



Position Paper on the Entrepreneurship Curriculum

2014

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Introduction

This report outlines the main areas in which the Malta Employers' Association can collaborate with government in order to improve the educational system in a manner that:

- Results in better returns on investment in education
- Encourages an entrepreneurial culture among students
- Channels skills and competence generation into areas which are in demand
- Promotes life-long learning as a means of upgrading skills and enhancing labour market mobility

Malta is one of the countries with the highest investment in education, in terms of percentage of GDP, in the European Union. Successive governments have been committed to improve the standards of education and to make education accessible to all. This has been instrumental in generating labour mobility in an economy facing rapid transition, and has contributed to the relatively low unemployment rate in Malta compared to other EU countries. Malta also fares well in terms of youth unemployment – which stands at 23% in the EU as against 14% in Malta - and also with respect to the level of unemployed graduates, yet has a high rate of early school leavers, although this rate has been dropping in recent years.

Demographic trends reveal that even if Malta were to achieve the EU 2020 targets in terms of percentage of persons that follow tertiary education, the absolute number of graduates in the labour force will still be lower than the one prevailing today.

Although on average the EU has a higher rate of graduates than Malta, many countries also have a significant number of unemployed youths, and youth unemployment is climbing in many countries. The 2020 target stating that: 'the share of early school leavers should be under 10% and at least 40% of 30-34 years old should have completed a tertiary or equivalent education' is commendable but

achievable only if labour supply targets are matched by a corresponding labour demand. Moreover, rather than general targets - such as setting an increase in higher education attainment from the current 32% to 40% - there is also a pressing need to define the composition of skills and competences that are to be generated to avoid the problem of structural unemployment that prevails in many countries today, and which is a major source of underemployed graduates. Specific strategies to achieve this aim are required and which include orientations from early stages, for example channelling more students – even at primary school level – to take more interest in STEM (Science, Technology, Engineering, Mathematics) subjects.

The proposals which the MEA is forwarding are meant to complement, not replace, the fundamental and wider role which education has in character formation and building of positive values which are essential for the well-being of society. Yet the link between education and work is a value in itself as it promotes the concept of productive and participative citizenship.

Employers and Education

Employers can collaborate with the educational authorities in achieving the objectives mentioned above through:

1. Job shadowing
2. Job placements
3. Traineeships
4. Apprenticeship Schemes
5. Internships
6. Involvement in establishing an entrepreneurship curriculum in schools
7. Accreditation of work experience
8. Flagging of courses at post secondary level

9. Presence in school/college boards
10. OJT and Company sponsored Training

1. Job shadowing

There have been cases of schools taking the initiative to promote job shadowing exercises among students in Forms 3 and 4. Students are assigned for a few weeks to a working environment, mostly as observers. MEA has met heads of schools in the past to help them in the promotion of such exercises. Job shadowing exercises have generally been conducted during the scholastic year.

The Association will be willing to work with the Ministry to have a more coordinated effort in promoting job shadowing initiatives, and in setting guidelines at national level.

2. Job Placements

Job placements occur mostly during the summer break, and students seek work experience which may be completely unrelated to their field of studies. However, exposure to 'Mac jobs' is a positive way to obtain essential life skills, including: self discipline; team building skills; appreciating the value of money; and developing a positive work ethic.

Although many such jobs are not offered as part of a scheme, MEA is at times involved behind the scenes in giving advice to employers about employment matters. MEA can also be involved with government authorities to ensure that students on such job placements are not exploited and are given decent conditions of employment.

3. Apprenticeship Schemes

The existing apprenticeship schemes are in need of a thorough evaluation. In past years, it has been difficult to find sufficient placements for all students needing apprenticeships, and a way needs to be found through which these schemes are marketed effectively, even with micro enterprises. Apprenticeship schemes also need to be subject to closer scrutiny to ascertain that the apprenticeship is based on defined learning outcomes, and that there are sufficient systems and controls to supervise the work placements effectively.

MEA can assist in marketing the apprenticeship schemes and also in working closely with the Ministry to set up a quality assurance function to ensure that the proper training is actually being delivered, in line with the Quality Framework for Traineeships which is expected by the Commission to be in place by 2014 through the European Alliance for Apprenticeships which was launched last July.

4. Traineeship Schemes

Undergraduates at MQF levels 5,6 and 7 can benefit from traineeship schemes which, unlike job placements, will provide them with work exposure related to their field of studies. This already occurs in areas which are in high demand in the labour market – e.g. financial services – even in the absence of a formal structure for such schemes, but should be extended further to other areas like engineering, lab technicians, legal studies. The private sector could participate in such schemes if provided with proper incentives. Funds for such initiatives can be accessed through the Youth Employment Initiative which are being made available during 2014 - 2016.

5. Internships

Internships offer work experience post qualification. A specific project for internships can be launched and funded through the Youth Guarantee Scheme as mentioned in the June meeting of EU leaders in their strategy to combat youth unemployment.

6. Involvement in establishing an entrepreneurship curriculum in schools

It is recommended to revive the idea of introducing an entrepreneurship curriculum in schools, possibly starting at primary level. Entrepreneurship goes hand in hand with innovation and the arts in fostering a creative culture in our students, to bridge the gap between remembering and thinking that is so lacking in our education system. It also encourages young people to consider taking up self employment. It is a worrying statistic that the share of people preferring self employment to being an employee in Europe is 37%, compared to 51% in the US and 56% in China.

Employers can be involved in the setting of the curriculum and also in mentoring specific projects in a similar manner that occurs in Young Enterprise. This recommendation is in tune with the Entrepreneurship 2020 Action Plan launched by the Commission, which establishes among its immediate interventions the dissemination of *'entrepreneurial education and training to support growth and business creation'* and which invites member states to: *'ensure that the key competence 'entrepreneurship' is embedded into curricula across primary, secondary, vocational, higher and adult education before the end of 2015'*.

7. Accreditation of Work Experience

In Malta a lot of work has been done, through the establishment of the Qualifications Framework, to fit local and foreign qualifications into established levels, and also to design pathways through which one may move to improve his/her qualifications, both in academic and vocational areas. There is still the need to determine pathways to remove barriers to mobility from vocational to academic routes in some areas, but a greater challenge is to enable people who have acquired skills and competences through work experience to hop on the qualifications framework through the accreditation of their knowledge which they might have gained informally.

This is another area where the input of employers will be of tremendous benefit to the education authorities.

8. Flagging of courses at Tertiary Level

Over the past few years, MEA has been proposing the idea of flagging courses on the basis of employability prospects, to enable students to make a more informed career choice when selecting their area of study. The reason behind this proposal is to channel students into fields of study which are more in demand, thus helping to reduce the incidence of unemployed or underemployed graduates. This will also effectively result in a better return on expenditure in education.

There have been clear cases where the demand for particular courses has changed dramatically. For example, when Lufthansa Technik and SRT set up in Malta, students were encouraged to take up courses in aviation maintenance, as employment in this area was practically guaranteed. In such circumstances, the course would have received a five flag rating, implying high employability prospects. In recent years, employment in this industry has peaked, and demand is mostly

restricted to replacement levels. This implies that MCAST in this case has to hit the brakes and send out a message to students that the probability of employment in this area has fallen. In this case, the flag rating will be reduced to one or two.

MEA recognises that this will not be a simple exercise, and might involve conducting tracer studies of students in various disciplines to determine the prospects of employment. Manpower projection is also a challenging and imprecise exercise which would need to be approached with caution, and with the involvement of all stakeholders. Another pitfall which needs to be avoided is not to be 'over-utilitarian' in the evaluation of courses. For example, some psychology students might not be working directly as 'psychologists' but may have ventured into related fields such as HR management in which they find fulfilment. A liberal arts student might also be an entrepreneur and have opened up a profitable business. This exercise will be intentioned to provide a useful tool to guidance counsellors, and in some cases will also help course designers to adapt course content to the needs of the labour market.

This exercise can run concurrently with a programme to provide career guidance counsellors more exposure in industry through programmes as the Erasmus for All.

9. Participation in School/College Boards

Employers' representatives can be invited to sit on school and college boards to provide any assistance to school administration.

10. OJT and Training

The Ministry needs to acknowledge that employers are also contributing to the educational system in Malta through widespread on the job training, together with an ever increasing number of employees who are attending in-house company courses or are sponsored to follow courses – ranging from CPD to post graduate qualifications. In many cases this is helping to re-direct drop-outs back to the educational track, and also to upskill employees' competences. This is something which the MEA promotes continuously, and it would be a good idea to find the means to establish the extent to which such investment in our human resources is actually taking place, and to utilise EU funding to provide incentives to employers to continue with their efforts to improve the general quality of the human resource in Malta.

Conclusions

It is important to take initiatives to improve the links between education and careers, but this in itself does not guarantee that unemployment will fall as a result. What the EU is failing to acknowledge is that many of the measures being proposed to curtail unemployment focus on the supply side of the labour market, whereas the underlying issues are that Europe – including Malta – is losing competitiveness relative to other continents, and that entrepreneurship in general is frowned upon, rather than being encouraged. The recent rabid attack on employers by the media to inflate the issue of precarious work is a case in point. The fact that it is accepted by the Commission that Europe's number of known entrepreneurial success stories is limited accentuates the severity of the problem, and one needs to look into the reasons which led to this situation, including overregulated labour markets, excessive bureaucracy, and a general disdain towards business.

Another factor to be considered is the narrow time frame to access funds. The Youth Unemployment Initiative funds are available for 2014 - 2016. Therefore action has to be taken immediately.

The Commission is supporting strengthening vocational education, on the premise that: *'countries with strong vocational education and training systems tend to have less youth unemployment'* (EU commission press release 2nd July 2013). In Malta, MCAST has been conducive to the creation of skilled persons, especially at MQC levels 2 – 5. This effort should be sustained and supported even by employers through the provision of apprenticeships and other types of material collaboration (e.g. labs, equipment) with this institution.

The challenges that are emerging call for the involvement of the social partners, and the Malta Employers' Association is certainly available to give its full contribution to provide decent job opportunities for the upcoming generation.