

The role of the chambers in dual VET

Vocational education
and training
in Germany

Funded by



German Office for international Cooperation
in Vocational Education and Training



on the basis of a Decision
by the German Bundestag

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1. Business Organisations

Chambers

- ▶ Cross-sectoral organisations, in most cases operating at regional level in the different economic sectors (industry and commerce, craft trades, agriculture, liberal professions)
- ▶ Compulsory membership, representation of all companies
- ▶ Public body
- ▶ Self-governing
- ▶ State exercises legal supervision (in some cases technical supervision)
- ▶ Financing: contributions, fees, revenues from services
- ▶ Organisations come together to form bodies at federal-state and national level

Professional associations/employer organisations

- ▶ Sector-specific organisations from district to national level
- ▶ Voluntary membership
- ▶ Generally organisations under private law
 - ▶ Exceptions: guilds and district craftsmen's associations (public bodies)
- ▶ Funding: voluntary contributions, revenues from services
- ▶ Representation of employers as one of the two social partners.



1. Business Organisations

Self-governance of the economy

- ▶ Exists for companies engaged in commerce, industry, agriculture, the crafts and trades, and for members of the liberal professions (doctors, lawyers, architects, accountants, etc.)
- ▶ Specific, clearly defined public administration responsibilities are transferred to public bodies: decentralisation of administrative tasks
- ▶ State supervises the legality, usually not the expediency of the measures (legal supervision, in some cases technical supervision)
- ▶ Compulsory membership, representation of all companies
- ▶ Democratic structures: companies have control via general assembly and election of the Executive Board and the President



1. Business Organisations

Chamber organisation. Fulltime and honorary office

- ▶ Fulltime office:
Management and personnel functions of the chambers
- ▶ Honorary office:
President and presidency (executive board), general assembly, participation in examination boards, vocational education and training committee and other committees

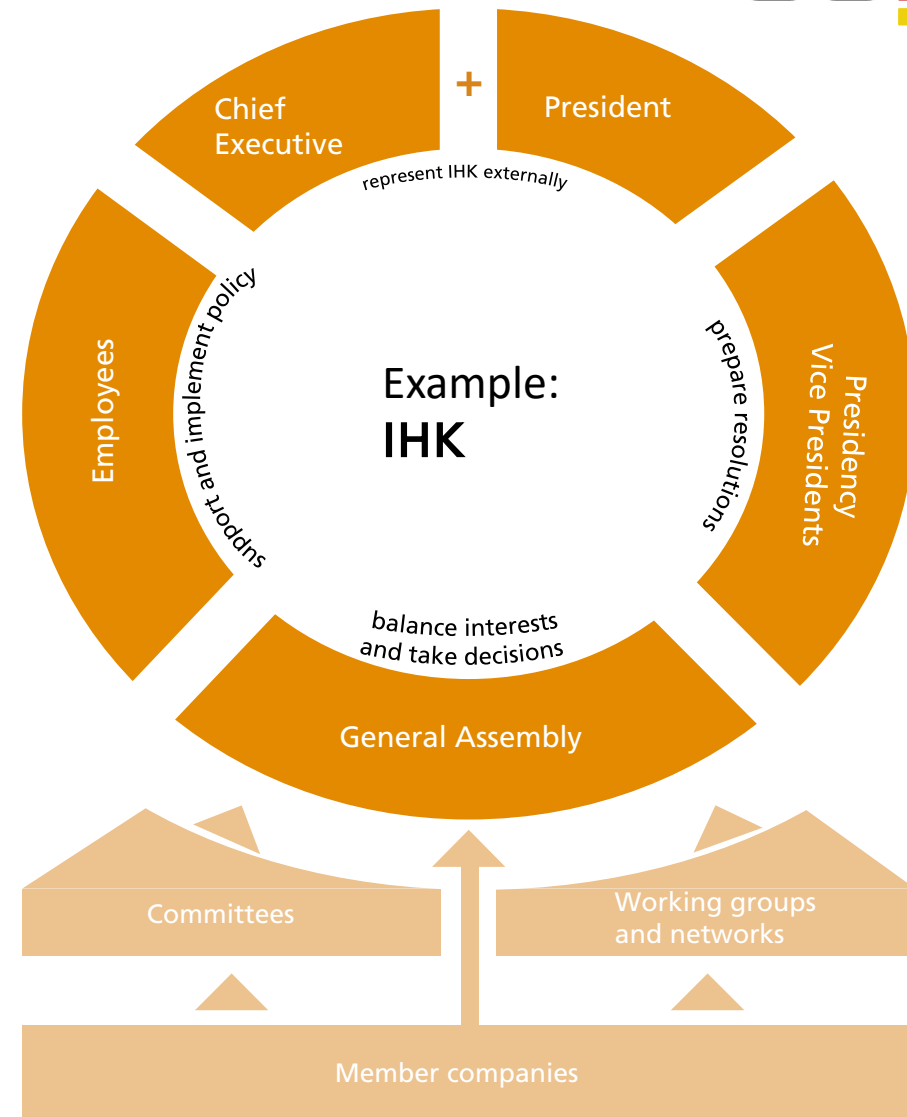


Figure: Based in "Das ist die IHK Darmstadt Rhein Main Neckar" [Here's Darmstadt Rhein Main Neckar IHK], <https://www.ihk.de/darmstadt/servicemarken/ueber-uns/grafik-organisation-gross-5023834>



2. Responsibilities and functions of the chambers

Overview

Monitoring and regulation of vocational education and training in their area of responsibility in their role as “**competent bodies**”

Institutionalised dialogue between stakeholders via **vocational education and training committees**

Acting as intermediary between state institutions (government, labour administration, schools, universities) and companies

Running **vocational training centres**



Deciding on elements of company- based training to be organised as **inter-company trainee instruction** and often implementing this themselves in their vocational training centres

Advising companies, **acting as intermediary** between trainees and companies

Representing interests of companies

Quality initiatives

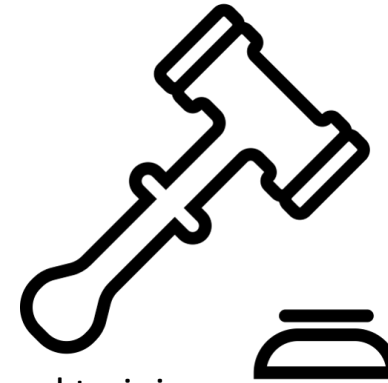




2. Responsibilities and functions of the chambers

Competent body

- ▶ The Competent body is defined by law
 - ▶ usually the chambers
 - ▶ in some cases it is a state authority
- ▶ Monitoring of pre-vocational education and training, vocational education and training, and vocational retraining
- ▶ Determines the suitability of companies and training personnel to provide training
- ▶ Registration of all training contracts
- ▶ Organisation of examinations, setting up of examination boards



2. Responsibilities and functions of the chambers

Competent body

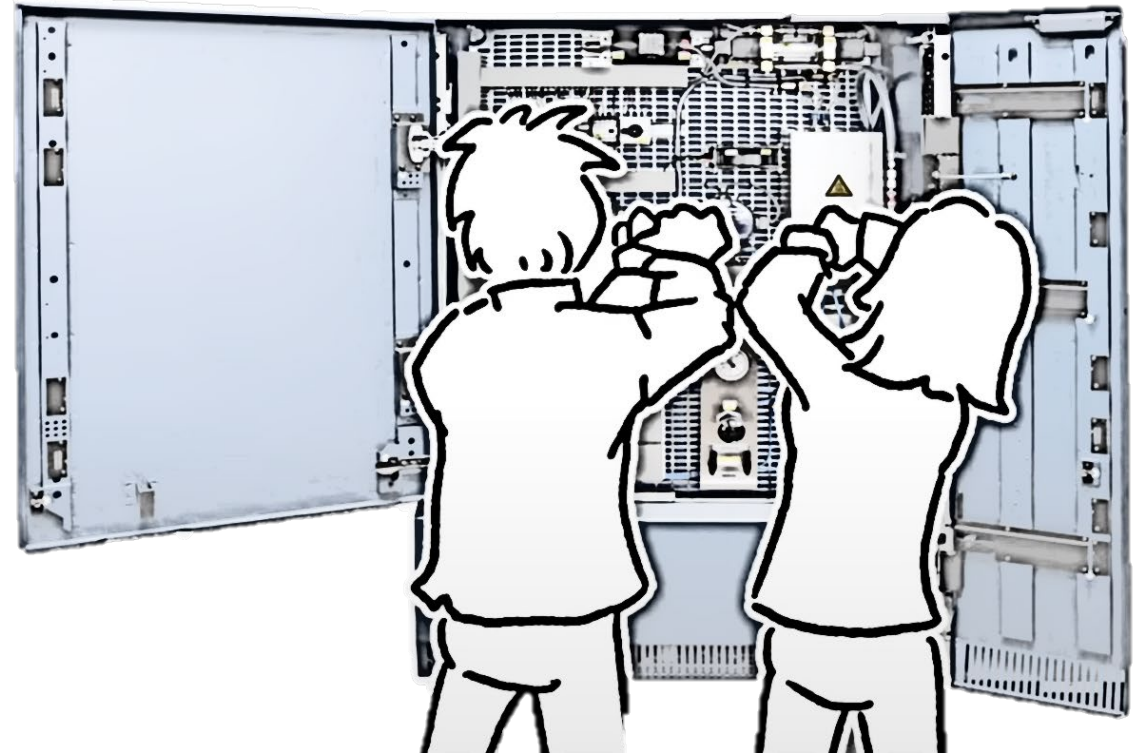
- ▶ Adoption of further education and training regulations and further education and training examination regulations
- ▶ Setting up of vocational training committees
- ▶ Recognition of professional qualifications obtained abroad
- ▶ Chambers in the crafts trades may assign examination responsibilities to guilds and district craftsmen's associations, i.e. representatives of sectors



2. Responsibilities and functions of the chambers

Vocational training centres

- ▶ The chambers run approx. 1,000 vocational training centres nationwide
- ▶ Running costs are financed by the chambers
- ▶ Government-funded investment in some cases
- ▶ Main emphasis in the craft trades
- ▶ Responsible for:
 - ▶ Inter-company trainee instruction.
 - ▶ Continuing training
 - ▶ Testing of new technologies/procedures
 - ▶ Guidance for companies



2. Responsibilities and functions of the chambers

Inter-company trainee instruction

- ▶ Main emphasis in the craft trades
- ▶ Supplementing training with courses lasting several days to several weeks
- ▶ Teaching of know-how in theory and in practice
- ▶ Financed by training companies with additional funding from the federal government and federal states
- ▶ Consolidation and systematization of VET, independent of the company and its specific production process
- ▶ Ensuring the quality and mobility of workers
- ▶ Transfer of technology



2. Responsibilities and functions of the chambers

Involvement in the governance of the vocational education and training system

► Involvement in bodies at all levels:

Vocational education and training committees

Managed by chambers, at regional level

Federal state committees for vocational education and training

Involvement of chambers and chamber organisations across the federal state, at federal state level

Board of the Federal Institute for Vocational Education and Training (BIBB)

Umbrella organisation of the German Chambers of Industry and Commerce (DIHK) and the German Confederation of Skilled Crafts (ZDH), at national level

- There is no hierarchical relationship between the various committees; the committees fulfil their respective legal obligations independently of one another
- Involvement in the development of training regulations via the umbrella organizations and through the provision of experts
- Involvement in pilot projects, testing of new concepts and processes



2. Responsibilities and functions of the chambers

Vocational education and training committee

Federal state committees for vocational education and training

Board of the Federal Institute for Vocational Education and Training

- ▶ Regional body
- ▶ Managed by the chamber
- ▶ Members are appointed by the competent federal state authority
 - ▶ Six employee representatives, proposed by trade unions
 - ▶ Six members of teaching staff at vocational schools, proposed by the competent federal state authority
 - ▶ Six employer representatives, proposed by the chamber
 - ▶ Six deputies in each case
- ▶ Role is voluntary/honorary



2. Responsibilities and functions of the chambers

Vocational education and training committee

Federal state committees for vocational education and training

Board of the Federal Institute for Vocational Education and Training

- ▶ Responsibility: contributing to continuous development of quality in vocational education and training
- ▶ Must be notified and consulted on all important matters relating to vocational education and training, e.g.
 - ▶ Building of inter-company training centres
 - ▶ New forms of vocational education and training and new VET content
 - ▶ Statements made to authorities
- ▶ Making decisions, including on legal provisions of the competent body (e.g. examination regulations)
 - ▶ Agreement from additional chamber bodies may be needed for decisions with budgetary implications



2. Responsibilities and functions of the chambers

Vocational education and training
committee

Federal state committees for
vocational education and training

Board of the Federal Institute for
Vocational Education and Training

- ▶ Set-up in accordance with Section 82 of the Vocational Training Act (BBiG) in each federal state
- ▶ Equal numbers of representatives of employers, employees and supreme state authorities.
Role is voluntary/honorary
- ▶ Chambers propose some of the members
- ▶ Responsibilities:
 - ▶ Advising the federal state government on vocational education and training issues
 - ▶ Contributing to:
 - ▶ the continuous development of the quality of vocational education and training
 - ▶ cooperation between school-based and dual vocational education and training
 - ▶ ensuring vocational education and training is taken into account in the reorganisation and further development of the school system



2. Responsibilities and functions of the chambers

Vocational education and training
committee

Federal state committees for
vocational education and training

Board of the Federal Institute for
Vocational Education and Training

- ▶ Equal numbers of representatives of employers, employees, the federal government and the federal states.
- ▶ Some of the employer representatives are seconded by the chamber organisations
- ▶ Responsibilities:
 - ▶ advising the federal government on basic issues relating to vocational education and training
 - ▶ may submit an opinion on the federal government's draft annual Report on Vocational Education and Training
 - ▶ determines BIBB's yearly and medium-term research programme
 - ▶ makes recommendations on supporting and developing vocational education and training
 - ▶ determines BIBB's budget

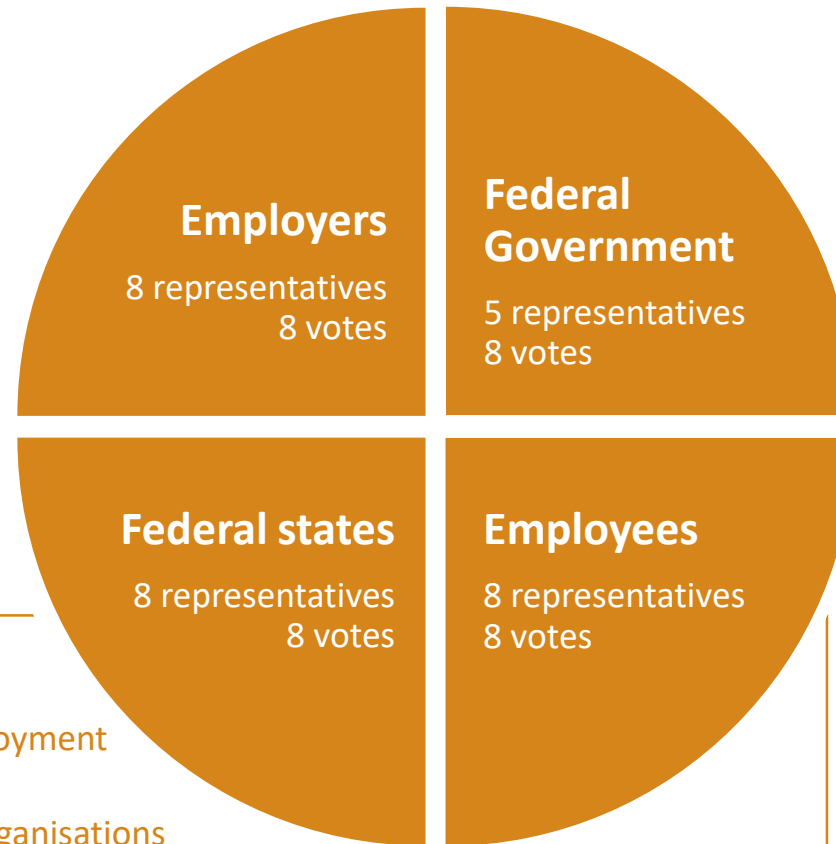


2. Responsibilities and functions of the chambers

Vocational education and training
committee

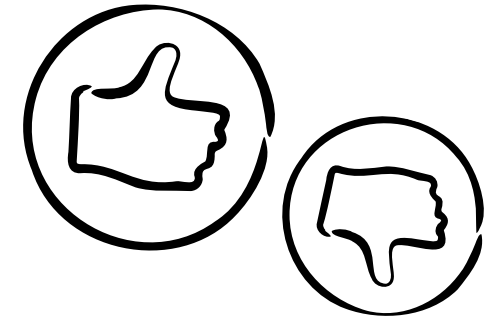
Federal state committees for
vocational education and training

Board of the Federal Institute for
Vocational Education and Training



Advisory capacity:

- 1 representative from the Federal Employment Agency (BA)
- 1 representative of central municipal organisations



2. Responsibilities and functions of the chambers

Supporting the regional economy

- ▶ Guidance for companies on starting and carrying out training
- ▶ Mediating in the case of disputes
- ▶ Providing information to the general public, teachers, pupils, parents, etc
- ▶ Advising young people, parents and trainees
- ▶ Involvement in career orientation
- ▶ Organisation of pre-vocational training
- ▶ Organisation of training position marketplaces, online and in the region



2. Responsibilities and functions of the chambers

Quality initiatives

- ▶ All chambers help to develop the quality of company-based training
- ▶ 100 out of around 130 IHKs and chambers of crafts and trades implement quality initiatives
- ▶ Measures for further developing, ensuring or recognising quality in company-based training
- ▶ Events of various types
- ▶ Seals, certificates for recognising companies
- ▶ Chamber information materials
- ▶ Schools and workshops
- ▶ Consultations



3. Examples

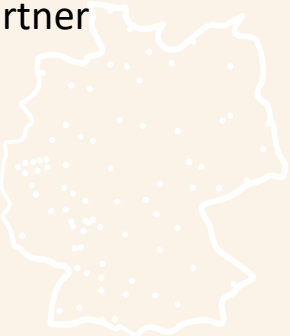
Chamber of Industry and Commerce (IHK)

- ▶ 79 IHKs nationwide
- ▶ Regulated in the “Law temporarily regulating the chambers of commerce and industry” (IHKG)
- ▶ One of the duties under Section 1 of the IHKG: Measures to promote and implement commercial and industrial vocational education and training
- ▶ Competent body for vocational education and training in industrial and commercial occupations other than those of the crafts and trades in accordance with Section 72(2) of the Vocational Training Act (BBiG)
- ▶ 170.915 companies providing training (2022)
- ▶ 688.125 training contracts (2023)
- ▶ 27,283 examination boards with 181,971 members (2019)
- ▶ IHK organisation: Chamber of Industry and Commerce (IHKs), German Chambers of Commerce Abroad (AHKs), German Chamber of Industry and Commerce (DIHK)



3. Examples

Chamber of Industry and Commerce (IHK)

AHKs 	DIHK 	IHKs 
<ul style="list-style-type: none">▶ Platform and service provider for dual vocational education and training abroad▶ Guidance, organisation, quality assurance▶ IHK cooperation partner 	<ul style="list-style-type: none">▶ Strategy/network coordination/cooperation▶ Training products/project service/AHK services▶ Quality management for DIHK, AHKs, IHKs 	<ul style="list-style-type: none">▶ Administration and provider of know-how▶ Competent body for vocational education and training in Germany▶ AHK cooperation partner 



3. Examples

Funding of chambers of commerce and industry

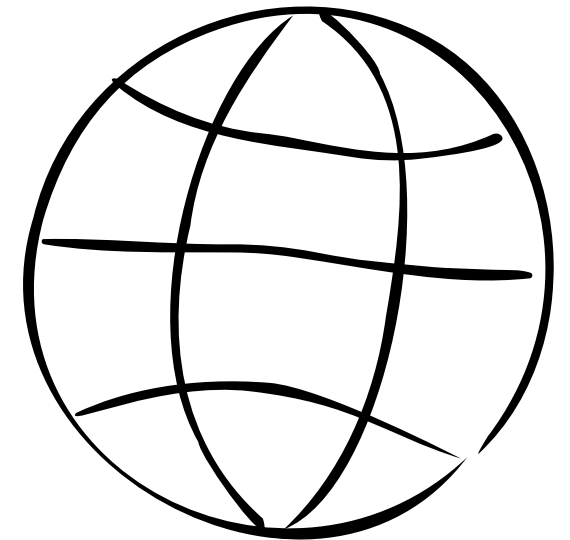
- ▶ Commercial accounting
- ▶ Main revenue items: contributions from companies, fees for services
- ▶ Main expenditure items: personnel costs
- ▶ Budget (forecast profit and loss), contribution level and borrowing decided by General Assembly (economic statute)
- ▶ Contributions based on the profitability of companies and in some cases legal form: fixed basic contribution plus tiered variable contribution, micro businesses are generally exempt
- ▶ Average contribution for companies which pay is €448 p.a., average contribution for companies entered in the commercial register is €614 (2022)



3. Examples

German Chambers of Commerce Abroad

- ▶ Usually organised under private law, in some cases not-for-profit
- ▶ Organisations which control their own commercial affairs (economic self-governance)
- ▶ Supported by member companies based abroad and in Germany
- ▶ Voluntary membership, not chambers in the narrower sense of the word, not regulated by law
- ▶ 150 AHKs in 93 countries
- ▶ Varied responsibilities, particularly in the area of foreign trade
- ▶ Financed by membership contributions and remuneration for services
- ▶ Funded by the Federal Ministry for Economic Affairs and Climate Action (BMWK)
- ▶ Growing number are organising dual VET in line with the German model



3. Examples

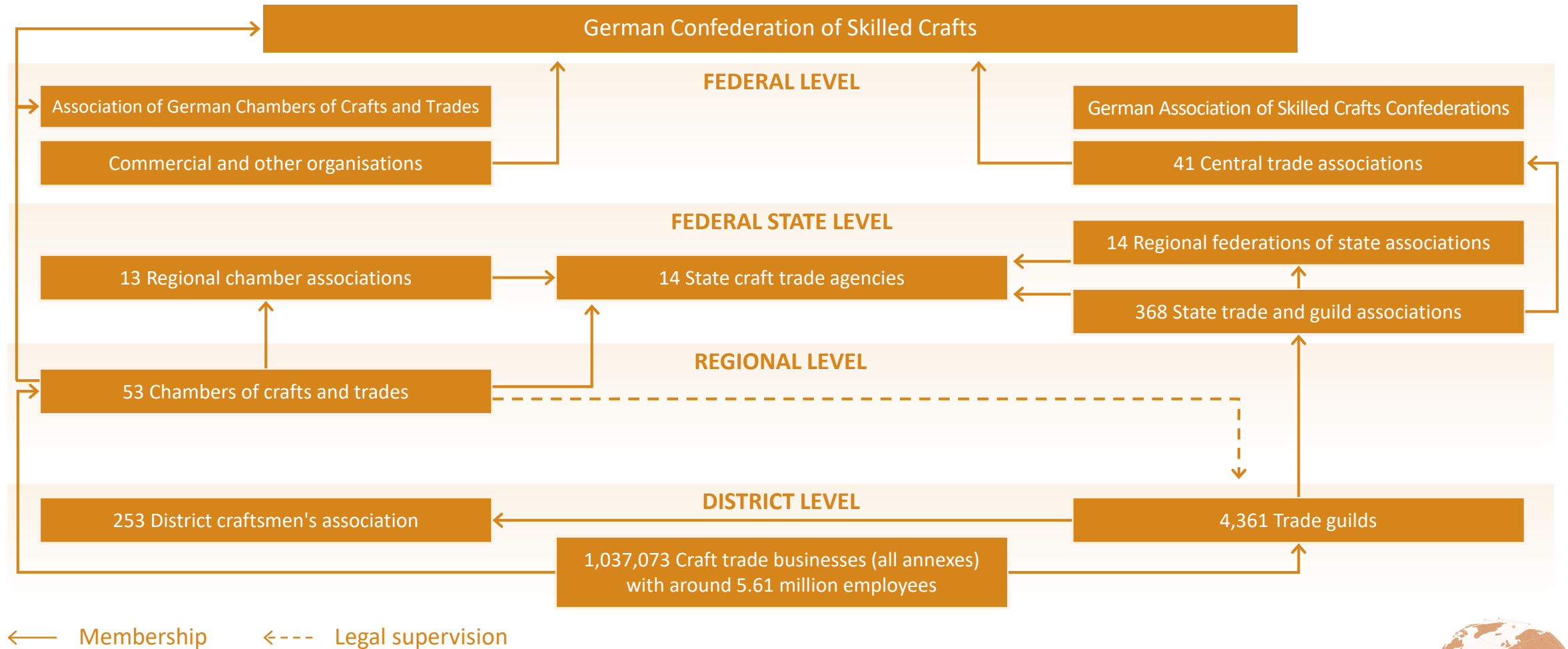
Chambers of crafts and trades

- ▶ Regulated in the Crafts and Trades Regulation Code (HwO), responsibilities in vocational education and training are outlined in Section 91 of the HwO
- ▶ 53 chambers of crafts and trades across Germany
- ▶ Employees and trainees also represented in the craft trades (one-third parity rule in the bodies)
- ▶ Competent body for vocational education and training in occupations under the Crafts and Trades Regulation Code in accordance with Section 72(1) of the Vocational Training Act (BBiG)
- ▶ 342.561 training contracts (2023)
- ▶ Organisation of craft trades:
 - ▶ Chambers of crafts and trades are organised at federal-state level into regional associations of German chambers of crafts and trades.
 - ▶ They are confederated at national level in the Association of German Chambers of Crafts and Trades (Deutscher Handwerkskammertag, DHKT) and are also members of the German Confederation of Skilled Crafts (Zentralverband des Deutschen Handwerks, ZDH) together with the trade associations of the craft trades



3. Examples

Overview of the organisation of the craft trades



3. Examples

Financing of chambers of crafts and trade

- ▶ Commercial or governmental accounting
- ▶ Main revenue items:
 - ▶ Company contributions
 - ▶ Fees for services, in particular course fees (especially master craftsman courses and inter-company training) and examination fees
- ▶ Main expenditure items: personnel costs, training centre personnel account for a large share of this
- ▶ Contributions based on earnings potential of companies: fixed basic contribution plus tiered variable contribution dependent on earnings



3. Examples

Other chambers

Agricultural occupations

- ▶ Chambers of agriculture (do not exist nationwide)
- ▶ If there is no chamber of agriculture, responsibility for VET rests with the state administration of agriculture, generally at federal state level

Occupations in auditing and tax consultancy

- ▶ One chamber of public accountants
- ▶ 21 chambers of tax consultants and their umbrella organisation, the national chamber of tax consultants

Occupations in the administration of justice

- ▶ 28 regional bar associations
- ▶ One national bar association, one chamber of patent attorneys and 21 chambers of notaries (organised into one national chamber of notaries)

Healthcare occupations

- ▶ Medical councils, chambers of dentists, veterinary surgeons and dispensing chemists



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