

Eurochambres' contribution to the Union of Skills

As the European umbrella organisation of the network of chambers of commerce and industry, representing over 20 million businesses in nearly 40 countries, we express our strong support for building up a Union of Skills (UoS) and we trust that the planned initiatives within the UoS will strengthen and complement the wellestablished national vocational education systems that underpin Europe's economic success.

1. Main challenges employers face that should be addressed by the Union of Skills

Employers face pressing issues related to labour and skills shortages, the impact of the twin transitions, demographic trends, and the need for a resilient industrial ecosystem. Addressing these issues through the Union of Skills is essential for ensuring a skilled and adaptable workforce.

Labour and skills shortages are widespread across European countries and business sectors, affecting their competitiveness, innovation, and growth potential. The latest <u>Eurochambres Economic Survey</u>, based on responses from over 42,000 businesses, identified skills shortages and labour costs as the top two challenges. SMEs, in particular, struggle to recruit specialised talent, especially for roles crucial to green and digital transitions.

Shortages are especially critical in sectors such as construction, healthcare, crafts, tourism and ICT, where businesses require highly skilled workers to adapt to disruptive technologies. Furthermore, many young people pursue academic careers without considering if these careers match their skills or the labour market needs. Supporting young people in finding their career path by providing targeted **vocational guidance and professional career counselling** is essential.

Demographic trends further increase the skills gap. The EU's working-age population is expected to shrink by about 2 million people annually until 2040, adding pressure to an already tight labour market. Migration and mobility can help bridge workforce shortages, but **regulatory and administrative burdens** (complex visa and work permit processes, slow recognition of qualifications, high administrative costs to name a few), particularly for SMEs, often hinder their ability to navigate these frameworks efficiently.

A key challenge is the **mismatch between education and labour market needs**. Many businesses struggle to find employees with the right mix of technical, digital, and soft skills due to outdated curricula or slow adaptation of education systems. **Strengthening the cooperation between businesses** - who play a crucial role in vocational education and training (VET) - **and education systems**, including through career orientation programmes in lower secondary schools, is essential to ensure that training aligns with market demands.

Concerns over declining learning outcomes, as highlighted by the OECD's latest PISA



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results and various national assessments, underscore the **critical need to strengthen foundational skills in reading, mathematics, and science**. These skills are crucial for future learning and workforce participation, essential for maintaining Europe's global competitiveness.

Funding constraints for up-and reskilling also pose difficulties. While large enterprises can invest in employee development, SMEs often lack the financial and organisational capacity to do so. This is particularly evident in digital skills, where SMEs lag behind, limiting their ability to adapt to technological changes.

Talent retention and brain drain remain key concerns, as some regions face a continuous outflow of highly skilled workers to more developed areas or outside the EU. This makes it even harder for businesses to secure talent. Improving mobility through the mutual recognition of qualifications could be key to addressing this challenge. At the same time, efforts should focus on retaining talent within Europe, a priority also reflected in the European Commission's 2025 work plan.

Addressing these challenges requires coordinated action among policymakers, businesses, and education providers. The Union of Skills must play a key role in fostering cooperation, facilitating mobility, and ensuring that European businesses can access the skilled workforce they need to remain competitive and innovative. In this regard, a European VET diploma could be attractive as a top-up / add-on program after having acquired a national qualification.

2. Priority actions to be taken to achieve real impact

To build a strong and future-proof workforce, coordinated action at the European, national, and regional levels is essential. **Increasing investment in skills development** is crucial, with focus on funding for up-and reskilling initiatives to meet labour market demands.

Strengthening skills intelligence and forecasting will help align education and training with workforce needs. Policymakers and organisations must anticipate evolving skills needs, requiring larger and more accurate data sets. We would encourage all stakeholders – the Commission, Member States and business organisations – to continue their joined efforts in making the provision of the relevant data a reality. This collaborative approach goes beyond immediate needs, identifying key areas for upskilling and reskilling to address shortages and develop targeted education and training programs.

With the EU Labour and Skills Shortages Action Plan, the Commission highlights the need to support skills, training, mobility, and attract skilled workers. All stakeholders must ensure its effective implementation.

Enhancing lifelong learning and improving labour market access should also be a priority. This requires reducing barriers to training and employment while deepening the European Education Area, without undermining Member States' competences in education and training.

Embedding entrepreneurship, green, and digital skills into curricula at all levels will better prepare workers for evolving industries. Continued policy, financial support and targeted training should be provided to support **women in entrepreneurship**.



Brussels, 17 February 2025

Stronger collaboration among stakeholders is essential for improving education and training systems. Education providers, chambers, and industry leaders must work together to design relevant training programmes.

Strengthening coordination between different stakeholders within Member States as well as via **trans-European territorial networks and cross-border cooperation** is important. These territorial networks help foster competitiveness and better address skills mismatches by improving reactivity and adaptation to the needs of rapidly evolving labour markets.

Vocational education and training is the cornerstone of a resilient workforce and consequently contributes to the economic welfare of Europe. Making VET more attractive by expanding **apprenticeships**, **dual education**, **higher VET**, **and mobility opportunities** through initiatives like Erasmus+ will enhance skills development.

Apprentice mobility across the EU should be facilitated to ensure equal rights and working conditions abroad while reducing administrative and legal barriers. This would enhance employability and foster cooperation between training centres and companies.

Countries with higher VET options (EQF level 5-7) offer highly skilled young professionals the possibility to embrace lifelong learning within their chosen career path. Emphasising VET, including higher VET, is an attractive learning path that offers great personal and professional perspective is therefore crucial.

Supporting mobility and improving the recognition of skills and qualifications across the EU are vital, ensuring greater flexibility and mobility for learners.

The EU should also remain an attractive destination for **skilled international workers by implementing supportive migration policies**. Enhancing the socio-professional inclusion of refugees and migrants through awareness-raising and communication is essential, highlighting the benefits for companies. Additionally, facilitating access to European funding for businesses and training organisations working on this issue can further support integration and skills development.

Sector-specific EU Talent Partnerships could help attract skilled workers in hospitality, construction, healthcare, and ICT. Simplifying visa and work permit procedures would enable SMEs to hire non-EU talent more efficiently. Promoting language and cultural adaptation programmes would also support smoother integration into European labour markets, benefiting both businesses and workers.

Encouraging business investment in skills is another important step. **Providing EU-level subsidies and financing schemes** can help companies invest in workforce training, especially SMEs. Building on the Pact for Skills, more support is needed for creating and developing regional skills hubs focused on SMEs (especially for digital transformation). Establishing incentives for digital up-and reskilling (including training on AI, automation, cybersecurity, e-commerce, etc), as well as ensuring that school and university programmes align with industry needs, will support economic growth.

Connect the evolving virtual European labour-related platforms (including Europass, EURES and Talent Pool) with national efforts. The infrastructures should be as interoperable as possible. EU level platforms should assist the needs of Member States

Brussels, 17 February 2025

skills strategies, and the HR needs of businesses.

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3. Eurochambres' contribution¹ to the Union of Skills

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As a **bridge between businesses and education providers**, Eurochambres plays a vital role in strengthening Europe's skills ecosystem.

We actively shape and promote VET, including higher VET, as the cornerstone of a resilient workforce. National chambers are heavily involved in initial and continuing training through training offers for companies and their employees. Through our networks, we enhance investment in skills development, particularly in key industrial ecosystems, as in line with the Pact for Skills.

For example, the French CCIs play a key role in skills development and vocational training, making them the leading training provider in France after the national education system. Each year, CCIs train 515,000 young people and adults through their 270 training organisations and 150 professional certifications. The "Mois de la Transmission-Reprise" is an initiative designed to anchor skills within local communities and foster intergenerational knowledge transfer. This includes mentoring programs that connect welfare recipients and vocational school graduates with "employment tutors" in companies, significantly reducing job retention failures. Also, the "Pas de côté" experiment is a program aimed at strengthening the skills of SMEs by leveraging untapped talent sources.

Improving skills intelligence and forecasting is central to aligning education and training with labour market needs. Chambers contribute by gathering and sharing local and sector-specific data.

For example, Unioncamere's Excelsior Monitoring System is a tool designed to collect and analyse data on labour market trends, employment needs, and forecast skill need across various sectors in Italy, offering insights to businesses, policymakers, and educators for informed decision-making.

We also advocate for the recognition and validation of qualifications and increased **mobility for apprentices and skilled workers**, ensuring a more flexible and mobile workforce.

For example, the German Chamber of Commerce and Industry (DIHK), in collaboration with its network of regional chambers and German businesses, has been working to improve access to the VET system over the last years through various initiatives: a) the "Chancen Nutzen!" project, offering partial qualifications to individuals aged 25+, allowing them to acquire vocational knowledge and skills incrementally, with the opportunity to attain full professional qualifications over time; b) validating skills acquired in nonformal settings has shown to be particularly beneficial for migrant workers who enter a profession without prior formal training²; c) introductory training for apprenticeships: learners lacking apprenticeship requirements gain essential skills through company-based training (Einstiegsqualifizierung), with regional Chambers issuing certificates for easier transition.

¹ The examples below are not an exhaustive list.

² Following the national implementation of a Council Recommendation on Validation, a law enacted in 2025 enables regional Chambers of Commerce and Industry, and Crafts, to validate skills acquired in nonformal settings.

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CCI France has secured accreditation for the Erasmus+ "MOVIL'APP Higher Education" project, aimed at promoting mobility for post-secondary students. Launched with 9 partners, this project helps young people develop international skills, improve their language proficiency, and enhance their CVs to better launch their careers.

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Unioncamere supports the certification of skills by promoting recognition of professional skills in VET across various sectors, including tourism, trade, mechatronics, textile and fashion and agroindustry. Bridging needs of VET providers and SMEs, more than 11,100 students can access a dedicated certification platform and enhance student internships as part of the school-to-work transition programs.

Embedding entrepreneurship, green, and digital skills into education is a key focus. Chambers help design and deliver programmes that meet business needs and prepare workers for future labour market demands. Additionally, we support business-led training by encouraging companies to invest in employee training, fostering a resilient resilience and adaptability.

Eurochambres leads the <u>European Learning Experience Platform</u> (EULEP) project, an Erasmus+ funded initiative, that unites 20 organisations from eight countries to enhance VET across Europe. It focuses on making continuous **VET more attractive** by developing tailored training modules in areas such as **artificial intelligence**, **virtual reality**, **and social innovation**, thereby promoting lifelong learning and addressing evolving skills needs.

The <u>EntreComp4Transition</u> project, co-funded by the European Union and led by Eurochambres, unites 15 partners across five countries to support the EU's **green and digital transitions by fostering an entrepreneurial mindset**. It develops innovative, multidisciplinary teaching and learning approaches, supporting SMEs and facilitating knowledge exchange between higher education, VET, the public sector, and businesses.

Chambers across Europe <u>actively support the green transition</u> through training, collaborations, and business support initiatives.

Austria's Umweltstiftung trains unemployed individuals for green jobs, while Croatia's Living Lab fosters environmental engineering innovation. Cyprus established the Green Business Transition Observatory and joined the Circular Economy Alliance to educate SMEs on sustainability. Romania's Timis Chamber drives systems innovation through the Pioneers into Practice Programme, while Serbia's chamber engages in projects like Finance4SocialChange and SENSES to enhance social entrepreneurship and sustainable business practices. Italy's Unioncamere supports renewable energy communities with training, assistance, and funding, fostering sustainability and local growth.

In France, the "1001 Parcours" project³ is a digital platform that supports pedagogical innovation for trainers at the CCI's 147 training organisations.

As a member of the **Pact for Skills** and the **European Alliance for Apprenticeships**, Eurochambres remains committed to promoting, developing, and delivering skills. To make the Union of Skills a truly collective and inclusive initiative, we propose actively engaging chambers in its design and implementation.

³ A winner of the France 2030 initiative, a national program launched by the French government to support strategic sectors of industry and innovation in France.

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By fostering collaboration between education providers, businesses, and policymakers, Eurochambres will contribute to making the Union of Skills a reality. We stand ready to work alongside the European Commission to build an inclusive, future-ready Union of Skills, equipping Europe with the workforce it needs while strengthening its economic resilience and competitiveness.

4. Achieving⁴ an appropriate balance between activation of the EU workforce and attraction of skills from non-EU countries

Achieving a balance between activating the EU workforce and attracting skilled individuals from non-EU countries is essential for addressing labour market challenges. Eurochambres and its network of chambers establish partnerships and support projects to activate untapped talent, including vulnerable and targeted underrepresented groups such as women, young people (especially those not in employment, education, or training), individuals with migrant backgrounds, and refugees. For example, Eurochambres Women's Network aims to amplify the voices of women entrepreneurs across Europe.

Unioncamere's Futurae project helps balance EU workforce activation of non-EU nationals by supporting migrant entrepreneurship and fostering their integration into the labour market. Unioncamere also plays a key role in both Campus Digitale and DigiChamps to provide resources, training, and networking opportunities for NEETs.

In France, the "Mois de la Découverte des Métiers" (Careers Discovery Month) is an annual event that, in 2024, attracted 137,700 visitors across 182 events, helping individuals explore career opportunities.

Recognising the importance of legal migration and improved recognition of skills and qualifications, chambers play a key role in integrating skilled workers from non-EU countries.

A recent collaborative survey by Eurochambres, the European Committee of the Regions, and the OECD examined how best to meet refugees' needs and create opportunities for them and their host communities. This initiative highlights chambers' commitment to facilitating refugee inclusion in the labour market, enriching the EU workforce.

Beyond labour market integration, education and awareness are crucial in shaping public perception of migration. Promoting respect, acceptance, and recognition of migrants and refugees fosters social cohesion and ensures that talent attraction policies are effective and sustainable.

The proposed EU Talent Pool can help connect job seekers from outside the EU with European companies. Eurochambres supports the initial proposal of the Commission and calls on the co-legislators to avoid adding unnecessary bureaucracy that could make the platform less attractive to both job seekers and companies.

At the same time, addressing brain drain is key to ensuring that migration benefits both sending and receiving countries. Cooperation with non-EU countries should focus on skills partnerships, investment in education and training, and circular migration opportunities. A

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win-win approach, where skilled workers gain experience in the EU while maintaining ties with their home countries, can help retain talent, support global economic growth, and create a more balanced and sustainable workforce development strategy.

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