

## EUROCHAMBRES input for public consultations on the micro-credentials framework and the initiative for individual learning accounts

At the Social Summit in Porto in May 2021, the Member States agreed that one of the goals of EU social policy should be to reach 60% of EU adults participating in education each year. Businesses also see a need for improvement in participation in adult training. According to the results of the most recent EUROCHAMBRES Economic Surveys, one of the major challenges faced by European businesses is an insufficient supply of the right skills needed in the EU labour market. As a result, the chamber community believes that improving the supply of skills related to jobs is critical.

The EU and Member States' emphasis on increasing adult learning participation will almost certainly result in an increase in courses offered. As a result, policy instruments are essential for ensuring the quality and relevance of the offered training. A core element of implementing these policy instruments should be the involvement of business associations, such as chambers, whose members are directly impacted by the quality of the courses. Additionally, the widening skills gaps in the EU labour market necessitate a greater emphasis on the relevance of training opportunities. Already, many graduates of higher education face difficulty finding work because their education does not meet the skills requirements in the job market. Additionally, the relevance of upskilling and reskilling opportunities to labour market demands is critical to narrowing skills gaps.

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### Micro-credentials to ensure access to training opportunities relevant to labour market demands

For over a year, EUROCHAMBRES has been discussing micro-credentials with the European Commission and national chambers of commerce and industry. European chambers, whether national or regional, are often either direct vocational training providers or are involved in their governance. Furthermore, European businesses are directly impacted by shortages of workers equipped with the necessary skills.

We expect the initiative of micro-credentials to create a voluntary framework that aims to support rather than excessively regulate the growing offer of short courses. To be successful, the framework must be founded on **four guiding principles that will make the micro-credentials framework useful to both businesses and learners and contribute to the performance of labour markets.**

The framework must, first and foremost, promote **courses that are relevant to labour market needs**. One of the most serious challenges for European businesses is a lack of workers with the necessary skills. Higher education frequently encourages educational opportunities that are not developed in accordance with labour market needs, resulting in growing skills gaps. Education is costly for governments, but it can be a worthwhile investment if it increases a learner's value in the labour market. As a result, micro-credentials must promote training that is relevant to businesses' skills demands. Furthermore, micro-credentials can also increase the availability of recognisable training opportunities.

Because the framework will also serve as validation of prior learning, micro-credentials can be a useful tool for recruitment. Many people in the labour market have acquired useful skills through non-formal or informal learning, but are unable to have them recognised using currently available methods.

Micro-credentials should support reskilling and upskilling by allowing learners to develop competencies through participation in more flexible and short learning courses. This will be especially useful in ensuring the implementation of digital and green transitions, which will necessitate the acquisition of new skills by businesses. The framework should specifically support the digital offer of courses to ensure flexibility and wider access to training.

**Micro-credentials cannot undermine present formal qualifications in vocational education.** By providing learners with skills that are relevant to labour market demands, vocational education and training have proven to be successful in many European countries. The framework for micro-credentials can be an additional option for increasing access to adult education, but it must not allow for a possibility of building qualifications or degrees from a collection of various micro-credentials, which would cause a devaluation of diplomas, degrees and qualifications. In the EU, the pursuit of professional activities must continue to be based on formal qualifications.

**A submission to the European micro-credentials framework must be a provider's voluntary choice.** It has to be up to a provider to determine whether to apply the European framework of micro-credentials. Some existing training courses do not require an assessment for completion, hence they cannot be classified as a micro-credential. Continuation of availability of such courses cannot be jeopardized. The framework must not lead to excessive regulation, which would compromise the flexibility of the offer, but should instead support smooth training provision.

Finally, **the framework's goal should be to strengthen the trust and transparency of the training opportunities.** Quality assurance procedures in higher education and vocational training have been developed for many years, and best practices should be drawn from this experience. However, given the diverse nature of many providers, the procedures should not impose a bureaucratic burden on training providers, as this would result in the ineffective implementation of the framework. Relevant stakeholders must be

involved in the quality assurance procedures to ensure trust in the quality of the provided training. Companies, particularly SMEs, will lose trust in the framework if their experts and representatives from the businesses associations are not involved in the governance of micro-credentials and in overseeing practical quality assurance procedures suitable in a VET context.

It is critical to keep in mind that each country's labour market is unique, and hence criteria and measures for inclusion on the list of trusted providers should be defined at the national level in collaboration with business associations such as chambers of commerce.

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## **New policy instruments to better assist businesses in initiating job-related training opportunities.**

The fact that 80 percent of European adults do not pursue any kind of learning represents a significant loss for the European economy. Particularly because people who do not receive any training usually need to upskill or reskill the most. The European labour market suffers from the inactivity of people who, with proper training, could enter or return to work. **Individual learning accounts could be one of the potential solutions.** However, European businesses require a boost in new funding sources for professional development and public funding models for VET which are comparable and more equitable when compared with public funding in other secondary and tertiary sectors. Furthermore, the tool's launch must be preceded by an evaluation of the existing training aid systems to determine their main advantages and disadvantages.

High-quality initial and continuing vocational education and training are critical tools for combating youth unemployment and increasing job security across Europe. National systems of continuing VET and lifelong learning differ significantly; therefore, any **European training policy initiatives should respect national and regional specificity and shall not be attempted to be centralised.** Furthermore, many current training schemes perform well; thus, the proposal of individual learning accounts must allow for voluntary participation by the Member States while not jeopardizing national systems in any way. What remains coherent across the continent is the critical role that businesses play in sponsoring and initiating job-related training. **The growing demand for adult learning will make it financially impossible for European businesses to continue paying for nearly all job-related training in Europe.** Including business organisations in the design of national training policy instruments is critical to ensuring that employers can benefit from improved skills supply, as businesses in all Member States are directly impacted by skills shortages.

Priority should be given to the analysis, adjustment, and optimization of existing training support measures before considering the introduction of new policy support schemes. EUROCHAMBRES believes that the concept of individual learning accounts is not yet fully developed and requires further discussion. As a result, **the Advisory Council on**

**Vocational Training's opinion on the ILAs must be thoroughly reflected on once issued.**

While the 2021 Porto Social Summit aimed to increase adult learning participation to 60% per year, the numbers cannot be simply increased as **the relevance of training must also be prioritised**. As a result, ILAs should primarily serve as an additional tool for people to upskill and reskill in order to improve their employability or equip them with labour-market-relevant skills. This should include entrepreneurship training, which will encourage the establishment of new businesses, which is especially important for the development of small and medium-sized businesses. That is, **ILAs should be closely linked to national and regional instruments for skill forecasting** to determine the selection of critical training opportunities, with significant involvement of business organizations, such as chambers, that are well aware of national and regional skill demands.

Employer-initiated training is primarily the responsibility of employers, although tax and other financial incentives can help support employers and spur further employer engagement. Any new **policy instrument supporting training provision should supplement, rather than replace, employers' critical role as training initiators**. Furthermore, no new tool should be used to regulate employer-sponsored training at the same time, but rather flexible assistance for job-related training expansion should be proposed.

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EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through 45 members and a European network of 1700 regional and local Chambers.

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