

# The quality of traineeships in the EU

European added value assessment

## **STUDY**

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This EAVA, commissioned by the Committee on Employment and Social Affairs of the European Parliament, seeks to provide relevant input for the Parliament's legislative-initiative report on 'Quality traineeships in the EU' (2020/2005(INL)). The research paper contributes to an estimation of the European added value of a reinforced 'Quality Framework for Traineeships'.

During a traineeship, the trainee can learn things that are useful professionally. However, socio-economic costs can arise if traineeships replace regular employment. Low-quality traineeships do not lead to significant productivity gains and unpaid traineeships can limit the career opportunities of those from disadvantaged backgrounds.

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This paper has been drawn up by the European Added Value Unit of the Directorate for Impact Assessment and European Added Value, within the Directorate-General for Parliamentary Research Services (EPRS) of the Secretariat of the European Parliament.

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#### LINGUISTIC VERSIONS

Original: EN

Manuscript completed in December 2021.

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PE 699.459

ISBN: 978-92-846-8775-6 DOI: 10.2861/404819 CAT: QA-01-21-500-EN-N

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#### **Executive summary**

In 2014, the Council Recommendation on a Quality Framework for Traineeships (QFT) (2014/C 88/0) mentioned evidence that links exist between the quality of the traineeship and the employment outcome.

The topic is highly relevant: about half of all 15-34 year-olds have gained work experience in at least one traineeship, equivalent to roughly 4 million individuals taking part in at least one traineeship in a given year. The importance of traineeships has increased across the EU as a means to acquire workplace-based experience, which is highly valued by employers.

The annexed study identifies four types of traineeships:

- Traineeships that form an optional or compulsory part of academic and/or vocational qualifications, which have a dominant focus on learning and are often certified.
- Traineeships that are part of (mandatory) professional training and serve as mandatory introductions to professional practice of specific fields of work.
- Traineeships associated with active labour market policies (ALMPs), whose main objective is to help young people into employment, with less focus on education.
- > Traineeships on the open market represent the widest diversity of traineeships found on the labour market and are generally not linked to recognised qualifications.

Against this background, the leading question for the annexed study was the extent to which a QFT has led to a better transition from education to employment. More specifically, this concerns:

- the written traineeship agreement;
- increased transparency in advertising traineeship positions;
- the role of social partners;
- increased cross-border mobility (Directive 2004/38/EC);
- the extension of EURES to paid traineeships;
- the financial support provided by the European structural and investment funds.

The European Parliament has repeatedly underlined the importance of ensuring implementation of quality traineeships and fighting abuses through EU-level measures. In its resolution of 18 January 2018 on the implementation of the Youth Employment Initiative in the Member States (2017/2039(INI)), the Parliament:

- stressed that a quality traineeship must be governed by a written contract containing transparent information on rights and obligations; a mentor or supervisor must be allocated to assess the trainee's performance; specific duration and limits must be set on the length of the traineeship, and the contract should have clear provisions on coverage by social security systems and on remuneration;
- drew attention to the lack of regulation of traineeships and pointed out that only a few Member States have established minimum quality criteria, including for the purposes of monitoring the Youth Guarantee and Youth Employment Initiative.

The results of such efforts are reflected in stronger legal protection of trainees, through the adoption of a revised Directive on transparent and predictable working conditions, which will ultimately be transposed into national legislation by August 2022. This Directive expands workers' rights and addresses protection for workers in precarious jobs.

#### **Policy options**

The main challenges identified for traineeships across the EU relate to the quality of their learning content. This has resulted in the following policy options:

**Option 1:** There is a clear need for additional up-to-date data, which can inform policy responses at national and European level. Additional studies and systematic data collection on the quality of traineeships have the potential to provide European added value by encouraging the sharing of good practices and mutual policy learning across the EU.

**Option 2**: For ALMP-type traineeships and open-market traineeships, the QFT should build on the body of European labour legislation developed after 2014. This introduced criteria to help define whether certain types of traineeships fall within the meaning of 'workers', as defined by CJEU case law.

**Option 3**: There is potential to expand the scope of the QFT to other types of traineeships and to expand the list of quality criteria. For educational traineeships, any additional quality criteria should primarily reflect the quality of learning content. For other types of traineeships, related to professional activity, social policy and labour laws, additional quality criteria could be defined that focus on the best possible contribution to trainees' future employment prospects.

Possible additional criteria for traineeships, by main focus

Work experience type of traineeships
Coverage by social protection
schemes  Guarantee a minimum wage
Offer transparent and predictable
working conditions
Include right to redress and
protection against adverse
treatment
Clarify potential for recruitment at
outset of traineeship
Involvement of social partners in
the definition of working
conditions offered

Source: Developed by the authors of the annexed study.

**Option 4**: The use of a different legislative instrument (possibly a directive) would help to step up enforcement of the QFT. This would allow the inclusion of deadlines for implementation, requirements on transposition and stricter monitoring provisions. However, this would most likely result in a more limited coverage of different types of traineeships.

A review of possible European added value shows that the highest benefits can be achieved by policy option 3. While policy option 1 offers a highly necessary improvement in the data situation, its contribution to reducing the number of young people in low-quality traineeships is only indirect. Policy option 2 increases the potential for more consistent application of the existing elements in the QFT by focusing on the development of a common legal framework. However, it does not go as far as policy option 3, which creates the opportunity to expand and deepen the scope of the QFT.

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## 1. Background

In 2014, the Council Recommendation on a Quality Framework for Traineeships (2014/C 88/0)<sup>1</sup> mentioned evidence that links exist between the quality of the traineeship and the employment outcome, and studies have found that quality problems affect a significant share of traineeships. Problems include working conditions – e.g. social security coverage – which are unregulated in some Member States. For the purposes of this Recommendation, traineeships are understood as 'a limited period of work practice, whether paid or not, which includes a learning and training component, undertaken to gain practical and professional experience with a view to improving employability and facilitating transition to regular employment'.<sup>2</sup>

In the years after approval of the Council Recommendation, policy on traineeships has moved from initial concerns about the availability of quality offers to concentrating increasingly on working conditions (including remuneration).

In 2018, the European Commission published a study on 'Traineeships under the Youth Guarantee: Experience from the ground'. The main findings were:

- Traineeships constitute an important part of Youth Guarantee offers. At the same time, expectations about the quality of traineeships are rising.
- The Quality Framework for Traineeships (QFT) varies between Member States, but there is growing evidence of positive developments in how it is being applied.
- In many countries, the regulatory frameworks are unclear/uncertain, which sometimes makes it difficult to distinguish between traineeships and regular work.
- Some employers tend to misuse traineeships; therefore, close monitoring preferably a mix of monitoring, support and dissemination of good practices is needed.
- Successful traineeship programmes involve strong partnerships between employers, social partners and labour market and/or educational institutions.

Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships, 2014/C 88/01.

<sup>&</sup>lt;sup>2</sup> European Commission, <u>Applying the Quality Framework for Traineeships</u>, SWD(2016) 324 final, 4.10.2016.

## 2. Scope and content

The topic is highly relevant: about half of all 15-34 year-olds have gained work experience in at least one traineeship, equivalent to roughly 4 million individuals taking part in at least one traineeship in a given year. The importance of traineeships for the transition from education to employment has increased across the EU as a means to acquire workplace-based experience, which is highly valued by employers.

#### Definition of traineeships:

- > They are undertaken with the purpose of gaining practical and professional experience.
- Some level of learning and training needs to be present. The visibility and importance of this learning component can vary substantially from one traineeship to the next.
- They are also defined by their limited timeframe (from a few weeks to a year in certain cases).<sup>3</sup>
- > They are considered to be a form of employment relationship, but are not necessarily paid.

Against this background, the leading question for the annexed study was the extent to which a reinforced QFT has led to a better transition from education to employment, particularly in the areas mentioned in the Council Recommendation (2014/C 88/01). More specifically, this concerns:

- the written traineeship agreement;
- increased transparency in advertising traineeship positions;
- the role of social partners;
- increased cross-border mobility (Directive 2004/38/EC);
- the extension of EURES to paid traineeships;
- the financial support provided by the European structural and investment funds or in the context of the Youth Employment Initiative (part of the allowances and training costs).

A wide variety of traineeships exists across the EU, with different levels of quality. Such differences stem from specific traditions and provisions in national education systems and labour markets, as well as the legal status and recent policy initiatives in relation to traineeships.

The study identifies four types of traineeships:

- Traineeships that form an optional or compulsory part of academic and/or vocational qualifications, which have a dominant focus on learning and are often mediated or certified.
- > Traineeships that are part of (mandatory) professional training (e.g. teaching, law, medicine, architecture, etc.) and serve as mandatory introductions to professional practice of specific fields of work.
- > Traineeships associated with active labour market policies (ALMPs), whose main objective is to help young people into employment, with less focus on education.
- Traineeships on the open market represent the widest diversity of traineeships found on the labour market and are generally not linked to recognised qualifications.

Traineeships that are part of education programmes or professional training appear to be the largest category, with roughly 25 % of all 15-34 year-olds having been engaged in such traineeships.

<sup>&</sup>lt;sup>3</sup> European Commission (2012), Apprenticeship Supply in the Member States of the European Union, p. 22.

At least 14 % of all young people have completed an open-market traineeship, the second most common type.

The legal frameworks for traineeships vary widely across the EU, and not only between Member States, but also within a single Member State. The reason is that the conditions for traineeships are often covered by legislation in different fields, such as education and training, social policy and labour laws. In particular:

- > Traineeship-related regulations are most commonly found in legislation on VET provision and mandatory professional training.
- > Traineeships form part of curricula, typically regulated by the educational institution itself.
- ALMP-type traineeships have at least some form of regulation in all Member States.4
- Open-market traineeships show the widest variety of legal approaches. Some Member States have specific regulatory frameworks, which tend to specify the applicable labour law, while others have no specific frameworks, with the status of trainees usually being protected by general labour laws.

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European Commission (2016), The Youth Guarantee and the Youth Employment Initiative three years on, COM(2016)646; Commission staff working document on Applying the Quality Framework for Traineeships, SWD(2016) 232.

## 3. Number and share of traineeships

No recent European-level data are available to provide an up-to-date overview of the importance of traineeships for graduates entering the labour market. The most reliable data on the size and scope of traineeships, for traineeships with links to education programmes, comes from the Labour Force Survey in 2016. Despite its age, this remains the most comprehensive mapping of individuals' experiences with traineeships across the EU.

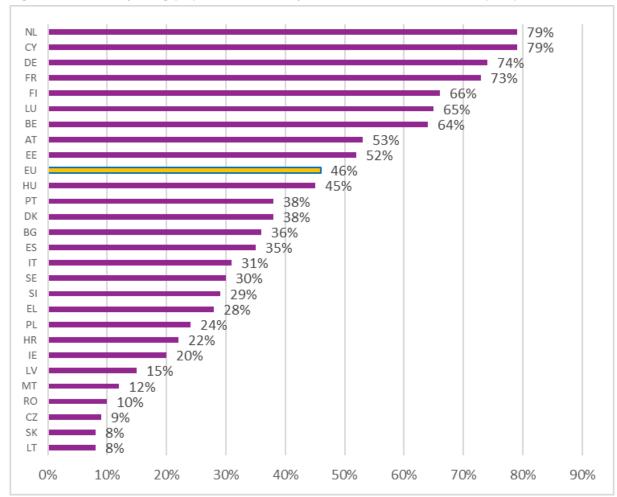


Figure 1: Share of young population (15-34 years old) with ≥1 traineeship experience

Source: Flash Eurobarometer 378: The experience of traineeships in the EU.

Traineeships are common practice across a wide variety of economic sectors. Leading sectors in this practice are tourism and hospitality, banking and finance, creative industries and media, but traineeships are also available in the public sector/administration and the non-profit/third sector/NGOs.<sup>6</sup>

<sup>&</sup>lt;sup>5</sup> <u>Labour Force Survey in 2016</u>.

<sup>&</sup>lt;sup>6</sup> European Commission (2012), Study on a comprehensive overview on traineeship arrangements in Member States, p. 70.

Table 1: Share of 15-34 year-olds across traineeship types and ISCED level

	Education level	Share of 15-34 year-olds - EU-27 (2016)
Gained mandatory work experience in	All levels	20 %
curriculum during study (excluding apprenticeships)	ISCED 0-2	12 %
	ISCED 3-4	21 %
	ISCED 5-8	27 %
Gained optional work experience in curriculum during study	All levels	3 %
	ISCED 0-1	1 %
	ISCED 3-4	2 %
	ISCED 5-8	6 %
Gained work experience outside curriculum (own initiative) during study	All levels	14 %
	ISCED 0-1	6 %
	ISCED 3-4	14 %
	ISCED 5-8	23 %

Source: Eurostat (2016), Labour Force Survey, ad hoc module on youth.

Traineeships are more prevalent among university graduates (61 %), compared to 40 % who have no tertiary qualifications.<sup>7</sup> For university-level or theoretical VET qualifications, traineeships are highly relevant, because they are often the first steps towards a professional career.

Around 10 % of young people had traineeships abroad; Figure 2 shows their distribution among Member States. It is worth noting that in certain Member States, such as Slovakia, Lithuania and Czechia, the share of 15-34 year-olds participating in traineeships is generally low (around 8 %), with a large majority of them going abroad for the traineeship.

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<sup>&</sup>lt;sup>7</sup> European Commission (2013), The experience of traineeships in the EU, Flash Eurobarometer 378.

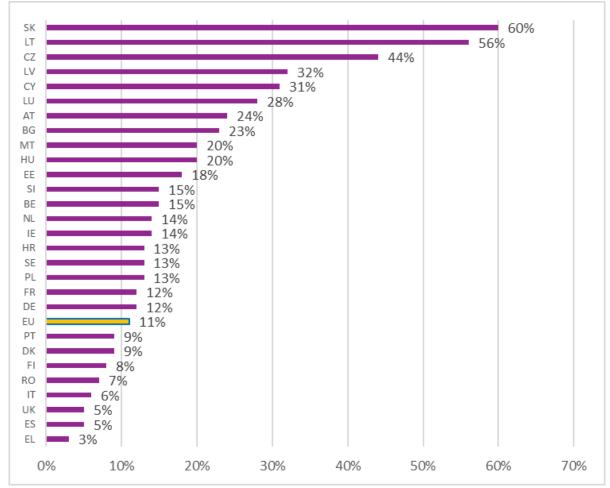


Figure 2: Share of young population (15-34 years old) with ≥1 traineeship abroad

Source: Flash Eurobarometer 378: The experience of traineeships in the EU.

#### 3.1. Developments in the quality of traineeships

Among Member States there is a great diversity of approaches and legal bases regarding the different types of traineeships. Based on Member States' self-reporting in 2016,8 which focused on in-depth assessments and separated progress for open-market (OM) and ALMP-financed traineeships, Figure 3 summarises the number of Member States that complied with the key quality criteria in the QFT and shows that ALMP-financed traineeships score better on most quality criteria than open-market traineeships. An overview of all sources and a more in-depth comparison of findings can be found in Annex I of the study.

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European Commission (2016), Applying the Quality Framework for Traineeships, accompanying the communication on the Youth Guarantee and the Youth Employment Initiative three years on, <a href="SWD(2016)324">SWD(2016)324</a>.



Figure 3: Share of Member States complying with key QFT criteria, 2016

Source: Ockham's illustration based on European Commission reporting on the implementation of the QFT.9

## 3.2. The role of the European Social Fund and the Youth Employment Initiative

The QFT highlights the central role the European Structural Investment Funds can play in terms of the number and quality of traineeships. The European Social Fund (2014-2020) (ESF) is the most relevant in this respect, with the addition of the funds from the Youth Employment Initiative. The latter complements the ESF with dedicated support for youth employment.¹¹⁰ Unfortunately, it is impossible to estimate the share of support for traineeships exclusively; the estimate of €7.6 billion in 2014-2018 refers to support for broad work-based learning, which includes traineeships, but also other, more frequently supported forms of work-based learning, such as apprenticeships.¹¹ In the new multiannual financial framework (MFF) 2021-2027, this role will be taken up by ESF+. In December 2021, however, no estimates can be given for the share of funds/programmes that will focus on traineeships, as the programming for ESF+ and REACT-EU have just started.

#### 3.2.1. Role of EURES

The European Job Mobility Portal (EURES) plays a key role in facilitating cross-border mobility of trainees, providing information and support, and in helping disseminate information on paid traineeships. Various measures have been put in place to improve its transparency, including provision of more detailed information on definition and eligibility criteria, working conditions, where to find jobs, etc. It includes the engagement by Member States to provide EU-wide data on paid apprenticeships and traineeships abroad, 12 but at this stage more work is needed to fully exploit its potential.

<sup>&</sup>lt;sup>9</sup> European Commission (2016), Applying the Quality Framework for Traineeships, accompanying the communication on the Youth Guarantee and the Youth Employment Initiative three years on, <u>SWD(2016) 324</u>.

<sup>&</sup>lt;sup>10</sup> Jeffrey, P., Naylon, I., Parissaki, M., Pagnini, C., Giannetto, A., Rabemiafara, N., Fuller, A., Roidou, E., Buiskool, B-J. and Lindeboom, G-J. (2020), <u>Study supporting the evaluation of ESF/YEI support to youth employment</u>, DG EMPL.

Jeffrey, P., Naylon, I., Parissaki, M., Pagnini, C., Giannetto, A., Rabemiafara, N., Fuller, A., Roidou, E., Buiskool, B-J. and Lindeboom, G-J. (2020), <u>Study supporting the evaluation of ESF/YEI support to youth employment</u>, DG EMPL.

Regulation 2016/589 of the European Parliament and of the Council of 13 April 2016 on a European network of employment services (EURES), workers' access to mobility services and the further integration of labour markets, and amending Regulations (EU) No 492/2011 and (EU) No 1296/2013, OJ L 107, 22.4.2016, p. 1–28.

#### 3.2.2. The need for minimum standards

The European Parliament has repeatedly underlined the importance of ensuring implementation of quality traineeships and fighting abuses through EU-level measures.

Already in 2010, it called for more attention for better and secure internships and traineeships and underlined the need to develop a European quality charter.<sup>13</sup> It also called for the development of more statistics and a comparative study on the different types of traineeships in each Member State. Its ambition was to have a legally binding quality framework, which could ensure the provision of paid traineeships with sound legal status to prevent undue exploitation of trainees.<sup>14</sup>

In its resolution of 19 January 2016 on skills policies for fighting youth unemployment (2015/2088(INI)), 15 the European Parliament:

- recalled that high-quality traineeships and apprenticeships should lead to employment;
- underlined that traineeships should lead to increased skills and employability;
- welcomed the Quality Framework for Traineeships;
- stressed the importance of the Commission closely monitoring their implementation in the Member States.

In its resolution of 19 January 2017 on a European Pillar of Social Rights (2016/2095(INI)), <sup>16</sup> the European Parliament

called for proper learning and training content and decent working conditions for traineeships, and that they be limited in time and do not replace employment; remuneration should be commensurate with the work provided, the skills and experience of the person and the need to enable trainees to make ends meet.

In its resolution of 18 January 2018 on the implementation of the Youth Employment Initiative in the Member States (2017/2039(INI)), <sup>17</sup> the European Parliament:

- stressed that a quality traineeship must respect the following guarantees: it must be governed by a written contract containing transparent information on the rights and obligations of the contracting parties; a mentor or supervisor must be allocated to assess the trainee's performance at the end of the traineeship; a specific duration and limits must be set on the length of traineeships with the same employer, and the contract should have clear provisions on coverage by social security systems and on remuneration;
- drew attention to the lack of regulation of traineeships and pointed out that only a few Member States have established minimum quality criteria, including for the purposes of monitoring the Youth Guarantee and Youth Employment Initiative.

The results of such efforts are reflected in stronger legal protection of trainees, through the **adoption of a revised Directive on transparent and predictable working conditions**, which will ultimately be transposed into national legislation by August 2022.<sup>18</sup> This Directive expands workers' rights and addresses protection for workers in precarious jobs.

European Parliament resolution of 6 July 2010 on promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status, 2009/2221(INI).

<sup>&</sup>lt;sup>14</sup> European Parliament (2010), Draft report on Youth on the Move, 2010/2307(INI).

<sup>&</sup>lt;sup>15</sup> European Parliament <u>resolution of 19 January 2016</u> on skills policies for fighting youth unemployment, 2015/2088(INI).

<sup>&</sup>lt;sup>16</sup> European Parliament <u>resolution of 19 January 2017</u> on a European Pillar of Social Rights, 2016/2095(INI).

European Parliament <u>resolution of 18 January 2018</u> on the implementation of the Youth Employment Initiative in the Member States, 2017/2039(INI).

Directive on transparent and predictable working conditions in the European Union, OJL 186, 11.7.2019, p. 105–121.

While the Directive does not explicitly refer to trainees, its scope has been extended to cover trainees, as long as their activities support their qualification as a 'worker' in line with the EU Treaties and case law from the Court of Justice of the European Union (CJEU). <sup>19</sup> This means that the mandatory provision of information to trainees – also included in the QFT – now has a legal footing in EU legislation. Another response from the Commission and the Council in this respect is seen in the **Council Recommendation on social protection for workers and the self-employed**. <sup>20</sup> It calls upon Member States to reduce gaps in coverage of social protection schemes, and explicitly mentions trainees as one of the groups that are sometimes excluded from access to social protection schemes.

The work for a **Directive on adequate minimum wages in the European Union** is ongoing<sup>21</sup> in line with the European Pillar of Social Rights, which calls for adequate minimum wages and for transparent and predictable wage-setting.<sup>22</sup> By defining a similar scope to that of the approved Directive on transparent and predictable working conditions, this Directive can be extended to trainees.<sup>23</sup>

## 3.3. How to achieve higher European added value

The QFT has defined different **quality criteria**, and their further implementation/enforcement can help to achieve higher European added value:

- **Written traineeship agreement:** ensure that trainees and employers receive sufficient information on educational objectives and working conditions.
- Mentorship and coherent learning objectives: the aim is to have an appointed mentor, and for the trainee to have task-defined learning objectives.
- **Transparency on working conditions:** offer sufficient information to all trainees about protection in case of accidents at work, as well as social protection and legal standards.
- **Reasonable duration:** introduce a 6-month limit for traineeships in normal situations, unless explicitly justified.
- **Proper recognition of learning:** clarify in advance how the learning experience in the traineeship will be recognised.
- **Transparency on hiring practices:** ask employers to provide transparency at the start of traineeships on intended hiring practices.
- **Involvement of social partners:** formulate a role for social partners in improving the quality of traineeships.

<sup>&</sup>lt;sup>19</sup> Cf. Recital 8 of Directive on transparent and predictable working conditions in the European Union, <u>OJ L 186</u>, 11.7.2019, p. 105–121.

Council Recommendation on access to social protection for workers and the self-employed, OJ C 387, 15.11.2019.

<sup>&</sup>lt;sup>21</sup> European Commission (2020), Proposal for a Directive on adequate minimum wages in the European Union, <u>COM</u> (2020) 682.

European Commission (n.d.), <u>The European Pillar of Social Rights in 20 principles</u>.

The scope of both Directives covers workers and the self-employed, where workers are defined as those 'who have an employment contract or employment relationship as defined by the law, collective agreements or practice in force in each Member State, with consideration to the criteria established by the Court of Justice of the European Union for determining the status of a worker'. The recitals explicitly mention trainees as a category that could fall within this scope, depending on how national legislation has defined the specific employment relationship.

## 4. Exploration of policy options

The main challenges identified for traineeships across the EU relate to the quality of learning content and sub-standard working conditions. This has resulted in the following policy options:

**Option 1:** There is a clear need for additional up-to-date data, which can inform policy responses at national and European level. This would offer clear added value to all Member States, given that existing data collection largely depends on a one-time Eurobarometer survey conducted in 2012. Additional studies and systematic data collection on the quality of traineeships have the potential to provide European added value by encouraging the sharing of good practices and mutual policy learning across the EU.

**Option 2:** Under this policy scenario, the scope does not cover traineeships that are mandatory parts of qualifications and for accessing certain professions. For ALMP-type traineeships and open-market traineeships, the QFT should build on the body of European legislation developed after 2014 and which introduced criteria to help define whether certain types of traineeships fall within the meaning of 'workers', as defined by CJEU case law. Conceptually clarifying the types of traineeships based on their main focus (education or work experience) can help to define a common legal status for traineeships across the EU, which would reduce barriers, facilitate comparison and help develop a shared approach to quality.

**Option 3:** There is potential to expand the scope of the QFT to other types of traineeships and to expand the list of quality criteria. For educational traineeships, any additional quality criteria should primarily reflect the quality of learning content. For other types of traineeships, related to professional activity, social policy and labour laws, additional quality criteria could be defined that focus on the best possible contribution to trainees' future employment prospects. This would help to ensure that employment requirements apply equally to trainees, even if they were not defined as workers according to national legislation. This reduces legal uncertainty and underlines the commitment to apply such criteria to traineeships in particular.

Table 2: Possible additional criteria for traineeships, by main focus

Education type of traineeships	Work experience type of traineeships
<ul> <li>Minimum qualification         requirements for in-company         trainers/mentors</li> <li>Definition of anticipated learning         outcomes, based on personal         development plan, including</li> </ul>	<ul> <li>Coverage by social protection schemes</li> <li>Guarantee a minimum wage</li> <li>Offer transparent and predictable working conditions</li> <li>Include right to redress and</li> </ul>
follow-up and evaluation  (Written) documentation of learning progress available  Offer guidance and counselling based on individual development  Internal quality assurance mechanisms to guarantee learning quality of traineeship  Involvement of social partners in design and evaluation of conditions related to education	<ul> <li>protection against adverse treatment</li> <li>Clarify potential for recruitment at outset of traineeship</li> <li>Involvement of social partners in the definition of working conditions offered</li> </ul>

Source: Developed by the authors of the annexed study.

**Option 4**: The use of a different legislative instrument (possibly a directive) would help to step up enforcement of the QFT. This would allow the inclusion of deadlines for implementation, requirements on transposition and stricter monitoring provisions. However, the benefits of stricter enforcement of the framework provisions would need to be balanced against additional subsidiarity and proportionality considerations. This would most likely result in a more limited coverage of different types of traineeships, and does not seem likely to allow the introduction of additional quality criteria.

#### 4.1. A review of the policy options

A review of possible European added value shows that the highest benefits can be achieved by policy option 3. While policy option 1 offers a highly necessary improvement in the data situation, its contribution to reducing the number of young people in low-quality traineeships is only indirect. Policy option 2 increases the potential for more consistent application of the existing elements in the QFT by focusing on the development of a common legal framework. However, it does not go as far as policy option 3, which creates the opportunity to expand and deepen the scope of the QFT.

Policy option 3 offers a range of quality criteria for different types of traineeships. This makes the most visible contribution to reducing the number of individuals in low-quality traineeships, who experience an estimated 10 % wage penalty at the beginning of their careers. In addition, it would contribute most to reducing other shortcomings in low-quality traineeships, such as lower job satisfaction levels and poorer job matches. The European added value of policy option 4, constrained mostly by subsidiarity and proportionality concerns, would be more limited, as it could only be applied to a reduced number of quality criteria.

Table 3: Overview of EU added value identified for each policy option

	<b>Option 1</b> – collection of additional data	<b>Option 2</b> – conceptual clarification	<b>Option 3</b> – Broadening/ deepening QFT	<b>Option 4</b> – Increased enforcement
Ability to share good practices	++	+	+	+
Refining common legal status for traineeships	+	++	++	0
Variety of traineeship types covered	0	0	+	-
Introduction of additional quality criteria for traineeships (remuneration, qualified trainers, etc.)	0	0	++	-
Uniformity of implementation of QFT criteria	-	0	+	++
Legend: - negative contribution, 0 no contribution, + positive contribution, ++ very positive contribution				

Source: Developed by the authors of the annexed study.

## The quality of traineeships in the EU

## Research paper

This research paper explores the political and legal developments that have affected the quality of traineeships since the adoption of the European Quality Framework for Traineeships in 2014. These findings provide input to identify key dimensions against which future policy on quality of traineeships at EU level can be developed. These dimensions are made operational in a concrete set of policy options which are reviewed for their contribution to European added value.

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#### LINGUISTIC VERSIONS

Original: EN

Translations: DE, FR

Manuscript completed in November 2021.

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PE 699.459

ISBN: 978-92-846-8775-6 DOI: 10.2861/404819 CAT: QA-01-21-500-EN-N

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## **Executive summary**

This research paper was commissioned by the Committee on Employment and Social Affairs of the European Parliament. It seeks to provide relevant input for the European Parliament's legislative-initiative (INL) report on 'quality traineeships', which will review the appropriateness of a legislative proposal on this subject. The main objective of the paper is to provide an estimation of the possible European added value of a reinforced 'Quality Framework for Traineeships' (QFT).

Based on a review of existing literature, studies and policy documents, this paper explores the state of play in terms of the quality of traineeships in the EU. Taking into account the current limitations of the QFT to influence quality in traineeships, the paper suggests concrete policy options to address the challenges identified.

#### State of play of traineeships in the EU

Traineeships are a relevant and common way to gain work experience across the EU, either through education programmes or traineeships that are offered directly on the labour market. In total, about half of all 15-34 year-olds have gained work experience in at least one traineeship in their careers. This leads to an estimate of roughly 4 million individuals that take part in at least one traineeship in a given year.

These traineeships vary substantially in type, form, quality and learning experience for young people. Across the EU, the following four types of traineeships can be identified:

- > Traineeships that form an optional or compulsory part of academic and/or vocational qualifications.
- Traineeships that are part of (mandatory) professional training (e.g. teaching, law, medicine, architecture, etc.).
- Traineeships associated with active labour market policies (ALMPs).
- > Traineeships on the open market (concluded directly between trainees and their employers, without mediation by a third party).

The frequency with which different types of traineeships can be encountered, and the extent to which these are regulated across Member States, depend on specific traditions and provisions in national education systems and labour markets, and on their legal status and recent policy initiatives in relation to traineeships. Traineeships that are part of education programmes or professional training are the largest category, with roughly one quarter of all 15-34 year-olds engaged in a traineeship of this type. It is estimated that at least 14 % of all young people have completed an open-market traineeship, the second most common type.

A broad mapping conducted in 2012 by the European Commission highlighted the considerable differences in the types of traineeships offered across the EU for young people, as well as their quality. In response, the Council adopted a Recommendation in 2014 that proposes a Quality Framework for Traineeships. It presents a selection of quality criteria which should help ensure that traineeships are a meaningful learning experience and respect standards on working conditions. The QFT has since provided the normative framework for what constitutes 'quality offers' under the Youth Guarantee, as well as traineeship positions in the European Job Mobility Portal (EURES), and the European Solidarity Corps in 2018-2020. In the years since, policy on traineeships has moved from initial concerns about the availability of quality offers to concentrating increasingly on working conditions (including remuneration).

This research paper reviewed the various studies on traineeships since the introduction of the 2014 QFT. However, the limited collection of original data, and differences in methodologies and definitions of traineeships, complicate the mapping of quality in European traineeships. To the extent that conclusions can be drawn, the quality of traineeships continues to be uneven across the EU. The legal frameworks in Member States that regulate traineeships have not consistently implemented the quality criteria introduced by the QFT. In particular, transparency in hiring practices, practices regarding contract duration and clarity about learning objectives warrant further attention.

#### Factors that limited consistent uptake

To chart a way forward and define options to improve the implementation of the QFT, this paper identified the following four dimensions that have contributed to its limited uptake:

- First of all, the variation in legal status of traineeships across Member States limits consistent application of the QFT. Trainees are not always considered to be 'workers' (within the criteria defined in case law by the Court of Justice of the EU) and are therefore not always covered by EU legislation on working conditions. Improving any aspect of the QFT would therefore depend on more consistency in the legal status of trainees.
- Secondly, the QFT only defines quality criteria for ALMP-financed traineeships and traineeships on the open market. Other types of traineeships may have intermediary organisations involved, but this is not always sufficient to guarantee quality of experience for trainees.
- Increasing attention on remuneration focuses both on reducing the potential for exploitation of young people and on concerns over equitable access to professional opportunities.
- The legislative instrument that introduced the QFT offers limited opportunities to enforce common provisions and limited potential to monitor progress in a systematic way.

#### **Exploration of policy options**

Building on these dimensions, a combination of policy options has been defined that explores various pathways to improve the quality of traineeships across the EU. Each option builds on the current situation as a starting point, and offers variation in the extent to which it further refines the evidence base, scope, content and enforcement of the QFT.

- **Option 1:** Additional studies and systematic data collection on the quality of traineeships have the potential to provide European added value by encouraging the sharing of good practices and mutual policy learning across the EU.
- Option 2: Conceptually clarifying the types of traineeships based on their main focus (education or work experience) can help to define a common legal status for traineeships across the EU, which would reduce barriers, facilitate comparison and help developing a shared approach to quality.
- **Option 3**: There is potential to expand the scope of the QFT to other types of traineeships. Similarly, the list of quality criteria can be further expanded, particularly if these are differentiated by types of traineeships. Educational traineeships are those that primarily prepare trainees towards a qualification, so any additional quality criteria for this type should primarily reflect the quality of learning content. For other types of traineeships, which are covered by frameworks related to professional activity, social policy and labour laws, additional quality criteria could be defined that focus on the best possible contribution to trainees' future position on the labour market.

Option 4: The use of a different legislative instrument (possibly a Directive) would help to step up enforcement of the QFT. This would allow the inclusion of deadlines for implementation, requirements on transposition and stricter monitoring provisions. However, the benefits of stricter enforcement of the framework provisions would need to be balanced against additional subsidiarity and proportionality considerations. This would most likely result in a more limited coverage of different types of traineeships.

A review of the possible European added value of each of the policy options against a set of key criteria shows that the highest benefits can be achieved by policy option 3. While policy option 1 offers a highly necessary improvement in the data situation, its contribution to reducing the number of young people in low-quality traineeships is only indirect. Policy option 2 increases the potential for more consistent application of the existing elements in the QFT by focusing on the development of a common legal framework. However, it does not go as far as policy option 3, which creates the opportunity to expand and deepen the scope of the QFT.

Policy option 3 offers a differentiation in quality criteria for different types of traineeships. This makes it the most visible contribution to reducing the number of individuals in low-quality traineeships, who experience an estimated 10 % wage penalty in the first 3 years of their careers. In addition, it would contribute most to reducing other non-quantifiable short-term penalties for individuals in low-quality traineeships, such as lower job satisfaction levels and poorer job matches. The European added value of policy option 4, constrained mostly by subsidiarity and proportionality concerns, would be more limited, as it could probably only be applied to a reduced number of quality criteria.

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#### 1. Introduction

Traineeships offer valuable opportunities to make a start on the labour market and have become an increasingly common entry point for young people after completing their education. They allow individuals to gain valuable work experience early on in their career and can help ease the transition from education to work. Traineeships can increase students' chances of receiving job offers, both at the firm where they completed traineeships or elsewhere. For instance, professionals that gained their first employment experiences as a trainee were found to have better performance in their jobs, and also see better retention and promotion rates.<sup>1</sup> There are, however, also concerns about the effectiveness and quality of some traineeships. Traineeships may have only limited attention for learning, or may even be used as a cheap temporary substitute for regular workers.<sup>2</sup> Some studies even find (short-term) detrimental effects in earnings for trainees in comparison to peers that entered employment directly.<sup>3</sup>

This chapter reviews the prevalence of traineeships in the European Union as the means for young people to enter employment. Chapter 3 subsequently reviews recent policy initiatives at the European level that have focused on the quality of traineeships in recent years and the response and current state of play in the quality of traineeships. Particular attention is given to initiatives taken by the European Parliament, as well as the European Commission's evaluations and proposals and the response of the European Council in this context. Based on this analysis, this paper reviews the scope for improvement in Chapter 5, followed by an in-depth exploration of possible policy options and their possible European added value in Chapter 6.

As such, this research aims to contribute insights and suggestions to the European Parliament's own-legislative initiative report (INL) on quality traineeships, which will review the appropriateness of a legislative proposal. The main objective of the paper is to provide an estimation of the scope of the possible European added value of a reinforced 'Quality Framework for Traineeships'. This analysis builds on a review of existing literature, studies and policy documents.

Siegel, P. H. (2012), A Study of Tax Professionals' Performance and Internship Experience: A Survival Analysis. SSRN Working Paper Series.

<sup>&</sup>lt;sup>2</sup> European Commission (2013), *Impact assessment accompanying the document proposal for a council recommendation on a quality framework for traineeships*, <u>SWD(2013) 495 final</u>.

Cerulli-Harms, A. (2017), Generation Internship: The Impact of Internships on Early Labour Market Performance, <u>IZA Discussion Paper Series</u>, no. 11163.

## 2. Size and scope of traineeships in the EU

### 2.1. Defining traineeships

Before reviewing the size and scope of traineeships, and subsequent concerns about quality, this chapter starts by defining in more detail what is meant by the term 'traineeship'. This review follows the definition for traineeships that is most commonly used at European level, which refers to 'a limited period of work practice, whether paid or not, which includes a learning and training component, and is undertaken in order to gain practical and professional experience with a view to improving employability'.

- > Traineeships are first of all defined by their limited timeframe. They are predominantly short to medium-term in duration (from a few weeks up to 6 months, and in certain cases lasting up to 1 year).<sup>6</sup>
- A traineeship is generally considered as some form of employment relation, but is not necessarily paid. While traineeships can be associated with (generous) starting salaries, they may also only be limited to a minimal compensation of expenses or anything in between
- Some level of learning and training needs to be present. The visibility and importance of this learning component can vary substantially from one traineeship to the next, but without any learning and training the employment relation does not fall within the scope of our definition.
- Finally, the traineeship is undertaken with the purpose of gaining practical and professional experience. The trainee should start with the clear objective of gaining experience, and the employer should therefore offer such opportunities to the trainee, through practical learning and gaining professional experience.

While *apprenticeships* share many of the characteristics linked to the presented definition of traineeships, there is a difference in the extent to which employers assume responsibility for training, which is often linked to formal (vocational education and training (VET)) qualifications. Apprenticeships also tend to be longer-term, and offer a more systematic training in a technical occupation, often with alternating periods at the workplace and educational institution. Traineeships are less formally organised, and even though these may be part of curricula as well (more often in higher education (HE)), the learning content is less systematically defined and assessed than for apprenticeships. Because of these differences in nature and policy concerns, policy initiatives tend to cover either one or the other. This study follows this logic and therefore focuses exclusively on traineeships.

Within the definition for traineeship provided above, a large variety of more specific definitions, systems and legal frameworks can be found. Differences relate to the definitions used, the legislative frameworks which apply to traineeship agreements and the policies and practices in place across the various Member States.<sup>7</sup>

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<sup>&</sup>lt;sup>4</sup> This study treats traineeships and internships as synonyms. In some Member States there may be a nuanced difference between the two, but both types essentially fall within the definition used for traineeships.

This is the definition codified in preamble 27 of Council Recommendation on a Quality Framework for Traineeships, OJC 88, 27.3.2014, p.1-4.

<sup>&</sup>lt;sup>6</sup> European Commission (2012), Apprenticeship Supply in the Member States of the European Union, p. 22.

European Commission (2018), <u>Traineeships under the Youth Guarantee</u>: experience from the ground, Luxembourg, Publications Office of the European Union.

While not all types can necessarily be found in all Member States, the four categories below give a good overview of the possible variety in traineeships that exists:<sup>8</sup>

- Traineeships that form an optional or compulsory part of academic and/or vocational curricula. Traineeships in this category have a dominant focus on learning and are often mediated or certified by education providers. Even though the ultimate objective is to prepare trainees for the labour market, these traineeships focus more on securing learning outcomes than securing immediate employment. These are common in school-based VET curricula and are increasingly popular in HE curricula as well.<sup>9</sup>
- **Traineeships that are part of (mandatory) professional training (e.g. teaching, law, medicine, architecture, etc.)**. These traineeships serve as mandatory introductions into professional practice of specific fields of work. These are often organised by sectoral organisations or education providers directly, who make recruitment into the sector contingent on completing a traineeship. Like those that are part of curricula, these traineeships tend to be relatively tightly regulated by the entities involved.
- Traineeships associated with active labour market policies (ALMPs). The main objective of such traineeships is to help young people into employment; as a result, these focus less on education. While this does not exclude a learning component, the focus is more on securing (immediate) employment through gaining professional experience and skills. These traineeships are often mediated or supported by Public Employment Services (PES), who are also responsible for overseeing the quality and results of this type of traineeship. These traineeships are usually subsidised by the public purse and may also involve support from the European Social Fund, or funding in the framework of the Youth Employment Initiative.
- **Traineeships on the open market**. This category represents the largest diversity of traineeships that can be found on the labour market. <sup>10</sup> Usually these traineeships are found for positions in professional fields; traineeships offered by European Institutions would also fall in this category (Schuman Traineeships in the European Parliament, or the European Commission's Blue Book Traineeships). As with ALMP traineeships, these are generally not linked to recognised qualifications. The terms and conditions for this type of traineeship are set by employers and trainees themselves, without mediation by other organisations, such as PES, sectoral organisations or education providers. Traineeships sought by graduates after completing their studies to gain work experience fall into this category, ranging from unpaid positions from which trainees benefit little to highly competitive and popular traineeships (such as graduate traineeships in European Institutions). <sup>11</sup>

### 2.2. Legal framework for traineeships

There are widely varying approaches to how traineeships are regulated across the EU. This diversity extends not only to differences between Member States, but also to how different types of traineeships are regulated within a single Member State. The reason for this large diversity of relevant regulatory frameworks is that the requirements and conditions for traineeships may already be covered by legislation in the field of education and training (most often for traineeships that are part of education

<sup>&</sup>lt;sup>8</sup> Categorisation first coined in a 2012 EC study, and used subsequently in policy documents on traineeships.

<sup>&</sup>lt;sup>9</sup> European Commission (2012), <u>Study on a comprehensive overview on traineeship arrangements in Member States</u>.

Note that some – often highly competitive – entry-level positions for HE graduates in large (international) organisations are often termed traineeships as well. These are excluded by this study, as these are in fact entry-level job offers, with regular contractual arrangements and a learning component.

https://europa.eu/european-union/about-eu/working/graduates\_en.

programmes or professional training), social policy (often when part of active labour market policies), or relevant labour laws (most often for open-market traineeships). Each of these are explored below.

- The countries that legally regulate traineeships as part of curricula either do so explicitly (e.g. EE, ES, HU, IT, FI, FR, RO, SI), or through legislation in the field of education (e.g. AT, BE, BG, CZ, DE, DK, EL, NL, SE, SK). <sup>12</sup> Traineeship-related regulations are most commonly found in legislation concerning VET provision and mandatory professional training. Similarly, traineeships which form part of curricula are typically regulated by the educational institution itself.
- Traineeships have become increasingly part of the toolbox of active labour market policies, within which they are defined as supporting the entry of young people into the labour market. These traineeships are generally based on and regulated by specific legislation and legislative interventions; all Member States have at least some form of regulation on ALMP-type traineeships.<sup>13</sup>
- The largest variety of legal approaches can be found for the so-called 'open-market traineeships'. There are Member States with specific regulatory frameworks for trainees on the open market in place, which tend to specify the applicable labour standards such as 'limits to maximum weekly working time', minimum daily and weekly rest periods and, where applicable, minimum holiday entitlements (BE, LT, SI, ES, PL, PT). In Member States without such specific frameworks, the status of trainees is generally protected by general labour laws, but specific exemptions may be in place if the primary purpose of the traineeship is learning and acquiring practical, work-related experience (AT, CZ, IE, EL, HU, NL, FI). In such cases, trainees are not always legally considered as employees and do not always have similar rights, terms and conditions. 14 Working conditions are then defined by traineeship agreements that regulate the requirements, health and accident insurance and sick leave, allowance/compensation and termination.<sup>15</sup> While this particular type is common practice in some Member States, in others no traineeships of this kind can be found. In three Member States (FR, IT, LV), the use of traineeship agreements to define working conditions between employer and trainee is explicitly forbidden if these do not respect minimum labour laws in terms of working conditions or remuneration.

## 2.3. Number of traineeships

No complete recent European-level data is available to provide an up-to-date overview of the relative importance of traineeships for graduates entering the labour market. Despite continued attention to the quality and state of traineeships in the EU (see section 3), the data available to estimate the importance of traineeships in the European labour market is relatively outdated and may not necessarily provide the most recent picture of the current state of traineeships in all Member States. <sup>16</sup>

Data on traineeships in active labour market policies is patchy and is not available in a way that can be aggregated for the EU. Data on open-market traineeships is also limited, mainly due to the widely

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European Commission (2012), <u>Study on a comprehensive overview on traineeship arrangements in Member States</u>.

European Commission (2016), The Youth Guarantee and the Youth Employment Initiative three years on, COM(2016)646; Commission staff working document Applying the Quality Framework of Traineeships, SWD(2016) 232.

<sup>&</sup>lt;sup>14</sup> European Commission (2016), The Youth Guarantee and the Youth Employment Initiative three years on, COM(2016)646, Commission staff working document Applying the Quality Framework of Traineeships, SWD(2016) 232.

<sup>&</sup>lt;sup>15</sup> European Commission (2016), Applying the Quality Framework for Traineeships, SWD(2016) 324 final, p. 10.

See, for instance, Kalvelage, G. (2021), European Network of PES: Remuneration of open-market traineeships in EU27, who also argues for additional EU-wide data collection on traineeships, either through an updated Eurobarometer issue, or a thematic module of the Labour Force Survey.

varying legal status of trainees of this type. This section presents a conservative estimate of this group, based on survey data. The most reliable data on the size and scope of traineeships exists for traineeships with links to education programmes. These estimates are presented in this section on the basis of the Labour Force Survey in 2016. Before specifying different types of traineeships, this section proceeds with general estimates of the number of traineeships, building primarily on a thematic Eurobarometer survey from 2013. Despite the time that has passed, this remains to date the most comprehensive mapping of individuals' experiences with traineeships across the EU and is therefore presented here. This underlines the need for additional data collection on this subject in the coming years.

The potential offered by traineeships to gain work-related experience and learn to apply knowledge learned in the education system in a practical context explains the importance of traineeships in school-to-work transition. While no exact numbers exist on the number of trainees at a given moment, a dedicated Eurobarometer survey highlights how **one in every two EU citizens** aged 15-34 years old had enrolled in at least one traineeship in their life.<sup>17</sup> Transposing this finding on the number of the annual EU student population at the level of upper secondary education (ISCED level 3 or higher) leads to an estimate of around 4 million individuals that take part in at least one traineeship in a given year.<sup>18</sup> The Eurobarometer also reveals how traineeships are considerably more common in western European Member States than in eastern European Member States. Member States in southern Europe take a middle position, with roughly 33% of respondents from Portugal, Spain and Italy indicating that they had participated in traineeships at the start of their working lives.

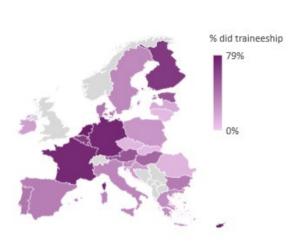
While there is no clear longitudinal data available on trends in the take-up of traineeships by young people, it can be estimated that traineeships have gained in popularity more recently. In comparison to the cohort of 30-34 year-olds, persons aged 20-29 reported a traineeship experience substantially more often. This underlines the increasing importance of traineeships over time; young people presently participate more in traineeships than their peers when they were the same age.<sup>19</sup>

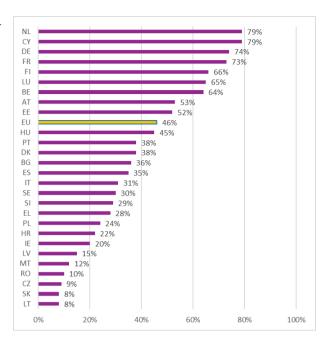
European Commission (2013), The experience of traineeships in the EU, Flash Eurobarometer 378. The variety and lack of registration of (informal) traineeships complicates any estimate of the number of students/graduates involved in traineeships.

Authors' estimate based on Eurostat data on education enrolment in 2012 ([educ\_ilev]), assuming an average time in education of 5 years, combined with the findings of Eurobarometer 378 2013.

<sup>&</sup>lt;sup>19</sup> European Commission (2013), The experience of traineeships in the EU, Flash Eurobarometer 378.

Figure 1: Share of young population (15-34 years old) with ≥1 traineeship experience





Source: Flash Eurobarometer 378: The experience of traineeships in the EU

Traineeships can be found across a wide variety of economic sectors and are prevalent for instance in tourism and hospitality, banking and finance, and creative industries and media, but are also common in the public sector/administration and the non-profit/third sector/NGOs.<sup>20</sup> While in theory traineeships can be offered at all education levels, **traineeships are more common among university graduates** (61 per cent), compared to 40 per cent who have no tertiary qualifications.<sup>21</sup> Possibly, this number is influenced by the share of VET students that already gain practical experience in structured apprenticeship systems. Here, students also gain relevant professional experience, though in a slightly different employment relationship. For university-level or theoretical VET qualifications, however, traineeships are often the first real steps towards a professional career, and are therefore highly relevant.

The 2016 edition of the Labour Force Survey (LFS) confirms this, on the basis of a dedicated section on labour market opportunities for young people.<sup>22</sup> Higher shares of students in tertiary education gain work experience through *mandatory traineeships* in their curricula than students in secondary education. This is due to the considerably higher number of students in secondary education that participated in *apprenticeships* as part of their education (paid work experience placements that last longer than 6 months), while students in tertiary education considerably more often gained work experience in placements that were either too short to be defined as apprenticeships (less than 6 months) or were unpaid (27% of all 15-34 year-olds). Still, the share of students in upper secondary education in this type of traineeship is also substantial, and represents students enrolled in school-based VET programmes (21% of all students in secondary education). Note that the LFS only asked about work experience gained *during* education, while the Eurobarometer also includes any

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<sup>&</sup>lt;sup>20</sup> European Commission (2012), Study on a comprehensive overview on traineeship arrangements in Member States, p. 70.

<sup>&</sup>lt;sup>21</sup> European Commission (2013), The experience of traineeships in the EU, Flash Eurobarometer 378.

<sup>&</sup>lt;sup>22</sup> Data is based on Eurostat data for the Labour Force Survey 2016, ad hoc module on 'Young people on the labour market' (LFSO\_16).

traineeships *after* completing an education programme.<sup>23</sup> As such, the data presented here must be interpreted as a lower bound of the potential size and scope of traineeships across the EU.

Table 1: Share of 15-34 year-olds across traineeship types and ISCED level

	Education level	Share of 15-34 year-olds - EU-27 (2016)
Gained mandatory work experience	All levels	20 %
	ISCED 0-2	12 %
in curriculum during study (excluding apprenticeships)	ISCED 3-4	21 %
	ISCED 5-8	27 %
Gained optional work experience in	All levels	3 %
curriculum during study	ISCED 0-1	1 %
	ISCED 3-4	2 %
	ISCED 5-8	6 %
Gained work experience outside curriculum (own initiative) during	All levels	14 %
study	ISCED 0-1	6 %
	ISCED 3-4	14 %
	ISCED 5-8	23 %

Source: Eurostat (2016), Labour Force Survey, ad hoc module on youth.

Traineeships that are offered as optional elements of curricula are also most frequently attended by students in tertiary education (6 %, against an EU average of 3 % for all education levels). Such 'optional' traineeships are often still facilitated by education providers, and therefore generally included in the same category as mandatory traineeships (compare Section 2.2).

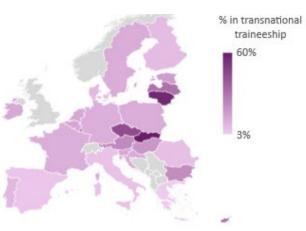
A third category presented in the table refers to students that gained work experience in placements that are unrelated to education programmes. This includes any work experience taken on by students themselves, and best represents the 'open-market traineeships' type presented in section 2.2. A total of 14 % of young people (among 15-34 year-olds) gained work experience without any relation to education programmes. However, this number is a very conservative estimate, given that most persons will enrol in traineeships unrelated to education programmes only *after* they have completed their education programmes, which is not covered by the LFS. Also, any students that already gained work experience within the scope of education programmes are not counted here, even if they gained additional work experience of this type. However, as a lower bound the values still provide some relevant insights, for instance confirming that this type is most common among students in tertiary education (23 % of students in this level), and considerably less so for students in upper secondary education (14 %), as well as lower secondary education (6 %).

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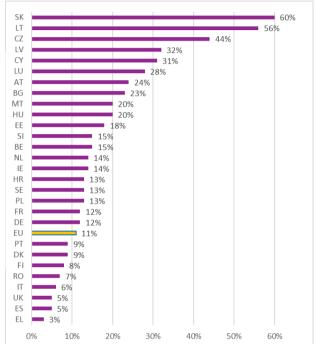
Another difference in terms of definition is that the ad hoc module of LFS adopted a staggered approach. Anyone who had participated in a paid work placement for longer than 6 months was no longer asked whether he/she had *also* participated in traineeship-like programmes. This was only asked to respondents that had not participated in apprenticeships.

Based on the Eurobarometer data, we can conclude that traineeships are most often conducted in the country of origin, with only around 10 % of young people participating in traineeships abroad. Some relevant differences can be observed between Member States; particularly in Czechia, Slovakia, Lithuania and Latvia, the share of individuals that engaged in traineeships abroad is considerably higher than other Member States. Note, however, that the overall participation of respondents in all types of traineeships in these countries is considerably lower than other Member States; as a result, these figures are more sensitive.

Figure 2: Share of young population (15-34 years old) with ≥1 traineeship abroad



Source: Flash Eurobarometer 378: The experience of traineeships in the EU



### 3. Overview of European policy initiatives

### 3.1. Minimum standards for traineeships at EU level

Traineeships can be an effective way to improve the link between education and labour markets. Since the economic and financial crises during the last decade, the European Commission has actively sought to promote work-based learning through work placement programmes as a tool for integrating young people into the labour market. In doing so, it also called on Member States to define the precise status of traineeships, in order to guarantee minimum standards for pay, working conditions and the level of education content.<sup>24</sup> Traineeships are addressed to those without work experience, who can be more vulnerable to abuse than more experienced jobseekers. Moreover, traineeships may not always offer a meaningful learning experience and may be used by employers as a low-cost replacement of regular jobs. Aware of such concerns, the Council of Youth Ministers also stressed the need to promote quality traineeships to facilitate the entry of young people to the labour market.<sup>25</sup>

In 2010, the European Parliament called for more attention to be paid to better and secure internships and traineeships and underlined the need for the European Commission to follow up on its ambitions to develop a European quality charter. <sup>26</sup> It also called for the **development of more statistics** and a **comparative study on the different types of traineeships** in each Member State. In response to the European Commission's preparations of a quality charter, the European Parliament indicated its ambition to make it a legally binding quality framework, which could ensure the provision of paid traineeships with sound legal status, and as such prevent undue exploitation of trainees. <sup>27</sup> The Council highlighted that a quality framework would help guarantee the educational value of traineeships and requested the European Commission to provide guidance on conditions for high-quality traineeships. <sup>28</sup>

The results of a 2012 comparative study on the state of traineeships confirmed concerns about the quality of some traineeships and showed how learning content is often only formalised for traineeships where education institutions are involved. Moreover, it highlighted the lack of social protection coverage and limited compensation or pay for persistently precarious and unstable jobs for young people. The **Council Recommendation on a Quality Framework for Traineeships**, approved in 2014, responded to these concerns by emphasising the importance of transparency in agreeing on traineeship conditions. <sup>29</sup> It builds on the rationale that increased transparency requirements for traineeships would help to improve working conditions and stimulate cross-border mobility. The main element of the Recommendation therefore calls for the use of a written traineeship agreement that indicates the educational objectives, adequate working conditions, rights and obligations, and a reasonable duration for traineeships. Moreover, the Recommendation includes provisions on

European Commission (2007), Promoting young people's full participation in education, employment and society, COM(2007)0498 final, Brussels, 5.9.2007.

The Council of the European Union (2009), <u>Council Resolution of 27 November 2009 on a Renewed Framework for European Cooperation in the Youth Field</u> (2010-2018).

<sup>&</sup>lt;sup>26</sup> European Parliament resolution of 6 July 2010 on promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status, 2009/2221(INI).

<sup>&</sup>lt;sup>27</sup> European Parliament (2010), Draft report on Youth on the Move, 2010/2307(INI).

Council of the European Union (2011), Council conclusions on Promoting youth employment to achieve the Europe 2020 objectives, 11838/11, Luxembourg, 17 June 2011, 3099th EMPLOYMENT, SOCIAL POLICY, HEALTH and CONSUMER AFFAIRS Council meeting.

Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships, OJ C 88 27.3.2014, p. 1–4.

improving the recognition of traineeships, additional transparency in vacancy notices and improving the facilitation of cross-border traineeships.

In relation to the various types of traineeships identified above, it is important to highlight that the QFT does not cover traineeships that are governed by education providers and sectoral organisations or traineeships that are otherwise linked to professions or curricula. It considers that the strongest quality concerns relate to 'open-market' traineeships, and that for other types of traineeships national and regional institutions or education providers can already sufficiently ensure basic levels of quality. The European Parliament welcomed the scope and content of the Council Recommendation, also calling on Member States to take dissuasive measures to prevent abuses of traineeship status, such as 'false traineeships' that undermine the acquisition of social security rights, or traineeships that make no contribution to increased skills and employability.<sup>30</sup>

### 3.2. A European Youth Guarantee

The provisions set forth in the QFT serve to inspire national policies and programmes to help ensure the quality of traineeships, but are also explicitly defined to serve as a reference for European policies. It underpins, for instance, the understanding of what a quality traineeship offer means under the **Youth Guarantee**. Launched in 2013, the Youth Guarantee embodied a commitment by Member States that all young people under the age of 25 would receive, within 4 months, a good quality work offer to match their skills and experience, or the chance to continue their studies or undertake an apprenticeship or professional traineeship.<sup>31</sup>

In addition to job offers for regular employment, Youth Guarantee schemes seek to help offer traineeships as well, and were responsible for 3.1 million accepted offers for traineeships (roughly 13 % of all offers) up to 2021 across the EU.<sup>32</sup> While the Youth Guarantee was launched before the adoption of a quality framework, Member States were instructed to assess the quality of traineeship offers on the basis of the QFT, as part of evaluation obligations formulated for the Youth Employment Initiative – which provides European funds to help implement the Youth Guarantee.<sup>33</sup> Moreover, in response to concerns about the quality of offers, the Employment Committee decided to enhance the monitoring of the quality of offers, by outlining additional reporting requirements on the quality characteristics of traineeship offers provided under the Youth Guarantee.<sup>34</sup> Despite these additional steps in monitoring, the European Parliament repeated on multiple occasions its calls for attention to be paid to the importance of ensuring quality of offers provided under the Youth Guarantee.<sup>35</sup>, <sup>36</sup>

To help alleviate the impact of the COVID-19 crisis and prevent another youth unemployment crisis, the Council recently adopted a Recommendation on a **reinforced Youth Guarantee**, which builds on

<sup>&</sup>lt;sup>30</sup> European Parliament resolution of 19 January 2016 on skills policies for fighting youth unemployment, 2015/2088(INI).

<sup>&</sup>lt;sup>31</sup> Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, 2013/C 120/01.

<sup>&</sup>lt;sup>32</sup> Commission Staff Working Document (2020), Accompanying the document Proposal for a Council Recommendation on a Bridge to Jobs - reinforcing the Youth Guarantee, SWD/2020/124 final, p. 8.

European Commission (2015), Guidance on the evaluation of the Youth Employment Initiative, September 2015.

<sup>&</sup>lt;sup>34</sup> European Commission (2018), <u>Data collection for monitoring of Youth Guarantee schemes</u>, 2017.

European Parliament resolution of 18 January 2018 on the implementation of the Youth Employment Initiative in the Member States, 2017/2039(INI).

<sup>36</sup> European Parliament resolution of 31 May 2018 on the implementation of the EU Youth Strategy, 2017/2259(INI).

the experience from the previous Youth Guarantee, while more explicitly calling upon Member States to ensure that traineeship offers adhere to the minimum standards of the QFT.<sup>37</sup>

### 3.3. Additional support for traineeships

The Recommendation on a Quality Framework for Traineeships also introduced the possibility of opening up the European Job Mobility Portal (**EURES**) to include information on paid traineeships.<sup>38</sup> This became a reality with the introduction of an extended EURES in 2016, provided that the traineeship in question would qualify as an employment relationship in the national context concerned.<sup>39</sup> The EURES Regulation makes explicit reference to the QFT, requiring in particular that attention be paid to the learning and training content and working conditions of traineeships offered through its channels. It also requires Member States to publish information about the national regulatory framework governing both traineeships and apprenticeships. Similarly, the QFT also informs the understanding of quality traineeships for other initiatives at EU level, such as the more recent **Digital Opportunity Traineeships** or traineeships offered in the framework of the **European Solidarity Corps** in 2018-2020.<sup>40</sup>

Since the adoption of the Council Recommendation for a Quality Framework for Traineeships in 2014, the European Parliament has consistently emphasised the importance of **monitoring the implementation of the Framework** by Member States.<sup>41</sup> In 2016, the European Commission published such a monitoring exercise, providing a first mapping of how the QFT provisions were being implemented at national level. It shows that all EU Member States have regulatory frameworks that cover at least some form of traineeships outside of educational curricula, while eight Member States also have specific legal regulations in place that cover both ALMP-type and open-market traineeships.<sup>42</sup>

The Joint Employment Report of 2018 highlights how traineeship reforms enacted by some Member States had helped better prepare young people for labour market needs and build relevant skills.<sup>43</sup> Half of the Member States (planned to) put in place legal changes to (better) align their national framework with the QFT.<sup>44</sup> Such reforms generally consisted of introducing provisions to limit the duration of traineeships, clarifying conditions for longer traineeships and the requirement to assign mentors to provide guidance and supervise progress during traineeships.<sup>45</sup>

### 3.4. Continued attention to quality

After the launch of the QFT, the European Parliament continued to highlight the need for minimum standards for traineeships, to avoid traineeships replacing employment for young people and to help

Council Recommendation of 30 October 2020 on A Bridge to Jobs – Reinforcing the Youth Guarantee and replacing the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, OJ C 372, 4.11.2020, p. 1–9.

<sup>38</sup> Article 17 of the Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships.

Regulation (EU) 2016/589 of the European Parliament and of the Council of 13 April 2016 on a European network of employment services (EURES), workers' access to mobility services and the further integration of labour markets, and amending Regulations (EU) No 492/2011 and (EU) No 1296/2013, OJL 107, 22.4.2016, p. 1–28.

<sup>&</sup>lt;sup>40</sup> For more information, see <u>Digital Opportunity Traineeships</u> and the <u>European Solidarity Corps</u>.

<sup>&</sup>lt;sup>41</sup> European Parliament resolution of 19 January 2016 on skills policies for fighting youth unemployment, 2015/2088(INI).

<sup>&</sup>lt;sup>42</sup> More details about the state of implementation at national level will be provided by the review under task 1.

<sup>&</sup>lt;sup>43</sup> European Commission (2018), <u>Joint Employment Report</u>, as adopted by the EPSCO Council on 15 March 2018, p. 45.

European Commission (2016), Applying the Quality Framework for Traineeships, accompanying the communication on the Youth Guarantee and the Youth Employment Initiative three years on, <a href="SWD(2016)324">SWD(2016)324</a>.

<sup>&</sup>lt;sup>45</sup> European Commission (2017) Joint Employment Report 2017, as adopted by the EPSCO Council on 3 March 2017, p. 53.

ensure minimally acceptable living conditions.<sup>46</sup> The results of such efforts are, for instance, reflected in the strengthening of legal protection of trainees, through the **adoption of a revised Directive on transparent and predictable working conditions**, which will ultimately be transposed into national legislation by August 2022.<sup>47</sup> The Directive replaces the previous 'Written Statement Directive' from 1991 on employers' obligation to inform employees of the conditions applicable to their employment contract or relationship.<sup>48</sup> It expands workers' rights and addresses insufficient protections for workers in precarious jobs. While the Directive does not explicitly refer to trainees, its scope has been defined to also cover trainees, as long as the facts surrounding their professional activity support their qualification as a 'worker' in line with the EU treaties and case law from the Court of Justice of the EU (CJEU)<sup>49</sup>. In practice, this means that, in particular, the provisions on the mandatory provision of information for trainees – also included in the QFT – now have a firmer legal footing in EU legislation.

Another response from the Commission and the Council in this respect is seen in the **Council Recommendation on social protection for workers and the self-employed.**<sup>50</sup> It calls upon Member States to reduce gaps in coverage of social protection schemes, and explicitly mentions trainees as one of the groups that are sometimes excluded from access to social protection schemes. The European Parliament highlighted that, although it considers this Council Recommendation a step in the right direction, more attention is needed to ensure access to social protection for all, regardless of their employment status.<sup>51</sup>

As a suggestion for concrete follow-up to these ambitions, the European Parliament called for a review of the QFT, to broaden the principles of quality to ensure access to social protection and also include principles of remuneration.<sup>52</sup> To underline their importance, the European Parliament renewed these calls in 2021 in the context of in-work poverty as well.<sup>53</sup> In response, the European Commission announced a study to review in more detail the current state of affairs of young people's access to social protection,<sup>54</sup> as well as a **review of the Council Recommendation on the Quality Framework for Traineeships**, planned to take place in 2022, notably in relation to its provisions regarding working conditions.<sup>55</sup>

Recently, the European Parliament has paid particular attention to the issue of remuneration, for instance when it condemned the practice of unpaid internships, traineeships and apprenticeships in 2020, which it called 'a form of exploitation of young people's work and a violation of their rights'. More recently, the European Parliament called for 'an effective and enforceable ban on [...] unpaid

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<sup>&</sup>lt;sup>46</sup> European Parliament resolution of 19 January 2017 on a European Pillar of Social Rights, 2016/2095(INI).

Directive of 20 June 2019 on transparent and predictable working conditions in the European Union, <u>OJL 186</u>, 11.7.2019, p. 105–121.

Council Directive 91/533/EEC of 14 October 1991 on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship, OJ L 288, 18.10.1991, p. 32–35.

Cf. Recital 8 of Directive of 20 June 2019 on transparent and predictable working conditions in the European Union, OJL 186, 11.7.2019, p. 105–121.

Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed, OJC 387, 15.11.2019, p. 1–8.

<sup>&</sup>lt;sup>51</sup> European Parliament resolution of 10 October 2019 on employment and social policies of the euro area, 2019/2111(INI).

<sup>&</sup>lt;sup>52</sup> European Parliament resolution of 8 October 2020 on the Youth Guarantee, 2020/2764(RSP).

<sup>&</sup>lt;sup>53</sup> European Parliament resolution of 10 February 2021 on reducing inequalities with a special focus on in-work poverty, 2019/2188(INI).

<sup>&</sup>lt;sup>54</sup> European Commission (2020), Youth Employment Support: a Bridge to Jobs for the Next Generation, COM(2020)276.

<sup>&</sup>lt;sup>55</sup> European Commission (2020), The European Pillar of Social Rights Action Plan, COM(2021)102.

European Parliament resolution of 8 October 2020 on the Youth Guarantee, 2020/2764(RSP).

internships, traineeships and apprenticeships [not related to the obtention of educational qualifications]'.<sup>57</sup>

In response, the European Commission – though sharing concerns about unpaid traineeships – pointed instead to the social responsibility of companies to pay young people who are working as trainees. It also indicated that the transparency provisions on pay and employment prospects in the QFT serve to ensure that candidates can take an informed decision on whether or not to accept a position, i.e. make a conscious decision whether or not to accept an unpaid traineeship.<sup>58</sup>

At the same time, the legislative preparations for a **Directive on adequate minimum wages in the European Union** is ongoing.<sup>59</sup> This draft Directive seeks to put in place concrete provisions to implement Principle Six of the European Pillar of Social Rights, which calls for adequate minimum wages as well as transparent and predictable wage setting to be put in place, according to national practices and respecting the autonomy of the social partners.<sup>60</sup> The proposal's current version, which is under discussion, aims at improving the adequacy of the minimum wage level and to broaden the number of workers that have access to minimum wage protection. By defining a similar scope as that of the already approved Directive on transparent and predictable working conditions, the Directive – as originally proposed by the Commission – can, in principle, also extend to trainees.<sup>61</sup> It is at this moment, however, not clear to what extent this would adequately meet the European Parliament's call to put in place an effective and enforceable ban on unpaid traineeships, nor whether the legal framework for such a ban could be conceived in a way that would respect the core principles of subsidiarity and proportionality (as defined in TEU Article 5), nor that of the EU's conferred competences to act as defined by TFEU Article 153.

<sup>57</sup> European Parliament resolution of 17 December 2020 on a strong social Europe for Just Transitions, 2020/2084(INI).

<sup>&</sup>lt;sup>58</sup> European Commission (2021), Commission response to text adopted in plenary, <u>SP(2020)686</u>, 3.3.2021.

<sup>&</sup>lt;sup>59</sup> European Commission (2020), Proposal for a Directive on adequate minimum wages in the European Union, <u>COM (2020)</u> 682.

<sup>&</sup>lt;sup>60</sup> European Commission (n.d.), <u>The European Pillar of Social Rights in 20 principles.</u>

The scope of both Directives covers workers and the self-employed, where workers are defined as those 'who have an employment contract or employment relationship as defined by the law, collective agreements or practice in force in each Member State, with consideration to the criteria established by the Court of Justice of the European Union for determining the status of a worker'. The recitals explicitly mention trainees as a category that could fall within this category, depending on how national legislation has defined the specific employment relationship.

### 4. Developments in the quality of traineeships

This chapter provides a mapping of the progress made by Member States towards the quality criteria for traineeships laid down, first of all, in the Council Recommendation on a Quality Framework for Traineeships (QFT).<sup>62</sup> Subsequently, this chapter reviews the contribution of other European policy measures and initiatives to developing the quality of traineeships in the EU.

### 4.1. Overview of progress in implementing the QFT

This chapter provides a mapping of the progress made by Member States towards the quality criteria for traineeships laid down, first of all, in the Council Recommendation on a Quality Framework for Traineeships. The starting point has been an assessment of available sources, the extent to which they provide up to date information and their coverage of the concepts of quality of traineeships in terms of geographical as well as objective scope; Annex I presents our approach and a more detailed review of the use of sources. The diversity of approaches and legal bases that apply to different types of traineeships across – and within – Member States, as well as the lack of more specific monitoring arrangements or common reporting templates on the issue, mean that the collected information is not always complete, nor always fully consistent. This section seeks to present a first step towards such an analysis, based on the need for a more in-depth assessment with legal analysis at the level of individual Member States.

Figure 3 summarises the number of Member States that complied with the key quality criteria in the QFT as introduced in 2014. It separates progress for open-market (OM) and ALMP-financed traineeships, based on the self-reporting by Member States in 2016, which was limited to these two types of traineeships. More recent mappings exist, but were not as systematic as this EU-wide mapping. These are therefore discussed in detail below.

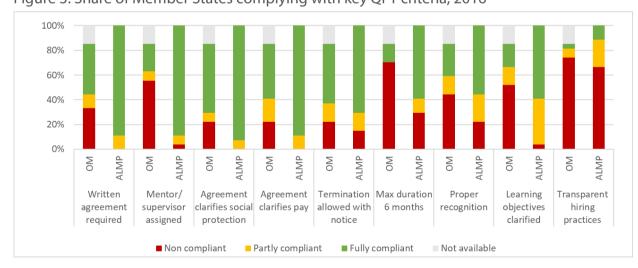


Figure 3: Share of Member States complying with key QFT criteria, 2016

Source: Author's illustration based on European Commission reporting on the implementation of the QFT<sup>64</sup>

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<sup>62</sup> Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships, OJ C 88 of 27.3.2014, p. 1–4.

<sup>&</sup>lt;sup>63</sup> Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships, OJ C 88 of 27.3.2014, p. 1–4.

<sup>&</sup>lt;sup>64</sup> European Commission (2016), Applying the Quality Framework for Traineeships, accompanying the communication on the Youth Guarantee and the Youth Employment Initiative three years on, <u>SWD(2016) 324</u>.

The sections below briefly review progress against the main quality criteria discussed; we present findings from various sources in a synthetic way. An overview of all sources and a more in-depth comparison of findings can be found in Annex I. Figure 3 shows that ALMP-financed traineeships score better on most quality criteria; for that reason, the focus mainly lies on progress achieved for openmarket traineeships. In six Member States this type is either explicitly prohibited or not common. In the remaining Member States it is rather common, and the figure shows that particular attention is warranted regarding compliance with the criteria of transparency on hiring practices, reasonable maximum duration and clarity on learning objectives.

- **Written traineeship agreement**: Traineeships should be organised on the basis of a written agreement, which should at least provide information on learning objectives and working conditions. The review conducted by the European Commission in 2016 shows that in seven Member States a written agreement was not required by law for open-market traineeships. More generally, it is reported that information is hardly available in written agreements on educational objectives and working conditions. A more recent study also reviewed educational traineeships and found that in half of the Member States there is no necessity for a legal or conventional contract, suggesting this quality criterion remains largely unfulfilled.
- Mentorship and coherent learning objectives: A mentor/supervisor should be assigned to the trainee, who should also monitor that the tasks assigned to trainees remain linked to the learning objectives defined. In 2016, only nine Member States required clarity on learning objectives and tasks developed in coherence with these. Only six Member States required the involvement of a mentor for open-market traineeships. While a group of Member States announced plans to introduce such a requirement, only Belgium and Lithuania have shown visible progress in this area.
- **Transparency on working conditions**: Member States generally have provisions in place that meet the requirement of informing trainees about existing protection against accidents at work and health, with only a handful of Member States that do not comply for open-market traineeships. However, this finding is based on the assumption that, in most Member States, such provisions are automatically in place because general labour law should apply. Hence, the judgement is not based on an assessment of the effective enforcement of this principle. It is also argued that, where such labour discipline applies, then typically also remuneration and minimum social security protection are ensured and not just information on them.
- Reasonable duration: The QFT specifies a maximum duration for traineeships of 6 months, where exceptions are only possible if these are justified. It also stipulates that the (bilateral) right to terminate the posting ahead of time should also be regulated. This, however, seems to be one of the criteria where progress appears more limited across Member States. In 2016, only four Member States required by law that traineeships should last a maximum of 6 months. A more recent review showed that, in 2018, there were a few more Member States which had such legal requirements in place (MT, 2 weeks to 6 months; FR, 6 months) or conventional practices (AT and IE) with a length below 6 months. In another group of countries (BG, ES, FI, IT, PT, SK and SI), the maximum length is regulated by law between 12 and 24 months; in Spain, for instance, the maximum duration is 9 months or 24 months (depending on whether work or non-work traineeships are being discussed). Despite some progress on this issue, a large share of Member States have not introduced the time limit of 6 months as a maximum reasonable duration (with justified exceptions).

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<sup>&</sup>lt;sup>65</sup> Based on the EURES portal information.

- Proper recognition of learning: This is another element with relatively low compliance in 2016; a total of seven Member States had appropriate provisions in place. The picture was a lot more favourable for ALMP traineeships. No further updates since 2016 are available; subsequent studies did not further review this item and the EURES portal also does not report on this.
- **Transparency on hiring practices**: This provision serves to clarify the value of the traineeship to trainees at the start, and whether they can realistically expect to be hired by the respective firm. The 2016 review shows limited compliance with this item; Member States generally have not included provisions on this item.
- **Involvement of social partners:** Social partners can have an important role in shaping the quality of traineeships, for instance by representing employers and trainees in the policymaking and legislative process, but also at the level of individual traineeships. The European Commission's 2019 Seminar on quality traineeships, for instance, highlighted how trade unions or other societal organisations can play a role in monitoring the quality of traineeships. Trainees can, for instance, request their support to review the working conditions; in some Member States, a traineeship contract has to be transformed into a regular work contract in case there is suspicion that it constitutes regular work.<sup>66</sup> The 2016 monitoring suggests relatively limited involvement. This is not to say that social partners are not involved in various employment-related provisions that may also affect the quality of traineeships. For instance, to the extent where collective agreements cover traineeships, social partners tend to have a role in defining minimum wage and working conditions. More generally, however, social partner involvement in such elements seems more often directed to apprenticeships or similar arrangements in vocational education, and less to the types of open-market traineeships that have been the reason for most concern in recent vears.67

### 4.2. Role of EU investment funds for quality traineeships

The QFT highlights the central role European Structural Investment Funds can play in contributing to the number and quality of traineeships. The European Social Fund (2014-2020) is the most relevant in this respect, with the addition of the funds from the Youth Employment Initiative. The latter complements the ESF with dedicated support for youth employment.<sup>68</sup> No exact estimate can be given of the share of support for traineeships exclusively; an estimated total of EUR 7.6 billion in 2014-2018 focuses on support for work-based learning, which includes traineeships, but also other and more often supported forms of work-based learning such as apprenticeships.<sup>69</sup> In the current Multiannual Financial Framework (MFF) 2021-2027, this role will be taken up by ESF+, which was recently expanded with the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) package. At this stage, however, no estimates can be given about the share of funds/programmes that focus on traineeships, as the programming for ESF+ and REACT-EU is still ongoing.

Evidence on the quality of the traineeships supported through ESF/YEI is patchy, but some evaluations give at least some indications. An evaluation of support for traineeships in Portugal, for instance, found long-lasting benefits from the traineeship support, such as higher employment and income, which

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<sup>&</sup>lt;sup>66</sup> DG EMPL (2019), <u>SEMINAR: CREATING CONDITIONS FOR QUALITY TRAINEESHIPS</u>, Final report.

<sup>&</sup>lt;sup>67</sup> Stewart, A., Owens, R., Hewitt, A. and Nikoloudakis, I. (2018), The regulation of internships: a comparative study, ILO.

Jeffrey, P., Naylon, I., Parissaki, M., Pagnini, C., Giannetto, A., Rabemiafara, N., Fuller, A., Roidou, E., Buiskool, B-J. and Lindeboom, G-J. (2020), <u>Study supporting the evaluation of ESF/YEI support to youth employment</u>, DG EMPL.

<sup>&</sup>lt;sup>69</sup> Jeffrey, P., Naylon, I., Parissaki, M., Pagnini, C., Giannetto, A., Rabemiafara, N., Fuller, A., Roidou, E., Buiskool, B-J. and Lindeboom, G-J. (2020), <u>Study supporting the evaluation of ESF/YEI support to youth employment</u>, DG EMPL.

suggests a high quality of traineeships <sup>70</sup>. In Italy, particular attention was given to measuring the quality of offers. Whereas the presence of QFT criteria were not systematically reviewed, this index concentrates on the labour market outcomes of the interventions. Results from the counterfactual impact evaluation confirm a significant and substantial increase in employment chances for those involved in traineeships. <sup>71</sup>

A more generic review of Youth Guarantee measures – most of which also funded through ESF/YEI – complements these findings with a varied picture of quality, with challenges as well as success factors depending on the different national contexts. The main challenges include the lack of clarity in the legal framework, which opens the way to misuse, lack of regulation of open-market traineeships, lack of written agreement, lack of social protection and lack of learning quality. It is also mentioned that social partners are generally not sufficiently involved. The publication stresses the positive role of the QFT in spurring change at Member State level, and lists, among other key success factors, the cooperation with stakeholders, the importance of clearly defined roles for all parties involved, the good matching of individuals with hosting entities, proper guidance and recognition. Based on 2016 monitoring data for the Youth Guarantee, the provision of traineeships seems rather widespread, although the funding instruments are not reviewed in detail.

### 4.3. Role of EURES in offering quality traineeships

The European Job Mobility Portal (EURES) has a key role to play in facilitating cross-border mobility of trainees, providing information and support, as well as in helping disseminate information on paid traineeships. Since the implementation of the EURES regulation, various measures have been put in place to pursue these aims, including more detailed information on the EURES portal on definition and eligibility criteria, working conditions, where to find and advertise opportunities, etc. It also includes an obligation for Member States to provide EU-wide data on paid apprenticeships and traineeships abroad.<sup>73</sup>

At this stage, however, more work is needed to make full use of its potential. The study supporting the European Commission's ex-post evaluation of EURES highlighted **difficulties in exactly interpreting the scope of the EURES mandate** in terms of support for traineeships and apprenticeships, compounded by **legal uncertainties about the definition of trainees and apprentices** across Member States, leading to limited achievements.<sup>74</sup>

Thus, despite the useful support that EURES services could provide filling knowledge gaps on working conditions and traineeship requirements abroad, nine countries did not provide any activity in this respect whereas the remainder offered mostly information on the existing mobility schemes of other European programmes. Yet, within the framework of EURES, target mobility schemes - such as 'Your First Eures Job' - exist in a few countries which directly offer traineeship opportunities. However, systematic data on the number of supported traineeships is not available.

IESE and People Consult (2020), <u>Impact Evaluation of the Youth Employment Initiative (YEI)</u>.

ANPAL (2019), SECONDO RAPPORTO DI VALUTAZIONE DELLA GARANZIA GIOVANI E DEL PROGRAMMA OPERATIVO NAZIONALE INIZIATIVA OCCUPAZIONE GIOVANI.

<sup>&</sup>lt;sup>72</sup> Sienkiewicz, L. (2017), <u>Traineeships under the Youth Guarantee: experience from the ground</u>, DG EMPL.

Regulation 2016/589 of the European Parliament and of the Council of 13 April 2016 on a European network of employment services (EURES), workers' access to mobility services and the further integration of labour markets, and amending Regulations (EU) No 492/2011 and (EU) No 1296/2013, OJ L 107, 22.4.2016, p. 1–28.

Deloite, VVA and FGB (2021), <u>Study supporting the ex-post EURES evaluation and the second biennial EURES report</u>, European Commission, DG EMPL, p. 249.

## 5. Identification of factors that limited consistent uptake

The previous chapters highlighted the different conceptualisations of traineeships that exist across Member States, and within Member States. Traineeships can be paid or not, follow certain labour law provisions or not, or remain unregulated and take many shapes. This variety has direct implications for the extent to which trainees across Member States are covered by the European legal framework for workers, such as the Council Recommendation on social protection, the Directive on transparent and predictable working conditions, and the Directive on adequate minimum wages in the European Union (still under negotiation). Even the QFT does not cover all types of traineeships and is restricted to those on the open market and traineeships that are part of active labour market policies. This means in practice that rules and minimum quality requirements apply to some types of traineeships in some Member States, but not necessarily to others.

If one is serious about sustainably improving the *functioning* of the QFT, it is therefore necessary to identify the factors that contributed to the limited uptake of all of the Framework's conditions. Merely adding new provisions, or updating existing ones, is not likely to result in a meaningful improvement in the quality of traineeships. Instead, such an effort needs to identify and address the more specific legal and societal impediments that have contributed to the limited and varied uptake of the quality criteria across Member States and between different types of traineeships. These findings directly feed into the more specific development of possible policy options in Chapter 6.

### 5.1. Differences in legal status of traineeships

The wide diversity in approaches across the EU depends to a large extent on the question of whether national legislation classifies (certain types of) trainees as 'workers'. While there is no European-level statutory definition for 'workers', rulings by the CJEU produced decades' worth of case law which sets a number of criteria to determine the status of workers. This can be summarised by:<sup>75</sup>

- the existence of effective and genuine activity of economic value;
- the existence of remuneration in return for services; and
- the existence of work in a relationship of subordination where the employed determines the choice of activity, remuneration and working conditions.

The use of these criteria at European level is not uncontested; the European Commission's recent proposal for the Directive on transparent and predictable working conditions attempted to introduce a legal definition of 'workers' using similar criteria. Resistance in the Council led to removing the definition, which instead now only makes a reference to national law and CJEU case law. The extent to which traineeships meet these criteria also depends on national legislation, as a result of which 'different types' of traineeships can fall under different legal regimes within a single Member State. The main question extends to the legal treatment of traineeships, i.e. whether labour laws and related social protection legislation also apply to traineeships.

Judgments of the Court of Justice of 3 July 1986, Lawrie-Blum v Land Baden-Württemberg, C-66/85, ECLI:EU:C:1986:284; 14 October 2010, Union Syndicale Solidaires Isère v Premier ministre and Others, C-428/09, ECLI:EU:C:2010:612; 9 July 2015, Ender Balkaya v Kiesel Abbruch- und Recycling Technik GmbH, C-229/14, ECLI:EU:C:2015:455; 4 December 2014, FNV Kunsten Informatie en Media v Staat der Nederlanden, C-413/13, ECLI:EU:C:2014:2411; and 17 November 2016, Betriebsrat der Ruhrlandklinik gGmbH v Ruhrlandklinik gGmbH, C-216/15, ECLI:EU:C:2016:883.

See, for instance, Council of the European Union (2018), Report from COREPER to the Council (10054/18) on a Proposal for a Directive of the European Parliament and of the Council on transparent and predictable working conditions in the European Union - General approach, Interinstitutional File: 2017/0355 (COD), Brussels, 14 June 2018.

Trainees generally provide work of value in a relationship of subordination, but may be excluded from coverage by labour laws and corresponding social protection for the reason that they are not remunerated.<sup>77</sup> The ILO highlights how attempts in some countries to regulate traineeships outside of labour laws may have avoided trainees doing purely menial tasks, but does not necessarily guarantee them reasonable working conditions.<sup>78</sup> These limitations can be observed in the approach taken by the 2014 Quality Framework for Traineeships. It defines quality criteria to inspire national action in this direction, without explicitly linking these to the more specific legal arrangements, which is a national competence. As a result, the criteria that have been introduced have an added value, but mainly for Member States that had not regulated traineeships at all; the suggestion of a common set of quality criteria can then be used as input for national regulation.<sup>79</sup>

### 5.2. Limited scope of the Quality Framework for Traineeships

The 2014 Quality Framework for Traineeships only covers ALMP-financed traineeships and traineeships on the open market. As such, the quality criteria do not apply to traineeships that are part of curricula in formal education or vocational education and training, nor traineeships regulated by national law that are mandatory to access a certain profession. Of course, Member States may still decide to apply similar quality criteria to these types of traineeships, but the extent to which this is done is unknown and not monitored. The choice for limiting the scope of the Framework is based on the assumption that the lack of involvement of a third party between the trainee and host organisation means that there is no way to assure the quality of the agreement, unlike traineeships, for instance, where education providers or professional organisations determine the nature and content of traineeship agreements.

While traineeships that involve other organisations (as part of formal qualifications, or traineeships that are mandatory for certain professions) can be assumed to be of higher quality than others, this is not by definition the case. The ILO, for instance, highlights that mere involvement of an educational institution is not necessarily sufficient to ensure quality, and still considered it necessary to define a set of preconditions before one can assume good governance. This is also highlighted with the specific example of the so-called 'Good School' reform in Italy, as presented in the box below. This highlights some of the difficulties that may equally apply to traineeships where educational institutions are involved.

<sup>&</sup>lt;sup>77</sup> Rosin, A. (2017), <u>Labour law protection of trainees</u>, Annales Universitatis Turkuensis, Turku, Finland.

<sup>&</sup>lt;sup>78</sup> O'Higgins, N. (ILO, 2017), <u>Rising to the youth employment challenge</u>, <u>New evidence on key policy issues</u>.

European Commission (2013), Impact assessment accompanying the document proposal for a council recommendation on a quality framework for traineeships, <u>SWD(2013)</u> 495 final.

Stewart, A., Owens, R., Hewitt, A. and Nikoloudakis, I. (ILO, 2018), <u>The regulation of internships: A comparative study</u>, Employment working paper 240.

#### Implementation of the 'Good school' reform (Buona Scuola, Law n. 107/2015)

The so-called 'Good School' reform in Italy (Buona Scuola, Law n. 107/2015) and subsequent revisions introduced mandatory traineeship experiences in secondary education. The reform was received positively with respect to the aim of facilitating school-to-work transitions but attracted criticism in relation to implementation issues. Although an ex-post evaluation of the reform is not available and mixed views have been expressed as to its usefulness, elements of concern have been reported which include:

- difficulties with the setting up of the registry of companies accredited, lack of programming and school directors struggling to engage companies in suitable learning experiences;
- difficulties for students in less developed regions to travel the distance towards the hosting entity and cover the related costs;
- the 'union of students' association argued that, based on a (non-representative) survey involving 15 000 students in 2016, 57 % of the students declared they had done tasks that were not relevant to their education;
- students' demonstrations in over 70 cities;
- claims of 'instances of useless traineeships, exploitation and accidents at work' continuing to appear in newspapers, especially after cases of severe injuries of students involved in the traineeships in 2020 and 2021.

In response to such concerns, the number of hours required were substantially reduced (from 200 to 90 hours in lyceums, and from 400 to 150-210 hours in VET), in combination with additional guidelines on implementation and stricter oversight by labour inspectors.

### 5.3. Unequal access to traineeships and remuneration

Calls for fair remuneration in traineeships (or even potential 'bans' on unpaid traineeships) are increasingly being made, particularly for the open-market type of traineeships. Remuneration is less often mentioned in relation to other types; for instance, traineeships that are part of (formal) qualifications are generally not expected to provide remuneration to students, whereas for other types it often depends on the specific contexts and target groups. Employers that offer such unpaid traineeships generally point to trainees' lack of work experience, the cost of training and supervision, and consider the lack of remuneration as an investment by trainees in their own future. Depending on the specific legal status in Member States, this can be a common practice; the lack of remuneration is, in some Member States, actually the distinguishing factor between apprenticeships and traineeships.

Two types of arguments can be identified against unpaid traineeships. First of all, unpaid traineeships can result in abusive practices, which the European Parliament considered 'a form of exploitation of young people's work'. 81 The European Youth Forum adds a second argument, in which it highlights possible exclusionary and discriminatory effects of such traineeships, effectively only allowing individuals who can afford to work without being paid to gain practical work experience. 82 The use of unpaid traineeships as a gateway to highly competitive and well-paid professions in law, politics, creative industries and sciences therefore risks diminishing social mobility.<sup>83</sup> Considering that internships can provide relevant learning opportunities and complement formal education curricula with practical know-how desired by employers, equal access to internships is as relevant as equal

European Parliament resolution of 8 October 2020 on the Youth Guarantee, 2020/2764(RSP).

See, for instance, Collective Complaint brought against the European Committee of Social Rights: European Youth Forum v Belgium: complaint no. 150/2017, 12 June 2017.

Holford, A. (2017), Access to and Returns from Unpaid Graduate Internships, IZA Discussion Paper, no. 10845.

access to education itself.<sup>84</sup> In particular, the learning experience through unpaid open-market traineeships can have an exclusionary effect, as they are generally sought by graduates that are looking for (paid) employment.

# 5.4. No structured monitoring and enforcement of the Quality Framework for Traineeships

The choice of introducing the QFT in the form of a Council Recommendation has put the practical implementation and enforcement of its quality criteria firmly in the hands of Member States. In response to provisions in the Council Recommendation, the European Commission has collected self-reported evidence from all Member States about implementation of the quality provision in 2016. Beyond that, there are no mechanisms through which the European Commission can enforce the implementation, nor have additional studies been carried out by the European Commission to monitor progress. As a result, implementation has remained varied across the European Union, with Member States that already complied with its provisions, Member States that have to varying extents responded to the provisions, and Member States that are not in line with the provisions of the Council Recommendation.

Enforcement of the quality provisions in the framework also plays a role at national level. Because of the differences in legal status of traineeships across Member States and types (see above), labour inspectorates are not consistently involved or competent in verifying the quality or contents of traineeships. Eurofound underlines in a recent study that the legal uncertainty and lack of enforcement are key drivers of low-quality traineeships or even fraudulent practices. A recent European Commission study, for instance, highlights that some form of external control is organised for openmarket traineeships only in six Member States. Such controls range from the simple registration of contracts with a competent (national) body (e.g. for fiscal purposes) to more pervasive audit and inspection powers for dedicated services. See

See, for instance, European Parliament (2017), <u>Skills development and employment: Apprenticeships, internships and volunteering.</u>

Sanz de Miguel, P., Iudicone, F. and Biletta, I. (Eurofound, 2017), <u>Fraudulent contracting of work: Abusing traineeship status</u> (AT, FI, ES, UK), published 27 July 2017.

<sup>&</sup>lt;sup>86</sup> Kalvelage, G. (2021), Remuneration of Open-Market Traineeships in EU-27, Luxembourg, Publications Office of the EU.

## 6. European added value of further action

This chapter combines the findings on the current state of implementation of the Quality Framework for Traineeships with the identified root causes that have limited full take-up of its provisions across different types of traineeships and Member States. After an initial assessment of the needs towards a common understanding in Section 6.1, Section 6.2 presents a combination of policy options that explores various pathways to improve the quality of traineeships across the EU.

The policy options introduced in this chapter take the current situation as a starting point, and offer variation in the extent to which they further refine the evidence base, scope, content or enforcement of the Framework. Though to varying degrees, all seek to positively contribute to the further implementation of the existing quality criteria, which are listed for reference below:

- Written traineeship agreement: ensure that such agreements between trainees and employers contain sufficient information on educational objectives and working conditions.
- Mentorship and coherent learning objectives: encourage trainees to be given an appointed mentor, and be assigned to tasks that are coherent to a priori defined learning objectives.
- Transparency on working conditions: offer sufficient information to all trainees (also those that fall within general labour laws) about existing protection against accidents at work and health, as well as social protection and minimum legal standards.
- Reasonable duration: introduce a 6-month limit for traineeships in normal situations, unless explicitly justified.
- Proper recognition of learning: clarify in advance how the learning experience in the traineeship will be recognised.
- Transparency on hiring practices: ask employers to provide transparency at the start of traineeships on intended hiring practices.
- Involvement of social partners: formulate a role for social partners in improving the quality of traineeships.

### 6.1. Reviewing types of traineeships

Despite improvements in various Member States in recent years (see Chapter 4), continued differences in regulatory frameworks on how traineeships are defined show the need for further building a common understanding. As a starting point for further EU action, one could conceptually distinguish between types of traineeships, building on the case law distinction for workers. While this report builds on a classification of four broad types of traineeships (see Section 2.2), from a legal perspective the main distinction is between traineeships that fall within the concept of 'workers' (and are hence covered by EU legislation), and those that do not.

Before applying this dichotomy to different types of traineeships, it is important to highlight that all traineeships serve as some kind of stepping stone to the labour market, as well as having at least some reference to learning or training.<sup>87</sup> However, the balance of each can vary substantially; by definition, traineeships that are linked to (recognised) educational qualifications define the content and level of educational content in more detail and tend to be more tightly regulated, mostly by legislation in the sphere of education. Individuals in such traineeships are normally not considered 'workers'.

Refer also to the definition of traineeships presented in Section 2.1.

For other types of traineeships, be it open-market, traineeships financed by ALMP, or even mandatory traineeships for certain professions, the level of educational content is often less explicitly defined. The question of whether individuals in these traineeships can be considered 'workers' in the meaning of the CJEU case law depends much more on the specific conditions and legal frameworks in individual Member States, spelled out by legislation in the field of professional activity, social policy and labour laws.

This distinction has clear ramifications for the quality criteria that one takes into consideration for such traineeships. 'Educational' traineeships should primarily prepare trainees towards a qualification, so an assessment of quality requires specific quality criteria that explicitly reflect the quality of learning content. This logic is implicitly observed in the European Parliament's recent call for a ban on unpaid traineeships, where it explicitly includes a carveout for traineeships that are related to obtaining educational qualifications.<sup>88</sup> The logic for such an exception is that students are generally also not remunerated when they go to school. While the existence of certain minimum standards to avoid abuse is sensible, quality criteria for this type of traineeship should be primarily focused on defining the quality of the learning experience, rather than working conditions per se. Other types of traineeships, on the other hand, which are covered by frameworks related to professional activity, social policy and labour laws, depend on quality criteria that focus on the best possible contribution to trainees' future position on the labour market. This may also consist of a learning component but also depends on a certain level of working conditions and minimum requirements for traineeships.

### 6.2. Exploring policy options

Any further action at EU level should further build on an (updated) problem definition as presented in the impact assessment that underpins the Council Recommendation for a Quality Framework for Traineeships.<sup>89</sup> The main problems identified for traineeships across the EU relate to: (1) the quality of learning content of traineeships that are not related to educational programmes; and (2) the substandard working conditions which are linked to a lack of clarity on the applicable legal regimes.

While the previous section has shown the extent of progress in a number of areas, and for a number of Member States, many of these challenges remain as relevant as they were at the time of the impact assessment in 2013. This paper identifies a number of policy options that have the potential to broaden the European added value beyond that of the existing Council Recommendation (baseline).

- Additional data collection at European level, providing input for comparison and exchange of good practices, and subsequent mutual policy learning;
- A revitalised QFT through conceptual clarification (doing so brings certain traineeships more explicitly within the scope of the relevant EU employment legislation);
- A revitalised QFT through conceptual clarification and additional (differentiated) quality criteria;
- Increased enforcement by strengthening the legal status of the QFT.

Each of these possible policy options is presented in more detail below.

European Parliament resolution of 17 December 2020 on a strong social Europe for Just Transitions, 2020/2084(INI).

<sup>&</sup>lt;sup>89</sup> European Commission (2013), Impact assessment accompanying the document proposal for a council recommendation on a quality framework for traineeships, <u>SWD(2013) 495 final</u>.

## 6.2.1. Option 1 – Increased potential for mutual learning through an improved evidence base

This report shows the clear need for additional up-to-date data, collected through a structured and dedicated study that is able to gather original statistical data, as well as legal rigour. The distinction suggested above between educational traineeships and traineeships that focus on employment could serve as the basis of a more structured collection of data on the number and types of traineeships, which can inform policy responses at national and European level. This would offer clear added value to all Member States, given that existing data collection does not identify the incidence of traineeships across the EU, and still largely depends on a one-time Eurobarometer survey conducted in 2012. The current situation, where no up-to-date information is available at all, in fact offers an opportunity to shape data collection in a future study based on the more specific policy questions that need answering at the moment.

- Ambiguous categories, such as the definitions used in the one-time edition of the LFS, should be avoided (see Section 2.4). Doing so could allow a better understanding of which traineeships are predominantly focused on learning, or serve a different purpose. Such comparisons can contribute to building an understanding of different legal frameworks for traineeships, and how this impacts the position of trainees in such positions.
- Relevant questions to be answered in such a future mapping are, for instance, the number of traineeships that are not part of educational qualifications, but also do not offer the status of 'worker' (within the meaning of CJEU case law) to trainees.
- Similarly, such a mapping could also review the working conditions and requirements for traineeships that are part of education qualifications. This report has shown that openmarket traineeships are not necessarily the *only* type of traineeship with concerns about quality.

Informed by these elements, a renewed data collection effort that further builds on the comparative legal status of trainees across Member States offers added value to further refine the problem definition of possible future (EU) action. While no quantitative estimate can be attached to the value of having such information, it is a central prerequisite towards better economic estimates of future policy options. Also from a qualitative perspective, the insights gained from such an improved evidence base can further guide interactions between Member States, not only for exchanging good practice, but for mutual learning. Inspiration can be sought by the benchlearning process initiated by the Apprenticeship Support Services within the framework of the European Alliance for Apprenticeships.<sup>90</sup>

In addition, some of the details collected by the Eurobarometer on other quality criteria are in need of updating, such as information on length of contract, level of training content, remuneration and other working conditions. Such additional data collection can serve as valuable input not only when considering possible policy action, but can also serve as structured input for sharing experiences and practices, another area where the European Union offers clear added value to the work of individual Member States.

# 6.2.2. Option 2 - A revitalised QFT with similar quality elements but added criteria for conceptual clarification

As a second policy scenario, this can be considered to revitalise the QFT based on the developments and additional insights gained since its launch in 2014. The suggestions made above to conceptually clarify the legal status of trainees in Member States can be more explicitly included as a starting point

<sup>&</sup>lt;sup>90</sup> See, for instance, European Commission (2021), European Alliance for Apprenticeships.

for the QFT. Under this policy scenario, the scope can be kept similar, thus still not covering traineeships that are mandatory parts of qualifications and those mandatory for accessing certain professions. For the remaining 'types of traineeships', the quality framework can further build on the body of European legislation developed after 2014 and introduce criteria to help define whether certain types of traineeships fall within the meaning of 'workers', as defined by CJEU case law.

Such criteria for conceptual clarification, in combination with the existing overview of quality criteria in the QFT for these types of traineeships, can help build a better understanding of the status of traineeships in different Member States. This offers clear added value in comparison to the status quo, where the variety of different regulatory regimes complicates a clear comparison of traineeships – and hence an exchange of practices – across the EU. Additionally, this can help reduce obstacles for transnational traineeships and cross-border mobility, though such added value remains limited to the types of traineeships covered by the QFT, i.e. ALMP-financed traineeships and open-market traineeships. This added conceptual clarity can also further inform the additional data collection as suggested in policy option 1, which may be combined with any of the other policy options.

# 6.2.3. Option 3 – Strengthening the QFT through conceptual clarification, broadening the framework to all traineeships with additional quality criteria that differentiate per type of traineeship

Thirdly, a policy scenario may consider introducing the criteria for conceptual clarification from policy option 2, combined with adding other quality elements to the framework. The novel contribution of this policy option is its introduction of additional quality criteria. By doing so, it expands the likelihood that young people gain experience in quality traineeships.

While a great variety of such criteria can be considered, a starting point would be the elements that are formulated in EU legislation in relation to workers. Even if these criteria are already mentioned in a different context, including these in the QFT sends a clear message that such criteria apply unequivocally to traineeships as well. Also, criteria that are included in the QFT help shape the quality requirements of the (reinforced) Youth Guarantee, and as such contribute to setting a norm at European level. In a similar way in 2014, the QFT introduced the requirements that were already implicit in the Written Statement Directive (91/533/EEC) in the context of traineeships. <sup>91</sup> Doing so ensured that its requirements apply equally to trainees, even if they would not be defined as workers according to national legislation. This helps reduce legal uncertainty and underlines the commitment of applying such criteria to traineeships in particular.

The strengthening of the QFT through the inclusion of additional quality elements offers the opportunity to differentiate aspects of traineeship quality based on their objectives. The above already highlighted how the demands on quality traineeships that focus predominantly on learning may differ from traineeships where the focus is on gaining experience in employment. When deepening the quality criteria, it therefore seems sensible to differentiate these criteria by their main objective. Traineeships with a focus on learning and education, for instance, would benefit not only from supervisors (currently in the QFT), but also a minimum level of supervision by *qualified* trainers, based on detailed skill development plans and regular feedback and learning sessions. For the second type, other aspects of working conditions are more relevant, such as aspects on remuneration and social protection.

Such a differentiation should not diminish the importance of the existing QFT elements for all traineeships (such as the designation of a supervisor, definition of learning objectives, or limits to

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<sup>&</sup>lt;sup>91</sup> The Written Statement Directive is the precursor to the current Directive on transparent and predictable working conditions.

working time and other working conditions), but rather build an *additional layer* of quality criteria that can apply to different types of traineeships. Doing so essentially offers employers a choice:

- either ensure a fully **structured educational traineeship**, with the proper pedagogical support in addition to basic working conditions to ensure learning; or
- ensure working conditions that fully respect and protect the rights of trainees as workers.

Based on such a differentiation, it is no longer necessary for the QFT to limit the scope to traineeships on the open market or financed by ALMP: any type of traineeship could be assigned as either an education type, or work experience type of traineeship. The box below presents a brief overview of possible additional criteria than can be included for each type.

Table 2: Possible additional criteria for traineeships, by main focus

Education type of traineeships	Work experience type of traineeships			
<ul> <li>Minimum qualification requirements for in-company trainers/mentors</li> <li>Definition of anticipated learning outcomes, based on personal development plan, including follow-up and evaluation</li> <li>(Written) documentation of learning progress available</li> <li>Offer guidance and counselling based on individual development</li> <li>Internal quality assurance mechanisms to guarantee learning quality of traineeship</li> <li>Involvement of social partners in design and evaluation of conditions related to</li> </ul>	<ul> <li>Coverage by social protection schemes</li> <li>Guarantee a minimum wage</li> <li>Offer transparent and predictable working conditions</li> <li>Include right to redress and protection against adverse treatment</li> <li>Clarify potential for recruitment at outset of traineeship</li> <li>Involvement of social partners in the definition of working conditions offered</li> </ul>			
education				

### 6.2.4. Option 4 – Increased enforcement by strengthening the QFT's legal status

In addition to additional data collection (option 1), additional conceptual clarity on the types of traineeships (option 2), or a broadening and deepening of the QFT criteria (option 3), one could also consider measures that allow stricter enforcement of quality criteria for traineeships.

The existing QFT is introduced in the form of a Council Recommendation, a possibility under Article 292 of the Treaty on the Functioning of the European Union (TFEU). This means that, in response to a proposal from the European Commission, the Council adopted unanimously a measure that invites all Member States to introduce the QFT criteria in their legislation where relevant. This progress report on QFT elements since 2014 shows the limits of such an instrument; implementation does not necessarily take place in parallel across multiple Member States, nor has it been fully completed by 2021.

Alternatively, the use of a Directive can be considered to achieve a stricter enforcement of possible policy measures, allowing, for instance, the inclusion of deadlines for implementation, requirements on transposition and stricter monitoring provisions. This could be done through the introduction of a Directive on quality traineeships, laid down by Article 288 TFEU. Doing so could help streamline implementation of quality criteria across Member States, but would require passing a considerably stricter test on proportionality and subsidiarity than the existing Council Recommendation.

Due to limited competences conferred on the EU in the field of working conditions (laid down in Article 153 TFEU), and even more restricted competences in the field of education (Article 166 TFEU), it seems likely that a Directive would have to tone down considerably its ambitions in terms of scope. Only in the field of working conditions does the Treaty confer the possibility to adopt Directives on minimum requirements for gradual implementation, which always need to pass a strict test on subsidiarity and proportionality. This means effectively that the Directive cannot cover all types of traineeships, nor include criteria on the learning content.

### 6.3. Comparing policy options on their European added value

Based on the analysis of the current state of play of traineeships in the EU, including the size and scope (Chapter 2), the policy initiatives involved (Chapter 3), and subsequent developments in quality that can be observed (Chapter 4), this research paper explored the scope for further action. To do so, it reviewed a selection of areas where additional policy action could produce European added value for the quality of traineeships across the 27 EU Member States (Chapter 5). These areas were subsequently translated into concrete elements that could be combined in potential policy options through which the QFT can be further strengthened.

The potential of each of these policy options to contribute to the different areas of European added value were explored in the previous sections and are presented in the table below in a comparative overview.

Table 3: Overview of EU added value identified for each policy option

	Option 1 – collection of additional data	Option 2 – conceptual clarification	Option 3 – Broadening/ deepening QFT	Option 4 – Increased enforcement
Ability to share good practices	++	+	+	+
Refining common legal status for traineeships	+	++	++	0
Variety of traineeship types covered	0	0	+	-
Introduction of additional quality criteria for traineeships (remuneration, qualified trainers, etc.)	0	0	++	-
Uniformity of implementation of QFT criteria	-	0	+	++

Legend: - negative contribution, 0 no contribution, + positive contribution, ++ very positive contribution

Source: Developed by the authors.

The table shows how policy option 1, with its additional data collection and concrete bench learning activities, scores best against the EU added value dimension of sharing good practices. This European added value is mostly qualitative and cannot be systematically estimated. Through this sharing of good practices, Member States that consider reforming their approach to traineeships can learn from the existing variety and base their approach on those experiences that best connect to their own specific context. The EU added value of facilitating such exchanges is one of the most common ways in which the EU has made considerable achievements in the field of education.

Two separate policy options (options 2 and 3) contribute most directly to the definition of a common legal status for traineeships (option 1 more indirectly by producing insights into the extent of differences). In view of the currently persisting variety of legal frameworks and definitions, a more unified approach would facilitate the collection of additional data and allow comparing of policies and requirements across different Member States. In addition, this would also allow Member States to introduce more specific and common quality criteria that best fit different types of traineeships.

Policy option 3 proposes to broaden the scope of the QFT, by extending it to types of traineeships that are currently not covered, such as those that are part of education qualifications and those that are part of mandatory professional training. While this is, in theory, also a possibility for policy option 4, it is unlikely that a draft directive would pass a subsidiarity and proportionality test if it includes a broader – or even the current – scope of the existing QFT. Broadening the scope of the QFT is possible by differentiating additional quality requirements according to the objectives of different types of traineeships. In this regard, policy option 3 also has the potential to offer the highest European added value.

On average, the research literature suggests that young people in low-quality traineeships end up receiving about 10 % lower wages in the first 3 years of their careers, which tends to balance out later in their careers. Studies also point to other non-quantifiable short-term penalties for individuals in low-quality traineeships, such as lower job satisfaction levels and poorer job matches. From among the defined policy options, the attention in option 3 on expanding and deepening the scope of the QFT makes it the most visible contribution to reducing the number of low-quality traineeships, its negative effects and the estimated wage penalty of 10 % for most young people. The European added value of policy option 4, constrained mostly by subsidiarity and proportionality concerns, would be more limited, as it would be more likely to reduce the number of quality criteria included in legislation.

Finally, possible European added value can be achieved through a stricter enforcement of approaches to the quality of traineeships. Even though policy option 4 may be more limited in terms of scope and types of traineeship, it is the only policy option through which a Directive actually enforces the implementation of a common framework for quality in national legislation across Member States. As such, it has the potential to raise the visibility of the issue and make a specific contribution to the introduction of national legislation where legal frameworks are still not in place.

The above highlights the various aspects of European added value to which the variety of policy options can contribute. Depending on political priorities and ambitions, as well as the renewed insights that a future study on the quality of traineeships across the EU may produce, (combinations of) the suggested policy options can be developed in more detail in future legislative proposals.

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<sup>&</sup>lt;sup>92</sup> Cerulli-Harms, A. (2017), Generation Internship: The Impact of Internships on Early Labour Market Performance, IZA Discussion Paper Series, no. 11163.

<sup>&</sup>lt;sup>93</sup> Holford, A. (2017), Access to and Returns from Unpaid Graduate Internships, IZA Discussion Paper Series, no. 10845.

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### ANNEX I – Background to the mapping on quality

This annex complements the analysis on progress made by Member States towards the quality criteria for traineeships laid down, first of all, in the Council Recommendation on a Quality Framework for Traineeships.<sup>94</sup> The synthetic review in Chapter 4 brings together the findings from different studies and mappings, which are not separately referenced to avoid repetition. In using multiple sources for the same purpose, the researchers note the following methodological issues that complicate direct comparison and even sometimes a clear overview of progress:

- the legal basis for traineeships, in their different forms, varies markedly across Member States. More specifically:
  - the notion of traineeship is not standardised;
  - traineeships could fall under education, labour or social protection laws, depending on national legal frameworks. In addition, they might be governed by collective agreements or dedicated rules;
  - there are different kinds of traineeships which follow different rules and involve different actors;
- the QFT itself is at the crossroads of different legislative domains, involving as a minimum
   employment, social protection and health issues; and
- no specific reporting requirement was foreseen beyond the request for Member States to provide information, by 2015, on the legislative actions undertaken to comply with the QFT recommendation.

The diversity of approaches and legal bases, as well as the lack of monitoring arrangements on the issue, mean that a fully-fledged assessment of the quality of training in 2021 is complex and partly beyond the scope of this study. Accordingly, the aim of the section below is to review the evidence available as a first step towards a mapping of the progress towards quality traineeships, based on secondary sources. The starting point is therefore to assess the available sources, the extent to which they provide up-to-date information and their coverage of the concepts of quality of traineeships in terms of geographical as well as objective scope.

Table 4: Overview of relevant sources

Author	Title	Year	Aim	Geo. scope	Objective scope	Sources
Kaczmarski, M. <sup>95</sup>	General report on internship legislation	2018	Review the laws applicable to traineeships	EU-28	All forms of traineeships	General as well as sectoral laws
Sanz de Miguel, P., Iudicone, F. and Biletta, I. (Eurofound) <sup>96</sup>	Fraudulent contracting of work: abusing traineeship status (AT, FI, ES, UK)	2017	Identify fraudulent practices in traineeships	Austria, Finland, Spain, UK	Fraudulent practices in all forms of traineeships	Studies

<sup>94</sup> Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships, 2014/C 88/01.

Maczmarski, M. (2018), General report on internship legislation in Member States of the European Union, Strategic Partnerships for Higher Education – SPRINT-2017-1-FR01-KA203-037293.

Sanz de Miguel, P., Iudicone, F. and Biletta, I. (Eurofound, 2017), <u>Fraudulent contracting of work: Abusing traineeship status.</u> (AT, FI, ES, UK), published 27 July 2017.

Author	Title	Year	Aim	Geo. scope	Objective scope	Sources
Hempel, K. and Pantelic, S. <sup>97</sup>	A Framework for Quality Internships: Promoting Early Work Experience for Young People	2020	Review of the conditions under which traineeships work	World- wide	Mostly open- market traineeships	Studies
Georg Kalvelage (ICON) <sup>98</sup>	Remuneration of Open- Market Traineeships in EU-27	2021	Review MS policies on remuneration of open-market traineeships	EU-27	Open- market traineeships	Studies, the European Youth Wiki, legal provisions
Rosin, A. <sup>99</sup>	Labour Law Protection Of Trainees	2017	Discuss the definition of trainees (criteria), mechanisms to ensure their rights are respected, role of substantive law in preventing crossborder crimes	France, Estonia, Finland, Slovenia	All forms of traineeships	Legal provisions, decisions by the CJEU and national courts, labour dispute committees
Sienkiewicz, L. (DG EMPL) <sup>100</sup>	Traineeships under the Youth Guarantee: Experience from the ground	2018	Review the experiences of traineeships under the youth guarantee and MS practices	EU-27 (not system- atic)	All traineeships (mostly ALMP)	Legal texts, initiatives at the national level
Stewart, A., Owens, R., Hewitt, A. and Nikoloudakis, I. (ILO) <sup>101</sup>	The regulation of internships: A comparative study	2018	Taxonomy of traineeships and their prevalence, conditions under which they are effective, comparative regulatory assessment	13 countries, of which only DE, FR and RO in the EU-27	All forms of traineeships	Legal texts

Hempel, K. and Pantelic, S. (2020), <u>A Framework for Quality Internships: Promoting Early Work Experience for Young People</u>, Prospera Consulting.

<sup>&</sup>lt;sup>98</sup> Kalvelage, G. (2021), <u>Remuneration of Open-Market Traineeships in EU-27</u>, ICON, DG EMPL.

<sup>&</sup>lt;sup>99</sup> Rosin, A. (2017), <u>Labour law protection of trainees</u>, Annales Universitatis Turkuensis, Turku, Finland.

<sup>&</sup>lt;sup>100</sup> Sienkiewicz, L. (2017), <u>Traineeships under the Youth Guarantee: experience from the ground</u>, DG EMPL.

<sup>&</sup>lt;sup>101</sup> Stewart, A., Owens, R., Hewitt, A. and Nikoloudakis, I. (2018), <u>The regulation of internships: a comparative study</u>, ILO.

Author	Title	Year	Aim	Geo. scope	Objective scope	Sources
European Commission 102	SWD(2016) 324 final Applying the Quality Framework for Traineeships	2016	Review the progress towards implementing the QFT by MS	EU-27	Open- market and ALMPs	Info from MS, the independent assessment of experts of the European Employment Policy Observatory (EEPO), a synthesis report by ICF International

As can be seen from the overview, only three sources cover the EU-27 after the European Commission's 2016 review of the implementation of the QFT. In addition, it is highlighted that:

- in some cases, generalised statements are offered which do not distinguish among different types of traineeships;
- not all elements in the QFT are covered;
- reports sometimes categorise types of traineeship differently (e.g. according to the QFT implementation report there are no open-market traineeships in Italy, whereas the same trilateral traineeships are considered open-market in Kalvelage (2021)); and
- the focus differs: e.g. the QFT only indicates that, inter alia, remuneration conditions should be indicated, not that remuneration should necessarily be granted. More recent studies assess whether remuneration is granted.

This means that the possibility to gauge comparative progress after 2016 remains limited. As also indicated in detail in the main body of the report, this has important implications for any possible policy action; a more in-depth mapping of the more specific legal and practical situation of traineeships across the EU-27 would be necessary. Despite these limitations, the table below aims to bring together all available information in a systematic way. This means combining the systematic data from the 2016 mapping from the European Commission with the more anecdotal information from studies in the subsequent years. The main report presents the synthesis of these findings.

European Commission (2016), Applying the Quality Framework for Traineeships, accompanying the communication on the Youth Guarantee and the Youth Employment Initiative three years on, <a href="SWD(2016)324">SWD(2016)324</a>.

Table 5: Alignment of Member States' legislation with key principles of quality traineeship principles, according to existing sources

3		3		. ,		
Criteria		2016 review of C	FT implementation	2017 Youth Guarantee	Kaczmarski 2018	lcon 2021
		Open-market	ALMP	ALMP (not systematic)	All types of traineeships	Open-market
Conclusion of a written traineeship agreement		Full compl 11/23 Partial compl 3/23 Non compl 9/23	Full compl 24/27 Partial compl 3/27 Non compl 0/27	-	In 15/27 it is not compulsory	-
Clarity on learning and training objectives		Full compl 6/23 Partial compl 3/23 Non compl 14/23	Full compl 20/27 Partial compl 6/27 Non compl 1/27	-	-	-
	Remuneration	Full compl 12/23 Partial compl 5/23 Non compl 6/23	Full compl 24/27 Partial compl 3/27 Non compl 0/27	-	Pay is compulsory in 4 countries, possibility of scholarships in 3 countries, lack of legal convention or dispositions in the remainder	15/25 have a general obligation to pay, with only 3 of them having exceptions
Information on working conditions applicable to trainees, of which	Social security	Full compl 15/23 Partial compl 3/23 Non compl 6/23	Full compl 25/27 Partial compl 2/27 Non compl 0/27	<ul> <li>Lack of protection in</li> <li>8 MS – Unemployed</li> <li>6 MS – Sickness</li> <li>4 MS – Maternity</li> <li>7 MS – Old-age pension</li> <li>All countries seem to cover accidents and invalidity</li> </ul>	General social protection: 17 countries Accidents: 15 MS (but in some only for paid traineeships)	14/25 impose payment of contributions to social security, another 2 only accident insurance
Reasonable duration		Full compl 4/23 Partial compl 0/23 Non compl 19/23	Full compl 16/27 Partial compl 3/27 Non compl 8/27	-	12 MS do not have it, a few allow for more than 6 months	-
Proper recognition		Full compl 7/23 Partial compl 4/23 Non compl 12/23	Full compl 15/27 Partial compl 6/27 Non compl 6/27	-	-	-
Transparency on hiring practices over recent years		Full compl 1/23 Partial compl 2/23 Non compl 20/23	Full compl 3/27 Partial compl 6/27 Non compl 18/27	-	-	-

This European Added Value Assessment, commissioned by the European Parliament's Committee on Employment and Social Affairs, seeks to provide relevant inputs for the Parliament's legislative-initiative report, 'Quality traineeships in the EU' (2020/2005(INL)). The research paper aims to estimate the European added value of a reinforced 'Quality Framework for Traineeships'. During a traineeship, the trainee can learn things that are useful professionally. However, socioeconomic costs can arise if traineeships replace regular employment. Low-quality traineeships do not lead to significant productivity gains, and social costs can arise unpaid traineeships limiting the opportunities of those from disadvantaged backgrounds.

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