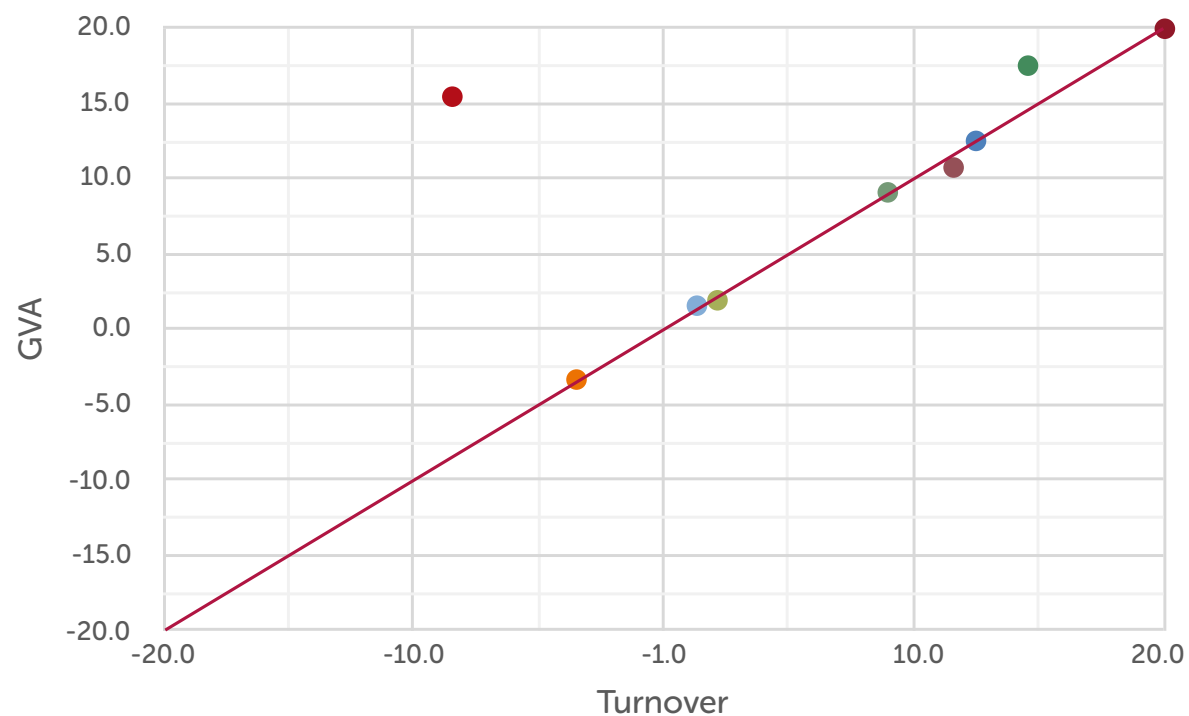
Average Annual Growth in GVA per Person Employed (%)					
Design	-	4.3	2.1	5.7	-1.2
Software Services	18.8	10.5	2.1	-0.4	0.5
Creative Services	40.1	5.9	12.4	8.8	10.9
Cultural Tourism	-	-	1.3	-12.0	-5.1
Creative Business Services	9.2	9.4	5.4	4.0	2.1
CCI	3.3	7.2	5.3	4.0	
Manufacturing	-	-	-1.5	2.8	8.6
Services	-	-	5.1	1.8	5.7

As indicated earlier, 2017 was characterised by further improvements in labour productivity (measured in GVA per person employed) with the growth reaching 4.6%. The Heritage and Media sectors all recorded a strong increase in productivity that exceeded 8% and outperformed the rest of the economy. Nevertheless, productivity in the Arts and the Creative Business Services sub-sectors fell below 3%, as employment growth largely kept pace with the growth in gross value added. Table 3 indicates the productivity trends in the various sub-sectors of the CCIs.

Chart 5 shows the relationship between growth in turnover and value added with the 45-degree line representing the degree to which the two variables are moving together. Most sub-sector performance were very close to this 45-degree line. This suggests that the overall growth in value added by sub-sector generally followed closely the growth in turnover registered during the 2010/15 period suggesting that the improvement in demand conditions or gains in market shares were the main factors contributing to the growth in GVA.

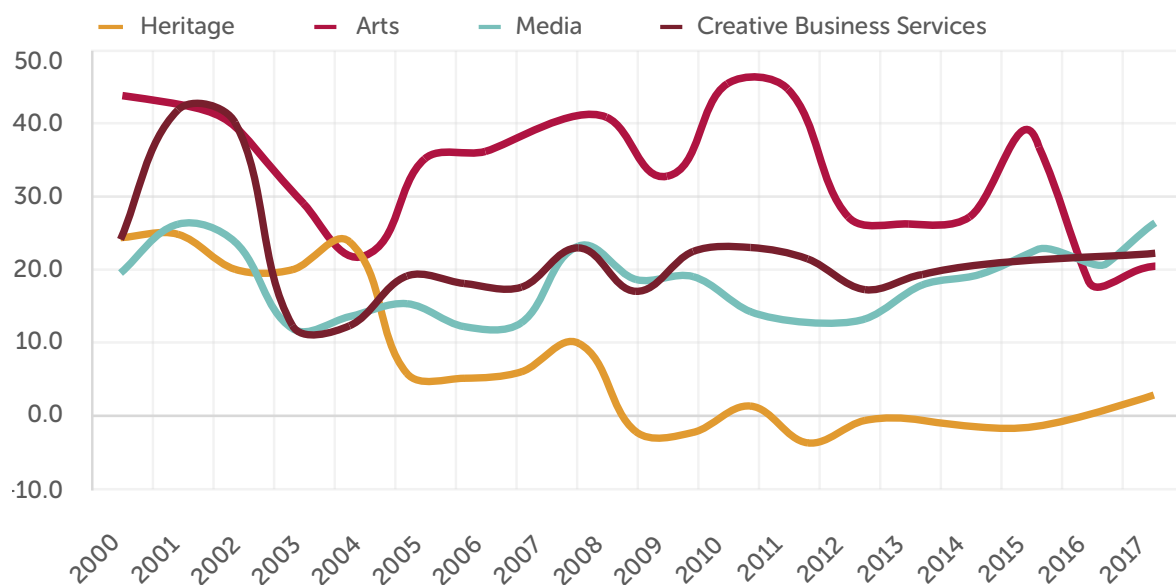
Sub-sectors above the line represent those that have registered a stronger increase (or weaker decline) in gross value added than turnover, indicating that supply-side factors may have further supported the growth of the industry (namely the case of Creative Services) or mitigated the loss in demand (namely the case of Printing and Publishing). Sub-sectors below the line represent those that have registered a weaker increase (or stronger decline) than turnover, indicating that supply-side factors may have partially undermined the growth of the industry or exacerbated the loss in demand. No such instances were evident in 2017.

Chart 5: Growth in turnover and value added in 2016



Profit margins have generally improved for most CCIs, meaning that the growth in turnover generally exceeded the growth in the wage bill. Creative services was the only exception to this rule as profit margins remained largely stable from the previous year. Profit margins have generally converged towards the mid-20s as a percentage of turnover. The heritage sub-sector is the major exception to this rule, but even here, a marginal profit margin was evident in 2017, compared to the marginal losses characterising this sub-sector since 2009.

Chart 6: Profit Margins



CONCLUSIONS

This report provides an overview of the developments of the CCI in 2017, thus updating the analysis of the sector provided in the CCI Report published in January 2018. The sector has generally outperformed the rest of the economy both in terms of growth in gross value added and employment. The positive performance also supported higher profit margins in 2017. The decline registered in 2016 in the Arts has also been partly reversed, even though the audio-visual sector registered another decline, albeit more moderate than in 2016. Meanwhile, the CCIs continued to be dominated by the strong double-digit growth in Software Services, Creative Services and Design, which continue to cement the growing share of business-oriented CCIs. Nevertheless, even if this sub-sector is excluded, the more traditional CCIs still recorded a strong growth of 9.3%, effectively mirroring the average growth in the rest of the economy.

WAY FORWARD

As noted in the methodology, the absence of detailed SBS data at 4-digit level somewhat limits the accuracy and reliability of this analysis and improvements in the underlying data is necessary for a deeper and richer economic analysis.



CREATING A CAREER IN CULTURAL AND CREATIVE INDUSTRIES

JOBSPLUS

Adonia Dalli

INTRODUCTION

The main objective of Jobsplus' research and contribution is to analyse the impact of the investment and management in Valletta 2018 on employment within Malta's Cultural and Creative Industries. Such analyses are based on statistical indicators to establish changes in the employment structure in CCI's pre- and during the Valletta 2018.

METHODOLOGY

The methodology that had been adopted during this research was primarily based on quantitative techniques. A statistical analysis of a number of employment indicators was carried out. Such indicators included:

- Full-time employment in CCI's
- Part-time employment in CCI's
- Total employment in CCI's
- Registered jobseekers (searching for jobs relating to CCI's); and
- Vacancies notified to Jobsplus (relating to CCI's)

Employment statistics were also segregated by gender and nationality in an effort to capture any changes in the employment structure during the period under review. For the purpose of this research, the pre-Valletta 2018 period will cover from 2014 to 2016, whilst the period incorporating data from 2017 to 2018 will be referred to as during Valletta 2018. Due to the number of events (both on a large and small scale) involved in the years leading up to Valletta 2018, it was expected from the start that employment in CCI's should experience gradual increases over time during the period under observation.

All data relating to employment, vacancies, and registered jobseekers was extracted from Jobsplus' database. This implies that any vacancies which were not notified to Jobsplus, and any individuals looking for a job through channels other than registering with Jobsplus, are excluded from the data. All statistical figures were first analysed on a quarterly basis; subsequently, an analysis on an annual basis should be conducted when the necessary observations become available. Since the research is aimed at analysing the impact on employment pre- and during Valletta 2018, the statistical analysis will run from 2014 up to 2018.

In order to determine the NACE¹ codes which should be classified under the Cultural and Creative Industries, feedback was gathered from other public entities such as the National Statistics Office (NSO) and the Ministry for Finance (MFN). Furthermore, reference was made to a number of reports which included guidelines on the NACEs and ISCO² codes which should be included under CCI's. A full list of NACE codes included under CCI's for the purpose of this research is included in Appendix A.

¹ NACE or Nomenclature statistique des activités économiques dans la Communauté européenne is the statistical classification of Economic Activities in the EU.

² The International Standard Classification of Occupations (ISCO) is one of the main international classifications for which the International Labour Organisation is responsible. ISCO is a tool for organising jobs into a clearly defined set of groups according to the tasks and duties undertaken in the job (ILO web portal).

Jobsplus carried out a number of other qualitative researches, which can be utilised and analysed in the context of CCIs at a broad level. During 2015, an Employability Index Report was launched aimed at facilitating the transition from further and higher education to employment. The results relating to CCIs can also be extracted from this report to determine whether in the pre-Valletta 2018 period, students furthering their education in the Creative Sector managed to find a job that required the individual's level of education and one that matched the relevant area of study. The Employability Index Report launched in 2015 covered students who graduated in 2012 and 2013 from three main educational institutions; the University of Malta, the Malta College of Arts, Science and Technology, and the Institute of Tourism Studies. Their individual areas of study were compared to their respective employment in the years subsequent to their graduation year (in this case 2012, 2013, and 2014). Should the Employability Index Report be updated in the near future, an inter-temporal comparison of results tied to CCIs could be carried out. Such results could be further examined to determine whether Valletta being the European Capital of Culture had any impact on the type of jobs found by students who pursued their studies in the Creative Sector, after completing higher education.

FINDINGS

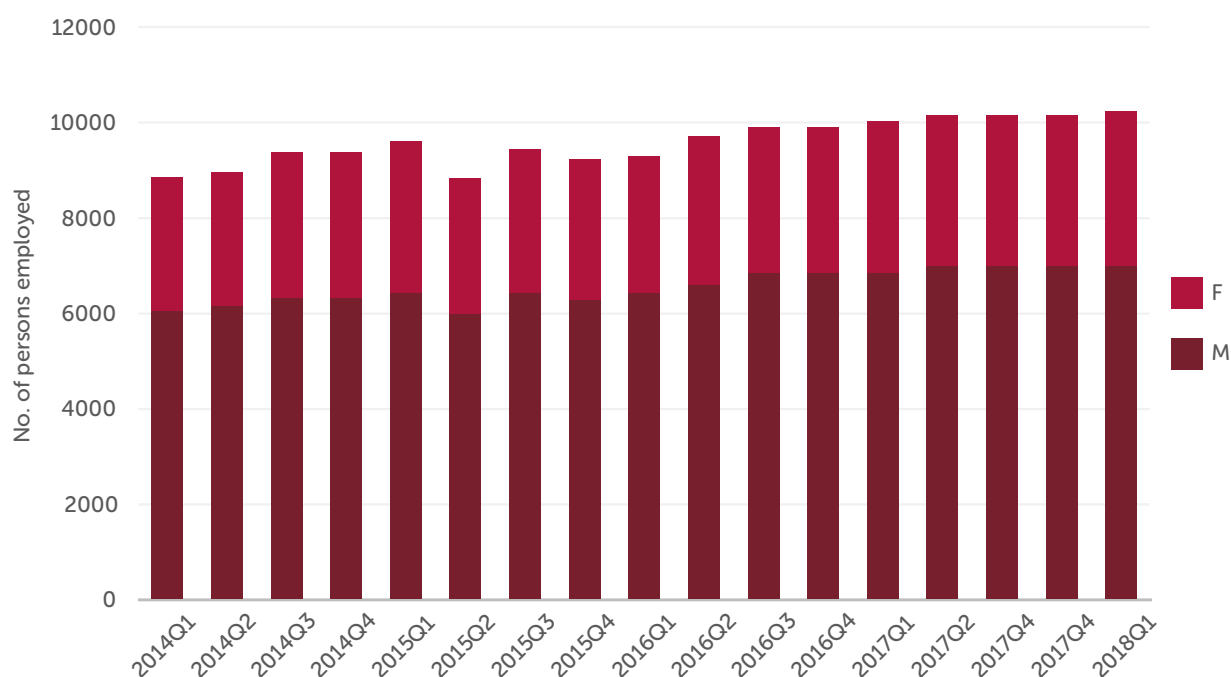
Statistical Analysis

The main results of the research conducted during 2018 are displayed and described in detail below.

Full time employment in the CCIs

As can be viewed in Chart 1 below, total full-time employment in the Cultural and Creative Industries has increased from 8,618 in Quarter 1 of 2014 to 10,357 in Quarter 1 of 2018, equivalent to a 20.2% increase over the four-year period. This increase is equally reflected in both gender cohorts, such that an additional 1,057 males and 682 females were engaged in gainful employment within the creative sector, corresponding to a 17.7% and 25.8% increase respectively. One should note that during the same period under review, total full-time employment in Malta also increased by approximately 25%. The majority of the 10,357 individuals or 93.6% of those employed on a full-time basis in CCIs were employed in the private sector, whilst the remaining 6.4% were employed in the public sector. Although the number of gainfully employed persons in CCIs decreased during Q2 of 2015, mainly due to a significant decrease in the number of persons employed in the *Television programming and broadcasting activities sector*, it gained pace in the subsequent quarters. Out of the 10,239 individuals gainfully employed in CCIs as at end of 2017, 72.4% were Maltese Nationals, 23.0% were EU Nationals, and 4.6% were Third Country Nationals. The number of foreigners employed in CCIs pertains to approximately 7.3% of the total number of foreign workers in gainful employment during the same period; of which, 64.6% were males whilst 35.4% were females.

Chart 1: Full-time employment in CCI



The top 5 NACEs contributing to full-time employment in CCI as at end of March 2018 (i.e. 2018 Q1), were:

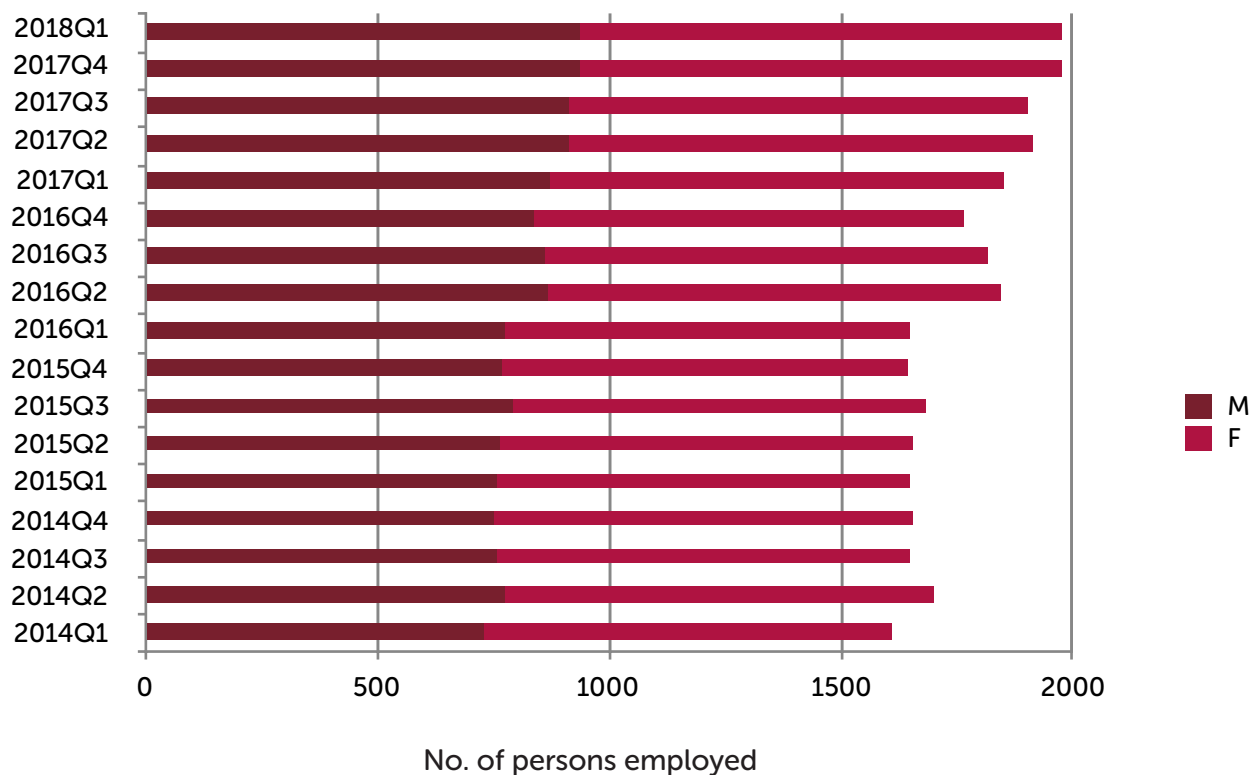
1. 62.01 – Computer Programming Activities
2. 18.12 – Other printing
3. 73.11 - Advertising Agencies
4. 71.11 – Architectural Activities, and
5. 71.12 – Engineering activities and related technical consultancy

20.2% of persons employed on a full-time basis in CCI were employed in *Computer Programming Activities* followed by *Other Printing* and *Advertising Agencies Activities* with 13.5% and 11.5% respectively.

Part-time Employment (as a primary job) in the CCI

Chart 2 below displays part-time employment (as a primary job) in CCI between Q1 of 2014 and Q1 of 2018. In general, total part-time employment in CCI increased over a four-year period from 1,612 in Q1 of 2014 to 1,966 in Q1 of 2018, equivalent to a 22% increase. Part-time employment in CCI was more volatile during the period under review. It increased in the second quarter of 2014, decreased for the subsequent three quarters and started increasing again thereafter, with a major rise in Q2 of 2016 due to an influx of workers in the *Activities of amusement parks and theme parks* and *Other amusement and recreation activities* industries. As at Q1 of 2018, both the number of females and the number of males in part-time employment had increased by 16.6% and 28.4% respectively compared to the first quarter of 2014. Similarly, the majority of part-time workers were employed in the private sector with only 2% employed in the public sector. As at end of December 2017, foreigners occupied approximately 20% of part-time employment in CCI; of which 94.8% were EU Nationals and 5.2% were Third Country Nationals.

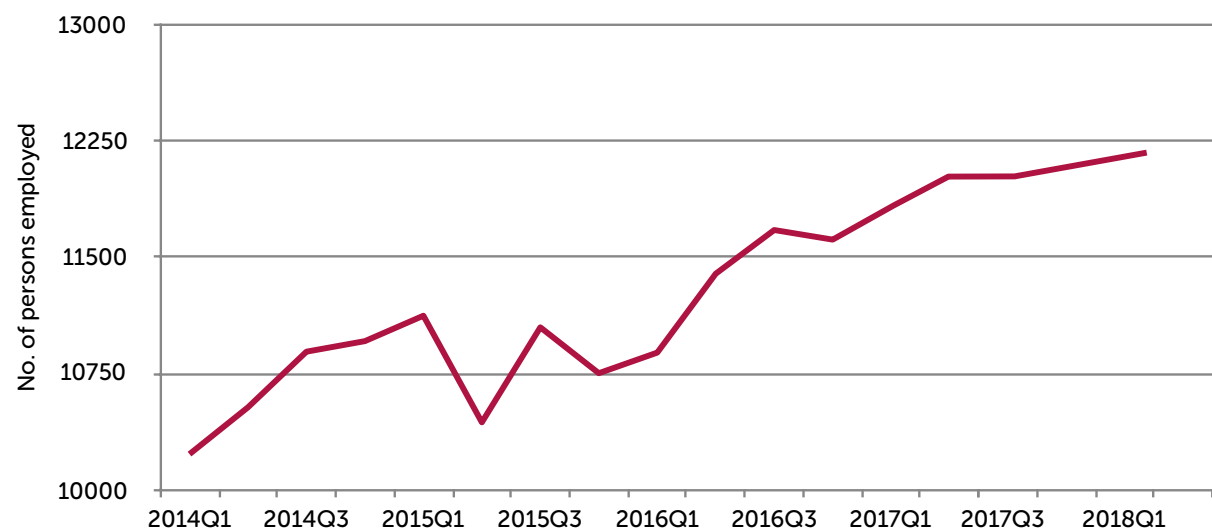
Chart 2: Part-time Employment in CCI



Total Employment in CCI

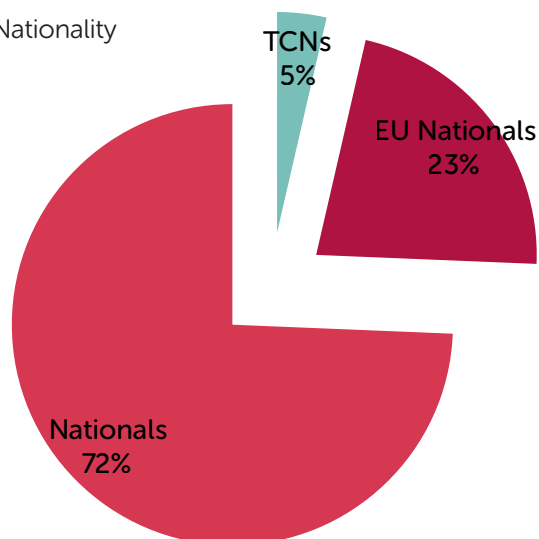
Chart 3 below portrays total employment (full-time + primary part-time employment) in CCI for the period under review. Total employment in CCI increased from 10,230 in Q1 of 2014 to 12,323 in Q1 of 2018; equivalent to a 20.5% increase over the four-year period. Whilst the share of full-time employment in CCI as a proportion of total full-time employment stood at 5.2% in Q1 of 2018, the share of part-time employment in CCI stood at 5.6%. Moreover, total employment (full-time + primary part-time employment) in CCI as at end of March 2018, amounted to 12,323; approximately 5.3% of employment in the total economy.

Chart 3: Total employment in CCI



Out of the total number of persons employed (full-time + primary part time employment) in CCI as at end of December 2017, 72% were Maltese nationals, 23% were EU nationals, and 5% were Third Country Nationals. Moreover, the total number of foreigners employed in CCI (full-time + primary part time employment) amounted to approximately 7.2% of total foreigners employed in the Maltese labour market; of which 61.5% were males whilst 38.5% were females.

Chart 4: Employment in CCI by Nationality



Notified Vacancies to Jobsplus (relating to CCI)

The number of vacancies notified to Jobsplus relating to CCI has also been analysed. Overall, in absolute terms, the number of vacancies pertaining to occupations within the culture and creative sector has increased from 166 in Q1 of 2014 to 230 in Q3 of 2018. Notwithstanding this rise, vacancies relating to CCI have been quite unstable over the period under review, as evidenced by the fluctuations in Chart 5; with vacancies reaching a peak in Q2 of 2016 with a total of 527 notified vacancies within the same quarter. On average, between 2014 and 2017, the highest number of notified vacancies during an entire year was registered in 2016, where nearly 7% of all vacancies notified to Jobsplus were related to CCI. As at end of September 2018, the number of vacancies notified to Jobsplus relating to CCI, accounted for approximately 4% of the total number of vacancies notified to Jobsplus between January and September of 2018.

Chart 5: Vacancies notified to Jobsplus relating to CCI

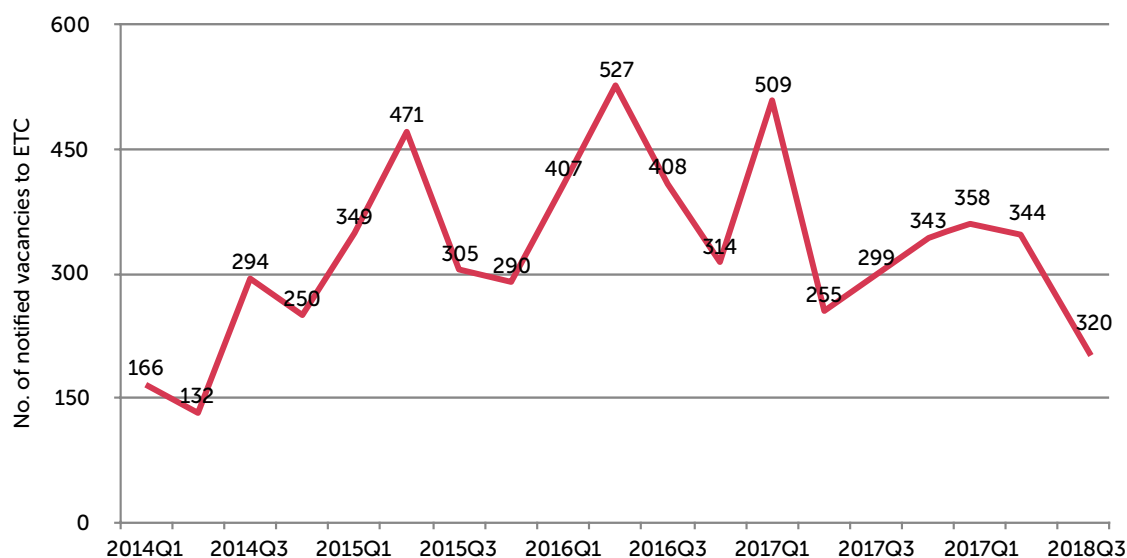
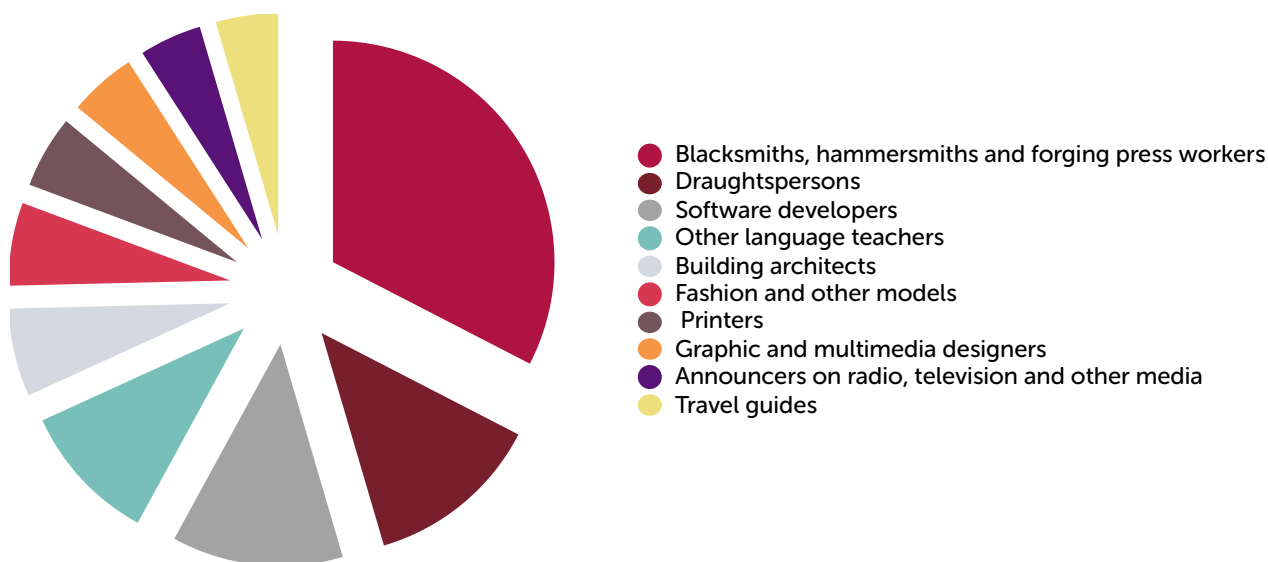


Chart 6 below represents the top 10 occupations relating to CCLs which registered the highest number of vacancies during the first three quarters of 2018. The highest number of registered vacancies during 2018 pertained to *Blacksmiths, hammersmiths, and forging press workers*, which accounted for 16% of the total vacancies, followed by Travel Guides and Announcers on radio, television, and other media with 12% and 11% respectively.

Chart 6: Notified vacancies to Jobsplus relating to CCLs - Top 10 occupation



A word of caution is warranted: these statistics emanate from Jobsplus' database which means that the figures do not capture the total vacancies across the Maltese labour market, but only vacancies notified to Jobsplus, which to some degree represent a subset of the former. Furthermore, a double counting problem may also be at work, because if an unfilled vacancy is reissued at a point in time after the initial closing date by the same employer, this is classified as an entirely new vacancy as opposed to a recurrent one.

Registered Jobseekers (searching for jobs relating to CCLs)

In general, the number of jobseekers looking for employment in the CCLs decreased from 483 in Q1 of 2014 to 146 in Q3 of 2018. During the first two years under review (Q1 of 2014 to Q1 of 2016), the number of jobseekers looking for jobs in the creative sector remained stable, as depicted in Figure 6 below, with the exception of a noticeable decrease observed in Q1 of 2015. In the subsequent quarter, the number of jobseekers seeking employment in CCLs increased to 483 and then decreased considerably thereafter. Notwithstanding, overall unemployment in the Maltese labour market has declined drastically throughout recent years, with the number of registered unemployed persons dropping from 7,789 in January 2014 to 1,813 in September 2018. The significant increases in Q2 and Q4 of 2015 were mainly pertinent to occupation 2654 – *Film, stage related directors and producers*, since a number of jobseekers had started to show an interest in occupations classified under this ISCO code.

The number of registered jobseekers looking for a job in the CCLs, reflects only individuals registering on Part 1 and Part 2 of Jobsplus' unemployment register. Thus, individuals looking for an alternative employment or seeking temporary employment are not included in the figures quoted in this section.

Chart 7: Registered Jobseekers (searching for jobs in the CCI's)

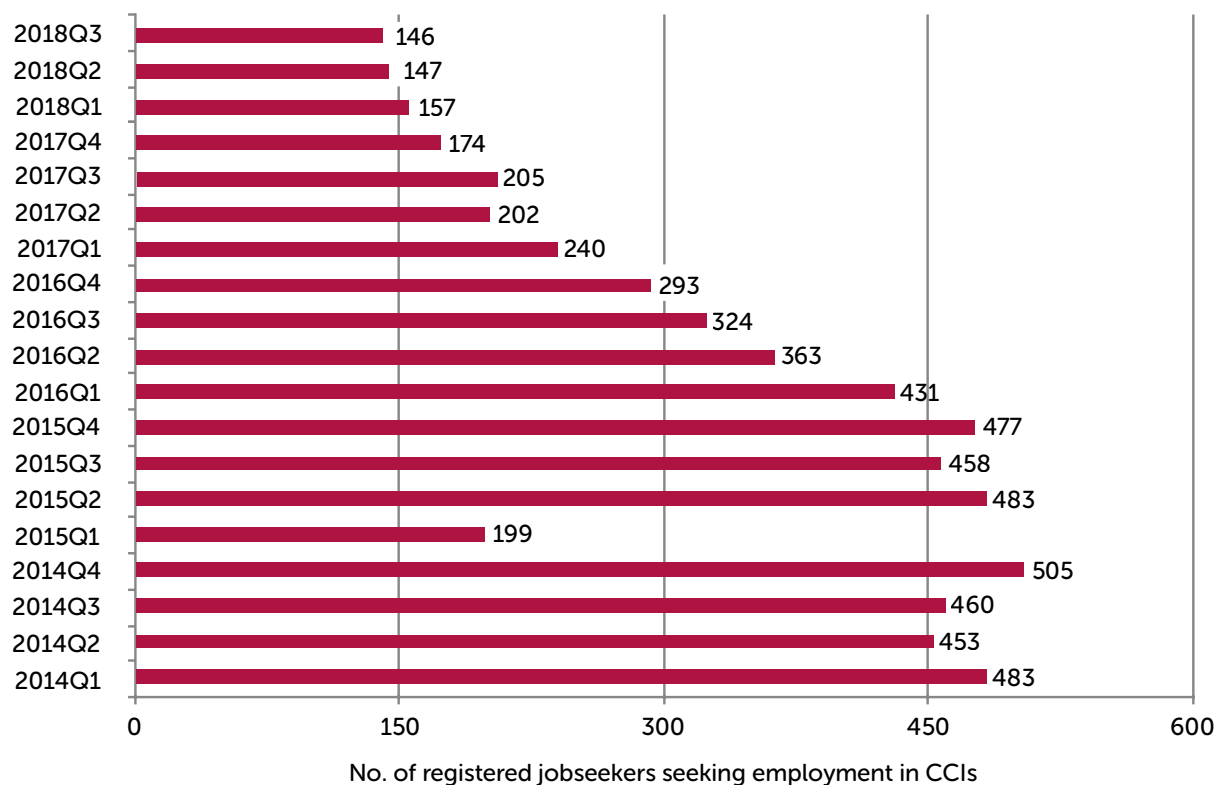
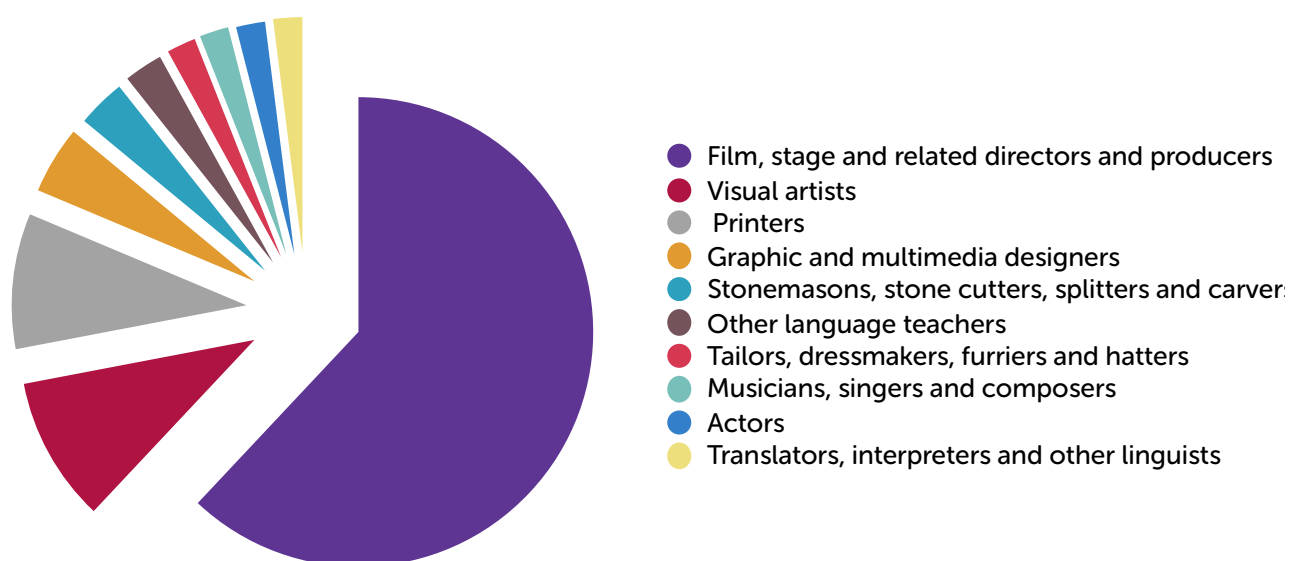


Chart 8 below depicts the top 10 occupations (relating to CCI's) which registered jobseekers listed as their first preference of job, as at end of September 2018. Around 52% of jobseekers revealed that their job preference was related to *Film, stage, and related directors and producers*, whereas 11% and 7% of jobseekers favoured occupations relating to *Visual Artists* and *Graphic and Multimedia Designers* respectively.

Chart 8: Registered Jobseekers - Top 10 Occupations (relating to CCI's)



CONCLUSIONS

While the research aimed to determine the effects of Valletta as a European Capital of Culture on employment, it is still too early to derive any concrete conclusions. Ideally, the impact is observed over a number of years, when one could compare pre- and post-Valletta 2018 periods to better establish the change (if any) in employment and the type of employment (e.g. short-term nature).

Moreover, ideally such analysis would be linked with concrete measures and initiatives directly related to Valletta 2018 (such as marketing, events, festivals) to determine the actual impact of Valletta 2018 on employment. Changes in employment also need to be viewed through the lens of factors outside Valletta 2018, such as a number of film productions being filmed in Malta during specific periods.

WAY FORWARD

It is envisaged that a continuous statistical analysis will continue during the year 2018 on a quarterly basis, and subsequently, on an annual basis as well. It is suggested that Jobsplus' data is complemented with data relating to CCIs from other sources not incorporated in this analysis (such as vacancies which are not notified to Jobsplus).

The way forward following this analysis from a labour market perspective, is to research beyond the 2018 period, as it is only through research which covers different periods that an analysis can be more thoroughly conducted.

Following a number of qualitative research studies conducted by entities including Jobsplus, the Committee should focus on the results and try to gather more specific information on this economic industry.

APPENDIX

NACE	Classification of NACE Codes
18.10	Printing and services activities related to printing
18.11	Printing of newspapers
18.12	Other printing
18.13	Pre-press and pre-media services
18.14	Binding and related services
18.20	Reproduction of recorded media
23.13	Manufacture of hollow glass
23.41	Manufacture of ceramic household & ornamental articles
47.61	Retail sale of books in specialised stores
47.62	Retail sale of newspapers and stationery in specialised stores
47.63	Retail sale of music and video recordings in specialised stores
58.10	Publishing of books, periodicals and other publishing activities
58.11	Book publishing
58.13	Publishing of newspapers
58.14	Publishing of journals and periodicals
58.19	Other publishing activities
58/20	Software publishing
58.21	Publishing of computer games
58.29	Other software publishing
59.00	Motion picture, video and television programme production, sound recording and music publishing activities
59.10	Motion picture, video and television programme activities
59.11	Motion picture, video and television programme production activities

59.12	Motion picture, video and television programme post-production activities
59.13	Motion picture, video and television programme distribution activities
59.14	Motion picture projection activities
59.20	Sound recording and music publishing activities
60.10	Radio broadcasting
60.20	Television programming and broadcasting activities
62.01	Computer programming activities
63.91	News agency activities
71.11	Architectural activities
71.12	Engineering activities and related technical consultancy
73.11	Advertising agencies
73.12	Media representation
74.10	Specialised design activities
74.20	Photographic activities
79.12	Tour operator activities
85.52	Cultural Education
90.00	Creative, arts and entertainment services
90.01	Performing arts
90.02	Support activities to performing arts
90.03	Artistic creation
90.04	Operation of arts facilities
91.00	Library, archive, museum and other cultural services
91.01	Library and archives activities
91.02	Museums activities
91.03	Operation of historical sites and buildings and similar visitor attractions

91.04	Botanical and zoological gardens and nature reserves activities
93.20	Amusement and recreation services
93.21	Activities of amusement parks and theme parks
93.29	Other amusement and recreation activities

CONCLUDING REMARKS

Economic and employment indicators serve as an important benchmark to understand the impact of the European Capital of Culture on the Cultural and Creative Industries, which in return reflect important impacts on the rest of the local economy. The impacts of the ECoC title extend way beyond the Cultural Programme, and the impact of Valletta 2018 shows an important growth in both employment and economic return of investment.

As noted in previous years, the CCIs remain an ever-influential player in the Maltese economic landscape, providing strong results in terms of employment and value added to the economy. Nonetheless, this is a sector that must be nurtured in order to provide further diversity and stability in the post-2018 years.





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