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Towards a job-rich recovery

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COMMISSION STAFF WORKING DOCUMENT

Quality Framework for Traineeships

Accompanying the document

**Communication from the Commission to the European Parliament, the Council, the
European Economic and Social Committee and the Committee of the Regions**

Towards a job-rich recovery

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1. INTRODUCTION

The rise of unemployment among young people (aged 15-24) has been dramatic: since 2008, the total number of young unemployed in the EU has increased by one million. There are now over five million young people in the EU-27 under the age of 25 who cannot find a job.

In this context traineeships can have a key role in increasing the access of young people to the labour market. Traineeships can bridge the gap between the theoretical knowledge gained in education and the skills and competences needed at a workplace and in this way increase to chances of young people to find a job.

Nevertheless, traineeships in some cases do not play the role they should: for several years now, concerns have been raised about the quality of traineeships. For instance, the organisations '*Génération précaire*'¹ in France and '*Generation Praktikum*'² in Austria have expressed serious concerns that traineeships may be abused as a source of cheap or free labour by employers that in many cases fail to provide the first step towards decent and sustainable work. This situation it is argued can in turn lead to a vicious circle of precarious employment and insecurity. In some Member States young people have set up initiatives for improving transparency of traineeships.³ In 2010 the European Parliament adopted an own-initiative report on 'Promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status'⁴, calling upon the Commission to propose a European quality charter on internships, to provide statistics on internships and to produce a comparative study on the different internship schemes existing in the Member States.

Most recently the European Youth Forum has presented a proposal for a European Internship Charter⁵, based upon an online consultation among young people. Results of the consultation suggest that in many countries the learning dimension of traineeships has been decreasing, with trainees being asked to undertake tasks which do not contribute to the advancement of their professional development.

The Commission has recognised the need to address these concerns. As a response, the Europe 2020 flagship initiative 'Youth on the Move'⁶ issued in 2010 announced that the Commission would propose a quality framework for traineeships including their transnational dimension, the role of the social partners and corporate social responsibility related aspects. In line with this commitment Member States in their Council Conclusions on Youth Employment of June 2011 invited the Commission to *provide guidance on conditions for high quality traineeships by means of a quality framework for traineeships*⁷.

In light of the further deterioration of youth access to the labour market, the Commission launched the '**Youth Opportunities Initiative**'⁸ in December 2011. One of the main actions of the initiative concerns the Commission's support for Member States to use the European

¹ www.generation-precaire.org

² www.generation-praktikum.at

³ E.g in Italy, see www.republicadeglistagisti.it

⁴ Rapporteur: Ms Emilie Turunen MEP, EP 2009/2221(INI), 14.06.2010.

⁵ www.qualityinternships.eu

⁶ COM(2010)477 final, 15.09.2010.

⁷ Council Conclusions 11838/11 'Promoting Youth Employment to achieve the Europe 2020 objectives'; 17.06.2011.

⁸ COM(2011)933final, 20.12.2011.

Social Fund more efficiently, among others for supporting traineeship places, as is already the case in some countries. In addition, Commission support to high quality transnational traineeships under the Erasmus and Leonardo da Vinci programmes will be increased in the remaining current programming period and a further increase of the budget will be proposed in the "Erasmus for All" programme starting in 2014. The Youth Opportunities Initiative also confirms prior Commission commitments to present a quality framework for traineeships in 2012.

Based upon the above and acknowledging that the provision of high quality traineeships requires the involvement of all relevant actors, enterprises in the first place, but also national authorities, social partners and representatives of youth and trainees, DG Employment, Social Affairs and Inclusion submits for consultation to all stakeholders this position paper. The aim is to build the necessary consensus for a common recognition of a quality framework on traineeships taking the form of a Council recommendation to be adopted before the end of 2012, as pointed out in Commission Communication '*Towards a jobs-rich recovery*'⁹. This staff working document commits only DG Employment, Social Affairs and Inclusion and not the Commission as a whole. The information contained in this document is only intended for consultation purposes and does not purport to represent or prejudge the final position that the Commission will take in relation to the topic covered.

2. SCOPE OF THE FRAMEWORK

There is no common European definition of **traineeships** and confusion often arises between the terms traineeships, internships and apprenticeships. For the purpose of the present initiative only the term 'traineeships' will be used, with the understanding that this refers to:

a work practice including an educational component (either as part of a study curriculum or not) which is limited in time. The purpose of these traineeships is to help the trainee's education to work transition by providing the practical experience, knowledge and skills that complete his/her theoretical education.

This initiative therefore concentrates primarily on traineeships that are part of higher education programs, as well as (generally postgraduate) traineeships that involve only the trainee and the employer. Transnational traineeships are also included in the scope of this initiative but it will **not cover apprenticeships**.

Although an apprenticeship has similar objectives as a traineeship described above, it is rather a systematic, long-term training of a technical occupation with alternating periods at the workplace and in an educational institution or a training centre. Moreover, in relation to apprenticeships, the employer assumes responsibility for providing the training leading to a specific occupation.

3. REGULATION AND ORGANISATION OF TRAINEESHIPS IN THE MEMBER STATES

As part of a pilot project initiated by the European Parliament, the Commission has commissioned a study on a 'comprehensive overview of traineeship arrangements in Member States' (referred to hereafter as 'the study').

⁹ COM(2012)173final, 18.04.2012.

This study will be available in May 2012 and shall provide a first full insight into relevant national policies and legislative frameworks, the supply, content and quality of traineeships. The main preliminary findings are set out below.

Overview of level of national legislation

In a large number of Member States there are either no regulations which explicitly address traineeships, or they are very limited, eventually included within other – typically education and training related – legislation¹⁰. Across the Member States that have a specific legislation, the common defining characteristics of traineeships are: (i) the general educational purpose; (ii) the practical element of learning; (iii) their temporary character.

Traineeships integrated in (higher) education curricula are generally more regulated. Traineeships offered on an ad-hoc basis by employers and taken up by young people after graduation on a voluntary basis tend to be less regulated.

In Member States where there are formal measures in place, the rules to ensure the quality of traineeships mainly concern:

- Pay
- social security coverage
- access to & quality of training
- trainee work experience
- risk of replacing regular staff.

For specific professions where the completion of compulsory traineeships is part of the mandatory professional training (typically medicine/nursing, law, education, architecture/engineering) regulations are developed by professional associations in almost all Member States. However, even these regulations do not always provide a guarantee for the quality of the traineeships. Italy for example stands out for its highly regulated framework for liberal professions, but in practice the way traineeships take place differs widely from the legal provisions.

Overview of access to / availability of traineeships

Across the European Union an increasing focus is being placed on traineeships and practical work experience as key tools to help young unemployed or young graduates in their transition to work¹¹. In Southern and Eastern Europe these schemes are often (at least partially) supported by the European Social Fund. Many of these aim at increasing the take up of traineeships through subsidies to employers, contribution towards social security payments or providing compensation and allowances directly to trainees.

In general there is a strong push towards integrating traineeships and practical work placed training into study curricula, either compulsory or optional. In these types of traineeships the

¹⁰ E.g. in AT, CY, CZ, DE, EL, IE, LU, MT, PL, PT, SK, UK.

¹¹ E.g. BE, CY, DK, EE, EL, ES, IE, FI, FR, HU, LT, LU, LV, MT, NL, PT, PL, SE, UK.

monitoring and quality assurance is often ensured by the educational institutions, the clear learning objectives and the more motivated companies. However there is a shortage of such placements due to weak links between educational systems and the labour market, and the difficulties of SMEs in mobilising internal resources in order to manage and mentor trainees. On the other hand, in some countries employers are concerned that the educational system is unable to meet their skills needs (EL, LV, RO, UK). This clearly calls for the need to enhance partnerships between businesses and education institutions in order to increase the number of traineeships as part of study curricula.

Work placements abroad are a specific form of traineeships. The Eurobarometer *Youth on the Move (2011)* shows that transnational learning helps young people become familiar with and adapt to the requirements of the EU labour market, developing not only language and specific professional and vocational skills but also the "soft skills" such as team working, self-confidence and adaptability which are considered crucial for a successful transition from education to work.

The recently adopted EU benchmark for learning mobility¹² sets ambitious targets; at least 20% of higher education and 6% of initial vocational education and training graduates should have had a period of study or training (including work placements) abroad by 2020. This benchmark cannot be reached by the EU programmes alone, but will need considerable support through national actions. It is therefore crucial to ensure that these traineeships are of good quality, providing relevant learning opportunities.

A recent study commissioned by the Commission¹³ confirms the need for action to facilitate transnational mobility of trainees. Priorities identified by the study refer to the need for further clarifying the contextual, legal and regulatory differences between Member States which affect transnational traineeships, improving access to information and introducing more concrete requirements and criteria for the overall organisation of traineeships abroad.

¹² Council Conclusions on a Benchmark for Learning Mobility: 2011/C372/08 OJ 20.12.2011.

¹³ Study on a possible framework to facilitate transnational mobility for placements at enterprises, GHK for the European Commission, April 2011.

Main gaps / issues for concern related to the quality of traineeships

With regard to the quality of traineeships, questionable practices are reported across Member States, with little variation by types of regulatory regime. The main concerns across all Member States relate to:

- low pay, low protection and rather poor terms and conditions,
- lack of high quality learning content,
- the use of trainees to carry out mundane work, and
- the substitution of trainees for regular employees.

In a number of countries concerns about traineeships are related to broader concerns about **young people becoming trapped in precarious or unstable work** (e.g. EL, ES, FR, IT, LT, PL, PT, UK). Questionable practices also appear to be particularly driven by the poor labour market position of young people which allow employers to ‘take advantage’ of those who are struggling to gain entry to employment. This is particularly the case in countries and sectors where there are large numbers of young people trying to find work.

It is a common practice to cover a traineeship with a contract in 19 Member States, but a minimum wage requirement exists only in 11 Member States. The **learning content** of a traineeship is most likely to be formally defined where an educational institution is involved. However traineeships involving just the trainee and the employer often lack content definition. This does not necessarily mean that these placements are entirely devoid of structure and content. For example in the UK many employers voluntarily provided well-structured traineeships with pre-defined content. However, evidence suggests a high degree of variability in this area. Even in Member States where regulation exists to define the content of traineeships (e.g. AT, LU) there are concerns that employers do not always abide by these rules.

One of the most worrisome points in relation to traineeships is the **lack of proper social protection coverage** (most often only health, and in some cases occupational risk/accident insurance is being offered to the trainee). It is however worth noting that traineeships which form part of government sponsored programmes increasingly oblige employers to pay the trainees’ social security contributions, either in full or in part through subsidies (e.g. in CY, EL, PL).

Written traineeship contracts are generally offered to trainees, but there is a wide variation in the characteristics of these contracts (and thus the rights) between countries and across sectors. Furthermore, there is no common definition of what is an “appropriate” remuneration. The **lack of compensation or low pay** and the prospect of exploitation are general concerns mainly in the case of traineeships in the open market and mandatory professional training schemes.

The risk of substituting regular employment by traineeships is greater in Member States with high unemployment and/or unfavourable labour market conditions for young people (e.g. EL, ES, IT, PT). However using traineeships as free labour is a growing phenomenon also in other countries, where **young people might have to do several traineeships** before they find a proper job.

Finally, the abuse of trainees is more common where there is a lack of monitoring and clear traineeship linked objectives. In addition, statistics show a considerable **gender pay gap** in traineeships with a larger proportion of women in unpaid or low paid placements.

4. TOWARDS A QUALITY FRAMEWORK FOR TRAINEESHIPS

Awareness of traineeship quality issues and potential abuses is increasing in the EU and there are some attempts to implement specific quality frameworks to deal with these matters (e.g. AT, EL, FI, FR, IT, and UK).

An EU-level quality framework, elaborated in cooperation with government representatives, the social partners, youth organisations and all further relevant stakeholders, could largely contribute to the increase in the quality of traineeships within the EU. Promoting good quality traineeships contributes to meeting the objectives of the Europe 2020 strategy, in terms of facilitating good labour market transitions and promoting and facilitating geographic mobility for young people.

The following elements build on the findings of the study and on existing best practices in Member States and could be considered for developing such a framework:

(a) Conclusion of traineeship agreement

Both the study on a 'comprehensive overview of traineeship arrangements in Member States' and the questionnaire of the European Youth Forum reported that for a large part of traineeships (25% of those who responded to the survey of the European Youth Forum) no agreement is concluded between the trainee and the host organisation. This creates a situation where the trainee is not defended by law while the host organisation cannot be sure about what contribution the trainee is going to make. The traineeship agreement should be the basis of all traineeships and should cover the professional and learning objectives, the duration and, where applicable, the rate of remuneration/compensation. Such requirements are already applied by the training agreement and the quality commitment used in the Erasmus and Leonardo da Vinci programs. These are based on the principles of the European Quality Charter for Mobility¹⁴, adopted by the European Parliament and Member States in 2006.

(b) Definition of professional and learning objectives and tutoring/guidance

Traineeships with well-defined professional and learning objectives are much more likely to contain useful educational elements thus helping the trainee to find a job after the traineeship. Besides the need for clearly defining the professional and learning objectives of the traineeship a personal supervisor should be designated in the host organisation for each trainee that is hosted. The supervisor figure should monitor the trainee's progress and explain general work procedures and techniques. The supervisor should also provide feedback to the trainee about his/her performance in the form of mid-term and final evaluation.

¹⁴ Recommendation 2006/961/EC of the European Parliament and of the Council on transnational mobility within the Community for education and training purposes: European Quality Charter for Mobility, OJ L394 of 30.12.2006.

(c) Proper recognition of the traineeship

Evidence gathered shows that traineeships too often end without a proper certificate stating the knowledge, skills and competences acquired during the traineeship. Upon completion of the traineeship, the trainee should receive a certificate stating the duration and educational content of the traineeship, the tasks performed, as well as the knowledge, skills and competences acquired. In order to record knowledge and skills acquired in another country, the Europass mobility document might be considered as a suitable tool¹⁵.

(d) Reasonable duration

The replacement of regular workers with trainees is increasing. In order to reduce this trend it is important that the duration of traineeships is clearly established so that they can fulfil their role of a tool enabling a smoother transition into the labour market. In general, a three to six months traineeship period is deemed appropriate depending on the type of traineeship (part of an education/training programme or undertaken after graduation). Exceptions can include special occupations like lawyers, teachers, and medical doctors.

e) Adequate social protection and remuneration of the trainee

One of the most serious problems reported is that trainees often do not have adequate social protection in the country of their traineeship (in particular general health and accident insurance cover).

Good-quality traineeships need not necessarily be paid. During the trainee's studies, unpaid traineeships may be appropriate, provided the trainee has social security cover. In such cases, reimbursement of expenses or in-kind support (e.g. travel, meals and accommodation) is recommended. For post-graduate traineeships, remuneration is recommended in general, since the trainee already has a job-qualifying degree and no longer enjoys student status. Furthermore, low-paid or unpaid traineeships lead to situations where those who do not have the necessary financial/family etc. background, are deprived of this way of gaining work experience.

(f) Transparency of information on rights and obligations

The rights and obligations of the trainee, the employer and, where applicable, the educational institution should be transparent and clear to all parties. Up-to-date information on legal and other provisions applicable at European and national level should be easily available in a comparable format to all parties involved in organising and taking up traineeships. The difficulty of accessing reliable and complete information on these provisions across all Member States is one of the major obstacles to organising transnational traineeships.

¹⁵ http://www.europass.ie/europass/euro_mob.html

5. THE WAY FORWARD

The Commission has expressed at several occasions its commitment towards presenting a quality framework for traineeships. With the present consultation document¹⁶, DG Employment, Social Affairs and Inclusion prepares the ground for a Commission proposal on a Council Recommendation for such a framework before the end of 2012.

All concerned stakeholders are invited to react on the main elements set out above and in particular on:

1. The scope of the initiative,
2. The form that such an initiative should take at the EU level, and
3. The main elements that determine high quality traineeships and that should be part of the quality framework.

Reactions can be sent to EMPL-QUALITY-STAGES@EC.EUROPA.EU

Alternatively, for those without web access, responses can be sent by post to:

European Commission
Directorate-General for Employment, Social Affairs & Inclusion
Consultation on a Quality Framework for Traineeships
Unit C3
rue Joseph II 27
B - 1040 Brussels

Deadline for responding: 11 July 2012

¹⁶ The information contained in this document does not purport to represent or prejudge the final position that the Commission will take in relation to the topic covered.