



From School to Work: The Role of Chambers of Commerce and Industry

Skills gaps and skills mismatches are one of today's greatest challenges for businesses and young people entering the world of work.

Every two years, EUROCHAMBRES holds the 'European Parliament of Enterprises' (EPE), an event whereby 750 entrepreneurs from all over Europe take the place of MEPs in the European Parliament's hemicycle to discuss and vote on topics of high relevance to businesses. At the last edition of the EPE in October 2018, 84% of entrepreneurs replied 'yes' when asked if it is harder today to find staff with the right skills than five years ago (see Annex I). The same question was asked at the two previous editions of the EPE and the percentage of 'yes' votes has increased each time. This worrying trend was confirmed in the 2019 EUROCHAMBRES Economic Survey (EES), which looked at the forecasts for this year expressed by more than 40,000 entrepreneurs all around Europe. Despite a broadly positive outlook, the lack of skilled staff was ranked as the second greatest challenge (after labour costs) for the year ahead for the second consecutive year.

The role of Chambers of Commerce and Industry (CCIs)

Chambers of Commerce and Industry play an important role in addressing the skills mismatch, in facilitating the transition from school to work and in helping companies to play their part. They do so by developing, managing, implementing or being in any other way involved in a wide range of activities in the fields of education and training, entrepreneurship, and related areas.

The activities in which Chambers are involved include, but are not limited to:

- career guidance, orientation and information targeting both students and companies (e.g. organisation of events such as career days, orientation fairs, workshops, seminars, etc.)
- skills forecasting (e.g. Excelsior in Italy; <u>Fachkräfte-Monitor</u> in Germany) and skills assessments (e.g. '<u>Talent check</u>' in Austria, which analyses the skills of 13 and 14 year-olds to provide tailored guidance)
- training courses
- various functions in relation to VET and apprenticeships
- involvement in national advisory bodies on skills and/or education and training and collaboration with national education and economy ministries and other relevant institutions
- organisation of competitions and awards
- entrepreneurship education and support to entrepreneurship.

In particular, Chambers are active players in the development and delivery of education and training policies. According to the latest data available, 80% of Chambers of Commerce and Industry are involved in education and training and 48% deliver initial or continuous vocational education and training. Every year, nearly 1.8 million people receive training qualifications via the Chamber network. Chambers play a key role in the delivery, management and governance of apprenticeship schemes in many EU and candidate countries. Every year, approximately 600,000 apprenticeships are managed directly by Chambers.

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1.1 Skills forecasting

Several Chambers are involved in skills forecasting at national level. A remarkable example is 'Excelsior', managed by the Italian Chamber of Commerce. Based on a survey of Italian businesses, Excelsior provides in-depth information on the current and projected labour demands in the country in terms of skills, educational qualifications and professions within a five-year period.

As skills requirements are evolving faster than ever before, timely understanding and correctly foreseeing the labour market's skills needs is crucial. However, in order to be truly effective in tackling skills mismatches, having comparable and high quality information on skills demanded by employers across the EU is only part of the solution. This data must feed into the design and delivery of education and training curricula if improvements are to be made.

1.2 Vocational Education and Training (VET) and apprenticeships

Vocational Education and Training (VET) is crucial to prepare young people to the world of work, especially when it includes a strong **work-based learning** component, as the experience of countries such as Austria, Germany and Luxembourg shows. Apprenticeships, in particular, are key in this regard as they facilitate the school-to-work transition and enhance the apprentice's employability.

Unfortunately, while SMEs represent two-third of private sector employment in Europe, their involvement in apprenticeships is hampered by a lack of human resources, time and knowledge of the relevant legislation and administrative requirements. They therefore need support. Moreover, SMEs are often unaware of the benefits of hosting apprenticeships. In order to enable a growing number of SMEs to offer apprenticeships, EUROCHAMBRES coordinated the Apprenticeship Coaches for SMEs (AC4SME) project, whereby 26 apprenticeship coaches within Chambers' staff were trained to help SMEs host apprenticeship trainings in 12 countries. This large-scale European project, funded under the Erasmus Programme, was based on the exchange of knowledge between Chambers that play a pivotal role in the involvement of SMEs in apprenticeship schemes as part well established VET systems (i.e. WKO, Debelux and AHK Bulgaria) and Chambers in countries where SMEs involvement in apprenticeship is underdeveloped or presents scope for improvement (i.e. Czech CCI, Terrassa CCI, Spain CCI, Latvian CCI, Nice Cote d'Azur CCI, Bretagne CCI, Voka, Istituto Gulielmo Tagliacarne, TOBB, Ankara CCI, Cyprus CCI, Romania CCI and Serbia CCI). EUROCHAMBRES now aims to build on the achievements of this project to further enhance SMEs' capacity to offer apprenticeships.

At national level, the role and involvement of Chambers in VET and apprenticeship systems vary significantly. Chambers act as business representatives, as intermediary organisations between companies and schools/apprentices (e.g. in Belgium, Bulgaria, Czech Republic, Hungary, Italy, Luxembourg, Malta and Serbia) and, in fewer cases, as VET providers (e.g. in Luxembourg). Moreover, in countries such as Austria, Chambers are responsible for the governance and administration of apprenticeship trainings and parts of VET system.

Functions carried out by the Chambers involved in VET include one or a combination of the following elements:

- Career and vocational guidance, through information, activities and events (e.g. AT, ES, HU, IT, LT CCIs)
- Identification/accreditation of training companies (e.g. AT, ES, RS CCIs)
- Advice and support to companies participating in VET (e.g. ES CCIs)
- Involvement in the management of VET schools (e.g. LT CCIs)
- Registration of apprenticeship contracts (e.g. AT, RS CCIs)
- Support or offer of placements (e.g. HU, IT, MT, RS CCIs)
- Organisation of or participation in final VET/apprenticeship examinations (e.g. AT, CZ, HU, LT, RS CCIs)
- Organisation of vocational competitions (e.g. HU CCI)
- Involvement in advisory or coordinating bodies on VET (e.g. BU, CZ, ME CCIs)

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1.3 Entrepreneurship education and fostering of an entrepreneurial mindset in schools

In today's fast-evolving world of work, hard skills alone are no longer enough. And while the shelf-life of many hard skills is shrinking, entrepreneurial attitudes and skills are increasingly relevant: a specific programming language might become obsolete, but creativity, collaboration, motivation and perseverance, taking the initiative and the ability to cope with uncertainty and risk are becoming more and more valuable.

Given the importance of an entrepreneurial mindset to succeed in the labour market, the Chamber network advocates for the introduction of entrepreneurship education in curricula at all levels of education - from primary and secondary school to vocational education and university. Entrepreneurial education does not benefit only aspiring entrepreneurs. On the contrary, an entrepreneurial mindset and entrepreneurial skills are an asset regardless of the professional path that an individual pursues. Evidence suggests that those who benefit from entrepreneurial education are indeed found to be more employable.

Many Chambers are active in entrepreneurship education at an operational level. In Lithuania, for example, as part of the Estonian Lifelong Learning Strategy, the Estonian Chamber of Commerce is involved in the entrepreneurship education programme 'Edu ja Tegu', which aims to foster an entrepreneurial spirit among students and teachers through the development of the entrepreneurial competences model and training programmes for teachers at all levels of education, business mentors and entrepreneurs who participate in entrepreneurship education. The Entrepreneur's Skills Certificate, an optional qualification developed by the Austrian Federal Economic Chamber to foster the business competences of students between 10 and 19 years old, is another remarkable example of a Chamber initiative in this field.

1.4 Entrepreneurship promotion

Chambers of Commerce and Industry are committed to supporting all of those who want to turn an idea into a business. Chambers all over Europe have a wide range of initiatives in place to support aspiring and new entrepreneurs in the stand up and start up phase and targeting specifically young people.

Among these, particularly remarkable is 'Bright and Young' (Bryo), an initiative of Voka, the Flemish Chamber of Commerce and Industry, designed to provide assistance to pre-starter and starter projects. It includes three major programmes, each of which has a specific target group: **Bryo StandUp Students** and **Bryo StandUp**, Bryo StartUp and Bryo ScaleUp.

Bryo provides step-by-step individual and collective support through individual coaching and advice, assessments, workshops, business dates, events and access to a network of role models (entrepreneurs), service providers and commercial and financial experts. Overall, Bryo supports and encourages young entrepreneurs, foster the entrepreneurial spirit, acts as catalyst for the creation of companies and promote a positive image of entrepreneurship.

Another noteworthy initiative is the <u>Caravan of Youth Entrepreneurship</u>, organised by the Serbian Chamber of Commerce with the objective to enable young people across the country to explore the opportunities and challenges of establishing and managing a business and raise entrepreneurial awareness.

<u>Erasmus for Young Entrepreneurs</u> (EYE) is a successful European Commission's initiative to promote entrepreneurship. In the programme, a new or aspiring entrepreneur (NE) is hosted by an experienced entrepreneur (HE) in another participating COSME country for up to six months. The programme enables the NEs to acquire relevant skills and knowledge to run a business while the HEs learn about foreign markets and benefit from a fresh eye on their business.

35 Chambers at national, regional or local lever act as Intermediary Organisations for EYE. In this capacity, they are in charge, among other things, of matching new and experienced entrepreneurs, develop an activity plan for both parties with objectives and expected outcomes, monitoring the exchange and follow up and evaluate. EUROCHAMBRES acts as support office for the programme and advocates its gradual and coherent expansion to new countries.

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Tackling socio-economically damaging skills gaps and mismatches across Europe must be high on the EU agenda for the next five years. Finding effective solutions requires multilevel and multi-stakeholder cooperation. Chambers are willing to play their part.

Annex I: European Parliament of Enterprises 2018 - Skills session

1. Is the business community sufficiently involved in education policy, such as the development of education / VET curricula?

Yes: 21.6% No: 78.4%

The fact that three-quarters of MEPE's voted 'no' to this question underlines a willingness among entrepreneurs to contribute to the development and delivery of education curricula.

2. Is it harder to recruit staff with the right skills than five years ago?

Yes: 84.1% No: 15.9%

This question was also asked at the 2010 and 2016 editions of the EPE and the percentage of 'yes' votes has risen each time. The skills mismatch is a Europe-wide problem which merits a coordinated Europe-wide response.

3. Should the employability of graduates be a more prominent criterion in rating the performance of higher education institutions?

Yes: 86.3% No: 13.7%

The EU has more graduates than ever in, nut what good is this if they cannot find work and employers cannot find staff with the right skills? The strong 'yes' response to this question emphasizes the need to do better in ensuring that education prepares young people for current and emerging employment opportunities.

4. Should work-based learning be integral to all initial vocational education and training programmes?

Yes: 97.1% No: 2.9%

This is another question that has been asked at previous EPEs and the almost unanimous 'yes' vote in 2018 reinforces the importance that entrepreneurs attach to the work-based component of vocational education and training.

5. Is cost a significant barrier to businesses offering more work/training opportunities to refugees and migrants?

Yes: 38.5% No: 61.5%

Ensuring work opportunities is vital to the socio-economic integration of refugees and migrants. The outcome of this vote indicates that the barriers are not necessarily financial and may relate more to other aspects of a process that is extremely complex on many levels.

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EUROCHAMBRES is the Association of European Chambers of Commerce and Industry. It represents over 20 million businesses in Europe through 46 members (42 national associations of chambers of commerce and industry and two transnational chamber organisations) and a European network of 1700 regional and local chambers. More than 98% of these businesses are small and medium sized enterprises (SMEs). Chambers' member businesses employ over 120 million.

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