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PART 2/2

COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT REPORT

ANNEXES

Accompanying the documents

Proposal for a Directive of the European Parliament and of the Council on improving and enforcing working conditions of trainees and combating employment relationships disguised as traineeships

and

Proposal for a Council Recommendation on a reinforced Quality Framework for Traineeships and replacing the Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships

{COM(2024) 132 final} - {COM(2024) 133 final} - {SEC(2024) 97 final} - {SWD(2024) 66 final} - {SWD(2024) 68 final}

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ANNEX 1. PROCEDURAL INFORMATION

1. Lead DG, Decide Planning/CWP references

   The lead DG is DG EMPL, DG Employment, Social Affairs and Inclusion.

   Agenda planning: PLAN/2023/1510.

   Work Programme 2023 reference: An Economy that Works for People; Policy Objective No 28: Fostering better traineeships; Initiative: Reinforced quality framework for traineeships (non-legislative and/or legislative, Q2 2023).

   The legislative proposal is to be adopted in a package with: PLAN/2023/1996 - Proposal for a Council Recommendation on a reinforced Quality Framework for Traineeships

2. Organisation and timing

   An Interservice Steering Group (ISSG) was accompanying the work on the initiative. In addition to EMPL, representatives from SG, AGRI, CNECT, COMM, EAC, ECFIN, GROW, JRC JUST, REGIO and SJ were appointed to the ISSG. This ISSG was previously supporting the evaluation of the 2014 QFT Recommendation.

   The ISSG met five times (21 October 2022, 14 March 2023, 6 July 2023, 8 November 2023, 14 December 2023) to discuss the study supporting the Impact Assessment, the Art 225 own-initiative resolution of the European Parliament, the options to define the future initiative, as well as the draft Impact Assessment.

   The Analytical Document accompanying the second phase consultation of social partners, on which the Impact Assessment is based, together with the second stage consultation document, was adopted via a fast-track Interservice Consultation (ISC) meeting on 21 September 2023 (DGs present: SG, EMPL, AGRI, COMM, EAC, ECFIN, SJ). The first phase consultation document went through a shortened ISC on 20-27 June 2023 (DGs consulted AGRI, BUDG, CNECT, COMM, DGT-EDIT, EAC, ECFIN, ESTAT, GROW, JRC, JUST, REGIO, SANTE, SG, SJ), and was adopted via urgent written procedure on 11 July 2023.

3. Consultation of the RSB

   The Impact Assessment report was reviewed by the Regulatory Scrutiny Board (RSB) on 13 December 2023. The RSB delivered a negative opinion and, after examining the resubmitted version (submitted on 1 February 2024), delivered a positive opinion with reservations on 22 February 2024. . The revisions introduced in response to the RSB opinion are summarised in the tables below.

(a) First RSB opinion

RSB main reservations	Changes done in the IA
(1) The report should clarify the intended scope of the initiative in terms of types of traineeships covered. It should better explain why the envisaged single regulatory approach would encompass a variety of employment and/or educational relationships with different characteristics and objectives, including regarding paid versus unpaid traineeships.	A new section 5.1 was added where the personal and material scopes of the policy options are clarified. Also, an explanation is provided on the limits for EU action and how this affects the scope of the proposed measures. In section 5, for each measure, the intended scope is clarified by describing which types of traineeships are covered and whether it concerns paid or unpaid traineeships. In section 2 on the problem definition and in the newly regrouped Annex 10, where possible, the problem is presented by type of traineeships and separately for trainees considered as workers (proxied by paid trainees) and trainees who are non-workers (unpaid trainees). This demonstrates that the problem is common among all types of traineeships, but to a varying degree. On the basis of this analysis in section 5.1, an explanation is provided on why one single regulatory approach is adopted for all types of traineeships. It is also clarified why different regulatory approaches are envisaged for paid and unpaid traineeships.
It should define what is considered a "quality" or non-problematic traineeship, and whether the relevant parameters differ by category of traineeship.	In the introduction to section 2.1, definitions are provided on how the following terms are used in the IA report: "non-problematic traineeship"; "problematic use of traineeships"; "quality traineeship" and "poor quality traineeships". An explanation is also provided on parameters used to identify each of these categories.
It should justify the single approach on the proposed duration for all types of traineeships, while being clearer on the scope of justified exemptions and flexibility given to Member States to reflect adequately national conditions	A justification for the approach on duration was added at the beginning of section 5.3.2. In the description of Policy Options A2.1 (non-legislative) and A2.2 explanations were given on the scope of justified exemptions and flexibility given to Member States.
It should explain the difference between the treatment of trainees considered as workers and others.	A new section 5.1 on the personal scope of the options, including an explanation of the different treatment of trainees, was added. Furthermore, a new section was added in the introduction of section 2 explaining the different possible labour market statuses of trainees at national level and in which cases a trainee is considered as a worker under EU law.
The report should use clearer, more specific language when describing non-quality traineeships, and in particular disguised work.	The term "work relationship disguised as a traineeship "was introduced to refer to situations of "disguised work". In the introduction to section 2.1 the difference between "non-quality traineeships" (i.e., poor quality traineeships) and "disguised work" is explained and definitions were added. The consistency on the use of such labels to address the problems throughout the IA report was ensured: i.e., the term "work relationship disguised as a traineeship" is used to refer to "disguised work" and the term "poor quality" for "non-quality traineeships".
(2) The report should be more transparent about the limitations and robustness of the supporting evidence.	In the introduction to Annex 4 a summary on the limitations and robustness of the supporting evidence was added with specific references to subsections where these issues are discussed in detail. Also, a new section was added in the introduction to section 2.1. where these issues are outlined.
It should elaborate on the scale of the problems and differentiate between	Throughout section 2.1 on problem definition, where possible, an analysis of the scale of the problem is presented by type of traineeships. In section 2.3 an analysis of the problem drivers is also

the specific problems affecting each type of traineeship covered.	presented by type of traineeships on the basis of the results of the legal analysis. Annex 10, which has been renamed 'Problem definition by type of traineeships' comprises now all relevant more detailed information in one place.
It should clarify to what extent level playing field and unfair competition issues play a role and what the available evidence on this regarding traineeships is.	In the introduction to section 2.1.1 and in section 2.2 it was clarified that the problematic use of traineeships leads to uneven playing field and unfair competition among companies. A conceptual explanation of the issue has been provided.
It should be clear whether some geographical regions or specific sectors might be significantly more affected by the problems than others, and if so, explain why no more targeted measures were considered.	In the introduction to section 2.1 a paragraph was added on the sectoral and geographical distribution of the prevalence of traineeships. In section 2.1.1 some evidence from the literature is provided for some Member States and sectors. In Section 2.1.2 evidence is provided by sectors based on the study supporting the evaluation. Annex A7.4 was also strengthened with additional data on sectoral distribution. In section 5.1 it has been clarified that similar problems have been identified for all economic sectors therefore, more targeted measures were not considered.
The report should provide a realistic and balanced picture of the problems' evolution supported by robust evidence.	Section 5.1 of the report was strengthened in order to provide a more realistic and balanced picture of the problem's evolution. More specifically, we added an overview on drivers of labour shortages in the EU, and how the "race for talents" could explain certain improvements between 2013 and 2023. We discussed that the emergence of labour shortages seems to concern only certain sectors and that in certain occupations poor working conditions do not seem to be offset by the "race for talent." We also clarified that, in a foresight perspective, the above structural drivers will continue to play a significant role, but we also argued that a quick and even increase in the quality of traineeships will not materialise, without improvements to the current QFT.
(3) The report should explain whether some Member States have been able to tackle the problems identified, and if so, how has this been taken into consideration. It should explain why national rules regulating the aspects covered by the initiative are not sufficient or not adequate.	References to existing policies of Member States to tackle some of the problems the initiative aims to address have been included, also in Section 3.2. These have mainly been identified in the legal analysis (Annex 9) and stakeholder contributions and have inspired the design of the options. Additional information and explanations on gaps in Member States' policies and regulations to tackle the identified problems are provided in Section 2 and Section 3.2, drawing from the findings of the 2023 evaluation of the 2014 QFT, the legal analysis conducted in support of the impact assessment report and stakeholder contributions.
The views of all stakeholders should be clearly and consistently recorded throughout the analysis.	The views of different stakeholders are now more clearly presented throughout the report. In particular, the views of employer associations have been better integrated based on the results of the two-phase social partners' consultation and the evaluation of the 2014 QFT. The evaluation was also used to present more clearly the inputs from national authorities from Member States. Finally, the different and sometimes contrasting views of stakeholders (including social partners) have been referred to more explicitly.
The report should demonstrate why legislative action at EU level is necessary and justified. It should elaborate on the EU value-added and should explain how differences among Member States and their respective labour markets and governance regimes will be considered.	Additional information and explanations are provided in Sections 3.2 and 3.3. The presentation of policy options and the comparison of options have been revised to explain how the specificities of Member States' national regulations, including in particular enforcement regimes and (professional) education and training systems, are considered. The assessment of binding and non-binding policy options was revisited in light of proportionality considerations.

(4) The report should provide a more developed and dynamic analysis of the baseline that adequately reflects all available evidence on the likely evolution of the labour market and the offer and conditions of traineeships in the EU. It should better incorporate foresight analysis on the broader demographic and labour market trends, such as the increasing scarcity and race to find and retain talent, the observed increased rates of paid and cross-border traineeships, and the economic incentives for employers to invest in quality traineeships in view of expected productivity and competitiveness benefits.	Section 5.1 of the report was strengthened in order to provide a more realistic and balanced picture of the problems' evolution and to integrate foresight analysis. More specifically, an overview on drivers of labour shortages in the EU and an explanation of how the "race for talents" could explain certain improvements between 2013 and 2023 were added. The section clarifies that the emergence of labour shortages seems to concern only certain sectors and that in certain occupations poor working conditions do not seem to be offset by the "race for talent."
(5) The report should include estimates of costs and benefits of the options. The cost-benefit analysis should provide monetised estimates to the extent possible, presenting total costs and benefits, as well as administrative and adjustment costs. This should include the estimates of the increase of labour costs to businesses resulting from the requirement to provide fair and proportionate renumeration for trainees considered workers and the recommendation to provide fair and proportionate remuneration and access to social protection for all trainees. The report should also provide the estimates of the costs to businesses to undergo inspections.	Section 6 of the report has been strengthened with rough proxy estimates for quantification/monetisation of benefits and costs of the options, to the extent possible. A summary table of the main costs and benefits which were possible to quantify was included at the end of section 6. All cost and benefits are also presented in tables in annex A13.3. This includes costs to businesses resulting from the requirement to provide fair and proportionate renumeration for trainees considered workers and the recommendation to provide fair and proportionate remuneration and access to social protection for all trainees. It was clarified in the report that the costs for businesses to undergo inspections are expected to be negligible as they will take place in the framework of business-as-usual operations.
The analysis should better explain the uncertainties and more clearly present the costs and benefits that result from the Directive and the Recommendation by adequately reflecting biding and non-binding nature of the measures.	In the introduction to Annex 4 a summary of the uncertainties regarding estimation of costs was added with specific references to subsections where these issues are discussed in detail. In the introduction to Section 6 a paragraph was added explaining the limitations and robustness of the supporting evidence for the quantification/monetisation of impacts with reference to Annex 4 where more information is given on the limitations of the underlying data. A table has been added to the end of Section 6 and in Annex A13.3 where the costs and benefits that result from the Directive and the Recommendation are shown.
(6) The report should include a more developed and better substantiated analysis of unintended consequences. It should be clearer how the different options could affect the availability of traineeships. It should comprehensively assess the risk of a reduction in the number of quality traineeships due to higher costs to employers. It should examine potential impacts as regards the	Section 6.9 on unintended consequences was added. While it is not possible to quantify the impacts on the future offer of traineeships and the risk of potential shifts from paid traineeships to unpaid traineeships, the discussion was developed and the section takes into account the different impact per type of traineeships, stemming from the existing regulatory approaches and practices at national level.

future offer for trainees and the risk of a potential shift to the less regulated traineeships.	
It should also assess whether treating traineeships differently, based on their worker status, could affect the level playing field.	A discussion was added in section 2.1 where it is highlighted that the diversity of national systems with regard to the classification of trainees results in considerable differences in trainees' access to labour rights and social protection. This situation also puts unpaid trainees (vis-à-vis paid trainees) and providers of paid traineeships (vis-à-vis their competitors providing unpaid traineeships) at an unfair disadvantage. Furthermore, in section 5.1 it is explained that due to limitations in the legal basis the EU can only propose binding measures for trainees considered as workers under EU law. Taking into consideration concerns that this could affect the level playing field, the preferred option includes a proposal for a Directive for trainees considered workers and a Recommendation for all trainees. This combination is expected to level the playing field. Also, trainees who are non-workers could benefit from spill-over effects of the legislative measures. Thes arguments were presented in section 8.
The report should present the impacts on competitiveness of the most affected sectors and actors, in particular SMEs. It should also present in concrete terms the envisaged support for SMEs and assess mitigation measures for SMEs.	Qualitative assessment of the impact on business competitiveness (including for SMEs) have been added as relevant in the report (sections 2.1.1, 2.2, 2.3.2, 2.3.5, 3.3) with explanations of the potential short- and long-term effects of relying on cheaper labour. More details on the SMEs, including suggestions on how the support measures could be used to the benefit of SMEs, as well as a justification for the lack of exemption measures for SMEs, were added in section 5.7 and 6.
(7) The report should assess and compare all relevant options including a fully non-legislative option.	A fully non-legislative option was integrated for areas A and B (sections 5.3 and 5.4), whereas the options in areas C and D were already non-legislative only. Their impacts are presented respectively in areas A and B in the impact section (6.2 and 6.3) and included in the comparison of options (section 7). In light of this change and in view of proportionality considerations, the options in areas A and B have also been slightly restructured and reconsidered.
It should provide a substantive discussion and comparison of the options in terms of proportionality. It should explain thoroughly how proportionate the options are, given the uncertainty on the scale of the problems, the expected benefits, and costs, as well as broader subsidiarity considerations.	The new section 7.4. on proportionality assesses how the considered options match the identified problems and objectives, considering in particular the scale of the problems, the expected benefits and costs, and the potential and necessary scope for national action. The summary overview of the ratings of the options is provided in Table 2 while more details are provided in Annex A13.2.

(b) Second RSB Opinion

RSB main reservations	Changes done in the IA
(1) While the revised report better acknowledges the limitations of the evidence base regarding the scale of the problems and the expected impacts of measures, it does not	New paragraphs have been added in the introduction of sections 7 and 8 to explain that, while the quantitative evidence on the impacts of the options is subject to some data limitations (as explained in the introduction to sections 2.1 and 6, and Annex 4), the conclusions in this report are based on triangulated evidence from different sources

systematically reflect such limitations throughout the analysis and in the findings. It should qualify its conclusions according to the validity of the underlying evidence, in particular where alternative views might be equally plausible.	(as described in Annex 4) which ensures the validity of the conclusions. Furthermore, sections 7 and 8 have been revised to further align them with the narrative in the rest of the report.
When relying on stakeholder views and surveys, the report should address the risk of biased responses.	The text at the end of section 2.1 (right before subsection 2.1.1) was changed to clarify that the analysis was conducted in full awareness of the inherent subjectivity of some data sources, as well as of the fact that not all data sources are statistically representative. A short explanation was added at the beginning of section A4.10 of the Annex ("Methodologies for Stakeholder Consultation") with a reference to the relevant Better Regulation Tools (51-55).
As the report argues that the problems seem to be more prevalent in certain sectors or certain Member States and less in others where there seem fewer quality issues, this should be better reflected in the analysis.	Section 6.1 has been revised to clarify that the expected impact will be stronger in Member States and sectors where the prevalence of trainees is more pronounced (assessment by type of traineeship where available). Also, it has been explained that the impacts will be stronger for sectors where, despite labour shortages, working conditions have not been improving. Section 6.2 was also revised to include information regarding the sectors which would potentially benefit more. Finally, section 6 was revised by presenting, where possible, a list of Member States which are likely to be more impacted by the different policy options.
(2) The report should better and more consistently assess the relevance and significance of level playing field and unfair competition issues argued to result from the problematic use of traineeships. It should be more consistent in reconciling its assessment on the importance of unfair competition, with the small overall percentage of trainees in businesses and the resulting small impact on competitiveness. It should explain the potentially conflicting argumentation on the substantial role of competition issues, and how these will affect businesses. It should, in addition, substantiate with evidence their significance in view of the diversity of national labour market regulatory approaches, and the differences of labour costs between Member States.	It was clarified throughout the text (sections 2.1.1, 2.2, 3.2, 3,3, 5.2, 5.7, 6.2.2, 6.3.2 of the main report; section A5.2 of the Annexes) that although the size of the (current and projected) population of trainees is relatively small compared to the overall working population, a suboptimal use of traineeships could in principle have a disproportionately negative impact on businesses, which rely on young talent and an innovation-friendly mindset for their growth. Where appropriate (e.g., section 5.7), it was also clarified that to the extent that a lack of EU action could (even indirectly) encourage a competition based purely on labour cost, this would constitute an undesirable dynamic, which should be avoided irrespective of the relative prevalence of traineeships. It was also mentioned (see section 3.3, 6.6) that this impact would arguably be more noticeable in those Member States where the problems identified in the analysis are more pronounced (as detailed in Annex 9 of the report). Finally, in section 6.2.2 it was clarified that expected economic benefits for traineeship providers in terms of level playing field/fair competition would be proportionate to the number of trainees in problematic traineeships, who will benefit from the initiative.
The report should better assess the effect of additional binding measures envisaged for paid traineeships on the level playing field between "worker trainees" and "unpaid trainees".	In section 6, for each of the binding measures (i.e. A1.2, A1.3, A2.2, B1.2, B1.3, and B2.2), the (possible) impact on the level playing field between "worker trainees" and "unpaid trainees" has been described.

It should further assess potential unintended consequences, such as the risk of having fewer traineeships.	Section 6.9 was slightly revised to avoid giving the impression we are underestimating certain unintended consequences, in particular the risk of having fewer traineeships (at least for some types of traineeships).
(3) The report should explain if other combinations of measures than the preferred combination have been assessed and whether the latter is overall the best performing one.	A paragraph was added in the introduction to section 5.1 where the approach to building policy options and assessing the impacts was explained. It is clarified that no other combinations of measures have been assessed besides the preferred combination. The policy options were structured under four different areas in order to establish a clear link between the identified problems and policy options. For each area, a number of alternative policy options were identified which were assessed and compared against the baseline scenario and one preferred option was identified for each area. These four preferred options were combined to form the preferred option for the overall initiative for which the combined effects were assessed in section 8.
The report should better explain what differentiates the two legislative options B1.2 and B1.3 and their impacts.	The description of the legislative options B1.2 and B1.3 in Section 5.4.1 of the report was revised in order to clarify the difference between option B1.2 (which incorporates non-legislative option B1.1 and introduces the principle of non-discrimination for all working conditions, including remuneration) and option B1.3(which implies a binding measure introducing an individual right to fair/proportionate remuneration, but does not bring any protection as regards other working conditions beyond remuneration). The description of the social (Section 6.3.1) and economic (Section 6.3.2) impacts of options B1.2 and B1.3 was adapted accordingly, clarifying that, in terms of costs and benefits, similar impacts can be expected for both options as regards remuneration. It was also clarified that, unlike option B1.2, option B1.3 cannot be expected to produce any benefits or costs related to other working conditions beyond remuneration.
The tables with the detailed comparison of options in Annex 13 should be brought forward in the main report.	The tables with the detailed comparison of options in Annex13.2 were included in section 7 of the main report.

4. Evidence, sources and quality

The following sources have fed into the Impact Assessment:

- Study commissioned from external experts: "Study exploring the context, challenges and possible solution in relation to the quality of traineeships in the EU" by consortium of EY, CEPS and Open Evidence (forthcoming).

- European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

- External study supporting the evaluation of the Quality Framework for Traineeships, Final Report, January 2023: https://ec.europa.eu/social/BlobServlet?docId=26544&langId=en

- A review of national legislation and case law on trainees (EU-27) – Country reports provided by the European Centre of Expertise (ECE).

- ECE expert brainstorming workshop to explore legal options to improve the quality of traineeships, 29 June 2023.

- The Flash Eurobarometer survey on the perception of young people regarding their integration into the labour market, with a particular focus on traineeships.

- The results of the 'SME panel' survey on quality traineeships, which ran from 12 October to 9 November 2023.

- Relevant academic literature, as referred to in footnotes.

ANNEX 2. STAKEHOLDER CONSULTATION (SYNOPSIS REPORT)

Stakeholders' views have been an important element of input to this impact assessment, notably to develop and assess the policy options. The following inputs have been taken into account:

1. **EU-level social partners' consultation**: as required by Article 154 TFEU, a formal two-phase consultation of the social partners at EU level was carried out prior to submitting this proposal in the social policy field. The first phase of the social partners' consultation took place between 11 July and 15 September 2023. The second phase lasted from 28 September to 9 November 2023.
2. **European Parliament resolution of 14 June 2023** with recommendations to the Commission on quality traineeships in the Union (2020/2005(INL)): this resolution, containing two annexes with draft proposals for EU-level legislation, was adopted under Article 225 TFEU.
3. **Opinions by consultative bodies** (European Economic and Social Committee; Committee of the Regions) and final report of the **Conference on the Future of Europe**.
4. Other consultation activities:
   - 4.1. As part of the **study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU** (thereafter "the supporting study"), an online survey was conducted with national stakeholders to gather information on current practices of businesses regarding traineeships, identify good practices implemented in Member States and their impacts on the quality of traineeships. The survey ran from 15 June 2023 to 8 September 2023 and was targeted to national public authorities, national business/employer associations, individual businesses, national trade unions, national youth organisations, civil society organisations and educational institutions. Targeted interviews with EU-level stakeholders were also carried out.
   - 4.2. **A dedicated "SME Panel" survey** was conducted in cooperation between DG EMPL, DG GROW, EISMEA and with the support of the European Enterprise Network (EEN), between 12 October 2023 and 9 November 2023.
   - 4.3. **Bilateral meetings and position papers** from EU and national trade unions, employer organisations and youth organisations.
   - 4.4. **Flash Eurobarometer 523**: the Flash Eurobarometer looked into the perceptions of young people regarding their integration into the labour market, with a particular focus on traineeships. Between 15 and 24 March 2023, 26 334 people between 18 and 35 years from all EU Member States were surveyed online.

No public consultation was held, as during the preparation of the proposal a broad variety of consultation activities took place, and a public consultation was already held as part of the Commission's **2023 evaluation of the QFT**[1] (thereafter "the evaluation"). The evaluation also included targeted consultations of national and regional authorities responsible for education, training and employment policies, social and economic partners, education and training providers, academic experts working on labour market issues, organisations representing young people, young (former, current and potential future) trainees, as well as other relevant stakeholders at European, national and regional level. To adequately reach these stakeholders, different consultation activities and methods were used, such as interviews, targeted consultation meetings,

[1] European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

a targeted trainees survey, and case studies. A detailed description of these activities and their outcome can be found in the evaluation.

A2.1. EU-level social partners' consultation

Results of the first phase of the consultation

During the first phase of the consultation (11 July 2023 - 15 September 2023), **13 recognised social partners** contributed with written replies: **Four trade union organisations** (European Trade Union Confederation (ETUC); Confederation of Independent Trade Unions (CESI); CEC European Managers; European Council for Professionals and Managers (Eurocadres)) and **nine employer organisations** (BusinessEurope; SGI Europe; SMEunited; European Chemical Employers Group (ECEG); Council of European Employers of the Metal, Engineering and Technology-Based Industries (CEEMET); Hotels, Restaurants and Cafés in Europe (HOTREC); EuroCommerce; European Hospital and Healthcare Employers' Association (HOSPEEM); Council of European Municipalities and Regions (CEMR).

Trade unions welcome the Commission's intention to update the QFT. They consider that, while the principles of the QFT remain relevant, trainees need binding protection (in the form of a directive) to ensure fair compensation, working conditions and social protection. It should ensure access to all rights enjoyed by regular workers under existing EU legislation.

ETUC adds that a directive should not jeopardise the possibility of social partners to maintain, conclude and enforce collective agreements that also cover traineeships. It also notes that an EU initiative should not create a new category of workers, reduce existing rights for trainees nor interfere with any existing practice, law or collective agreement regulating vocational education and training.

Regarding references for remuneration, CESI proposes to link compensation to the Minimum Wage Directive ((EU) 2022/2041), while CEC European Managers suggest a minimum threshold for remuneration linked to a common reference indicator.

Trade unions also state that the directive should set minimum standards for duration and renewal, learning objectives (to be included in vacancy notices), mentoring and supervision (to be clearly distinguished), transparent information and procedures, monitoring and reporting channels, a maximum number of trainees per company/organisation, and access to trade unions and representation. CESI calls for these aspects to be formalised in a written agreement and suggests requiring vacancy notices to be free of biased or discriminatory language. On work relationships disguised as traineeships, trade unions underline that trainees who are subject to the same working conditions (equipment, working hours, workload, treatment etc.) as workers employed in the same workplace should also benefit from the same rights and protections and be considered as workers. They state that the EU initiative should convey a strong message that using traineeships as a model to replace regular working contracts is not acceptable. Trade unions underline that the objective of a directive should be to introduce quality criteria and to prevent work relationships disguised as traineeships by setting minimum and maximum durations for traineeships and specific conditions for their renewal or extension. ETUC suggests that additional measures could entail cooperation between Member States and the European Labour Authority. In this regard, ETUC also stresses the importance of strengthening labour inspectorates.

Regarding remote traineeships, trade unions consider that trainees' working arrangements need particular consideration in such settings. ETUC also considers it important for a directive to recall the application of the principle of reasonable accommodation for trainees, in particular in view of trainees with disabilities.

As for the scope of a possible directive, trade unions hold slightly different views. ETUC notes that a directive should cover traineeships offered on the open labour market, in the context of active labour market policies and as a mandatory part of professional training, therefore excluding traineeships done as part of educational or training curricula, as these fall under Member State competence. CESI notes that open market traineeships, those promoted under the Youth Guarantee and those required as vocational training should be within the scope of the directive. Eurocadres is of the view that the scope should be widened to include all four types of traineeships. CESI also considers that unpaid trainees should also be considered as workers.

As regards a potential update of the Council Recommendation, ETUC stresses that it should cover all types of traineeships, while apprenticeships should remain excluded. ETUC highlights the following as quality aspects to be covered: the level of trainees' allowances; access to social protection; mentorship (and possibly remuneration of mentors); inclusiveness (in particular with regards to workers with disabilities); and cross-border aspects of traineeships.

ETUC supports, as part of ALMPs, the provision of subsidies to companies that invest in high-quality traineeship opportunities. It points out that it is important to closely monitor companies that offer one or multiple consecutive traineeship positions.

CEC European Managers note that more quantitative and qualitative data are needed. The criteria set by the QFT could serve as indicators in the collection of this data. They emphasise that an increased burden on employers and trainees should be avoided and suggest that data collection methods could be integrated or complement existing national or sectoral initiatives. They also suggest that an EU-level digital platform for traineeships (integrated in existing platforms like the European employment services network (EURES)) could improve transparency and facilitate the exchange of experiences, in particular to support cross-border traineeships. Supporting measures, for example in the area of coaching and mentoring, could also be integrated into such a platform.

Trade unions confirm their willingness to start negotiations with employers under Article 155 TFEU.

Employers consider that the principles of the 2014 Council Recommendation on a Quality Framework for Traineeships (QFT) remain relevant. In their opinion, a stronger focus should be placed on its implementation and monitoring, but for them the QFT nevertheless strikes the right balance between promoting minimum standards and preserving flexibility. BusinessEurope, SMEunited, EuroCommerce and CEEMET notably stress the principle of a common understanding of the learning outcomes to be gained, while providing for flexibility for these to change during a traineeship. HOTREC and CEEMET emphasise the importance of the learning content that should be reflected in the tasks assigned to trainees.

In terms of avenues for future EU action, employers consider that a reinforced Council Recommendation would be an appropriate instrument. As for a directive, employers warn that an overly prescriptive approach could give rise to unintended adverse consequences, such as disincentives to offering traineeships by creating more operational and reporting burdens, which could particularly weigh against SMEs.

Employers highlight that the current QFT principle on informing whether an allowance/compensation is applicable is still appropriate and sufficient. They also underline the need to uphold the contractual freedom of social partners when it comes to collective 5 bargaining on pay. Moreover, employers consider it more appropriate to use the term compensation instead of remuneration. They also recall that providing in-job training to young people entails indirect costs for businesses, for example as regards supervising the trainee. On social protection, employers highlight the subsidiarity principle and therefore do not consider that EU action is needed in this area.

Employers highlight the lack of data, in particular on open market traineeships and on the link between pay and the quality of traineeships. SMEunited notes that the lack of data makes it difficult to identify and quantify what types of traineeships are the most exposed to potential problems. CEMR highlights in particular the lack of data on the quality of traineeships that are part of formal education and training.

Regarding a potential revision of the Council Recommendation, BusinessEurope notes that the impact of remote forms of learning and working and the impact of the green transition could be explored, while SMEunited does not support including principles on hybrid or remote traineeships. CEMR sees merit in strengthening cross-border coordination.

BusinessEurope, SGI Europe, EuroCommerce and CEEMET would also see merit in complementing the existing Council Recommendation with additional supporting actions, notably mutual learning and awareness-raising activities, for example through the creation of a dedicated group of Member States and relevant stakeholders, but without creating a new permanent structure. SMEunited suggests using intermediate bodies dedicated to supporting SMEs, for example through the exchange of good practices, by explaining to SMEs legal requirements, by providing guidance on how to promote diversity, and by offering tailormade support, training, and advice in a business language. Employers also consider it relevant to engage in a wider reflection on the role of career guidance and advice. SGI Europe and SMEunited would welcome financial support to employers, in particular for SMEs, for example to offer mentorship and post-placement support. BusinessEurope and EuroCommerce consider that hiring incentives as part of active labour market policies could be helpful if they respect employers' freedom regarding hiring decisions.

On the possible abuse of traineeships to disguise regular work relationships, BusinessEurope recalls that while trainees should not end up in a constant cycle of traineeships, traineeships (in particular those that are part of formal curricula in education) are also a way to try out several different occupations. SMEunited considers that work relationships disguised as traineeships are best addressed at national level. HOTREC and CEEMET underline that problematic traineeships should be eliminated, though HOTREC would not agree with defining a maximum duration nor with setting specific conditions for renewal or extension. CEEMET adds that traineeships of longer duration could be justified in some cases. ECEG and CEEMET consider that non-binding measures could be considered for addressing work relationships disguised as traineeships and that the QFT already sufficiently addresses the issue of extensive traineeship duration. ECEG considers that the current QFT enforcement mechanisms should be strengthened, while CEEMET calls for greater enforcement at national level.

As to the scope, employers do not support enlarging it compared with the current QFT. CEMR suggests instead to limit the current scope, focusing on open market traineeships only. BusinessEurope, SGI Europe, SMEunited and CEMR argue that traineeships that are part of formal education and training processes are already subject to structured and regulated governance

systems at national level, with established learning outcomes, oversight and well-established quality assurance, and certification systems. HOTREC, ECEG, and HOSPEEM make the same argument for traineeships of which the completion is mandatory to access certain professions. EuroCommerce, CEEMET, ECEG, and CEMR underline the limitations 6 of Articles 165(4) and 166(4) TFEU. BusinessEurope and SMEunited also mention the need to differentiate between traineeships and apprenticeships and to avoid overlaps between different EU instruments. BusinessEurope states that as regards cross-border mobility, it would be better to prioritise efforts on the cross-border mobility of apprentices, while SMEunited would be in favour of better support for cross-border traineeships.

Employers do not identify any scope for a European level social dialogue process on this subject.

Results of the second phase of the consultation

During the second phase of the consultation (28 September 2023 - 9 November 2023), the **same 13 recognised social partners** contributed with written replies as during the first phase of the consultation.

Objectives of a possible EU action

Trade unions stress that the main objective of EU action must be to set binding minimum standards for traineeships in the EU and to establish a level playing field discouraging abuse. Specifically, ETUC and Eurocadres highlight that the initiative should ban unpaid traineeships and support trainees in accessing their rights. It should support the prevention, detection and combating of work relationships disguised as traineeships. Finally, the initiative should improve the quality and accessibility of traineeships. CEC European Managers adds that traineeships should be integrated into lifelong learning policies and schemes and cautions about presenting traineeships as a means to address labour shortages.

Employers stress that the purpose of a traineeship is to provide skills that will increase employability and enhance employment prospects. The objectives to address the problematic use of, improve the quality of and foster access to traineeships are supported.

Potential avenues for EU action

Trade unions acknowledge the importance of combatting work relationships disguised as traineeships. They argue that alongside the potential measures outlined by the Commission to support the detection and combatting work relationships disguised as traineeships, there is a need to establish common binding quality standards for traineeships across the EU.

ETUC stresses in this regard that a decrease in the number of work relationships disguised as traineeships may lower the overall number of traineeships, but should be seen as a positive impact of the initiative. Moreover, ETUC and Eurocadres highlight that a higher quality of traineeships will also improve the access to traineeship opportunities for persons in vulnerable situations.

In this regard, trade unions largely agree with the potential measures on quality traineeships presented in the Commission's consultation document. They notably call for the following quality standards to be included:

- A written contract registered with relevant authorities according to national practice, allowing for transparency, adequate control, and data collection;
- Setting of a maximum duration of a traineeship for 6 months and in exceptional circumstances for one year (where duly justified) and the forbidding of the renewal of the traineeship with the same employer;
- Forbidding employers to require candidates for traineeship positions to have previous work experience (including traineeships) in the field of activity;
- Dedicated complaint channel for reporting work relationships disguised as traineeships;
- Setting a maximum ratio of trainees in a company (max 20% of the workforce);
- Setting up learning objectives and adequate mentoring and supervision arrangements in the written contract, whereby CEC Managers suggests foreseeing a detailed learning plan, certification of traineeship programmes and a limit on the number of trainees per mentor coupled with the provision of sufficient resources for mentoring, and Eurocadres argues that the Council Recommendation 2022/C 243/03 on individual learning accounts may offer a partial solution to ensure decent learning content;
- Access to workers' representatives and trade unions;
- Right to a remuneration not lower than the minimum wage in line with Directive (EU) 2022/2041 on adequate minimum wages in the EU and collective agreements. CEC notes that trainees' remuneration should be set in line with the standard of living in each Member States, while CESI argues that, for ECT, the policy objective should be an allowance to cover the costs of living. ETUC notes that the compatibility of any traineeship allowance with benefits (in particular those related to disability) should be strongly encouraged;
- Access to social security applicable for workers according to national practice and in line with Council Recommendation (2019/C 387/01) on access to social protection for workers and the self-employed;
- Occupational health and safety protection in line with EU and national law and respect of rest periods in line with the Working Time Directive (2003/88/EC);
- EU action should be accompanied by measures to support enforcement authorities and allow for access to justice by trainees and trade unions.

Employers agree with some of the suggested avenues for action. On the misuse of traineeships, employers, with the exception of CEMR and HOTREC, agree that having an indicative common understanding at EU level would be a useful step to ensure that all relevant actors, especially employers, trainees and regulatory authorities, have an objective set of criteria against which to assess the conduct of a traineeship. National authorities should carry out dedicated checks and inspections, while not increasing reporting obligations for employers. ECEG suggests that the exchange of good practices could support addressing the misuse of traineeships.

Employers can support clarifying that the reasonable maximum duration of traineeships as set out in the 2014 QFT (6 months, except where a longer duration is justified) can cover several traineeships, but there should be no legally binding limit. SMEunited adds that having to provide justification for longer traineeships would generate additional burden for SMEs. Employers also agree that candidates for traineeships should in principle not be required to have previous work experience in the field of activity. However, they are opposed to include information on the level of remuneration in their vacancy notices.

As regards remuneration, employers state that trainees who are workers under national law should be subject to the applicable rules on remuneration, social protection and intellectual property. BusinessEurope and SGI Europe stress that in such cases, there can be objective grounds for a

lower level of remuneration, considering the learning component of traineeships. BusinessEurope and SMEunited argue that where there is no employment relationship, reference should be made to compensation. Moreover, employers do not support any measure on increasing transparency of remuneration structures. SMEunited and SGI Europe point out that the TFEU does not leave much scope for a binding measure on social protection.

On the learning content, employers oppose obligations on written learning objectives or learning agreements. EuroCommerce sees a risk that this would develop in overly prescriptive and restrictive learning plans, at the expense of practical experience, while ECEG adds that the learning component is sector specific. As regards the strengthening of provisions relating to information on mentoring, supervision, and evaluation, employers caution against a too formalistic approach, resulting in new administrative or reporting obligations. As for transparency requirements for vacancy notices, these are supported provided they remain non-binding, in particular in view of the risk of adding administrative burden to SMEs. Employers see an added value in supporting information provision on cross-border traineeship opportunities and in the simplification of procedures, in particular through the EURES portal.

SGI Europe agrees that the existing Council Recommendation could be reinforced with principles on improving access to traineeships for vulnerable groups. SMEunited notes that employers, though supporting inclusiveness measures, may not be best placed to actively reach out to vulnerable groups. This would be better left to actors such as Public Employment Services. ECEG notes that the Strategy for the Rights of Persons with Disabilities 2021-2030 provides sufficient measures to address the accessibility of traineeships for persons with disabilities and welcomes the progress made on the Disability Card. Support to employers for making workplaces inclusive is viewed as essential. SMEunited supports the extension of the existing Council Recommendation to remote and hybrid traineeships, while ECEG rather suggests better promoting relevant existing EU initiatives in the area of skills. Employers support financial and non-financial support as well as guidance to employers.

Policy instruments

Among **trade unions**, ETUC and Eurocadres argue that EU action should cover all OMT, ALMP and MPT by means of a directive, whereas ECT should be covered by means of a Council Recommendation. CESI does not see non-binding measures as a promising way forward. Trade unions emphasise the need to also cover unpaid trainees by means of the directive, in order to avoid that higher quality standards result in a wider use of unpaid traineeships. ETUC adds that trainees should either be covered by lawfully paid traineeships in the open labour market or by (lawfully unpaid) traineeships in education. According to the ETUC, the legal base for an EU initiative to ban unpaid OMT, ALMP and MPT should be Article 153(1)(b) TFEU in conjunction with Article 153(1)(h) TFEU. CESI is of the opinion that a possible unanimity requirement in Council should not be a reason for the Commission to refrain from a legislative proposal.

Employers stress that reinforcing the existing Council Recommendation would be a more adequate, proportionate and appropriate response than a directive, as the latter may risk disincentivising traineeship offers. ECEG, EuroCommerce and HOSPEEM refer to skills shortages exacerbated by the digital and green transitions as well as demographic change. BusinessEurope adds that the tackling of the misuse of traineeships, where it occurs, does not require a directive and should be addressed by better enforcement of existing rules by national authorities. SMEunited and ECEG suggest that improved implementation of the Recommendation

could be achieved by increased monitoring in the context of the European Semester. Employers also suggest strengthened cooperation amongst relevant stakeholders, practical guidance, exchange of best practices, and awareness-raising of the benefits that traineeships can bring. Moreover, employers oppose the inclusion of traineeships that are part of formal education and training and those mandatory to access certain professions in the scope of an updated Council Recommendation. In particular the latter type is already subject to structured and regulated governance and quality assurance systems at national level. SGI Europe adds that measures addressing competent public bodies to support better matching of trainees and employers, as well as comparable EU-wide data on trainees(hips) would facilitate the implementation of the Recommendation.

Willingness to enter into negotiations

Based on the results of the first-phase consultation and the position of employer organisations, the ETUC and Eurocadres do not see a substantive basis for negotiations under Article 155 TFEU, while CEC Managers is available to initiate a dialogue.

Employers do not identify any scope for negotiations under Article 155 TFEU.

European Parliament resolution of 14 June 2023 (2020/2005(INL)

General

On 14 June 2023, the European Parliament adopted with 404 votes in favour, 78 against, and 130 abstentions a resolution in line with Article 225 TFEU on quality traineeships in the Union with recommendations to the Commission on quality traineeships in the Union. The resolution calls on the Commission "to update and strengthen the 2014 Council Recommendation on a Quality Framework for Traineeships and turn it into a stronger legislative instrument".

More specifically, the European Parliament requests the Commission to submit a proposal for a framework Directive on Quality Traineeships on the basis of Article 153(2)(b) TFEU in conjunction with Article 153(1)(b) TFEU setting out minimum requirements for quality standards and adequate remuneration for open labour market traineeships, traineeships in the context of active labour market policies (ALMP) and traineeships that are a mandatory part of professional training, following the recommendations set out in Annex I to the resolution.

The European Parliament also requests the Commission to submit a proposal for a Decision of the European Parliament and of the Council on a Quality Framework for Traineeships on the basis of Article 166(4) TFEU for traineeships undertaken with the aim of obtaining educational qualifications, following the recommendations set out in Annex II to the resolution.

Next to these two requests to the Commission for legislative action, the resolution also contains a call on the Commission to revise Council Directive 2000/78/EC to improve the article on reasonable accommodation in the workplace in line with the UN Convention on the Rights of Persons with Disabilities. Moreover, it calls on the Commission to accelerate the introduction of the EU disability card to facilitate the mobility of persons with disabilities.

In its letter of 29 June 2023 to European Parliament President Metsola, the Commission confirmed that, as part of its planned initiative on a reinforced QFT and in line with the commitment by President von der Leyen, the Commission intends to follow up with a proposal for a legislative

act, in full respect of the proportionality, subsidiarity and better law-making principles. It also stressed that in the preparation of its initiative, the Commission will do its utmost to take into account the various elements of the European Parliament's resolution, while respecting the legal boundaries set by the Treaties and without undermining the existing social acquis.

With regard to the European Parliament's call to revise the Employment Equality Directive, the Commission recalled that, on 7 December 2022, it proposed a Council Directive on equality bodies which, by setting out minimum standards to strengthen the role and independence of equality bodies and by extending their competence to the Employment Equality Directive, contributes to strengthening its effectiveness and enforcement. In response to the European Parliament's request to accelerate the introduction of the European Disability Card, the Commission confirmed that, in line with its 2023 Work Programme, it intended to come forward with a proposal for a European Disability Card in the third quarter of 2023, ensuring the mutual recognition of this card across the EU. The proposal was adopted in September 2023 and the European Parliament and the Council reached a provisional agreement following inter-institutional negotiations on 8 February 2024.

In detail

As regards the **problematic use of traineeships**, the European Parliament calls for the directive to cover duration (to be limited and not shorter than one month), renewal and prolongation in order to ensure that traineeships do not result in the replacement of entry-level jobs. Furthermore, the Parliament includes in the directive the requirement for traineeship providers to provide information on the share of trainees recruited by the traineeship provider after their traineeship in recent years, traineeship providers to not require previous working experience and to ensure that labour inspectors prohibit the substitution of entry level or permanent posts by means of a traineeship. The Parliament also calls for reporting of malpractice and poor conditions during the traineeship period by means of established channels in cooperation with the national labour inspectorates and relevant authorities.

To improve the **quality of traineeships**, the European Parliament calls for a proposal for a directive, setting out minimum requirements for quality standards (i.e. a written agreement setting out the duration (which should be limited but not shorter than one month), provisions for renewal, arrangements for mentorship and evaluation, learning objectives) and adequate remuneration and access to social protection. The Parliament also calls for the directive to cover recognition and validation of knowledge and skills acquired through a certificate and suggests the directive to set transparency requirements. The Parliament also includes in its proposed text for the directive that trainees shall have access to workers' representation, including trade unions.

The Parliament also calls for a decision on a quality framework for traineeships undertaken with the aim of obtaining educational qualifications. The decision should oblige the conclusion of a written agreement, in which the educational objectives, the training conditions, adequate compensation, the rights and obligations of the parties, as well as the duration are indicated. Minimum standards are set for the learning and training objectives (including mentorship), training conditions (including access to social protection under applicable Union and national law, limits to working time, minimum rest periods, minimum holiday entitlements, sick leave, teleworking rights, and access to representation, health and accident insurance coverage, adequate compensation (relative to cost of living), remote traineeships and channels for reporting malpractice and poor conditions), duration (in principle six months unless duly justified), recognition, accessibility (in particular for vulnerable groups), transparency, and cross-border traineeships.

In order to improve the **access to traineeships**, the European Parliament stresses, in particular, the need to support persons with disabilities, calls for a Union-wide definition of disability, to accelerate the introduction of the EU disability card, stresses the need for an accessible workplace and calls for a revision of Council Directive 2000/78/EC to improve the article on reasonable accommodation in the workplace. The Parliament also emphasises the potential of older people. As for cross-border traineeships, the Parliament suggests that the Commission further develops EURES and that the Commission and Member States facilitate the recognition and validation of knowledge, skills and competences acquired during the traineeship, in particular when it comes to cross-border recognition of skills. The Parliament also calls for the Directive to gender neutral and inclusive vacancy notices as well as the adherence to transparency requirements related to remuneration, working conditions, expected tasks, and health and accident insurance.

In terms of **supporting measures**, the European Parliament also calls for awareness-raising of the Union funds, for supporting the exchange of best practices, the provision of guidance and assistance to employers, in particular microenterprises and SMEs, to offer incentives to employers, to provide assistance to the Member States on legal enquiries related to the implementation of quality principles, suggests the creation of a European Alliance for Traineeships, better and more comparative data collection on traineeships at a national and Union level (to be included in the social scoreboard). The Parliament also calls on the Commission to publish guidelines to ensure the uniformity of data collection and to monitor the application of those guidelines.

As regards the **scope** of a future initiative, the European Parliament calls for a directive covering open market traineeships, traineeships in the context of active labour market policies and traineeships that are a mandatory part of professional training. Traineeships that are part of formal education and training curricula should be covered in a decision.

Consultative bodies and Conference on the Future of Europe

In its Opinion *"The Equal Treatment of Young People in the Labour Market"* of 15 June 2023[2], the **European Economic and Social Committee (EESC)** notes that traineeships should offer good quality learning content and adequate working conditions, and should not be a substitute for regular jobs or a precondition for a job placement. The EESC highlights the importance of young people's fruitful participation in the labour market and stresses that their first participation should be a positive one and measures that treat them less favourably solely on the basis of their age are counterproductive. The EESC also recommends that the other EU institutions and bodies take a greater interest in the matter of unpaid or not compensated internships as a tangible symbol of their commitment to young people following the 2022 European Year of Youth and recalls in this regard the role of the European Commission to review whether the quality framework for traineeships (QFT) is being properly implemented.

In its Opinion *"Youth Employment Support: a Bridge to Jobs for the Next Generation Reinforcing the Youth Guarantee"* of 5 February 2021[3], the **Committee of the Regions** considered that traineeships and apprenticeships should primarily provide a learning experience for young people, which can help them to decide on their future career and to develop their skills in order to access permanent employment. It highlighted that traineeships and apprenticeships undertaken as part of educational curricula or VET should contain clear learning objectives, quality learning content and professional mentoring. It also emphasised that, in addition to these learning criteria, further

[2] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022IE0638
[3] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020IR3454&from=EN

regulations are required to ensure good working conditions for traineeships and apprenticeships on the open labour market and as part of active labour market policies (ALMPs); highlighted that the practice of unpaid ALMP and open labour market traineeships and apprenticeships can lead to the replacement of standard jobs, constitutes a form of exploitation which violates young people's rights and reduces opportunities for young people from poorer socio-economic backgrounds; therefore supported the European Parliament in its efforts to enforce fair remuneration and access to social protection for traineeships and apprenticeships on the open labour market and in ALMPs to ensure young people can access quality opportunities.

In its final report[4], the **Conference on the Future of Europe** proposed to ensure that young people's internships and jobs adhere to quality standards, including on remuneration, putting an end to youth minimum wages and any other discriminatory labour law provisions specific to young people, as well as banning through a legal instrument unpaid internships on the labour market and outside formal education.

Other consultation activities

Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU

Online survey

As part of the supporting study, **an online survey** was carried out among national public authorities, national business/employer associations, businesses (traineeship providers), national trade unions, national youth organisations, civil society organisations and educational institutions from 15th June 2023 to 8th September 2023.

A total of 173 responses were received from all 27 EU Member States and four non-EU countries (Albania, Iceland, Moldova, and Norway). A total of 97% (167) of respondents agreed to participate to the survey and 3% (6) rejected to participate. Once agreed, the 167 respondents chose their stakeholder category which determined the questionnaire they would answer, with different questions tailored to the type of respondent. As shown in figure below, within the 167 responses that agreed to participate, 11% (18) were businesses (traineeship providers), 36% (60) were public authorities, 30% (50) were business / employer associations, 13% (21) were trade unions and 11% (18) were youth associations / civil society organisations / education institutions. More details on the methodology and the questionnaire can be found in Annex 4.

[4] Conference on the Future of Europe. Report on the Final Outcome. May 2022. Available via: https://www.europarl.europa.eu/resources/library/media/20220509RES29121/20220509RES29121.pdf

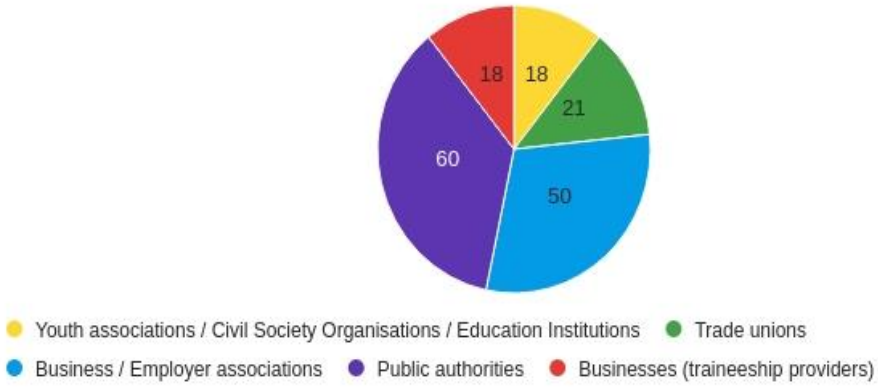


Figure 1: Distribution of stakeholder categories

Among the business respondents (traineeship providers), three companies were active in professional, scientific, and technical activities, three in industry (except construction), two in wholesale and retail trade, transport, accommodation and food, two in construction, and the remaining ones in finance and insurance, public sector & administration, education, consulting, food industry or personnel services. Regarding the size of the companies, 11 have over 250 employees, four have between 51-250 and three have less than 10 employees. In total, 16 out of the 18 companies have or had trainees in the last five years, including 10 who had ECT, five who had OMT, two who had MPT and one who had ALMP trainees.

Targeted interviews with EU-level stakeholders were also carried out in two waves. The below table below provides a summary of the number and type of stakeholders interviewed for the study. More detailed information is provided in Annex 4.

Table 1: Summary of EU-level interviews

Type of stakeholder	Inception interviews		Wave 2 interviews	
	Contacted	Interviewed	Contacted	Interviewed
Employer organisation	1	1	5	3
Trade union	1	0	4	2
EU institutions and policymakers	1	1	0	0
Youth organisations	1	0	2	2
Experts	1	1	1	1
EU institutions as employers	0	0	2	2
Total	5	3	14	10

- **Traineeship practices and problematic use of traineeships**

Regarding the **average share of trainees out of total number of employees in the last five years**, 9 out of the 13 companies that responded had between 0-10% of trainees out of total workers, 3 had between 11-20% and one did not know. Two companies did not have trainees in the last five years and the remaining three companies did not answer.

Regarding the reasons why companies hired trainees, the majority (77%, or 10 out of 13 recorded responses) mentioned it was for **training trainees that could potentially be hired after the traineeship**. Two companies also mentioned the connection with a university that may provide a pool of further recruits. The majority of companies mentioned a **better performance of subsequently retained trainees compared to new hires** (10 out of 13, or 77%) or improved reputation and attractiveness of the company (9 out of 13, or 69%) as being important or very important. 7 out of 13 companies (54%) said that neither the contribution to increased productivity of the company, nor the innovation in methods or tools brought by the trainees were important. Similarly, 6 out of 13 companies (46%) believed that lower costs of labour for entry level tasks was somewhat important, important, or very important.

Business associations were also asked about the **benefits of having trainees for employers** and similarly, the majority (63% or 31 out of 49) pointed to the better performance of subsequently retained trainees compared to new hires for the same role, 53% (26 out of 49) mentioned the improved reputation and attractiveness of companies, and 43% (21 out of 49) cited the lower cost for future recruitment of trained workers. On the other hand, only 22% of respondents (11 out of 49) cited lower costs of labour for entry level tasks as a benefit for having trainees.

Regarding the **possibility to offer recurrent (at least two consecutive) traineeship possibilities at companies for the same person or the same role**, 5 out of 12 (42%) and 4 out of 12 (33%) companies that answered said **only under certain circumstances**, respectively. The reasons given why companies offered recurrent traineeship possibilities were because of cheaper labour force, the belief that trainees could become future employees, because of pre-established agreements or because of the performance of trainees.

In the survey, among the business respondents that had **OMT**, 2 out of 15 had them **between 4 and 6 months**, one respondent for up to 3 months and one respondent for more than 12 months. Among the businesses that had **ECT**, more than half (6 out of 10 companies) indicated that they are contracted only for **up to 3 months**, one for 4-6 months and one for more than 12 months. Among the two businesses that had MPT, one had them for up to 3 months while the other didn't answer. The business that had ALMP trainees had traineeship contracts of 4 to 6 months.

Analysing the **share of trainees that were hired** on average in the last five years in the company after their traineeship ended, 7 out of 12 companies that answered said between **0-20% were hired**, two companies said between 21-40% and another two companies said between 61-80% of trainees.

Regarding the **replacement of regular employment by traineeships**, most respondents considered that it was **not common in their country** (according to 45% or 23 out of 51 public authorities, 59% or 26 out of 44 business associations, 40% or 8 out of 20 trade unions, 38% or 5 out of 13 youth associations/universities). Between 22 and 38% of respondents believed that it was somewhat common (31% or 16 out of 51 public authorities, 25% or 11 out of 44 business associations, 20% or 4 out of 20 trade unions, 38% or 5 out of 13 youth associations/universities).

Respondents were asked **which measures in place help reduce the risk that traineeships are used to replace regular employment**. The measures where most respondents at least somewhat or completely agreed that they help reduce this risk were **mandatory remuneration of trainees** (86% or 12 out of 14 public authorities, 85% or 11 out of 13 business associations, 35% or 7 out of 20 trade unions, 85% or 11 out of 13 youth associations/universities), followed by a **written**

traineeship agreement stating tasks and responsibilities and arrangements for learning, mentorship, and evaluation (79% or 11 out of 14 public authorities, 77% or 10 out of 13 business associations, 70% or 14 out of 20 trade unions, 77% or 10 out of 13 youth associations/universities), and **an obligation to offer some social protection to trainees (e.g., sickness and healthcare benefits, accident insurance etc.)** (79% or 11 out of 14 public authorities, 77% or 10 out of 13 business associations, 55% or 11 out of 20 trade unions, 77% or 10 out of 13 youth associations/universities). The measure receiving the relatively largest share of disagreement was a cap on the maximum duration of traineeships (with 21% or 3 out of 14 public authorities that at least somewhat or completely disagree, 20% or 4 out of 20 business associations, trade unions, and youth associations/universities respectively). However, this measure still received support from other respondents (with 65% or 13 out of 20 business associations, trade unions and 62% or 8 out of 13 youth associations/universities respectively that at least somehow or completely agree).

- **Traineeships of poor quality**

All surveyed companies that had OMTs and ALMPs paid a **salary**, including one company that provided further compensation to OMTs. On the other hand, only 1 out of the 2 companies that had MPT paid a salary, and only 2 out of the 10 companies that had ECT paid salaries, with 3 companies providing some other type of compensation and the remaining 3 not providing any remuneration to students. Regarding **social protection**, 4 out of 5 companies that had OMTs, the company that had an ALMP, and 7 out of 10 companies that had ECT, gave a mix between maternity and paternity benefits, sickness and healthcare benefits, entitlement to unemployment benefits after the traineeship, accident insurance benefits, and pensions contributions. The remaining one out of 5 companies that had OMTs, 3 out of the 10 companies that had ECT, and both companies that had MPT gave no social protection to their trainees.

Regarding why companies give benefits (remuneration or social protection) to trainees, the most common reason was because of a **mandatory requirement by law** (3 out of the 5 companies with OMTs, the company with ALMPs, both companies with MPT, and 3 out of the 10 companies with ECT), followed by the **minimum duration of the traineeships** (2 out of the 5 companies with OMTs and 3 out of the 10 companies with ECT), and finally because of the respective importance of tasks/responsibilities (1 company with OMTs and 1 company with ECT). Moreover, regarding how much monetary remuneration companies provide to trainees, the majority did not specify, and the ones that did gave mixed results between minimum wage and above or below minimum wage.

Most business respondents (8 out of 15 companies) said they would **take the same number of trainees if mandatory remuneration of trainees was enforced** in their countries, three companies said they would take fewer trainees and one company said they would take more trainees. Moreover, 7 out of 15 companies said they would take the same number of trainees **if a mandatory requirement to set remuneration at minimum wage was enforced** in their countries, two said they would take more trainees and one company said they would take fewer. Finally, 6 out of 15 companies said they would take the same number of trainees if **mandatory provision of social protection** to trainees was made compulsory in their countries, one company said they would take fewer trainees and one company said they would take more.

When asked the extent to which the **tasks of trainees differed from the tasks of entry-level employees, around half said they are 'somewhat different' or 'very different'** (2 out of the 5 companies with OMTs, the company with ALMP, 6 out of the 10 companies with ECT and 1 out

of the 2 companies with MPT). The remaining companies said tasks are “the same”. The main reasons given were that trainees need a more in-depth introduction and guidance on the tasks to be carried out, meaning that tasks were ‘lighter’ or easier than those of entry-level workers.

Half of business respondents (6 out of 12 companies) offer mentors to trainees. Moreover, most respondents (11 out of 12 companies) believe that giving clear instructions and following up with a supervisor is the best way to ensure that trainees acquire the skills needed in companies. Half of respondents (6 out of 12 companies) believed that defining the learning and training objectives at the beginning of traineeships was equally one of the best ways to ensure trainees acquire the correct skills. Finally, two companies believed trainees acquire the correct skills with mentoring by a dedicated person and the remaining two companies believe it is acquired by delivering a skill certificate at the end of the traineeship.

On the same topic, 58% of public authorities (31 out 53), 55% of business/employer associations (26 out of 47), 25% of trade unions (5 out of 20) and 63% of youth associations/universities (10 out of 16) said that measures were implemented in their countries to **ensure that traineeships are a learning experience**, whilst the remaining respondents said none existed, were unsure or did not know.

- **Unequal access to traineeships**

Concerning **cross-border trainees**, only 4 out of the 12 companies that answered hired trainees from other EU countries and the remaining 8 did not. Those who hired other EU trainees did so by publishing the vacancy on university networks or by publishing the vacancy on EURES.

To facilitate the take-up of cross-border traineeships, 36% (19 out of 53) of public authorities, 45% (22 out of 49) of business associations, 45% (9 out of 20) of trade unions and 66% (10 out of 15) of youth associations mentioned **publishing the vacancy on a European job portal** (e.g., Eures). 34% (18 out of 53) of public authorities, 43% (21 out of 49) of business associations, 50% (10 out of 20) trade unions and 60% (9 out of 15) of youth associations mentioned **publishing the vacancy on universities' networks**. 45% (24 out of 53) of public authorities, 61% (30 out of 49) of business associations, 65% (13 out of 20) of trade unions and 80% (12 out of 15) of youth associations mentioned **using Erasmus + grants**.

To improve **access to and inclusiveness of traineeships**, 42% (22 out of 53) of public authorities, 64% (30 out of 47) of business associations, 45% (9 out of 20) of trade unions and 56% (9 out of 16) of youth associations said there are measures implemented in their country to improve the access of traineeships to vulnerable groups (e.g., persons with disabilities, from minorities or low economic background). Some measures that were mentioned included quotas of scholarships and traineeships funded by the state for orphans, persons with disabilities, national minorities, Roma, refugees, and other vulnerable social groups. Others said that compensation for trainees with disability is higher than for other youth groups in their countries. Other examples of measures included strong dissemination campaigns by trade unions and incentives for the take-up by persons with disabilities and persons in vulnerable situations encouraged through exceptions to the duration limits of the traineeships.

Regarding the impact of these measures, 55% (12 out of 22) of public authorities, 56% (17 out of 30) of business associations, 55% (5 out of 9) trade unions and 55% (5 out of 9) youth associations believed it increased take-up by a great or moderate extent of persons with disabilities. Moreover,

32% (7 out of 22) of public authorities, 60% (18 out of 30) of business associations, 66% (6 out of 9) of trade unions and 66% (6 out of 9) of youth associations believed specific measures increased take up of persons with low socioeconomic background by a great or moderate extent. Finally, 18% (4 out of 22) of public authority, 50% (15 out of 30) of business associations, 44% (4 out of 9) of trade unions and 44% (4 out of 9) of youth associations believed specific measures increased take up of persons from (ethnic, religious, sexual) minorities by a great or moderate extent.

Interviews

The interviews focused on the current context and challenges related to the quality of traineeships as well as the impacts of policy options to address these challenges.

Context and challenges

- Work relationships disguised as traineeships

The interviews allowed for the identification of a number of potential indications of work relationships disguised as traineeships, which include: long duration; prolongation of a traineeship contract or repeated traineeships; "recycling" trainees i.e. employers hiring consecutive trainees; internships requiring previous work experience; a high ratio of trainees relative to employees in a company; lack of educational content, including the absence of well-defined learning objectives and lack of mentorship/supervision and trainees being engaged in tasks that are indistinguishable from those of employees

However, there were diverging opinions on the extent to which the use of work relationships disguised as traineeships is a significant issue in European labour markets. According to trade union and youth organisation representatives, the practice of work relationships disguised as traineeships is one of the biggest problems relating to the quality of traineeships, which is observable across countries and sectors, but especially prevalent in OMTs and MPTs. On the other hand, views on the extent to which work relationships disguised as traineeships can be observed in Member States were split among employer associations. It was emphasised that there is a lack of data on the phenomenon, so that the issue cannot be accurately assessed.

All stakeholders interviewed emphasised that in principle, labour inspectorates play an important role in ensuring that provisions related to the quality of traineeships are upheld across Member States. Employer association representatives asserted that it was difficult to assess the extent to which inspections are currently working well in different Member States, though in principle, inspectorates play an important role, also in providing data on phenomena such as work relationships disguised as traineeships. Trade unions and youth organisations asserted that inspection and enforcement mechanisms were not working well in practice, due to a lack of effective mechanisms for monitoring and enforcement, a lack of financial and legal resources, as well as an imbalance of power between trainees and traineeship providers, which reduces the likelihood that trainees will report malpractice.

- Remote and hybrid traineeships

Across stakeholder groups interviewed, it was underlined that ensuring that remote or hybrid traineeships have the same learning content as regular traineeships is a significant challenge, requiring for instance regular check-ins from supervisors, but also access to sufficient technological equipment. There are also some skills, particularly interpersonal skills and other

skills that require on-site presence, that cannot be transmitted to the same extent in an online setting Moreover, trade unions and youth organisations emphasised that while remote/hybrid traineeships could potentially increase access for persons with disabilities, they cannot be a substitute for reasonable accommodation in the workplace itself.

- Working conditions and fair remuneration

Diverging stakeholder views with respect to working conditions were observed. Though employer associations noted that in some cases trainees experience inadequate working conditions, they mainly noted that there is a lack of existing data on which types of traineeships are most problematic, and in which sectors they are located. On fair levels of remuneration, there were diverging views. While some employer associations stated that there should be a level of pay adequate to the tasks that the trainee performs and sufficient to cover living costs, others emphasised that the learning outcomes are the most significant element of a traineeship, rather than the pay.

In comparison, trade unions, youth organisations and European institutions acting as traineeship providers pointed to bad working conditions, and in particular low or lack of pay, as a crucial issue related to the quality of traineeships. On setting fair levels of remuneration, some trade union representatives and youth organisations suggested that trainees should be covered, at a minimum, by the minimum wage. Others suggested that fair remuneration levels should be designed and periodically reviewed in accordance with both the cost of living and trainees' tasks.

- Inequalities in access to traineeships

All stakeholders interviewed acknowledged that there are likely inequalities in access to traineeships, particularly high-quality traineeships, in Europe. Employer associations pointed out that these patterns are reflective of broader inequalities across society and the labour market general, where there is widespread discrimination. It was also noted that companies are generally very supportive of diversity and inclusion, but there may be cases where it is difficult to adopt to the specific needs of a trainee due to lack of resources, particularly for SMEs. Trade union stakeholders drew attention to the link between inequality in access and pay, as unpaid traineeships mean that trainees have to rely on other resources, such as family support, to support themselves during a traineeship. This increases social inequality, as traineeships are not accessible to everyone. Moreover, barriers to access for persons with disabilities and for individuals from non-urban areas were also highlighted.

While the stakeholders interviewed agreed that cross-border traineeships can be a valuable opportunity for young people, it was also emphasised that a number of obstacles to take-up of cross-border traineeships persist. Trade unions and youth organisations particularly emphasised the financial cost, as well as legal issues related for instance to insurance and work permits.

Impacts

- Extending the scope of the QFT

Stakeholders pointed out a range of impacts of extending the scope of the QFT. Some trade unions and youth organisations pointed out that an extension would have beneficial impacts on traineeships, by introducing a set of standards for the quality of all traineeships, while no costs were identified. However, some trade unions also argued that the scope extension would only have

limited benefits, given the non-binding nature of the Recommendation, and would not address the existing issues with the quality of traineeships sufficiently. Most employers put strong emphasis on costs. It was pointed out that an extension of the scope would lead to significant adjustment costs for companies, which may put particular strain on sectors that are already suffering from tight budgets and/or staff shortages. It was also stressed that there may be adverse effects on equality, as better-performing trainees may be selected in order to reduce the time investment needed.

- Actions against work relationships disguised as traineeships

Youth organisations interviewed stated that the identification of indications of work relationships disguised as traineeships would be welcome in principle, though difficult to identify in practice. It was also pointed out that action on work relationships disguised as traineeships would benefit some trainees, but not address the broader issues relating to quality, such as remuneration. Trade union representatives stated that defining indications of work relationships disguised as traineeships would not be beneficial, as only regulatory action is in principle sufficient to address the issue.

On the possible introduction of a maximum length of traineeships or a limit on consecutive traineeships, interviewees, including employers, stated that these measures could be beneficial, potentially with an exception for MPTs.

- Increased enforcement and channels for reporting

The interviewees agreed that strengthening enforcement and channels for reporting could have benefits, including the enforcement of existing rights of trainees, increasing trainee awareness of their rights and avenues for legal action, enhancing legal clarity and compliance with EU law, increasing equality of opportunities and ultimately improving the quality and attractiveness of traineeships.

- Stronger coordination between various social and educational actors

Trade unions, employer associations and youth organisations all agreed that stronger coordination – including stakeholders such as social partners, educational institutions and national authorities at different levels – would have benefits for improving the quality of traineeships. Trade union organisations emphasised, however, that these measures are only complementary to binding action that is needed, in their view, on quality standards for traineeships.

- Improved data collection and monitoring

Stakeholders agreed that high-quality data on traineeships is still lacking in the EU and that the collection of better data would entail significant benefits, such as improved quality monitoring and assessment. It would also allow a better understanding of the issues involved, and therefore enable more targeted policy action. Youth organisations also emphasised the importance of collecting disaggregated data (e.g. by socio-economic characteristics) and of making the data publicly available.

- Remuneration and social protection

Stakeholders pointed out a range of costs and benefits associated with improved working conditions – including remuneration and social protection – for trainees. Turning first to the former, trade unions and youth organisations largely emphasised the benefits of improved remuneration for trainees. This includes access to social rights for trainees, improved/faster integration into the labour market, increased social inclusion and the elimination of work relationships disguised as traineeships (in the case of binding requirements to pay trainees, due to a lack of incentives for employers to use work relationships disguised as traineeships). These stakeholders also identified broader benefits for employers, due to increased attractiveness of traineeships, and society at large, in the form of increased productivity and tax revenue. However, it was acknowledged that businesses would incur costs.

Employer associations, while recognising the benefits of quality traineeships, placed stronger emphasis on the costs associated with remunerated traineeships. It was argued that requirements on remuneration would constitute a strong disincentive to provide traineeships, resulting in a reduction in the supply of traineeships. These effects would likely be particularly pronounced for SMEs, who lack financial and administrative resources. This cost would significantly affect trainees, who would have less access to traineeships, and therefore to the labour market. While it was acknowledged that remuneration may be a way to attract trainees to a sector, it was argued that – particularly in a context of limited resources and tight budgets – the disincentive effect would prevail.

The same arguments on costs and benefits were also used in the case of social protection. An additional point made by trade union and youth organisation representatives was that lack of access to social protection has long-term costs for trainees, e.g. by reducing their pension. Ensuring access to social protection would also have positive impacts on the sustainability of social security systems, by increasing contributions.

SME panel survey

A SME Panel survey was conducted between 12 October and 9 November 2023, with the support of Enterprise Europe Network (EEN). The questionnaire was translated in all EU official languages and received 170 responses, mostly from Spain (50 responses), Portugal (34), Italy (27), and Poland (21).

Among the respondents, there were single person business (10 responses), as well as SMEs with 1-9 employees (57), 10-49 employees (60), and 50-249 employees (43). Most respondent SMEs are active in the manufacturing sector (36 responses), in other service activities (27) or in professional, scientific and technical activities (22).

About 73% of respondents (124) had trainees in the past five years. For the most part, these traineeships constituted less than 5% of the workforce (65 responses) or between 6% and 20% (39 responses). The tasks of trainees were either significantly different (44 responses) or with minor differences (41) from the tasks of entry-level employees, but in 40 cases trainees performed to a large extent the same task.

Only 19 respondents never offered the possibility to extend or renew a traineeship. Most respondents provide information on various elements of the traineeships (working conditions, remuneration, social protection, contents of the tasks, contents of the learning elements) through various channels, with only a minority explicitly stating they do not provide any such information at all (respectively 6, 8, 9, 5, 4 responses).

Very few respondents (2) offer traineeships longer than 12 months, with the majority being up to 3 months (36 respondents), between 4 and 6 months (58) and between 7 and 12 months (30). Many respondents have different strategies to ensure that trainees acquire skills needed by the company, including via dedicated mentoring (79 responses), clear instructions and follow-up by supervisors (78) and defining learning and training objectives at the beginning of the traineeship (75).

Among the top reasons why SMEs did not offer traineeships there were the fact that training them is time-consuming (score 5.94). Administrative burden was scored the lowest among the obstacles (score 2.82). On this point, the survey enquired about the number of hours necessary to (1) registering the trainee to payroll including preparatory work, (2) registering the trainee to social security, if different from payroll registration, (3) registering the trainee to healthcare or accident insurance, if different from social security. With the exception of three outliers (from two Member States, IT and EL) it appears that the number of hours necessary for the above-mentioned tasks did not exceed a total of 24 hours; in some cases, it was below 3 hours for all the tasks combined.

Among the benefits for SMEs of having trainees, respondents highlighted increases in productivity of the company (score 8.61), the ability to develop supervisors' and/or mentors' managerial skills (score 7.93), reduction of labour costs (score 7.78), reduction of training costs when trainees are later hired (score 7.61) as well as their better performance (score 6.82).

Among the respondents, 93 said that they offer remuneration (including compensation and/or allowances) to trainees, mostly at (39) or below (26) minimum wage levels (14 respondents above minimum wage level; 19 did not know, 72 did not answer) and 58 that they offer social protection coverage.

In terms of received support, respondents identified primarily support to find suitable candidates (37), followed by financial support (35), support to fill administrative formalities (20) and for training and monitoring trainees (18). However, 51 respondents said they received no support at all.

Bilateral meetings and position papers

Apart from the stakeholder consultation activities described above and in support of its work on an initiative to improve the use and quality of as well as access to traineeships, the Commission gathered evidence from bilateral meetings with different stakeholders and from dedicated position papers transmitted to the Commission. These notably include the following:

- European Youth Forum (EYF) discussion paper 'The costs of unpaid internships' of January 2023[5], the interview of Commissioner Schmit and the handing over of the EYF petition[6] calling for an EU directive that ensures access to remuneration for interns in the labour market, signed by 8400 as part of the EYF campaign 'can you afford to work for free?' on 6 June 2023, the European Youth Forum's Takeaway on the Second Phase Consultation of the Social Partners transmitted to the Commission on 31 October 2023; and the bilateral meetings of 23 January 2023, 18 April 2023, 21 and 27 September 2023, and 15 November 2023.

[5] https://www.youthforum.org/files/230111-DP-CostUnpaidInternships.pdf
[6] https://www.youthforum.org/topics/no-more-unpaid-internships

While welcoming the Commission's review of the 2014 QFT, the EYF advocates for a binding instrument under Article 153 TFEU to ban unpaid traineeships in the EU. In this regard, EYF argues that trainees should be considered as future workers and a directive should be based on both Article 153(1)(b) TFEU and Article 153(1)(h) TFEU. For the EYF, remuneration is the key criterion of what constitutes a quality traineeship, and it is directly related to better labour market outcomes and post-traineeship placement. According to the EYF's research "The Costs of Unpaid Internships", 34% of those surveyed have undertaken at least two unpaid internships and 15% have undertaken 3 or more, and those coming from marginalised backgrounds are eight times less likely to access this type of work placements. Based on its assessment of national traineeship policies, EYF also highlights the need for stronger enforcement and for labour inspectorates to take a more proactive approach against traineeships which infringe national legislation.

EYF emphasises the following key quality principles for traineeships:

- Use of a written contract;
- Remuneration at least at the level of the national minimum wage and above the national poverty threshold, with overtime additionally compensated;
- A limit on the length of the traineeship to a fixed number of months;
- Equal access to social protection in line with other workers;
- A limited number of trainees per employer;
- Presence of a mentor and evaluations to discuss progress;
- Transparent advertisement on the conditions and learning objectives.

Based on these priorities, the EYF argues that an EU directive must include (on top of the principles included in the 2014 Council Recommendation):

- a binding requirement for all open labour market trainees to be recognised as employees and entitled to, at least, either the statutory minimum wage or coverage under collective agreement – without exceptions, as well as full access to social protection on an equal basis as other employees;
- a maximum ratio of the number of trainees to staff;
- break periods for employers between the hiring of trainees (to prevent traineeships replacing existing jobs);
- guidelines and funding to promote proactive enforcement of traineeship policies by labour inspectorates, recognising the specific situation and power imbalance facing young people;
- the use of financial incentives to encourage employers to hire trainees permanently;
- collection of data on trainees at national and EU level disaggregated by all factors such as age, ethnicity, gender etc.

- European Trade Union Confederation (ETUC) resolution on quality traineeships[7], adopted on 31 March 2023, and bilateral meetings of 10 October 2023 and 24 October 2023: these contributions are fully reflected in the position of trade unions expressed during the formal social partners' consultation (see point 1 of Annex 2).

[7] https://www.etuc.org/sites/default/files/document/file/2023-04/EN-ETUC%20resolution%20on%20Quality%20Traineeships.pdf

- Joint European Employers' Statement on Traineeships[8] (BusinessEurope, SGI Europe and SMEunited) of 18 April 2023 and bilateral meeting with SMEunited of 8 May 2023: these contributions are fully reflected in the position of employers expressed during the formal social partners' consultation (see point 1 of Annex 2).

- Opinion of German Chamber of Commerce and Industry (DIHK) of 30 August 2023 and bilateral meeting of 28 September 2023:

  DIHK opposes a binding instrument on quality traineeships at EU level. It refers to the fact that Directive (EU) 2022/2041 on adequate minimum wages in the EU already covers trainees who are workers and is concerned that obligations on the remuneration of traineeships which are part of educational curricula would be a significant financial burden on traineeship providers, especially SMEs, and would result in a reduced offer of traineeships. Moreover, a limit on the duration of traineeships would restrict the flexibility to adapt them to specific needs. DIHK also considers that transparency requirements for vacancy notices and measures on certification of traineeship outcomes would significantly increase the administrative and financial burden on companies and lead to a reduction of the traineeship offer.

- Statement of European Students' Union (ESU) of 10 May 2023[9] and bilateral meeting of 14 September 2023:

  ESU believes that the QFT should also apply to ECT and advocates for banning unpaid ECT. Overall, ESU considers that the costs related to traineeships, such as travel, food and accommodation in a location other than the trainee's place of study should be covered. ECT should also be covered by work safety regulations and insurance, including health and accident insurance. Moreover, all learning opportunities should be designed with an intention to achieve a set of specific learning outcomes. At the same time, ESU argues that it needs to be acknowledged that ECT have certain specificities. Therefore, ESU considers that its needs to be carefully assessed which principles of the QFT shall be applied to ECT and where there should be exceptions or specific solutions. In this regard, ESU considers that ECT who are not employees should have qualified supervision and mentorship from both their workplace and higher education institution guiding them to achieve their learning outcomes.

- Bilateral meeting with Confederation of Finnish Industries (EK) of 27 September 2023:

  EK does not support legislative action at EU level, considers that Member States' competence (including on remuneration) must be respected, and argues that the large variety of national regulations concerning traineeships, labour law and social partners' involvement must be taken into account. EU-level cooperation on quality traineeships should rather consist of sharing best practices. EK pointed out that industrial sectors are facing a growing challenge of recruiting and retaining talent. Additional burden on enterprises, especially SMEs, may therefore produce unintended effects, such as disincentives for offering traineeships.

[8] https://www.businesseurope.eu/sites/buseur/files/media/position_papers/social/2023-04-18_traineeships_-_joint_employers_statement_final.pdf
[9] https://esu-online.org/policies/bm84-ensure-quality-internshipstraineeships-and-apprenticeships-in-europe/

Flash Eurobarometer 523

The Flash Eurobarometer 523 looked into the perception of young people regarding their integration into the labour market, with a particular focus on traineeships. Between 15 and 24 March 2023, 26,334 people between 18 and 35 years from all EU Member States were surveyed online.

Comparisons of the new data with the Flash Eurobarometer 378 on 'The experience of traineeships in the EU" published in 2013[10] allow the identification of some trends. However, they must be interpreted with some caution, due to differences in the method and questionnaire used. Additionally, the averages calculated for 2013 include the UK and exclude Croatia. Moreover, due to different approaches in EU Member States and methodological constraints, the results of the Flash Eurobarometer 523 cannot always be differentiated for the different types of traineeships.

The Flash Eurobarometer 523 survey shows that traineeships are an important stepping stone for young people into the labour market. 78% of young people surveyed did at least one traineeship, and 19% their first work experience was a traineeship. 68% found a job following a traineeship, with 39% signing a contract with the same employer, according to the data.

However, although a clear majority of young Europeans (76%) participating in the survey overall agree that they learnt things that are useful professionally during their traineeship, 13% did not believe they learnt things that are useful professionally Also, 58% of the respondents said that their traineeship provider, or another organisation involved, supported them when searching for a job. The learning and support is reflected in the fact that the vast majority of young Europeans were either employed (68%) or continued their studies (18%) six months following their last traineeship, while just 6% were unemployed.

Looking into more detail, 39% of respondents continued working for the same employer, either with a fixed or a permanent contract; 26% found a job with another employer (fixed or permanent contract); and 4% became self-employed.

The survey also showed that more than half (55%) of young Europeans doing traineeships received financial compensation, which shows an increase compared to 40% in the 2013 survey. In 70% of these cases, the employer paid the salary or another financial compensation. 61% of respondents stated that they had full (33%) or partial (28%) access to social protection during their traineeship.

The number of young people who engage in long traineeships has decreased since the last Eurobarometer survey in 2013. This time, around 11% of the respondents stated that their last traineeship lasted more than 6 months, 4 percentage points lower than in 2013 (15%). 52% of young people who took the survey did more than one internship, and 37% of those stated that they have done repeated traineeships with the same employer.

The share of young Europeans who do traineeships in another country is on the rise, the survey shows: more than one in five respondents (21%) stated that they have done at least one traineeship in another EU country. This compares to 9% in 2013.

[10] European Commission, Directorate-General for Communication, 'Flash Eurobarometer 378: The experience of traineeships in the EU', version v1.00, 2015, http://data.europa.eu/88u/dataset/S1091_378

Among those who did not do a traineeship, 36% indicated they were not interested in doing one, 18% were not able to find one, 16% felt they were not well-informed about traineeships, and 10% did not have enough financial resources.

Taking into account that the survey does not provide any indication of the respondents' backgrounds, less than half (48%) overall agree that young people from a disadvantaged or migrant background have access to the same traineeships opportunities as others. 46% of the respondents overall disagree that persons with disabilities have access to the same traineeship opportunities.

ANNEX 3. WHO IS AFFECTED AND HOW?

A3.1. Practical implications of the initiative

Public authorities in all **Member States** would have to introduce legislative changes to implement the new provisions arising from this initiative e.g., regarding dedicated and effective controls and inspections, set up designated channels for reporting malpractices and ensuring that trainees are not treated in a less favourable manner as regards working conditions, including remuneration, than comparable entry-level workers of the same category in the same establishment, unless different treatment is justified on objective grounds (see section 8 for full list). In view of ensuring effective controls and inspections to detect and take enforcement action against work relationships disguised as traineeships they will have to increase the capacity of their labour inspectorates. Also, they will need to ensure that competent authorities carry out an overall assessment to determine whether a traineeship constitutes a work relationship disguised as traineeship on the basis of a set of elements defined at EU level. To assist the controls and inspection Member States would need to Member States to define excessive duration of traineeships at national level for the purpose of controls by national authorities and to ensure that employers provide in the vacancy notices information on the expected tasks, learning content, working conditions, remuneration and social protection. Moreover, Member States will be called upon to comply with the recommendations, including regarding maximum duration of traineeships and to prevent employers from requesting previous work experience in vacancy notices, dedicated and effective controls and inspections for all trainees, ensure fair/proportionate remuneration to all trainees and access to social protection coverage, improve the inclusiveness of and access to traineeships, improve the quality of /remote/hybrid traineeships and extend the scope of the QFT to ECT and MPT. Additionally, recommendations to Member States include improving monitoring and data collection, improving awareness raising, and the exchange of best practices and providing financial and/or practical guidance to support employers and in particular SMEs, to provide high quality traineeships. Member States will also be called upon to ensure the involvement of social partners and other relevant stakeholders in the implementation and monitoring of the rights and obligation arising from this initiative.

Traineeship providers would need to comply with the provisions on ensuring that individuals are not engaged in work relationships disguised as traineeships and that they do not offer non-compliant traineeships. They would also have to ensure that trainees are not treated in a less favourable manner as regards working conditions, including pay, than comparable entry-level workers of the same category in the same establishment, unless different treatment is justified on objective grounds and that they increase the transparency regarding working conditions and the learning content in vacancy notices. Moreover, they will have to provide (upon request) to competent authorities information regarding their trainees and their working conditions. Last, they would have to comply with other provisions which might arise as a result of the implementation of the recommendations by Member States.

The initiative would not entail direct legal obligations for **trainees.** Nonetheless, they would contribute to enforce the provisions of the policy options, both directly and indirectly through their membership in workers' representations and trade unions. In addition, in those countries that would introduce reporting channels, trainees would be able to denounce malpractices and poor traineeships conditions.

A3.2. Summary of costs and benefits

Trainees – The prevention and decline in the problematic use of traineeships would improve the working conditions of trainees. As a result, it is expected that a larger number of individuals will start enjoying the new rights associated with their employee status (in the case of reclassification) or improved rights (in the case of non-compliant traineeships). Further benefits arise from improved working conditions and higher transparency, which in turn contribute better working conditions and better learning opportunities, improved labour market prospects. Trainees considered as workers will also benefit in terms of protection from unjustifiably less favourable manner as regards working conditions, including pay, than comparable entry-level workers of the same category in the same establishment. The recommendations on setting a limit to the maximum traineeship duration and preventing employers/traineeship providers from requesting previous experience in the field of activity contributes to preventing young individuals from being trapped in traineeships of long duration, including repetitive/consecutive traineeships with the same or different employers. This will help ease their transition into the labour market. An important additional benefit of the policy initiative concerns the expected improvements in the access to traineeships opportunities for individuals from vulnerable groups, including people with disabilities. Finally, the extension of the scope to ECT and MPT could increase both the relevance and coherence of the initiative for all trainees. As far as the costs are concerned, while the initiative would not impose direct costs on trainees the measures could result in unintended consequences connected to a decline in offer of traineeships, and of paid traineeships, even though they are expected to be modest.

Workers – For workers, the benefits of the initiative would be associated with improvements in their working conditions associated to the decline in the problematic use of traineeships and the associated downward pressure that they exercise on the rest of the workforce. In addition, workers could enjoy the benefits of increased trainees' productivity (fostered by the fact that they would have access to better working conditions, which could enable and motivate them to work better).

Businesses – Traineeship providers would enjoy the benefits of fairer market competition since companies would be prevented from reducing their labour costs by hiring trainees. Moreover, employers would benefit from productivity improvements connected to more qualified and competent workforce, higher motivation and engagement of trainees, and potentially a better matching of trainees' skills to the needs of their company in the context of the twin green and digital transition. To this end, additional benefits would arise from improved labour market matching and higher retention rates which could decrease employers' search, matching and recruitment costs of regular workers. Finally, traineeship providers would benefit from a wider and more diverse pool of candidates. In terms of costs, employers would have to sustain adjustment costs to comply with the new obligations. The costs of familiarisation with new provisions could be pooled across the different provisions and thus limited**.** Limited costs are also expected from the need to revise existing contracts and future vacancy notices and more frequent recruitment and onboarding processes**.** In addition, businesses where work relationships disguised as traineeships or non-compliant traineeships are identified during implementation or during controls and inspections would face higher labour costs arising from the need for adjustment in the rights of trainees. Labour costs would also arise to comply with the obligation to ensure that trainees are not treated in a less favourable manner as regards working conditions, including pay, than comparable entry-level workers of the same category in the same establishment and from the recommendations on ensuring fair/proportionate remuneration and access to social protection for all trainees. Some costs would also arise from the need to provide information to authorities in charge of inspections and controls, but these would be minimised by the provision to provide these

information only upon request. Finally, businesses might face additional costs in cases of increased litigations resulting from new provisions of this initiative.

Public authorities – The requirements to carry out controls and inspections on the basis of a set of binding elements defined at EU level would allow competent authorities to improve their effectiveness in detecting work relationships disguised as traineeships and take respective enforcement measures. Eventually, in the long term the expected decline in the problematic use of traineeships would further reduce enforcement costs for public authorities. A positive impact on public budgets would be generated by the revenues from the fines issued by the competent authorities and some increase in tax payments and social security contributions resulting from increasing labour rights of trainees who will benefit from the initiative. Benefits can also be expected from a decreased spending on social protection and activation. The main sources of costs would be connected to implementing the provisions of the initiative in the national regulatory framework, the increase in enforcement costs connected to strengthening the capacity of competent inspection authorities and the adjustment costs to set up reporting channels. Finally, if traineeship providers decide to reduce the total number of paid positions due to increased labour costs, this would lead to a decrease of public revenues from social security contributions, but this cost is expected to be small.

In view of the uncertainties explained in Annex 4, and given that costs of some measure cannot be monetised, costs are estimated per measure, while total cost estimates of the preferred option cannot be provided.

I. Overview of Benefits (total for all provisions) – Preferred Option		
Description	Amount	Comments
Direct benefits		
Increase in the number of trainees (workers or not) who will enjoy the right they are entitled to under EU or national law	**Non-legislative**: Based on hypothetical assumptions regarding the degree of implementation by the MS at national level (33%-100%) up to 1.02 - 3.1 million trainees could benefit.	
Decrease in the number of work relationships disguised as traineeships and non-compliant traineeships		Not possible to quantify the number of work relationships disguised as traineeships and non-compliant traineeships due to the absence of data. A rough estimate of the number of trainees being at risk of doing specific types of work relationships disguised as traineeships can be obtained by combining replies from the Eurobarometer with EU-LFS data on the number of trainees in the EU in 2019. For example 370,000 paid trainees could be affected who are doing a long-duration traineeship. Out of these, it can be estimated that around 100,000 (rough proxy) did a long-duration traineeships with a poor learning content.

Decrease in the number of trainees doing traineeships of long duration, repeated and/or consecutive traineeships with the same employer	**Non-legislative:** Based on hypothetical assumptions regarding the degree of implementation by the MS at national level (33%-100%) up to 117,000 - 355,400 doing a traineeship longer than 6 months plus up to 68,000-207,800 doing repeated and/or consecutive traineeships with the same employer.	These estimates are based on the share of trainees that in the Eurobarometer reported having traineeships longer than six months as well as consecutive traineeships with the same employer combined with EU-LFS data on the number of trainees in the EU in 2019[11].
Decrease in the number of trainees doing repeated traineeships different employers		A rough estimate of the number of trainees who have done in the past repeated traineeships with different employers can be obtained on the basis of the share of trainees who reported having conducted multiple traineeships with different employers (based on the Eurobarometer) combined with EU-LFS data on the number of trainees in the EU in 2019). This gives a proxy measure of the number of traineeships vacancies asking prior work experience to candidates. This rough estimation shows that, in 2019, around 1.1 million trainees (out of which 500,000 paid trainees) in the EU had done multiple traineeships with different employers at some point in their life. It should be noted that this is likely to be an overestimate, as 1) it is unknown if for all of this prior work experience was required and 2) respondents were asked to consider all the traineeships they ever did and not only those related to the current year.
Improvement in the labour market position of trainees in terms of labour market empowerment		Not possible to quantify due to the qualitative nature of the benefits
Protection of paid trainees from unjustifiable differential treatment	**Legislative:** Based on hypothetical assumptions regarding the number of paid trainees not being fairly/proportionately remunerated, up to 353,000 to 870,000 paid trainees (rough proxy, depending on scenario) could benefit.	Rough estimates. The lower bound correspond to the 22% of respondents who stated that their compensation was not at all sufficient to cover basic living expenditures (trainees' survey, evaluation) and the upper bound to the 54% who stated that their financial allowance/compensation was below the minimum wage.
Access to remuneration for unpaid trainees	**Non-legislative**: Based on hypothetical assumptions regarding the degree of implementation by the MS at national level (33%-100%) up to 500,000-1.5 million unpaid trainees could benefit.	Rough estimates based on the estimation of the prevalence of unpaid trainees under the supporting study
Improved access to social protection for trainees	**Non-legislative**: Based on hypothetical assumptions regarding the degree of implementation by the MS at national level (33%-100%) up	Estimates for access to social protection are based on the share of trainees that in the Eurobarometer reported not having any type of social protection coverage combined with

[11] Without MPT

	to 352,000 - 1,07 million trainees could benefit.	EU-LFS data on the number of trainees in the EU in 2019.
Increased level playing field/ Fairer market competition through the alignment of the labour costs to the level of compliant traineeships.		Not possible to quantify due to the absence of data on the number of firms using traineeships to disguise regular work relationships.
Higher productivity and competitiveness for employers as a result of 1) more skilled workforce and 2) better working environment		Not possible to quantify.
Improved learning and training for trainees. Better and more relevant skills to facilitate their integration and/or transitions in the labour market	**Non-legislative**: Based on hypothetical assumptions regarding the degree of implementation by the MS at national level (33%-100%) up to 212,000-637,000 trainees could have access to a mentor.	Not possible to quantify due to the qualitative nature of the benefits
Improved traineeships opportunities for individuals with disabilities and people from vulnerable groups		Not possible to quantify due to the qualitative nature of the benefits.
Improved labour market matching and higher retention rate. Decrease in search, matching and recruitment costs for employers/traineeship providers		Not possible to quantify.
Improved effectiveness of controls and inspections to detect and combat work relationships disguised as traineeships		Not possible to quantify.
The increased transparency on working conditions, including in vacancies notices. Legal certainty for trainees and regulatory clarity for employers/traineeship providers.	**Non-legislative**: Based on hypothetical assumptions regarding the degree of implementation by the MS at national level (33%-100%) up to 203,0000 – 609,000 trainees could benefit from a getting a written traineeship agreement.	Not possible to quantify.
Indirect benefits		
Increased public revenues generated by fines, higher taxes and social security contributions		Not possible to quantify due to lack of data on work relationships disguised as traineeships and non-compliant traineeships, remuneration levels and social security contributions for trainees.
Reduced enforcement costs due to a decline in the problematic use of traineeships in the long run		Not possible to quantify. Estimates on the decline of work relationships disguised as traineeships and non-compliant traineeships could not be produced due to the lack of data.
Reduced skills mismatches		Not possible to quantify.
Improvements in business reputation		Not possible to quantify due to the qualitative nature of the benefit.
Ensuring of fundamental rights: the right to workers' equality before the law; to fair working conditions, access to adequate social protection and healthcare, to equal opportunities and		Not possible to quantify.

treatment of under-represented groups and non-discrimination, promote the freedom of movement within the EU and facilitate the right to family life.		

(1) Estimates (gross values) provided with respect to the baseline; (2) costs are provided for each identifiable action/obligation of the preferred option otherwise for all retained options when no preferred option is specified; (3) If relevant and available, please present information on costs according to the standard typology of costs (adjustment costs, administrative costs, regulatory charges, enforcement costs, indirect costs;).

II. Overview of costs – Preferred option							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
All measures	Direct enforcement costs			Small costs for transversal familiarisation with all new provisions (between EUR 53 for SMEs and EUR 39 for larger companies)			
	Direct enforcement costs					Integration of provisions into the national regulatory scheme	
Effective controls and inspections conducted by competent authorities to detect and take enforcement action and overall assessment based on a list of elements defined at EU level pointing at the risk of work relationships disguised as traineeships .	Direct adjustment costs	None	None	None	Only for businesses where work relationships disguised as traineeships or non-compliant traineeships are identified: a) increased labour costs due to offer of regular employment or genuine compliant traineeships b) costs for administrative or judicial procedures c) Costs related to penalties	None	None

II. Overview of costs – Preferred option							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
					Also, small (negligible) costs to undergo inspections.		
	Direct enforcement costs	None	None	Some small costs could arise from the inclusion of traineeships in existing controls and inspections	None	None	1) Cost from including traineeships in existing controls and inspections. 2) Strengthen the capacity of labour inspectorate (training, material and human resources) Based on hypothetical assumptions regarding the implementation by the MS at national level the cost could range: EUR 27,000 (only training) to around EUR 1.2 million (if optimal number of inspectors hired)
	Direct administrative costs	None	None	None	Provide competent authorities (upon request) data and information regarding trainees and their contracts.	None	
Recommendations for effective monitoring and enforcement to ensure that the rights and working conditions of trainees	Direct enforcement costs	None	None	None	None	None	1) Cost from including traineeships in existing controls and inspections. 2)

II. Overview of costs – Preferred option							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
under applicable EU and national law are respected							Strengthen the capacity of labour inspectorate (training, material and human resources) Based on hypothetical assumptions regarding way and degree of implementation by the MS at national level (33%-100%) the cost could range from: EUR 9,000 – 27,000 (only training) to around EUR 363,000 - 1.2 million (if optimal number of inspectors hired)
Obligation to employers to provide, in the vacancy notices, information on the expected tasks, learning content, working conditions, remuneration and social protection	Direct adjustment costs	None	None	Possible costs to adjust vacancy notices. EUR 46 million	None	None	None
Ensure workers' representatives and other actors to be able to engage in procedures to enforce the rights of trainees and channels to report of malpractice and poor traineeship conditions. Recommendation to ensure workers'	Direct enforcement costs	None	None	None	.	Possible costs resulting for the measure on ensuring the channels. (awareness campaigns to inform trainees about the existence of such mechanisms)	Possible increase costs related to inspections

II. Overview of costs – Preferred option							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
representatives and other actors to be able to engage in procedures to enforce the rights of trainees and channels to report of malpractice and poor traineeship conditions							
Member States to define excessive duration of traineeships at national level to assist inspections. Recommendations for maximum traineeship duration (6 months) to include consecutive/repeated traineeships (strengthened Principle 10) and to prevent employers from requesting previous work experience in vacancy notices	Direct adjustment costs	None	None	Possible small costs to adjust existing contracts	None	None	None
	Indirect adjustment costs	None	None	None	Possible increase in costs due to more frequent recruitment and onboarding processes: Hypothetical assumptions regarding the degree of implementation by the MS at national level (33%-100%) lead to an estimate of up to EUR 22-68 million.	None	None
	Indirect adjustment costs	None	None	None	For companies requiring in the previous work experience: higher training costs because of inexperienced trainees	None	None
Ensure trainees are not treated in a less favourable manner as regards working conditions, including pay, than comparable entry-level workers of the same category in the same establishment, unless different treatment is	Direct adjustment costs	None	None	Possible small costs to adjust existing contracts	Only for non-compliant business: increase in labour costs. EUR 41 million for paid trainees (minimum wage benchmark) and EUR 81 million (60% of a	None	None

II. Overview of costs – Preferred option							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
justified on objective grounds					remuneration of a comparable entry level worker benchmark) under the assumption that 22% of paid trainees are not fairly/proportionately remunerated		
Recommendations to ensure that all unpaid trainees receive fair/proportionate remuneration /compensation and have access to social protection	Direct adjustment costs	None	None	None	Possible increase in labour costs. Based on hypothetical assumptions regarding the degree of implementation by the MS at national level (33%-100%) the cost for unpaid trainees could range from: Remuneration: 731,2 million - 2.19 billion (MW benchmark); EUR 704.2 million - 2.11 billion (60% benchmark) Social protection for all trainees: EUR 2.8 – 8.4 billion (depending on implementation)	None	None
Recommendations for written traineeship agreement to include additional elements to increase transparency and to improve the learning component	Direct adjustment costs	None	None	None	Small additional costs to the already necessary cost arising from the TPWC[12] under the baseline.	None	None

[12] The cost under TPWC cost was estimated to EUR 44 for micro enterprises, EUR 57 for small and medium companies and 25 for large companies, source, Supporting study.

II. Overview of costs – Preferred option							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
(strengthened Principle 2) and for access to mentors					Based on hypothetical assumptions regarding degree of implementation by the MS at national level (33%-100%) the cost could be in the range of EUR 27 - 80 million (depending on implementation). Cost to combine and formalise all pieces of information in a written agreement (negligible).		
	Direct enforcement costs	None	None	None	Possible costs related to litigations	None	None
Recommendations to ensure traineeships accessibility to people with disabilities and equal access to vulnerable groups	Direct adjustment costs	None	None	Possible costs to tailor traineeships and to adapt workplace to trainees	Possible costs to conduct outreach and awareness-raising activities	Possible costs for issuing guidance on outreach and awareness-raising activities as well as tailoring traineeships and on adapting workplace to trainees	None
Measures to support cross border traineeships	Direct adjustment costs	None	None		None	Possible costs for developing and producing practical guidance and information on national traineeship frameworks	Possible costs to be incurred for updating the practical guidance and information on national traineeship frameworks
	Indirect adjustment costs	Possible expenses to	None	None	Small costs to post vacancies and recruit	None	None

II. Overview of costs – Preferred option							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
		relocate to other countries			international trainees		
Measures to promote remote/hybrid traineeships	Direct adjustment costs	None	None		Small costs to adapt working environment (e.g. access to digital work tools) and arrangements (including mentorship)	Possible costs for issuing guidance on conditions for accessibility and quality remote/hybrid traineeships	None

(1) Estimates (gross values) to be provided with respect to the baseline; (2) costs are provided for each identifiable action/obligation of the preferred option otherwise for all retained options when no preferred option is specified; (3) If relevant and available, please present information on costs according to the standard typology of costs (adjustment costs, administrative costs, regulatory charges, enforcement costs, indirect costs;).

III. Application of the "One-in One-Out" approach			
	One-off	Recurrent	Total
Businesses			
New Administrative Burdens	None	None	None
Removed Administrative Burdens	None	None	None
Net Administrative Burdens	None	None	None
Adjustment Costs	See Table II above	See Table II above	
Citizens			
New Administrative Burdens	None	None	None
Removed Administrative Burdens	None	None	None
Net Administrative Burdens	None	None	None
Adjustment Costs	None	None	None

NB: The administrative costs for providing competent authorities (upon request) data and information regarding trainees and their contracts, which is indicated in above Table II, is not subject to offsetting in the context of the one-in one-out approach and is therefore not included in the above table III (see Better Regulation Tools #58 and #59).

1. Relevant sustainable development goals

IV. Overview of relevant Sustainable Development Goals – Preferred Option(s)		
Relevant SDG	Expected progress towards the Goal	Comments
SDG no. 1 – End poverty in all its forms everywhere	The expected improvements in access to traineeships, remuneration levels and labour market integration of young individuals contribute	

	to reducing the number of people at risk of poverty and social exclusion in the EU.	
SDG no. 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	The expected improvements in access to traineeships and in the learning component promote the goal of lifelong learning opportunities for all.	
SDG no. 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	The expected decline in the number of work relationships disguised as traineeships and the improvements in the working conditions of trainees contribute to the goal of ensuring decent working conditions to all.	
SDG no. 10 – Reduced inequalities within and among countries	Improvements in access to traineeships contribute to reduce within countries inequalities.	

ANNEX 4. ANALYTICAL METHODS

This annex describes the analytical methods used in the impact assessment. Unless otherwise mentioned this Annex is based on the methodology used for the supporting study.

Data limitations and robustness of evidence regarding the problem definition and estimation of benefits

Significant efforts have been made to collect data to provide an estimate of the size of the problem. However, it should be noted that these estimates are **subject to several limitations**. First, the total number of trainees is likely to be underestimated. This is particularly relevant for the number of unpaid trainees. The most reliable source to obtain estimates on the prevalence of trainees is the LFS data, however, as there are no direct ways to identify them in using this survey. On the contrary, data on paid trainees is more accurate (see A4.1.3). Second, the majority of the supporting evidence is based on self-reporting surveys, the 2023 Eurobarometer and the trainee survey conducted under the evaluation. Results of such surveys have the following limitations: 1) they represent only the views of the trainees and 2) are influenced by the self-response bias of the replies provided by respondents as well as by the profile of the respondents (which is not representative for all types of traineeships). Third, the quantification of the problem in terms of absolute numbers was obtained by combining data from two different sources: the 2023 Eurobarometer and EU-LFS data on the number of trainees (see A4.3 and A4.4). Finally, the data to identify work relationships disguised as traineeships rely on an incomplete set of variables (data is only available for long duration and poor learning content) work relationships disguised as traineeships The assessment of such work relationships disguised as traineeships is also complicated by the fact that the distinction between them and regular work is often blurred, thus requiring a case-by-case assessment (see A4.3).

Nevertheless, a compilation of information from literature, case law and the above-mentioned surveys **provide robust evidence for the existence of the problem and its magnitude**. In particular, the in-depth legal analysis of national regulatory systems carried out under the supporting study identified gaps in these systems that allow for the problematic use of traineeships to arise for current and future trainees (A4.11). Regarding the problems of quality and access, the results of the evaluation and the dedicated analysis under the supporting study provide robust evidence to substantiate the problem.

Uncertainties regarding estimation of costs

- Regarding estimation of the costs on enforcement, data on the number of hours dedicated to training specific to traineeships could not be retrieved from most of the national labour inspection reports. Thus, this information is extrapolated from the Spanish annual labour inspection reports (see Annex A4.6).
- Regarding the cost on recruitment, Empirical evidence on the magnitude of recruitment costs of trainees is rare due to the limited availability of suitable data. Therefore estimates are based on a study using firm-level data in Germany which estimated recruitment costs related to apprenticeships (see Annex A4.7).
- Regarding the cost on remuneration, the proxy used for the current level of the remuneration of trainees leads to an underestimation of the actual level of remuneration of

trainees, while the proxy used to construct the benchmark wage is leads to overestimation of the benchmark wage. Therefore, the estimated proxy for the gap between current remuneration and the proxy for fair/proportionate remuneration is very likely to be overestimated (see Annex 4.8).

- Regarding the costs on social protection these are based on Eurostat data on the share of the non-wage costs in the total labour costs, which include but are not restricted to employers' social contributions. Therefore, the costs are likely to be overestimated.
- In view of the above-mentioned uncertainties and given that costs of some measure cannot be monetised, costs are estimated per measure, while total cost estimates per option cannot be provided.

A4.1. Estimation of the prevalence of trainees

Quantitative evidence on traineeships in the EU was obtained from the scientific use file[13] of the EU Labour Force Survey (EU-LFS).[14] Eurostat granted the contractor of the study supporting the impact assessment[15] access to the relevant anonymised files.

Prevalence of paid trainees

In order to assess the prevalence of **paid trainees**, the main variable used from the EU-LFS was the TEMPREAS variable, available on a yearly basis. This variable records paid fixed-term work experiences, identifying the reasons why respondents report being on fixed term contracts.[16]

The analysis accordingly focused on response option 5: "*Training other than apprenticeship (trainees, internships, research assistants, etc.)*". This category encompasses also other temporary work arrangements than traineeships/internships. However, these alternatives are likely to represent a small share of the answers given that apprenticeships and traineeships are the two main forms of temporary work arrangements aiming at providing work-based training to individuals.[17]

It is important to note that before 2016, apprenticeships and traineeships were not disaggregated. Since 2016, Member States have been offered the possibility, on a voluntary basis, to provide the split between apprenticeships and traineeships. Therefore, for data before 2016, trainees cannot be identified from apprentices in any Member State, whereas the distinction is available between 2016 and 2020 for the 14 Member States which provided the split (BE, CY, DE, IE, EE, EL, LV, HU, NL, AT, PL, RO, SK, FI). In order to obtain estimates of the number of trainees for years in which these workers are aggregated with apprentices, a Multiple Imputation by Chained Equations

[13] Scientific use files are the datasets provided by Eurostat after anonymisation.

[14] See https://ec.europa.eu/eurostat/web/microdata/european-union-labour-force-survey. The EU-LFS is the official source for labour market statistics in the EU and presents the advantage of providing (more) harmonised and comparable information (compared to e.g. administrative data) on labour market status of the population aged 15 to 89. The EU-LFS is conducted in all EU countries, 4 candidate countries, and 3 European Free Trade Association (EFTA) countries. EU-LFS microdata for scientific purposes currently contain data for all EU countries, as well as data for Iceland, Norway, Switzerland, and the United Kingdom (up to third quarter of 2020).

[15] Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

[16] Since 2021, the variable TEMPREAS includes the following categories: 1.Could not find a permanent job; 2. Did not want a permanent job; 3. Fixed-term probationary contract; 4. Apprenticeship; 5. Training other than apprenticeship (trainees, internships, research assistants, etc.); 6. This type of job is only available with a temporary contract; 7. Other reasons; 8. Blank Not stated; 9. Not applicable.

[17] This is an assumption which is in line with most of the research on the topic and that either focus on apprenticeships or traineeships.

(MICE) approach was applied. Further details are available in the supporting study to the impact assessment.

Several proxies were used to identify the types of paid traineeships and quantify their prevalence:

- For Mandatory Professional Traineeships (**MPT**) 3-digit codes, available through the EU-LFS, associated with specific professions (e.g. doctors, dentists, pharmacists, legal professions) were combined with the variable HATLEV1D = 3 is also applied. This restriction implies that MPT have a completed level of education equivalent to at least tertiary education.

- For Education Curriculum Traineeships (**ECT**) those who were not classified as MPT were filtered against the variable EDUCFED4 = 1, meaning they are still in formal education.

- For Active Labour Market Programme (**ALMP**) traineeships, the computation used EU-LFS variables capturing a highest level of education corresponding to upper secondary and aged lower than 30; or variables showing that the trainees are currently not in education and report receiving active support either from a Public Employment Service (PES) or another institution, or they claim to have received some help in finding their current employment (i.e. traineeship) arrangements.

- Open Market Traineeships (**OMT**) are obtained as residual, i.e. subtracting the number of MPT, ECT and ALMP as calculated above from the total number of trainees.

The above approach, which was deemed appropriate given resource constraints and the poor availability of data, does have a few limitations.

A first limit is that the distinction between MPT and ECT is not necessarily clear-cut. In theory, MPT should take place after the completion of university studies and are usually a requirement to be eligible for examinations required to access specific professions. On the other hand, mandatory traineeships can also be required to obtain university diplomas, with the said diploma being the requirement to access the profession. The distinction between these two types of traineeships is not always clear.

Furthermore, the EU-LFS provides only information on the highest level of education completed aggregated into three categories. It is therefore not possible to disentangle a traineeship that would take place at Master's level (HATLEV1D = 3 since the grade of Master's implies that a bachelor diploma has been obtained) from a traineeship taking place after the completion of the Master's level (typically the case for lawyers).

Moreover, the conditions of MPT for several occupations are specific to each Member State, which limited the applicability of the quantitative analysis as outlined above.

Another limit of the proxy measures regards ECT and OMT. In many Member States, it is common (often during the summer period) for students to undertake traineeships which are not compulsory and do not give rise to a recognition of the traineeships for the obtention of the diploma. These traineeships take place without the involvement of the education provider, and as such, they should be recorded as OMT. The available data did not allow to appropriately capture this phenomenon.

Prevalence of unpaid trainees

Due to aspects such as lack of pay, unpaid trainees are recorded in the EU-LFS as unemployed (if they meet given criteria, i.e. search effort and availability to start working within four weeks), or as inactive. Furthermore, it seems reasonable to assume that the largest part of unpaid trainees are young. The age composition of paid traineeships indicates that the 15-29 age group represents 80% of the total number of trainees on average in the EU, so the same share could be assumed to apply to unpaid, but it could be even higher. One could reasonably assume that unpaid traineeship opportunities are (more likely to be) rejected by 'older' people who often have more financial constraints.

Following this reasoning, the pool of not-employed individuals aged 15-29 constituted the reference group for the computation of unpaid trainees[18] and within this group, the four types of trainees were proxied and extracted:

- Based on the evidence from the legal analysis, while not all trainees in **MPTs** have employee status nor benefit from employee-equivalent remuneration, in most countries and for most professions (in particular health and education) they are paid. Furthermore, given the relatively small employment share that MPT represent, the assumption that all such trainees are paid should have a small impact on the overall number of unpaid trainees.
- **ECT** trainees are proxied by exploiting the variable HATWORK which informs on unpaid working experiences during education. Unpaid work experiences could include other types of working arrangements, in particular apprenticeships. However, apprenticeships tend to be highly regulated and almost all Member States provide specific provisions guaranteeing a certain level of pay.
- For what concerns **ALMP** traineeships, several proxy variables were used, focusing on the reference group of 15-20 year old not employed, receiving active support (REGISTER = 1 or 3) and narrowed with the variables EDUCNFE4 and AVAIREAS, which provide information on attendance to training, after filtering out people in education. This is not equivalent to traineeship and there is no certainty on whether the training activity took place at work.
- For unpaid **OMT** traineeships, the reference population of not employed is restricted by removing individuals in education and those registered at a PES (i.e. we focus on REGISTER = 4). The methodology then relies on the variables EDUCNFE4 and AVAIREAS, as above. This approach is complemented by computing the **total** number of ECT and ALMP traineeships, retrieving the share of paid traineeships among these aggregated numbers, and applying this proportion to the total number of OMTs to recover the number of unpaid ones.

It is clear from the above explanations, which are further detailed in the supporting study, that the limitations already outlined in the previous section for assessing the prevalence of paid traineeships, are significant for unpaid traineeships, too. Significant efforts were put in place, in cooperation with the contractor of the supporting study, but ultimately the paucity of available data was a constraining factor.

[18] From this group, various individuals are removed: 1) inactive because they are waiting for their new job to start, 2) inactive due to absence for parental leave, 3) inactive due to disability and 4) individuals who report not currently seeking and wanting work.

Underestimation of the number of paid and unpaid trainees

The methodology to estimate the number of trainees in the EU (presented above) suffers from some limitations, which are likely to result in an underestimation of the actual number of paid and unpaid trainees.

Paid trainees

As many surveys, also the EU-LFS suffers from issues affecting the reliability of data. The issue of stock sampling[19], i.e. the fact that respondents are interviewed at precise moments in time[20], is probably leading to an underestimation of the number of short-duration trainees. Labour market status, in particular short-term activity, of the interviewee outside the interview moments (i.e. reference weeks) is not captured. This could be the case in particular for short-duration traineeships, which would not be recorded in the EU-LFS, leading to an underestimation of the total number of trainees over the year. This issue is particularly relevant if one compares survey and administrative data, as the latter type of data would record all traineeships, irrespective of their duration[21]. The underreporting of traineeships can be expected to be greater for Member States with high shares of short-duration traineeships.[22]

Unpaid trainees

The estimations on the numbers of unpaid trainees are even more uncertain, as there are no direct ways to identify these trainees in the EU-LFS. Therefore, to make the estimations, a more conservative approach seemed appropriate. A minimum number (i.e. lower bound) of trainees was computed, rather than providing larger numbers without possibilities to cross-check the values. For ECT, the population currently in education was restricted to individuals who are at least in the second or third year of their curricula. Furthermore, the definition of pay used for the HATWORK variables appears to be broader than that used by the EU-LFS to determine employment. This should decrease the number of unpaid work activities reported by HATWORK, and it should be noted that in the event of multiple traineeships, the variable HATWORK records a paid work experience, if at least one of these activities is paid. Nevertheless, unpaid ECT are computed from a variable that provides information on unpaid work activities as part of the curriculum, which is not the case for unpaid ALMP and OMT. Hence, the uncertainty around the number of unpaid ALMP and OMT is greater.[23] These two numbers are computed by equating attendance to training activities with traineeships, which constitutes a very narrow definition of what a traineeship is. As

[19] See European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2020). 'How to use administrative data for European Social Funds counterfactual impact evaluations – A step-by-step guide for managing authorities', Publications Office, 2020

[20] All Member States' samples are longitudinal.

[21] If administrative data on trainees existed. Note that this is the case for FR and IT. In FR, the DARES published a note (https://dares.travail-emploi.gouv.fr/Dares_Formation_Stages_en_entreprise_2020.pdf) reporting a number of 289 000 paid trainees in 2019. This number is much greater than the EU-LFS (166 000). The SIES also report the number of trainees in education (see also box 1 in the DARES note) which is again greater than the number of paid ECT obtained through the EU-LFS (175 000 and 114 000 respectively). In IT, ANPAL publishes a report on ALMP (extracurricular) traineeships (https://www.anpal.gov.it/volume_monitoraggio_tirocini.pdf) showing a total of 318 521, 370 544, 351 153 and 355 802 for the years 2016-2019. The number of ALMP trainees from the EU-LFS for the same years are 262 369, 296 299, 290 428 and 311 636, again smaller than reported by administrative data, though we note the similar profile across the two sources with an increase in 2017, followed by a decrease in 2018. These two examples tend to confirm that the EU-LFS is likely to underestimate the number of paid trainees.

[22] Furthermore, this issue with short duration traineeships also provides a (partial) explanation for why the distribution of traineeship duration in the EU-LFS displays high shares of long duration traineeships.

[23] The uncertainty is even greater for OMT. For unpaid ALMP, it is at least known that the individual is registered at a PES. Furthermore, the legal analysis indicate that this type of traineeship provides trainees with some form of remuneration in most Member States.

a matter of fact, between 7% and 10% of paid trainees at the EU level report attending a training activity in the last four weeks. This number cannot be extrapolated to obtain the total number of unpaid trainees, but it suggests that using attendance to training is likely to underestimate the actual number of unpaid trainees.

Baseline projections

This section describes the trend impact analysis[24] used to obtain projections of the future number of the different types of traineeships in the EU for the period 2022-2030. The analysis uses the prevalence trends estimated through the EU-LFS. The baseline scenario assumes for each type of traineeship an annual growth rate equal to the average yearly growth rate observed in the five years before the outburst of the COVID-19 pandemic in Europe.

The motivation for selecting the 2014–2019 time-window is twofold. First, it allows to capture potential long-lasting effects of the QFT on the prevalence of traineeships in the EU. In addition, it allows to analyse structural trends in traineeship prevalence before the disruptive impacts of the COVID-19 pandemic. By applying the average yearly growth rate by traineeship type to the baseline number of trainees in 2021 we obtain the projected trends in traineeship prevalence for the period 2022-2030. Importantly, these figures should not be interpreted as point forecasts but rather as a baseline scenario based on current knowledge of trends, socio-economic and political developments. In addition to the baseline scenario, we consider an alternative scenario in which OMT grow at a stronger rate. The high-growth scenario accounts for the potential impacts of future economic developments connected to the impacts of the green and digital transition on the EU labour market and the needs for re-skilling and up-skilling. Thus, it contributes to relaxing the assumption that future trends consist of a simple continuation of earlier trends.

The table below shows the average yearly growth rate of each type of traineeship for the period 2014 and 2019, conditioning on whether the traineeships were paid or not. The third column shows the growth rates of OMT in the high-growth scenario. In this scenario, the growth rate of paid and unpaid OMT are assumed to be equal to the average yearly growth rate of paid and unpaid traineeships (for all types of traineeships) for the period 2014-2019. These correspond to 2.3% for paid traineeships (as opposed to the -0.04% yearly growth rate of the baseline scenario) and 0.4% for unpaid traineeships (as opposed to the 2.3% of the baseline scenario).

Table 2: Average yearly growth rate 2014-2019 by traineeship type and remuneration coverage

Traineeship Type	Average Yearly Growth Rate 2014-2019 (Baseline projections)	Average Yearly Growth Rate 2014-2019 (high growth scenario for OMT)
Paid OMT	-0.4%	2.3%
Paid ALMP	2.8%	2.8%
Paid ECT	5.1%	5.1%
Paid MPT	4%	4%

[24] Quantitative methods assume that forces at work in the past will continue to work in the future and future events that can change past relationships or deflect the trends will not occur or have no appreciable effect. The TIA is a simple approach to forecasting in which a time series is modified to take into account perceptions about how future events may change extrapolations that would otherwise be surprise-free. In generating a TIA, the set of future events that could cause surprise-free trends to change in the future must be specified. When TIA is used, a data base is created of key potential events, their probabilities, and their impacts.

Unpaid OMT	2.3%	0.4%
Unpaid ALMP	3.7%	3.7%
Unpaid ECT	0%	0%

The tables below show the projected yearly growth of the number of traineeships for the period 2022-2030 under the reference and high growth scenarios, by traineeship type and conditioning on whether the traineeship was paid or unpaid. In brackets each type of traineeship is reported as a fraction of the total number of traineeships, conditioning on whether they were paid or unpaid.

Table 3: Historical and projected number of traineeships in the EU (in thousands of traineeships)

1.25	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Paid MPT	122 (9.5%)	125 (8.7%)	131 (8.8%)	162 (10.9%)	161 (10.6%)	155 (10.1%)	149 (9.3%)	157 (11.3%)	159 (11.6%)	165 (11.7%)	172 (11.8%)	179 (11.9%)	186 (11.9%)	193 (12%)	201 (12.1%)	209 (12.1%)	218 (12.2%)	226 (12.2%)
Paid ECT	360 (28.1%)	398 (27.8%)	378 (25.4%)	448 (30.1%)	441 (29%)	484 (31.6%)	504 (31.4%)	443 (31.9%)	575 (42.2%)	605 (43%)	636 (43.7%)	669 (44.5%)	703 (45.2%)	740 (45.9%)	778 (46.7%)	818 (47.4%)	860 (48.1%)	904 (48.8%)
Paid ALMP	431 (33.6%)	466 (32.5%)	492 (33.1%)	496 (33.3%)	521 (34.3%)	508 (33.1%)	533 (33.2%)	461 (33.2%)	370 (27.2%)	380 (27%)	391 (26.9%)	402 (26.7%)	413 (26.5%)	425 (26.4%)	436 (26.2%)	449 (26%)	461 (25.8%)	474 (25.6%)
Paid OMT	371 (28.9%)	445 (31%)	487 (32.7%)	384 (25.8%)	396 (26.1%)	389 (25.4%)	420 (26.2%)	326 (23.5%)	258 (19%)	257 (18.3%)	256 (17.6%)	255 (16.9%)	254 (16.3%)	252 (15.7%)	251 (15.1%)	250 (14.5%)	249 (13.9%)	248 (13.4%)
Paid OMT linearity scenario)	371 (28.9%)	445 (31%)	487 (32.7%)	384 (25.8%)	396 (26.1%)	389 (25.4%)	420 (26.2%)	326 (23.5%)	258 (19%)	264 (18.7%)	270 (18.4%)	276 (18.1%)	283 (17.8%)	289 (17.6%)	296 (17.3%)	303 (17%)	310 (16.8%)	317 (16.5%)
Unpaid ECT				1,237 (85.9%)	1,227 (85.4%)	1,228 (86.1%)	1,237 (85%)	1,297 (87.5%)	1,299 (81.8%)	1,299 (81.4%)	1,299 (81%)	1,299 (80.5%)	1,299 (80.1%)	1,299 (79.6%)	1,299 (79.1%)	1,299 (78.7%)	1,299 (78.2%)	1,299 (77.7%)
Unpaid ALMP				69 (4.8%)	69 (4.8%)	67 (4.7%)	76 (5.2%)	50 (3.4%)	119 (7.5%)	124 (7.7%)	128 (8%)	133 (8.2%)	138 (8.5%)	143 (8.7%)	148 (9%)	153 (9.3%)	159 (9.6%)	165 (9.9%)
Unpaid OMT				134 (9.3%)	141 (9.8%)	131 (9.2%)	143 (9.8%)	135 (9.1%)	169 (10.6%)	173 (10.8%)	177 (11%)	181 (11.2%)	185 (11.4%)	190 (11.6%)	194 (11.8%)	199 (12%)	203 (12.2%)	208 (12.5%)
Unpaid OMT (High growth scenario)				134 (9.3%)	141 (9.8%)	131 (9.2%)	143 (9.8%)	135 (9.1%)	169 (10.6%)	170 (10.7%)	170 (10.7%)	171 (10.7%)	172 (10.7%)	172 (10.7%)	173 (10.7%)	174 (10.7%)	174 (10.7%)	175 (10.7%)

Estimation of certain cases of work relationships disguised as traineeships and of traineeships of long duration, including consecutive/repeated traineeships

Estimation of certain cases of work relationships disguised as traineeships

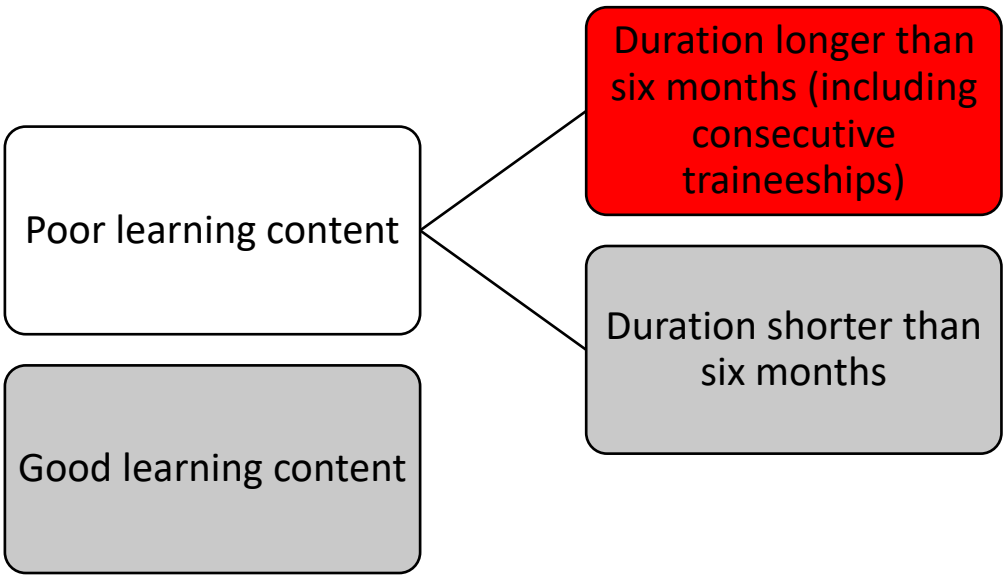
This section describes the methodology used to estimate the number of certain cases of work relationships disguised as traineeships in the EU, based on the data from the Eurobarometer 523 Survey and the estimated number of trainees obtained from the EU-LFS survey.

The methodology used to estimate this number builds on existing evidence from policy reports documenting the existence of practices where work relationships can be disguised as traineeship. While there are no available estimates on the number of work relationships disguised as traineeships such traineeships in the EU (partially due to the usual difficulties in identifying fraud), numerous studies have identified a list of criteria to distinguish between "real" work and traineeships. Building on empirical evidence (see A8.1) a list of elements were selected to determine work relationships disguised as traineeships. The Eurobarometer has a number of questions which allows estimate a proxy for one type of such traineeships by identifying those with long duration and poor learning content.

Table 4: Survey questions used to assess work relationships disguised as work relationships disguised as traineeships

Traineeship dimension	Eurobarometer Survey Question
Duration	a) Thinking about your last traineeship, how long did this traineeship last? b) Thinking about your last traineeship, could you turn to a mentor who helped you and explained how to do the work?
Learning	c) During you last traineeship you learnt things that are useful professionally d) During your last traineeship you could turn to a mentor who helped you and explained how to do the work (agreement on a scale from 1-4)

The identification of work relationships disguised as traineeships is based on the decision tree depicted below. The green boxes represent proper traineeship relations, the red box represents work relationships disguised as traineeships.



A traineeship is considered to have good learning content if the respondent agreed (i.e., if they strongly or partially agreed) with the fact that they learnt things that are useful for their profession *and* they could rely on a mentor during the traineeship. Otherwise, the traineeship was assumed to have poor learning content (i.e., if the respondent was in disagreement with one or both statements). Excessively long traineeships include traineeships longer than six months and multiple short traineeships (lasting between three and six months, i.e. with total duration exceeding 6 months) with the same employer. The algorithm described above allows to estimate the fraction of work relationships disguised as traineeships by traineeship type. The product between the estimated share of such traineeships and the total number of trainees by country and traineeship type (estimated through the EU-LFS data) gives the number of work relationships disguised as traineeships in absolute terms.

These estimates are subject to numerous limitations. To start, they are influenced by the self-response bias of the respondents of the survey. In addition, they rely on an incomplete set of variables to identify work relationships disguised as traineeships. Last and most importantly, the assessment of work relationships disguised as traineeships is complicated by the fact that the distinction between training and regular work is often blurred, thus requiring a case-by-case assessment.

Estimation of traineeships of long duration, including consecutive/repeated traineeships

This section explains the methodology adopted in the supporting study to estimate (i) the number of trainees with traineeship contracts longer than six months, (ii) the number of trainees who did repeated traineeships with the same employer that were overall longer than six months and (iii) the number of trainees who did multiple traineeships with different employers. The approach proposed combines two sources of data, namely the Eurobarometer Survey and the EU-LFS data. Results of the Eurobarometer are used to obtain information on the prevalence of excessively long traineeships and repeated traineeships. The EU-LFS data are used to estimate the number of trainees in Europe. For results of these calculations, please see Annex 8 and for details Annex 4 of the study supporting the Impact Assessment.

- Traineeships longer than six months

In the Eurobarometer Survey respondents were asked to report the length of their *last* traineeship. This allows for computing the share of trainees who reported having undertaken a traineeship longer than six months, by country, traineeship type and whether the traineeship was remunerated or not. By multiplying the share of traineeships longer than six months by the total number of trainees estimated through the EU-LFS (by country, traineeship type and remuneration) we obtain an estimate of the number of trainees who conducted a traineeship longer than six months in absolute terms.

- Consecutive/Repeated traineeships with the same employer

In addition to the number of traineeship contracts longer than six months, excessively long traineeships occur when an individual does multiple short traineeships with the same employer whose overall duration exceeds six months. In the Eurobarometer survey, participants were asked whether they had undertaken multiple traineeships, and whether any of these traineeships occurred with the same employer. Unfortunately, respondents were not asked about the length of each single traineeship, except for their last one. Thus, it is not possible to precisely compute whether the traineeship with the same employer was longer than six months overall. To overcome this data limitation, we assume that a respondent had a traineeship longer than six months if she/he had more than one traineeship with the same employer *and* her last traineeship was between three and six months long. Clearly, this approach leads to an overestimation of the number of consecutive traineeships longer than six months. Importantly, information on the type of traineeship and remuneration coverage is also missing for traineeships different from the last one. Thus, we assume that prior traineeships were of the same type and had the same remuneration policy as the last one.

- Consecutive/Repeated traineeships with different employers

On the basis of Eurobarometer, the estimation of respondents conducting multiple traineeships with different employers was made based on whether (i) participants reported having done multiple traineeships, (ii) none of these traineeships were with the same employer. This allows us to obtain an approximation of the number of trainees who were asked for prior work experience to conduct a traineeship. This approach is likely to overestimate the (annual) number of employers requiring prior work experience[25] of trainees for two reasons. First, not all trainees who undertook numerous traineeships were required to have prior work experience. Secondly, in the Eurobarometer survey respondents were asked to consider all possible traineeships, not only those related to the current year. This implies that the annual number of multiple traineeships with different employers could be lower.

Estimation of trainees likely to benefit from the measures to address poor quality traineeships

Proxy for the number of trainees which could potentially benefit from fair/proportionate remuneration

In the survey of trainees conducted for the 2023 Study Supporting the Evaluation of the Quality Framework for Traineeships respondents were asked whether their compensation was sufficient to cover the basic living costs such as rent, food, etc. The vast majority of the

[25] For more information on employers requiring previous experience, please see below section 'Supporting study - Vacancy analysis'.

respondents said that the compensation received was either sufficient to a small extent (40%) or not sufficient at all (22%). In addition, in the survey respondents were also asked whether they considered the compensation value to be adequate relative to the national minimum wage. 54% of them considered the financial allowance/compensation received to be below the national minimum wage. This corresponds to 870 thousand paid trainees according to the 2019 estimates from the EU-LFS. Remarkably, the fraction of respondents who reported receiving a compensation below the minimum wage was significantly higher among females (36%) than males (17%).

Combining this data with the estimates of prevalence of trainees from the EU-LFS a rough proxy can be obtained for the number of trainees which could potentially benefit.

Share	Absolute number
22%	353,000
38%	610,000
54%	870,000
62%	1 million

Proxy for the number of trainees to benefit from the written agreement

Based on the evaluation and the legal analysis it is possible to identify the Member States and traineeship types where the written agreement has been implemented. Combining this with the estimates of prevalence of trainees provides an estimate for the number of trainees who would benefit from the measure on the written agreement.

Table 5: Number of trainees to potentially benefit from a written traineeships agreement

MS	Affected paid trainees (number)	Affected unpaid trainees (number)	Total
AT	5786	4272	10058
BE	6338	41894	48232
BG	0	0	0
CY	387	1561	1948
CZ	6355	19847	26202
DE	0	0	0
DK	257	2764	3021
EE	1010	5953	6963
EL	7346	602	7948
ES	0	0	0
FI	11472	35918	47390
FR	0	0	0
HR	0	0	0
HU	140	554	694
IE	12284	8339	20623
IT	96724	36018	132742
LT	0	0	0
LU	0	0	0

LV	483	1232	1715
MT	1832	1582	3414
NL	1527	29976	31503
PL	106138	21276	127414
PT	1099	61303	62402
RO	0	0	0
SE	3688	43957	47645
SI	189	0	189
SK	1728	26862	28590
Total	**264780**	**343908**	**608688**

Costs of familiarisation with new provisions

The unit cost for familiarisation of businesses with new provisions is based on the estimations from the REFIT study on the working time Directive[26], revised in the impact assessment for the Directive on transparent and predictable working conditions to take account of inflation. The total price per person to familiarise with EU legislation is provided in the table below. The average familiarisation costs result in EUR 53 for SMEs and EUR 39 for large companies.

Table 6: Unit cost per person for familiarisation with new EU legislation

Member State	SMEs	Large companies
AT	74.4	53.6
BE	69.2	49.0
BG	7.2	5.5
CY	34.1	26.5
CZ	17.8	12.9
DE	68.3	45.6
DK	76.2	51.0
EE	14.3	9.8
EL	25.7	18.3
ES	44.6	33.7
FI	62.6	43.9
FR	65.0	47.2
HR	26.9	20.7
HU	19.3	14.0
IE	62.6	43.0
IT	73.2	56.3
LT	11.1	8.0
LU	84.1	58.0
LV	12.8	8.0
MT	24.6	16.5
NL	54.4	35.3

Source: SWD Impact assessment for the transparent and predictable working condition Directive.

[26] ICF (2014) Study measuring the impacts of various possible changes to EU working time rules in the context of the Review of the Directive 2003/88/EC

Costs of enforcement and reporting channels

Three different scenarios were considered to estimate the costs arising from the policy options on controls and inspections (Policy Area A1).

In the **first, conservative scenario**, the number of labour inspectors in the Member States remains unchanged while a share of current labour inspectors receives new training specific to traineeships. Data on the number of hours dedicated to training specific to traineeships could not be retrieved from most of the national labour inspection reports. Thus, this information is extrapolated from the Spanish annual labour inspection reports, which explicitly indicate the amount of hours of training dedicated to traineeships rules. In particular, between 2020 and 2021, 40 hours of training were dedicated to traineeships rules (13 hours in 2020 for 16 participants[27] and 27 hours in 2021 for nine participants[28]). In this scenario, it is assumed that the same additional number of hours of traineeships specific training is introduced in the EU Member States, independently of the number of labour inspectors and trainees in each country. The product between the 40 hours and the country specific labour costs gives an estimate of the costs of training in the EU MS in the two years following the introduction of the initiative. Summing up across MS, the initiative would cost **EUR 27,256 under this scenario**.

Table 7: Estimated costs of traineeships specific training for labour inspectors.

Country	Hourly Labour Costs	Estimated training costs
AT	39	1560
BE	43.5	1740
BG	8.2	328
CY	19.4	776
CZ	16.4	656
DE	39.5	1580
DK	46.8	1872
EE	16.4	656
EL	14.5	580
ES	23.5	940
FI	35.9	1436
FR	40.8	1632
HR	12.1	484
HU	10.7	428
IE	37.9	1516
IT	29.4	1176
LT	13.1	524
LU	50.7	2028
LV	12.2	488
MT	14	560
NL	40.5	1620
PL	12.5	500
PT	16.1	644
RO	9.5	380
SE	40.1	1604
SI	23.1	924
SK	15.6	624
EU 27		27256

In a **second, optimistic**, new labour inspectors may be hired. The optimal number of inspectors to be hired is obtained as follows. First, in countries with at least 10,000 trainees, the optimal number of inspectors (denoted by L* in what follows) is determined by dividing the number of

[27] Informe Anual de la Inspección de Trabajo y Seguridad Social 2020. Ministerio de Trabajo y Economía Social.
[28] Informe Anual de la Inspección de Trabajo y Seguridad Social 2021. Ministerio de Trabajo y Economia Social.

paid trainees in each country by 10,000 – the optimal ratio inspectors/employees recommended by the ILO. Next, the gaps in the optimal number of inspectors per *employees* is obtained from the ILO database It is assumed that the gaps in the relative number of inspectors for trainees are equal to the gaps in the relative number of inspectors per employees. For instance, the table below shows that the optimal number of labour inspectors per trainees is 5 in Austria (45,127/10,000). Since Austria has 0.71 inspectors per 10,000 employees, we assume that 0.29*5 new inspectors would have to be hired to reach the optimal target of inspectors for trainees. This corresponds to one new labour inspector. In countries with less than 10,000 trainees it is assumed that a new labour inspector needs to be hired if there is less than one labour inspector per 10,000 employees.

Table 8: Costs of new labour inspectors and traineeship specific training under the high bound scenario

Country	Paid trainees	Optimal number of inspectors	Labour inspectors/10,000	New inspectors	Annual labour costs public sector	Total costs of new inspectors	Training costs	Total costs
AT	45127	5	0.71	1	102134.39	102134.4	1560	103694.4
BE	16484	2	0.58	1	86641.53	86641.5	1740	88381.5
BG	2205	NA	1.13	0	22812.11	0	328	328
CY	427	NA	0.53	1	69004.15	69004.1	776	69780.1
CZ	11998	1	0.95	0	56143.44	0	656	656
DE	380508	38	1.41	0	137908.83	0	1580	1580
DK	20337	2	NA	NA	114741.38	NA	1872	NA
EE	1193	NA	0.69	1	72624.16	72624.2	656	73280.2
EL	13207	1	NA	NA	26129.61	NA	580	NA
ES	163266	16	1.07	0	81769.03	0	940	940
FI	11893	1	1.26	0	108422.33	0	1436	1436
FR	166353	17	0.8	3	89948.28	269844.8	1632	271476.8
HR	12764	1	1.1	0	30222.86	0	484	484
HU	3956	NA	0.58	1	31821.93	31821.9	428	32249.9
IE	18645	2	0.25	2	77237.16	154474.3	1516	155990.3
IT	438063	44	NA	NA	53938.78	NA	1176	NA
LT	1929	NA	1.01	0	44415.09	0	524	524
LU	20	NA	2.76	0	147834.05	0	2028	2028
LV	2232	NA	1.3	0	42930.5	0	488	488
MT	2222	NA	0.21	1	38198.41	38198.4	560	38758.4
NL	3053	NA	NA	NA	102062.07	NA	1620	NA
PL	273372	27	0.92	2	28436.72	56873.4	500	57373.4
PT	4503	NA	0.87	1	43981.48	43981.5	644	44625.5
RO	1212	NA	1.92	0	27767.95	0	380	380
SE	5469	NA	0.52	1	77118.16	77118.2	1604	78722.2
SI	2706	NA	0.88	1	49079.72	49079.7	924	50003.7
SK	1877	NA	1.13	0	55327.87	0	624	624
EU27	1605023	161		16		1,051,796	27,256	**1,160,445**

Note: The table shows the estimated enforcements costs for hiring and training new labour inspectors. Data on the ratio between the number of labour inspectors per 10,000 employees were missing for DK, EL, IT, NL.

The **third, intermediate, scenario** only deviates from the second scenario by assuming that only 50% of the new inspectors will be hired. For instance, if a country would have to hire 4 inspectors according to the procedure described above, we assume that only 2 will be hired. Here we also assume that training is provided as outlined above.

Table 9: Costs of new labour inspectors and traineeship specific training under the intermediate scenario

Country	Paid trainees	Optimal number of inspectors	Labour inspectors/10,000	New inspectors	Annual labour costs public sector	Total costs of new inspectors	Training costs	Total costs
AT	45127	5	0.71	1	102134.39	102134.4	1560	103694.4
BE	16484	2	0.58	1	86641.53	86641.53	1740	88381

BG	2205	NA	1.13	0	22812.11	0	328	328
CY	427	NA	0.53	1	69004.15	69004.1	776	69780.1
CZ	11998	1	0.95	0	56143.44	0	656	656
DE	380508	38	1.41	0	137908.83	0	1580	1580
DK	20337	2	NA	NA	114741.38	NA	1872	NA
EE	1193	NA	0.69	1	72624.16	72624.2	656	73280.2
EL	13207	1	NA	NA	26129.61	NA	580	NA
ES	163266	16	1.07	0	81769.03	0	940	940
FI	11893	1	1.26	0	108422.33	0	1436	1436
FR	166353	17	0.8	2	89948.28	179896.6	1632	181528.6
HR	12764	1	1.1	0	30222.86	0	484	484
HU	3956	NA	0.58	1	31821.93	31821.9	428	32249.9
IE	18645	2	0.25	1	77237.16	77237.2	1516	78753.2
IT	438063	44	NA	NA	53938.78	NA	1176	NA
LT	1929	NA	1.01	0	44415.09	0	524	524
LU	20	NA	2.76	0	147834.05	0	2028	2028
LV	2232	NA	1.3	0	42930.5	0	488	488
MT	2222	NA	0.21	1	38198.41	38198.4	560	38758.4
NL	3053	NA	NA	NA	102062.07	NA	1620	NA
PL	273372	27	0.92	1	28436.72	28436.7	500	28936.7
PT	4503	NA	0.87	1	43981.48	43981.5	644	44625.5
RO	1212	NA	1.92	0	27767.95	0	380	380
SE	5469	NA	0.52	1	77118.16	77118.2	1604	78722.2
SI	2706	NA	0.88	1	49079.72	49079.7	924	50003.7
SK	1877	NA	1.13	0	55327.87	0	624	624
EU27	1605023	161		14		769,532.9	27,256	**791,540**

Note: The table shows the estimated enforcement costs for hiring and training new labour inspectors. Data on the ratio between the number of labour inspectors per 10,000 employees were missing for DK, EL, IT, NL.

From **the perspective of the employers**, this policy measure is not expected to introduce any additional enforcement costs. The enforcement costs for employers connected to the visits to workplaces by inspectors would not be affected by the intervention since the organisation of inspectors' visits would not change.

Costs of reporting channels

The legal analysis conducted for this study indicates that most MS already have reporting channels where employees and some categories of trainees can report malpractices. Hence, the provision would not entail any adjustment cost to introduce new reporting mechanisms but only costs connected to awareness campaigns to inform trainees about the existence of such mechanism. Due to the lack of reliable data, these costs could not be quantified.

Costs transparency of vacancies and cost of recruitment

Costs of transparency of vacancies

The study supporting the evaluation estimated that on average it takes 1 to 2 hours for a traineeship provider to draft a vacancy notice under the baseline scenario (2014 QFT). The measure would add the following elements: the overall working conditions, coverage of social protection, and the learning and training component. Conservatively, one could estimate an additional hour per vacancy notice in order to cover these new elements. An estimate of the number of vacancies that would be affected can be obtained from the 2023 QFT Evaluation Study, which found that 42% and 59% of OMT and ALMP vacancies mentioned the allowance and compensation of the traineeships. Thus, we assume that, on average, around 50% of the yearly vacancies would have to be affected the initiative. The product between the number of

vacancies (obtained from the total number of paid and unpaid trainees from the 2019 EU-LFS) and the hourly labour costs gives the aggregate costs of the binding measure. These are reported in the table below:

Table 10: Costs of transparency of vacancies

Country	Hourly Labour Costs	Estimated number of vacancies affected	Aggregate Costs (€)
AT	39	36259	1414101
BE	43.5	51280	2230701.75
BG	8.2	1900	15584.1
CY	19.4	1000	19409.7
CZ	16.4	15922	261129
DE	39.5	254025	10033987.5
DK	46.8	37212	1741545
EE	16.4	3672	60212.6
EL	14.5	13134	190435.75
ES	23.5	226042	5311975.25
EU27	**30.5**	**1530327**	**46674973.5**
FI	35.9	24080	864454.05
FR	40.8	191722	7822278
HR	12.1	11220	135755.95
HU	10.7	11632	124457.05
IE	37.9	16707	633195.3
IT	29.4	333056	9791846.4
LT	13.1	11636	152438.15
LU	50.7	966	48950.85
LV	12.2	1732	21130.4
MT	14	1942	27181
NL	40.5	31502	1275851.25
PL	12.5	147839	1847987.5
PT	16.1	35613	573369.3
RO	9.5	21866	207731.75
SE	40.1	25606	1026780.55
SI	23.1	1483	34257.3
SK	15.6	14370	224164.2

Costs of recruitment

Empirical evidence on the magnitude of recruitment costs of trainees is rare due to the limited availability of suitable data. Recruitment costs are determined by numerous factors, including the costs of filling a vacancy and of screening and selecting candidates, workers representation at the firm level and collective bargaining agreements coverage.

A recent study using firm-level data in Germany estimated the average costs to fill an apprenticeship vacancy at EUR 600, distributed in EUR 496 for screening and selection costs, EUR 121 for posting vacancies. Recruitment costs for trainees can be expected to be similar to those of apprentices. Importantly, these costs are significantly lower than those for hiring skilled workers, which have been estimated at EUR 1600[29]. To obtain an updated country-level estimate of the recruitment costs, the average costs estimated in Germany (EUR 600) is divided

[29] Pfeifer et al. "The Structure of Hiring Costs in Germany: Evidence from Firm-Level Data (2013). IZA DP No. 7656. 55 (2), 193-218.; We expect these costs to be higher than those for trainees since such hiring processes generally require a more thorough screening process and the involvement of a higher number of staff involved in the procedure.

by the average hourly labour costs in Germany in 2012 (EUR 30.5), i.e. the year of the study. This gives the average number of hours required to recruit a trainee. It corresponds to 19.7 hours of work. These are then evaluated at the average hourly labour costs of the EU Member States in 2022 to obtain the average recruitment costs per trainee at the country level.

The aggregate additional costs introduced by the measures are obtained by multiplying the recruitment costs by the number of paid trainees who had traineeships longer than six months and did not remain in the company at the end of the traineeships period. Data on duration and retention come from the 2023 Eurobarometer data on the number of trainees come from the EU-LFS. The original proposed approach of computing the recruitment costs in proportion to the contract length and to drop traineeships between six and nine months long could not be implemented since the Eurobarometer only contains information on whether the traineeships lasted more than six months.

Table 11: Estimated recruitment costs by traineeship type

country	Paid OMT	Paid ALMP	Paid ECT	Paid MPT	Total
AT	183363	307651	951340	236301	1678655
BE	673467	171148	220781	285817	1351213
BG	18067	2420	323	0	20810
CY	0	1145	763	25188	27096
CZ	37424	18712	119692	6452	182280
DE	1869582	3155600	12805007	0	17830189
DK	21175	18413	954724	61684	1055996
EE	323	323	7098	0	7744
EL	19682	29381	117808	288102	454973
ES	4618377	811799	1449310	322685	7202171
EU27	**22271814**	**19296766**	**23606324**	**2317026**	**67491930**
FI	10593	0	156783	30368	197744
FR	0	0	5054901	258444	5313345
HR	184235	136153	66410	113064	499862
HU	2736	6946	38309	42519	90510
IE	1293564	111836	405590	102143	1913133
IT	10532514	12762670	726999	411214	24433397
LT	773	0	5412	258	6443
LU	0	0	1995	0	1995
LV	0	62640	2160	0	64800
MT	33049	8813	46820	0	88682
NL	293990	45413	0	0	339403
PL	2103920	1396958	368850	80655	3950383
PT	163111	94066	6651	36740	300568
RO	20745	1121	0	5794	27660
SE	88351	130949	78096	8677	306073
SI	73618	19540	4544	0	97702
SK	29155	3069	15958	921	49103

Costs of remuneration and access to social protection

Cost of the policy options on remuneration (Policy Area B1)

a) Estimation of the current remuneration of trainees

Quantitative data on the current remuneration of trainees does not exist. To obtain a proxy for the current remuneration of trainees use the result of the legal analysis, which provide information on the legal minimum level of remuneration of trainees in the Member States. In most Member States this level can be assumed to be the minimum wage (as these trainees are all considered workers under EU law because they are paid), while some Member States allow for a proportion of the minimum wage or for an actual value provided by law (e.g. for ALMP in IT trainees' minimum remuneration is set at 500 EUR, in BE and RO it is 50%, in PT at 80% of the MW).

b) Benchmark remuneration and gap

Following the practice in the 2 MS where provisions on proportionate remuneration exist in relation to a comparable worker (SI and ES)[30], a sensitivity analysis could be conducted by setting the benchmark level for fair/proportionate remuneration for OMT to a) minimum wage (conservative scenario) and b) 60% (optimistic scenario) of the average remuneration of employees aged less than 30 years old. Given the different nature of these types of traineeships, we assume that ALMP, ECT and MPT would not be paid above the minimum wage in all the scenarios.

Calculating the cost of the measure on fair/proportionate remuneration for paid trainees

The difference between the benchmark for fair/proportionate remuneration and the estimation of the current minimum remuneration of trainees can provide a range for the rough estimate of the cost of this measure per trainee per month. The product between the cost per trainee and the number of trainees who do not receive fair remuneration gives the aggregate monthly costs of ensuring fair remuneration to trainees. Proxy estimates for the fraction of paid trainees who potentially received unfair remuneration in the EU is obtained from the 2023 Study Supporting the Evaluation of the Quality Framework for Traineeships. In the survey of trainees conducted for the study, respondents were asked whether they considered their remuneration/compensation to be adequate relative to the national minimum wage and whether their compensation was sufficient to cover basic living costs such as rent, food, etc. 54% of the participants considered their remuneration/compensation below the minimum wage, while 22% reported that their compensation was not at all sufficient to cover basic living expenditures. The average between the two answers (38%) is used in an upper bound scenario and the 22% to construct a lower bound scenario. The product between the fraction of trainees receiving unfair remuneration and the number of paid trainees estimated through the EU-LFS data gives an estimate of the number of trainees receiving an inadequate/unfair remuneration. Last, the monthly costs of ensuring fair remuneration to trainees are multiplied by the country specific

[30] In ES, the remuneration of trainees should be at least 60%-75% (depending on duration) of the remuneration of a comparable worker as established in the respective collective agreement. In SI the law states that the trainee has the right to at least 70% of the remuneration of a comparable worker.

average traineeships duration taken from the Eurobarometer survey[31]. Under the assumption that trainees would be paid the minimum legal requirement over the baseline period, the aggregate cost of the measure during the baseline period can be obtained by multiplying the cost per trainee by the predicted number of paid traineeships in the EU.

Calculating the cost of the measure on fair/proportionate remuneration for unpaid trainees

An upper bound to the costs of extending fair remuneration to unpaid trainees can be obtained by multiplying the number of unpaid trainees from the EU-LFS (around 1,5 million trainees in 2019) by the two measures: MW and 60% of the average remuneration of employees aged less than 30 years old and multiplying the monthly costs by the country specific average length of traineeships duration from the Eurobarometer survey**.** In the optimistic scenario it is assumed that only OMT would be paid a fraction of the average remuneration of employees aged less than 30 years old. The benchmark level of remuneration for ALMP is set at the minimum wage in all the scenarios. For ECT, a sensitivity analysis is performed by considering the following three alternative scenarios: a) unpaid ECT are not affected, b) 22% of unpaid ECT are affected (that is, the fraction of participants who reported receiving insufficient remuneration in the survey conducted for the evaluation study), c) all ECT are affected and are paid 60% of the minimum wage.

Calculating the total cost of the measure on fair/proportionate remuneration

An upper bound of the total costs of ensuring fair remuneration to all trainees in the EU is obtained by adding the estimated costs from ensuring fair/proportionate remuneration for paid trainees to the respective costs for unpaid trainees. This estimate corresponds to full implementation of the non-binding measure. However, not all MS are expected to implement the measure. Therefore, a sensitivity analysis is performed where two scenarios are considered: we assume that only some MS will implement the recommendation. In particular, we consider a) 9 out of 27 Member States (33%) will implement the initiative in the respective national regulatory framework (this corresponds to the number of countries that introduced the least implemented QFT principle in their national regulatory framework for OMT according to the Study Supporting the Evaluation of the Quality Framework for Traineeships) and b) 18 out of 27 Member States will implement the non-binding measure. To obtain an estimate of the costs under this scenario, we multiply the aggregate costs of ensuring fair remuneration to paid and unpaid (the prior method always assumed full implementation for the measure on paid trainees) trainees across the EU MS under the three scenarios in the above by 33% (9/27) and 66% respectively.

For exact calculations of these costs, please see the methodological annex of the study supporting this impact assessment.

Social protection

To obtain an upper bound to the costs of extending social protection to all trainees, data from the 2023 Eurobarometer on the share of participants who reported not having access to social protection (by traineeship type and remuneration coverage) is combined with the estimated

[31] In the EB survey duration is a categorical variable with values: “less than one month”, “between one and three months”, “between three and six months”, “more than six months”. For each of these categories, the median value was considered to compute the average traineeships duration in each country. Traineeships longer than six months were assumed to be six months long.

number of traineeships from the EU-LFS to obtain the total number of trainees without social protection coverage.

Next, Eurostat statistics on the share of the non-wage costs in the total labour costs is used to obtain an estimate of the hourly social protection costs. These are then scaled at the monthly level by multiplying them by the country average number of weekly hours of work (Eurostat) and by four weeks. It should be noted that these costs are not restricted to employers' social contributions, therefore, the costs are likely to be overestimated.

The product between the monthly non-wage costs and the number of trainees without access to social protection gives the monthly costs of ensuring social security to all uncovered trainees. The yearly costs in each MS are obtained by multiplying the monthly costs by the average duration of traineeships from the Eurobarometer survey, an indicative measure of the average traineeship duration.

Since not all MS are expected to implement the recommendation, a sensitivity analysis is performed in which there are scenarios where only some MS will implement the recommendation in the scenario called 'partial implementation. In particular, a conservative scenario in which 33% (i.e. 9 out of 27 MS will implement the initiative in the respective national regulatory framework is assumed, which corresponds to the number of countries that introduced the least implemented QFT principle in their national regulatory framework for OMT according to the Study Supporting the Evaluation of the Quality Framework for Traineeships) and a more positive partial implementation scenario of 66%, as well as a full implementation scenario. The results at the EU level are presented in the table below.

For exact calculations of these costs, please see the methodological annex of the study supporting this evaluation.

Uncertainties and data limitations

The estimates of the cost of the measures on remuneration are subject to a number of limitations:

- Data on the level of remuneration of trainees in the EU does not exist. A (lower bound) proxy for the level of remuneration of trainees can be obtained from the results of the legal analysis which provides information of the legal provisions on remuneration in each Member State. However, this proxy will result in an underestimation of the actual level of remuneration of trainees.
- Data on the level of level of the remuneration of a "comparable worker" does not exist. No data is available on the wages of entry level employees, which could be considered as a proxy of a "comparable worker" to trainees. However, this proxy results in an overestimation of the benchmark wage, as this dataset also include individuals with several years of experience and not only entry-level employees. Also, the data coming is based on the Structure of Earnings Survey, which refers to the year 2018.

Cost of issuing a written agreement

The estimation of the cost of issuing a written agreement is based on time estimates from the QFT evaluation study. These include 4 hours for drafting the learning objectives of the trainees in the written agreement. Setting and drafting learning objectives is a recurrent cost per trainee, are estimated for 2023. Information on countries where this has already been implemented is

taken from the QFT evaluation study for OMT and ALMP, and from the legal analysis for ECT and MPT, carried out as part of the supporting study.

Taking note only of countries and traineeship types where this will create an additional cost, the two above time measures are extrapolated across Member States through average public and private sector labour costs (plus a 25% overhead) and applied to the overall number of trainees.

Table 12: Costs of issuing a written traineeships agreement

MS	Paid OMT	Paid ALMP	Paid ECT	Paid MPT	Unpaid OMT	Unpaid ALMP	Unpaid ECT	Unpaid MPT	Total paid	Total unpaid	Total
AT	1128270	0	0	0	833040	0	0	0	1128270	833040	1961310
BE	542010	0	462188	374318	92111	0	9019725	0	1378516	9111836	10490352
BG	0	0	0	0	0	0	0	0	0	0	0
CY	0	0	3492	34047	1261	0	150156	0	37539	151417	188956
CZ	0	0	521110	0	0	0	1627454	0	521110	1627454	2148564
DE	0	0	0	0	0	0	0	0	0	0	0
DK	60138	0	0	0	646776	0	0	0	60138	646776	706914
EE	2132	1353	65600	13694	46166	16154	425826	0	82779	488146	570925
EL	41434	0	0	491115	43609	0	0	0	532549	43609	576158
ES	0	0	0	0	0	0	0	0	0	0	0
FI	102315	0	1782435	174474	595485	0	6426639	0	2059224	7022124	9081348
FR	0	0	0	0	0	0	0	0	0	0	0
HR	0	0	0	0	0	0	0	0	0	0	0
HU	7463	0	0	0	29612	0	0	0	7463	29612	37075
IE	1602412	0	725406	0	361566	0	1218580	0	2327818	1580146	3907964
IT	13796979	0	0	421376	5294646	0	0	0	14218355	5294646	19513001
LT	0	0	0	0	0	0	0	0	0	0	0
LU	0	0	0	0	0	0	0	0	0	0	0
LV	0	0	31637	0	0	0	80696	80696	31637	161392	193029
MT	74200	0	54040	0	17780	0	92960	0	128240	110740	238980
NL	224370	84746	0	0	483469	0	5586671	0	309116	6070140	6379256
PL	4456000	0	1931438	246156	50250	0	1279500	0	6633594	1329750	7963344
PT	0	0	20528	67942	0	0	4934892	0	88470	4934892	5023362
RO	0	0	0	0	0	0	0	0	0	0	0
SE	403807	0	306164	29474	0	0	8217894	0	739445	8217894	8957339
SI	0	0	21830	0	0	0	0	0	21830	0	21830
SK	92040	0	39780	2964	20643	0	2095236	0	134784	2115879	2250663
Total	22533570	86099	5965645	1855559	8516414	16154	41156228	0	30440873	49688796	80129669

Source: Supporting study

Table 13: Costs of issuing a written traineeships per policy option

	B2.1	B2.2		
Scenario	**Total**	**Paid trainees**	**Unpaid trainees**	**Total**
Conservative	27	30	17	47
Optimistic	53	30	33	63
Full	80	30	50	80

Cost for extending the written agreement to ECT and MP

Regarding the costs for extending the written agreement to ECT and MP these are based on the findings from the REFIT study supporting the evaluation of the Written Statement Directive

(91/533/EC). The computation of the REFIT study is based on two distinct approaches, namely the *average time per contract* and the *annual fixed costs* methods. The first approach is based on the time required by an employer to issue a written statement (as elicited through a survey), multiplied by the annual number of statements. The time spent for each type of contract is then evaluated at the hourly wage of the respective Member State using data from Eurostat on national average wages. The cost per company is then divided by the number of employed persons in the company to calculate the cost per employed person. The second method is based on the reported average cost of companies considering the cost of complying with the obligation of the Written Statement Directive as annual fixed costs (estimates through a panel survey conducted in eight Member States). The two measures are then combined to obtain an overall estimate less biased by the survey population. The table below shows the estimated average annual cost per contract in EURO.

	Average time per contract method	**Annual fixed cost method**	**Merged approach**
Micro enterprises	22	198	44
Small enterprises	13	156	57
Medium enterprises	18	127	57
Large enterprises	10	45	25

Source: REFIT

Methodologies for Stakeholder Consultations

This section provides some further details on the methodologies that were followed for the stakeholder consultation activities mentioned in Annex 2. Particular care was followed in the analysis to factor the inherent bias of some types of stakeholder consultations, either because they were not statistically representative, or because the evidence being gathered focused on the perceptions of respondents. In general, throughout the impact assessment, the best practices of the Better Regulation Toolbox, in particular Tools 51-55 (Stakeholder Consultation), were followed to the maximum extent possible.

Supporting study – interviews

The research team of the supporting study conducted interviews to gather input on the current context and issues relating to the quality of traineeships as well as the potential impacts of policy options. Interviews were conducted using a semi-structured approach, which is commonly used to collect qualitative data. Using semi-structured interviews allows for asking comparable questions across interviews but also leaves space for the conversation to develop according to the expertise of the interviewee.

Semi-structured interviews were conducted with a number of different stakeholders and experts at the EU level. These interviews in particular sought to focus on aspects not covered by the evaluation, to avoid duplicating information. The aim of the interviews was to:

(i) gather stakeholders and experts' input on existing challenges related to the identified problem(s), including on the quality of traineeships, and depending on the stakeholder, the policy options;
(ii) collect stakeholders and experts' insights on the potential impact of the different policy options to be assessed.

Consequently, interviews were conducted in two waves. A first wave of inception interviews was carried out at the start of the project. This wave of interviews primarily addressed the issues

in (i) and were mainly connected to the problem definition and related drivers identified at the outset of the project, to establish stakeholder perspectives on traineeships quality, in particular aspects that are complementary to what had already been addressed in the evaluation , such as cross-border traineeships and work relationships disguised as traineeships. Particular emphasis was also put on socio-economic inequalities in access to (quality) traineeships and resulting long-term labour market disadvantage. The second wave of interviews was focused on the current challenges and context, but also on the impact of policy options as set out in (ii). The stakeholders were asked to provide their assessment of the identified policy options to address the quality of traineeships in Europe, as well as their opinion about their potential impact. These interviews especially sought to emphasize aspects or elements of the options that cannot easily be quantitatively estimated as part of the cost-benefit analysis (CBA). For instance, this included the second-order effects of increasing remuneration and social security of trainees for businesses, particularly SMEs. The interviews were also used to identify additional relevant data and literature on the issue as well as further relevant stakeholders to involve in the assessment.

Overall, 13 semi-structured interviews were conducted at EU level. A range of stakeholders were targeted, including EU policymakers, EU social partners and European youth organisations, as well as experts. A particular focus was also placed on the sectoral dimension, with interviews targeting a number of sectoral social partners.

Table 14: Summary of EU-level interviews

Type of stakeholder	Inception interviews		Wave 2 interviews	
	Contacted	Interviewed	Contacted	Interviewed
Employer organisation	1	1	5	3
Trade union	1	0	4	2
EU institutions and policymakers	1	1	0	0
Youth organisations	1	0	2	2
Experts	1	1	1	1
EU institutions as employers	0	0	2	2
Total	5	3	14	10

The interview questionnaire used for the semi-structured interviews is available as an annex to the supporting study. Questions were adapted depending on the stakeholder interviewed and the timing of the interview.

Supporting study – survey

An online survey was carried out among national stakeholders to collect data on current practices of businesses regarding traineeships, to identify relevant national measures and understand how these approaches are positively influencing the overall quality of traineeships. The survey was targeted to national public authorities, national business/employer associations, businesses (traineeship providers), national trade unions, national youth organisations, civil society organisations and educational institutions. The survey targeted at least one representative of each stakeholder category by Member State.

The survey was disseminated through email invitations and publications on social media (LinkedIn). Business associations were invited to disseminate the survey to their member companies. The survey included separate questionnaires for each stakeholder category with a

mix of closed and open questions. The survey was available in all EU languages and ran online on Qualtrics from 15 June 2023 to 8 September 2023.

Five interview questionnaires adapted for different stakeholder groups were prepared for the survey. These questionnaires are available as an annex to the supporting study.

Supporting study – vacancy analysis

An analysis of traineeship vacancies included in the EURES platform was carried out to examine to what extent previous experience is required for traineeship positions.

Out of the different categories in EURES, the category 'internships' was chosen as this was considered to be closest to the concept of traineeship. From vacancies in this category, information on experience was extracted on the following aspects: i) whether experience is explicitly included in the vacancies, and if it is, ii) whether this is a requirement to apply for the position and hence potentially to access the internship.

EURES offers a classification of cross-border vacancies according to whether the 'experience' is explicitly included in the vacancy and, when it is the case, whether it is required or not and its level. In order to get a deeper understanding, the relevant vacancies were analysed also more closely, and classified according to the level of experience required.

One of the limitations of the platform for this kind of analysis is that it is not used to the same extent in the different countries where it is available (EU27 and Switzerland). The distribution of vacancies by country is reflected in the figure below. In addition, only 1% of vacancies (9 vacancies) are posted in English.

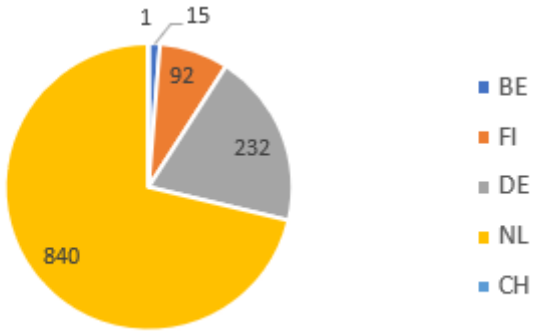


Figure 2: EURES vacancies by country

Flash Eurobarometer survey

A **Flash Eurobarometer survey** on the "Integration of young people into the labour market with particular focus on traineeships" (FL523) was carried out by Ipsos European Public affairs, on behalf of the European Commission, between **15 and 24 March 2023**. The survey covered the population of **EU citizens, aged 18 to 35, residents in one of the 27 Member States of the EU**. A total of **26.334 interviews** were conducted.

All interviews were carried via **Computer-Assisted Web Interviewing (CAWI)**, using Ipsos online panels and their partner network. Respondents were selected from online access panels, groups of pre-recruited individuals who have agreed to take part in research. Sampling quota

were set based on age, gender and geographic region. **Survey data** were weighted to known population proportions (age group by gender, geographic region). The EU27 averages were weighted according to the size of the 18-35 year-old population of each EU Member State.

All the relevant information, including the text of the questionnaire, the margin of error, and other methodological details, are available in the public reports that were published between April and June 2023.[32]

SME Panel

A "SME Panel" survey was conducted in cooperation between DG EMPL, DG GROW, EISMEA and the support of the European Enterprise Network (EEN). The survey questionnaire was translated in all EU official languages. The survey was launched on 12 October 2023 and closed on 9 November 2023. 170 responses were received from 13 Member States plus Norway.[33]

Legal analysis

A comprehensive mapping and legal gap analysis across Member States was conducted. The analysis focused on the provisions related to the quality of traineeships and provided information for the estimation of the prevalence/quality of traineeships, the definition of policy options, and estimation of impacts.

The legal analysis aimed at:

- Mapping the legal frameworks governing traineeships across EU Member States, including the legal status of trainees;
- identifying whether EU and national legal frameworks and provisions are effectively and adequately protecting trainees and addressing challenges regarding their working conditions, including remuneration, their access to social protection, and quality assurance.

The existing legal literature on the topic provided a solid basis for constructing a legal mapping and gap analysis. Work by the European Centre of Expertise (ECE) in the field of labour law, employment and labour market policy, the 2023 study supporting the evaluation of the QFT and other relevant studies mapping legal provisions relating to the quality of traineeships in the EU (see non-exhaustive list of sources, below) served as a starting point for the analysis. Further research by a team of legal experts, in the framework of the study supporting the impact assessment, was conducted.

Table 15: Sources used in the analysis of national legal framework governing traineeships

Entity	Title	Scope	Coverage
European Commission (2023)	Commission Staff Working Document. Evaluation of the Council Recommendation on	Evaluation of the 2014 QFT.	Type of traineeship: Open market, ALMP Country: EU 27

[32] See https://europa.eu/eurobarometer/surveys/detail/2964
[33] Namely BE (3 responses), BG (4), DE (3), EL (8), ES (50), FR (1), IT (27), LI (1), HU (6), PL (21), PT (34), RO (11), NO (1). See Annex 2 for a summary of the main results.

Entity	Title	Scope	Coverage
	a Quality Framework for Traineeships		
Ecorys (2022)	Study supporting the evaluation of the QFT for traineeships	Mapping of the legal implementation of each principle of the QFT in EU27.	Type of traineeship: Open market, ALMP Country: EU 27
European Network of Public Employment Services (2021)	Remuneration of Open-Market Traineeships in EU-27	Mapping of the legal provisions regarding the remuneration for open-market traineeships in all EU member states	Type of traineeship: Open market Country: EU 27
ILO (2021)	Internships, Employability and the Search for Decent Work Experience	Study of several aspects such as whether traineeships deliver quality training, the effects on employability, and assessment of regulations in selected countries.	Type of traineeship: Open Market, ALMP, Apprenticeships, Curricular Country: Selected EU MS
Sprint Project (2018)	General report on internships legislation in Member States of European Union	Mapping of student placements legislations in Member States. 18 elements have been analysed to characterise national legislations, including the definition, the accessibility, protection for civil liability or accident …	Type of traineeship: Focus on traineeships through (higher) education but the scope could be broader for certain countries and include vocational training or apprenticeship. Country: EU 27 + Switzerland
European Commission (2018)	Traineeships under the Youth Guarantee. Experience from the ground	Report on good practices on how different types of traineeships can comply with the QFT principles in each EU MS.	Type of traineeship: Open Market, ALMP
Eurofound (2017)	Fraudulent contracting of work: abusing traineeship status (Austria, Finland, Spain, and UK)	Studying the fraudulent use of traineeships and provide practices to combat them in Austria, Finland, and Spain.	Type of traineeship: Traineeships outside education (ALMP or open market) Country: AT, ES, FI, UK
European Commission (2016).	Commission Staff Working Document. Applying the Quality Framework for Traineeships	The staff working document maps out in how far different types of traineeships comply with the QFT principles in each EU member state.	Type of traineeship: Open market, ALMP Country: EU 27
European Commission (2018)	Commission Staff Working Document. Impact Assessment Accompanying the document Proposal for a Council recommendation on access to social protection for	The impact assessment contains information on lack of formal coverage to social security for people in non-standard employment, including trainees.	Type of traineeship: all Country: EU 27 + UK

Entity	Title	Scope	Coverage
	workers and the self-employed		
European Commission (2013)	Commission Staff Working Document. Impact Assessment accompanying the document Proposal for a Council Recommendation on a Quality framework for Traineeships	The Impact Assessment aiming at identifying the policy option that can increase the share of quality traineeships and help discourage substandard traineeships.	Type of traineeship: Open market and transnational traineeships
European Commission (2012)	Study on a comprehensive overview of traineeship arrangements in Member States Final Synthesis Report	Overview of traineeship arrangements.	Type of traineeship: Open Market, ALMP, Apprenticeships, Curricular, Transnational Country: EU27 + UK

Comparison of options

The different policy measures under each policy area are compared against the baseline scenario, based on their effectiveness, efficiency and coherence. The approach used is a multi-criteria analysis conducted in line with the Better Regulation Toolbox ("Tool#11. Format of the IA report" and "Tool#62. Multi-criteria decision analysis[34]).

The criteria – effectiveness, efficiency and coherence – are operationalised through the use of selected indicators for each policy area. For the purpose of comparing the impacts of the packages, all criteria have equal weight, and a seven-stage qualitative grading scale is used:

Seven-stage qualitative grading scale	
+++	Positive effect compared to the baseline
++	Moderate positive effect compared to the baseline
+	Small positive effect compared to the baseline
0	No significant deviation from the baseline
-	Small negative effect compared to the baseline
--	Moderate negative effect compared to the baseline
---	Negative effect compared to the baseline

The overall score for effectiveness and coherence of each measure is an average of the score for the different indicators (presented in the table below). The overall efficiency score is based on the ratio of the effectiveness score and the efficiency indicators' scores (see section A13.2 for more details on the comparison of options, including the indicators used).

[34] https://ec.europa.eu/info/files/chapter-2-how-carry-out-impact-assessment_en

ANNEX 5. COMPETITIVENESS CHECK

A5.1. Overview of impacts on competitiveness

Dimensions of Competitiveness	Impact of the initiative (++ / + / 0 / - / -- / n.a.)	References to sub-sections of the main report or annexes
Cost and price competitiveness	+	Sections 6 and 7
International competitiveness	0	Sections 6 and 7
Capacity to innovate	+	Sections 6 and 7
SME competitiveness	0	Sections 5.7, 6 and 7, Annex 2, Annex 14

A5.2. Synthetic assessment

Under the preferred option, businesses that provide traineeships would enjoy the benefits of fairer market competition, by reducing competitors' use of trainees to lower labour costs. Businesses could also benefit from productivity improvements connected to a larger and more diverse pool of skilled candidates (as those belonging to vulnerable groups will be more likely to apply to traineeships), a more qualified and competent workforce, and higher motivation and engagement of trainees. Additional benefits would arise from a better matching of trainees' skills to the needs of their company, which is particularly important in the context of the twin green and digital transition. Better skill matching and increased learning opportunities for trainees can foster companies' medium- and long-term innovation capacity, for example because companies are more likely to retain young talent they trained. Therefore, the preferred option would have a positive impact on the capacity to innovate of traineeship providers, albeit relatively small. Improved labour market matching and higher retention rates could also decrease employers' search, matching and recruitment costs of regular workers. It should be noted that these benefits could play a significant role, particularly in sectors where innovation is a key driver of growth and competitiveness, even though the prevalence of trainees is relatively small compared to the overall working population.

Businesses would have to sustain limited costs to familiarise and comply with the new obligations, as well as to revise existing contracts and future vacancy notices, and to handle more frequent recruitment and onboarding processes**.**

Where necessary, the adjustment in the rights of trainees could increase labour costs. This could also be the case, depending on how the recommendations on fair/proportionate remuneration and access to social protection for all trainees would be implemented at national level. Concerning this possible increase of labour costs - one of the many drivers of competitiveness - it is worth noting that the preferred option under policy area B (B1.2) envisages that Member States should ensure that trainees are not treated in a less favourable manner as regards working

conditions (including pay) than comparable entry-level workers of the same category in the same establishment, **unless different treatment is justified on objective grounds**, for example due to different tasks and lower responsibilities, intensity or economic value of work. This approach allows businesses to retain significant margins of manoeuvre to modulate labour costs according to their requirements.

The need to provide information to authorities in charge of inspections and controls could generate some administrative costs. Finally, businesses might face additional costs in cases of increased litigations resulting from new provisions of this initiative.

All things considered, the short-term effects are likely to be more than offset by medium and long-term gains yielded by increased market competition, increased productivity, better skill matching and cross-border flow of talent and higher innovation capacity by European companies.

The effects of the preferred option on international competitiveness and trade are more difficult to assess. Although positive effects in domestic markets (as discussed above) may also increase EU companies' long-term competitiveness in international markets, the sheer number of variables at play, many of which are exogenous to the initiative (e.g. EU trade flows, labour policies of third countries, overall geopolitical context, etc) suggest a prudent, neutral, assessment of impacts.

Concerning specifically SMEs, the preferred option may have a slightly negative impact on their competitiveness in the short term, as some of the envisaged measures could incur slightly higher costs for SMEs compared to large companies, due to the lack of economies of scale. However, some data (including from the SME Panel survey) suggest that SMEs benefit significantly from traineeships, including in terms of increased productivity of the company, the ability to develop supervisors' and/or mentors' managerial skills, reduction of labour costs, reduction of training costs if/when trainees are later hired as well as their better performance. These can also help SMEs find skilled workers, which is key to their success, as evidenced by the September 2023 Eurobarometer on "Skills shortages, recruitment, and retention strategies in SMEs." This is expected to result in slightly positive impact on SMEs' competitiveness in the mid- and long-term.

Such positive impact is arguably better or only achievable with high-quality traineeships, and since these do require an investment from the traineeship provider (the SME in this case) it is important to ensure a level-playing field among SMEs in the EU, which is one of the goals of the initiative. Furthermore, given the skill shortages[35] and the overall economic situation, it is necessary to complement the broader financial and non-financial supporting measures outlined in the SME Relief Package[36] with specific accompanying measures. The initiative plans to do this as discussed in sections 5.7 and 6.8, i.e. by: ensuring the effective involvement of social partners and other relevant stakeholders, in the implementation and monitoring of the rights and obligation arising from this initiative; strengthening awareness raising, partnerships between relevant stakeholders and the exchange of best practices, also between Member States and stakeholders, in the area of high-quality traineeships, including on cross-border traineeships; supporting employers (financial and/or practical guidance), in particular small and micro enterprises, to provide high quality traineeships.

[35] https://europa.eu/eurobarometer/surveys/detail/2961
[36] SME Relief Package (europa.eu)

ANNEX 6. THE PRINCIPLES OF THE 2014 QFT

In March 2014, the Council adopted the Recommendation on a Quality Framework for Traineeships (QFT). The 2014 QFT aimed to set EU-wide quality standards for traineeships and to discourage the offer of traineeships with poor learning content or working conditions.

According to the 2014 QFT, traineeships are understood as "a limited period of work practice, whether paid or not, which includes a learning and training component, undertaken in order to gain practical and professional experience with a view to improving employability and facilitating transition to regular employment".

The QFT urges Member States to improve the quality of open-market traineeships (OMT) and active labour market policy (ALMP) traineeships, particularly in terms of learning and training content and working conditions, with the aim of facilitating the transition from education, unemployment or inactivity to work.

- Open-market traineeships (OMT) are non-mandatory, bilateral agreements agreed between a trainee and a traineeship provider (public/private/non-profit) – the involvement of a third party and without a formal connection to education or training.
- Traineeships as part of ALMPs are organised by public employment services (PES) in cooperation with employers, based on a tripartite agreement, with the aim of helping unemployed or inactive people into employment[37].

The 2014 QFT comprises a list of 21 principles in 10 main areas:

1) a written traineeship agreement
2) learning and training objectives
3) working conditions
4) rights and obligations
5) a reasonable duration
6) proper recognition of traineeships
7) transparency requirements
8) cross-border traineeships
9) use of European Structural and Investment Funds
10) applying the QFT with the active involvement of social partners and stakeholders

The QFT also outlines how the Commission supports Member States' action through EU funds, the exchange of good practices, and monitoring.

The QFT explicitly excludes from its scope work experience placements that are part of curricula of formal education or vocational education (ECT) and training as well as traineeships that are regulated under national law and whose completion is a mandatory requirement (MPT) to access a specific profession (e.g. medicine, architecture, etc.).

[37] European Commission, SWD/2016/0324 final and SWD(2023) 9 final.

The 2014 Council Recommendation asks Member States to:

1. Improve the quality of traineeships, in particular as regards learning and training content and working conditions, with the aim of easing the transition from education, unemployment or inactivity to work by putting in practice the following principles for a Quality Framework for Traineeships:

Conclusion of a written traineeship agreement

2. Require that traineeships are based on a written agreement concluded at the beginning of the traineeship between the trainee and the traineeship provider;

3. Require that traineeship agreements indicate the educational objectives, the working conditions, whether an allowance or compensation is provided to the trainee by the traineeship provider, and the rights and obligations of the parties under applicable EU and national law, as well as the duration of the traineeship, as referred to in recommendations 4-12;

Learning and training objectives

4. Promote best practices as regards learning and training objectives in order to help trainees acquire practical experience and relevant skills; the tasks assigned to the trainee should enable these objectives to be attained;

5. Encourage traineeship providers to designate a supervisor for trainees guiding the trainee through the assigned tasks, monitoring and assessing his/her progress;

Working conditions applicable to trainees

6. Ensure that the rights and working conditions of trainees under applicable EU and national law, including limits to maximum weekly working time, minimum daily and weekly rest periods and, where applicable, minimum holiday entitlements, are respected;

7. Encourage traineeship providers to clarify whether they provide coverage in terms of health and accident insurance as well as sick leave;

8. Require that the traineeship agreement clarifies whether an allowance or compensation is applicable, and if applicable, its amount;

Rights and obligations

9. Encourage the concerned parties to ensure that the traineeship agreement lays down the rights and obligations of the trainee and the traineeship provider, including, where relevant, the traineeship provider's policies on confidentiality and the ownership of intellectual property rights;

Reasonable duration

10. Ensure a reasonable duration of traineeships that, in principle, does not exceed 6 months, except in cases where a longer duration is justified, taking into account national practices;

11. Clarify the circumstances and conditions under which a traineeship may be extended or renewed after the initial traineeship agreement expired;

12. Encourage the practice of specifying in the traineeship agreement that either the trainee or the traineeship provider may terminate it by written communication, providing advance notice of an appropriate duration in view of the length of the traineeship and relevant national practice;

Proper recognition of traineeships

13. Promote the recognition and validation of the knowledge, skills and competences acquired during traineeships and encourage traineeship providers to attest them, on the basis of an assessment, through a certificate;

Transparency requirements

14. Encourage traineeship providers to include in their vacancy notices and advertisements information on the terms and conditions of the traineeship, in particular on whether an allowance and/or compensation and health and accident insurance are applicable; encourage traineeship providers to give information on recruitment policies, including the share of trainees recruited in recent years;

15. Encourage employment services and other providers of career guidance, if providing information on traineeships, to apply transparency requirements;

Cross-border traineeships

16. Facilitate the cross-border mobility of trainees in the European Union *inter alia*, by clarifying the national legal framework for traineeships and establishing clear rules on hosting trainees from, and the sending of trainees to, other Member States and by reducing administrative formalities;

17. Examine the possibility to make use of the extended EURES network and to exchange information on paid traineeships through the EURES portal;

Use of European Structural and Investment Funds

18. Make use of the European Structural and Investment Funds, namely the European Social Fund and the European Regional Development Fund, in the programming period 2014-2020, and the Youth Employment Initiative, where applicable, for increasing the number and quality of traineeships, including through effective partnerships with all relevant stakeholders;

Applying the Quality Framework for Traineeships

19. Take appropriate measures to apply the Quality Framework for Traineeships as soon as possible;

20. Provide information to the Commission by the end of 2015 on the measures taken in accordance with this Recommendation

21. Promote the active involvement of social partners in applying the Quality Framework for Traineeships;

22. Promote the active involvement of employment services, educational institutions and training providers in applying the Quality Framework for Traineeships.

ANNEX 7. PREVALENCE OF TRAINEESHIPS IN THE EU

A7.1. Prevalence and distribution of paid traineeships

Following the COVID-19 outbreak in early 2020, the number of paid trainees decreased to below 1.4 million in 2021 (latest available figures)**.** As suggested by Stewart, A. et al. (2021)[38], trainees are likely to have been particularly affected by the disruptions created by the pandemic (e.g., school closures and stay-at-home orders) and evidence already suggest that young individuals were particularly affected by the pandemic. Evidence from the EU-LFS indicates that the number of paid trainees dropped more sharply than the number of employees. This holds for (almost) all sectors but is particularly significant in the public administration, accommodation and education sectors.

The evolution in the number of trainees over the 2006-2021 period suggests a certain alignment with economic developments. The number of paid trainees peaked in 2008 at the onset of the Great Recession, decreased continuously until 2013 (Euro Area crisis) and then increased steadily until 2019, in line with the recovery of EU labour markets[39]. Paid OMT tend to be more countercyclical, while paid ALMP traineeships seem to follow the economic cyclical trends.

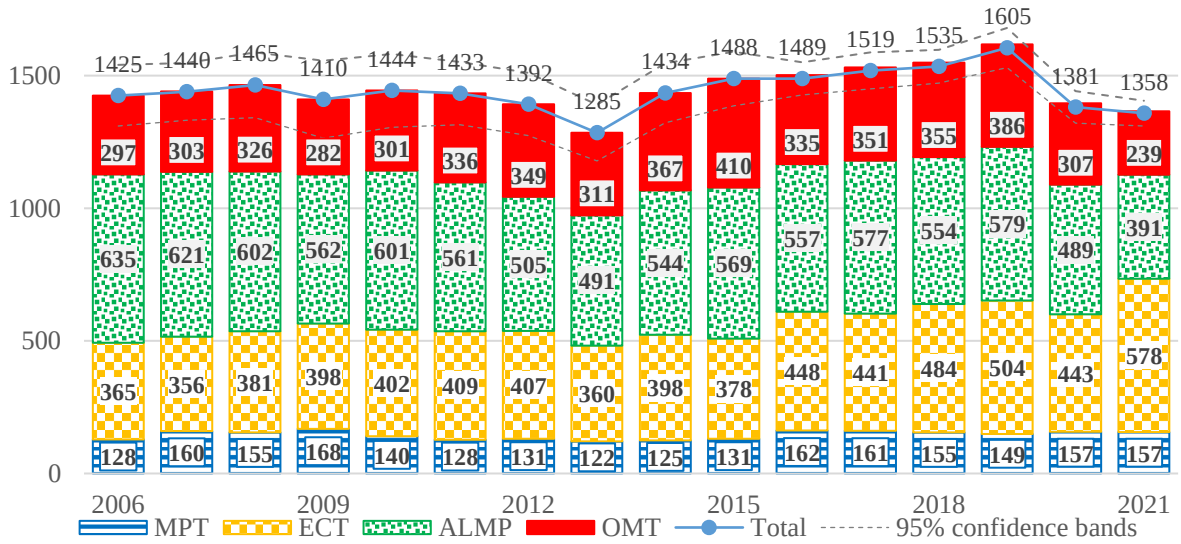


Figure 3: Number of paid trainees in the EU27, by type of traineeship (2006-2021)
Note: Number of paid trainees at EU27 level in thousands, with 95% confidence obtained from the missing value imputation procedure. The EU27 level includes all Member States except IE in 2006 (missing data).
Source: Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

[38] Stewart, A., Owens, R., O'Higgins, N., & Hewitt, A. (2021). Internships: A policy and regulatory challenge. Edward Elgar Publishing/International Labour Organization.

[39] This result is consistent with evidence reporting increase in traineeships uptake over the last decade(s), for example see: Stewart, A., Owens, R., O'Higgins, N., & Hewitt, A. (2021). Internships: A policy and regulatory challenge. Edward Elgar Publishing/International Labour Organization.; Owens, R., & Stewart, A. (2016). Regulating for decent work experience: Meeting the challenge of the rise of the intern. International Labour Review, 155(4), 679-709; Saniter, N., & Siedler, T. (2014). Door opener or waste of time? The effects of student internships on labor market outcomes and Cerulli-Harms, A. (2017). "Generation internship: The impact of internships on early labour market performance".

Concerning the composition by types of paid traineeships (Figure 4), ALMP traineeships represent around one-third of paid trainees in the EU27 over the most recent years, though their share has decreased by 3.2 percentage points between 2013 and 2019. ECT and OMT are the next most common, representing respectively around 30%[40] and just over 20% of paid traineeships. MPT account for the residual share of approximately 10%. Moreover, it is interesting to note the increase in the share of OMT during the Euro Area crisis and the early phase of the labour market recovery, peaking at 27.5% in 2015. This suggests a potential countercyclical nature of OMT, whereby its share is less affected by economic downturns than, for instance, the ECT share. ALMP traineeships appear to be cyclical, as their share (and numbers) did not particularly rise when (youth) unemployment was high in the aftermath of the financial crisis.

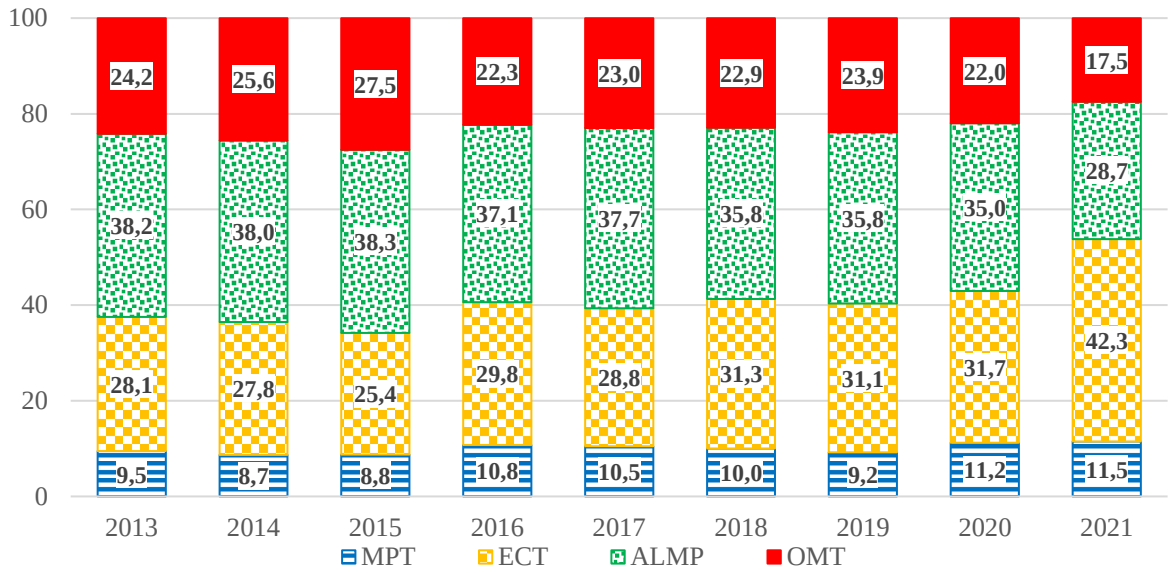


Figure 4: Composition (%) of paid traineeships by type of traineeship, 2013-2021Note: Values in stacked bar charts are percentages of each type of traineeships out of the total number of paid traineeships
Source: Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

At Member State level, the estimates suggest important differences in the shares of paid traineeships, and in the distribution of the different types of paid traineeships. In absolute figures, the number of paid trainees over the entire sample period is highest in the five most populous EU countries – DE, ES, FR, IT, and PL – which account for more than 80% of the overall number of paid trainees in 2019. Numbers of at least ca. 10 000 paid trainees per year are on average also observed in seven other Member States (BE, DK, IE, EL, HR, AT, and FI). In the remaining Member States, the numbers of paid trainees are comparatively quite low.

A significant variation exists among Member States regarding the composition of paid traineeships by type of traineeships. In one-third of Member States (CZ, DE, DK, EE, FR, LT, AT, and FI), the largest share of trainees is doing ECT, where the share of ECT is at least equal to 50% (or very close to) while it reaches 90% in DK. Trainees doing ALMP traineeships

[40] Note that ECT increased significantly in 2016, by around 70 000 trainees. Part of this increase can be traced back to DE (+55 000) and a possible explanation is therefore the introduction of the minimum wage (MILOG). The minimum wage covers traineeships lasting longer than 3 months, which actually corresponds to the evidence obtained by duration of traineeship (not reported here). The increase in DE ECT comes from traineeships lasting three to six months and six to twelve months, whereas the number of ECT lasting less than three months did not change.

constitute a significant share of all trainees in almost every country, but the share is especially significant in BE, IT, PL and SE where they account for around 40% of traineeships (more than 70% in IT). The share of trainees doing OMT varies substantially across Member States, and is especially large in BG, IE, EL, ES, HR, LV, LU, MT, NL, PL, PT, RO, SI and SK[41]. In contrast, in a quarter of Member States, shares of OMT in recent years are very low (DK, DE, EE, FR, LT, AT and FI). Finally, the shares of MPT are relatively high in nine Member States (BE, DE, EE, EL, CY, HU, AT, PT and RO) where they represent around 20% (BE, DE, HU, AT, PT) to more than 50% of the traineeships in specific years (EL, CY, and RO).

Looking at the **sector distribution of paid traineeships**, according to the LFS data, the highest share of the trainee population (2019 data) is found in the manufacturing sector (17.3%), followed by wholesale and retail trade (12.9%), human health (12.5%), education (11.6%), and real estate and professional and administrative support services (11.1%). In general, these patterns are aligned with shares of these sectors in the overall economy. For instance, manufacturing, is the sector with the largest share of employees in the EU27 and is also the one with the largest share of trainees.

Additional, evidence from the EU-LFS (2019 data) provides data on the prevalence of **paid traineeships per sector of economic activity** (NACE 2). The highest prevalence of paid trainees is found in the education sector, with a prevalence rate of 1.4% in 2019, followed by real estate and professional and administrative support services (1.2%), accommodation (1.2%), arts/entertainment and others (1.0%), and health and social work (1.0%).

Data at Member State level show higher prevalence of traineeships in the service sectors for most Member States. This is particularly true for the REPASS sector (53.3%, 26.6% and 21.4% in CY, SK and BG), education (33.7%, 32.8%, 27.7%, 25.9%, and 21.8% in LU, CZ, DE, DK, and AT), health (34.1%, 34%, 31.6%, 29%, 27.5%, 22.7%, 22.3%, 20.6%, and 20.0% in SI, RO, EL, DK, AT, BE, FR, FI) and public administration sectors (34.9% and 21.4% in HU and LU), for which a majority of Member States tend to display shares for paid trainees greater than for employees. As noted for prevalence rates, IT and PL stand out for their higher shares of trainees in the manufacturing sectors (respectively, 25.7% and 23.5%). Furthermore, a significant number of traineeships in these two Member States take place in the wholesale and retail trade (respectively, 19.7%, 19.5%). Other Member States show a high share of trainees in industrial and/or low-skilled services sectors. These Member States include LV for the manufacturing sector (19.6%), SE for the electricity and construction sector (15.9%), LT for the wholesale and retail trade and the accommodation sectors (17.7% and 17.9%), and LV and RO for the transport and storage sector (29.4% and 19.4%).

With regards to **sectoral composition by type of traineeships,** MPT mostly take place in the health (41.1% in 2019) and education sectors (32.3% in 2019), while a high share of ALMP traineeships takes place in the manufacturing and wholesale and retail sectors (22.3% and 18.9% respectively, 2019 data). A high share of OMT also takes place in the manufacturing sector (19.6% in 2019) but the sectoral composition appears less concentrated than what is observed for MPT and ALMP traineeships. A similar conclusion can be reached for ECT as the concentration of trainees does not exceed 15% in any sector of economic activity.

Data on the share of paid trainees by occupational category (ISCO code) show that the largest share of paid trainees can be found in the managerial and professional occupations (27.1% for the period 2016-2019). Trainees are also more concentrated in occupations that can

[41] The shares vary from 35-40% (ES, IE, PT) up to 60-70% in BG, NL, and SK.

be linked to the service sector, like clerical support workers (13.1% of trainees and 10.9% of employees) or service and sales workers (18.9% and 16.6%). In contrast, the more manual and medium- or low-skilled occupations (e.g. elementary occupations and plant/machine operators/assemblers) only represent marginal shares of traineeships. Overall, traineeships are therefore more common in highly skilled occupations. At Member State level, the occupations linked to managers and professionals account for more than one in two trainees in CY, PT, LU, RO, and CZ (71.9%, 66.6%, 56.6%, 51.4% and 50.5%). The shares are also greater for trainees compared with employees in all Member States, but SE, LT, PL, IT, LV, and BG. This observation tends to hold consistent with the evidence extracted from the sectoral composition analysis, since these six Member States often display higher shares of trainees in the industrial and/or the low-skilled service sectors. More precisely, LT, IT, MT and PL display higher shares of trainees (above 20%)[42] in the service and sales occupation (36.5%, 26.6%, 24.7% and 20.5%), whilst BG, BE, SE and IT do so in the craft and related trade workers occupation (26.8%, 20.8%, 19.3% and 19.0%), and LV, LT do so in elementary occupations (23.7% and 20.6%)[43].

Finally, data regarding the **composition of paid trainees by firm size**[44] shows that the smallest share (around 25%) of traineeships can be found in micro companies (less than 10 employees), followed by 30% in small companies (10-49 employees) and 45% in large companies (more than 50 employees). The share of traineeships is largest in large companies in almost all EU27 countries.

The results of the 2023 Eurobarometer[45] confirm these findings as they show that in terms of the size of the host company or organisation, the following distribution was found for young people's last traineeship: 20% is completed in a micro company (less than ten employees), 34% in small companies (10 to 49 employees), 24% in medium-sized companies (50 to 250 employees) and 18% in large companies (more than 250 employees). Also, the proportion of paid traineeships in micro companies (with 1 to 9 employees) was 48% and increases to 54% for traineeships in companies with between 10 and 49 employees and to 59%-60% in companies with 50 or more employees.

A7.2. Profile of trainees

In terms of prevalence rates[46] of paid traineeships and composition of trainees' population by gender, men and women are in a similar situation in the EU. Namely, the prevalence rate is only marginally higher for women as compared to men in particular during recent years (2016-2019), e.g., for 2019 the rate was 0.98% for women compared to 0.94% for men. In terms of the composition of the trainees' population by gender, the differences are even less pronounced (e.g., the share was 50.4% for men and 49.6% for women, EU average 2016-2019). At Member State level there is a larger share of women than men among paid trainees in 16 Member States (CY, BG, NL, SK, SI, AT, HU, HR, PT, CZ, DK, LU, PL, EL, DE, FR). The share of women is particularly high (above 55%) in CY (69%), BG (66%), NL (62%), SK (57%), SI (57%), and

[42] CZ, NL, SE and EL also show shares of trainees in this occupation greater than the EU27 value (19.2%, 19.2%, 19.2% and 19.1% - 18.9% at EU27 level).
[43] HU, BG, SK and SE display shares for elementary occupation much greater than the same shares for employees.
[44] Prevalence rates cannot be computed for this category, as the total number of employees by firm size cannot be computed.
[45] Flash Eurobarometer FL523 (April 2023) "Integration of young people into the labour market with particular focus on traineeships" (2964/FL5235).
[46] Number of trainees as compared to the employed population of each gender.

AT (56%). By contrast, paid traineeships are particularly male-dominated in LV (70%), BE (66%), RO (64%), MT (58%), IT (57%) and SE (56%).

Regarding the gender composition of paid traineeships in the EU27 by type of traineeships data shows that MPT tend to have a higher share of women than men (around 61% in 2019). The other three types of traineeships are more evenly split between genders.

Trainees are usually young people, but they can also be people in a transitioning stage in their professional carrier. The vast majority of trainees (77.9%) are in the age group 15-29, with trainees in the age group of 20-24 constituting almost 40% of the share of trainees followed by trainees aged 25-29 (29.3%). The trainees in these groups are young people, who are entering the labour market, and are doing a traineeship as their first work experience. In fact, according to the results of the 2023 Eurobarometer[47], about one in five respondents (19%) stated that their first work experience as a traineeship. Furthermore, according to the LFS data, 1 in 5 trainees (21.9%) were 30 years old and above (9.9% for 30-34 and 12% for 35+), however, the prevalence rates of these groups are much lower as compared to younger trainees (0.8% and 0.2% respectively). The latter is to be expected as these are mostly people who are transitioning from one job to another or starting a professional career in a new specific field and who they do not have sufficient professional experience in the same field of activity to secure an entry-level position as a permanent employee. Therefore, they form a small percentage of employees in their respective age groups.

In most Member States, trainees aged 20-24 and 25-29 represent more than 50% of trainees in all Member States but EL, SE, MT, NL, LV, and BG. The shares of paid trainees aged 15-19 is relatively large (above 15%) in LV, LT, MT, EE, AT, and DE.

The age composition of paid traineeships by type of traineeship (Figure 6) shows that the youngest age group, 15-19, is only found in ECT and ALMP traineeships. Trainees aged 20-24 take up the largest share of these two types of traineeships (52.8% and 49.8% respectively in 2019), while trainees above 24 represent a large majority of MPT and OMT (around 90% for MPT and between 84% and 89% for OMT). The share of paid trainees above 35 years is highest for OMT (33.4% in 2019).

[47] Flash Eurobarometer FL523 (April 2023) "Integration of young people into the labour market with particular focus on traineeships" (2964/FL5235).

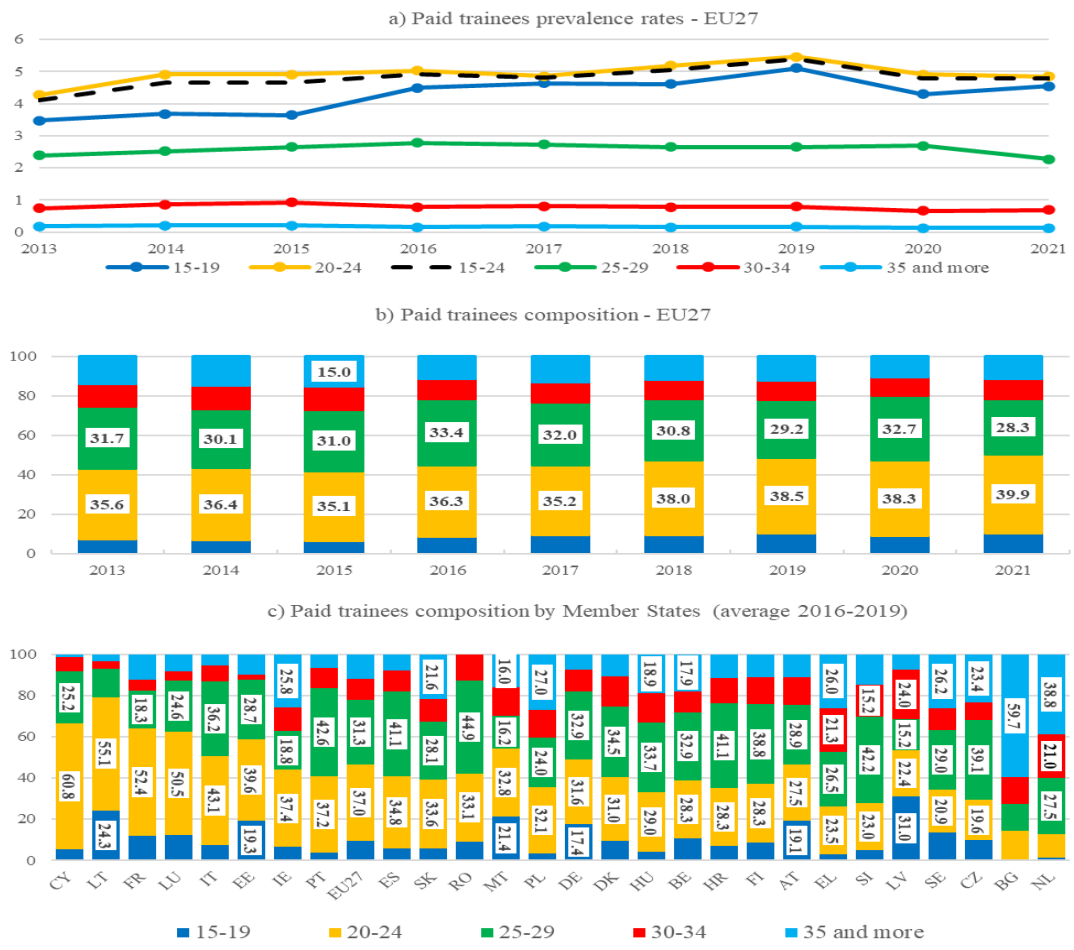


Figure 5: Evidence on paid trainees in the EU27, disaggregated by age.
Notes: Prevalence rates are calculated as the sum of paid trainees divided by the total number of employees of the relevant age group. Results are displayed in percentages. Panels b) and c) on composition show the share of each age group among paid trainees. Data by Member States displays the average for 2016-2019. Percentages below 15% are not displayed in panels b) and c).
Source: Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

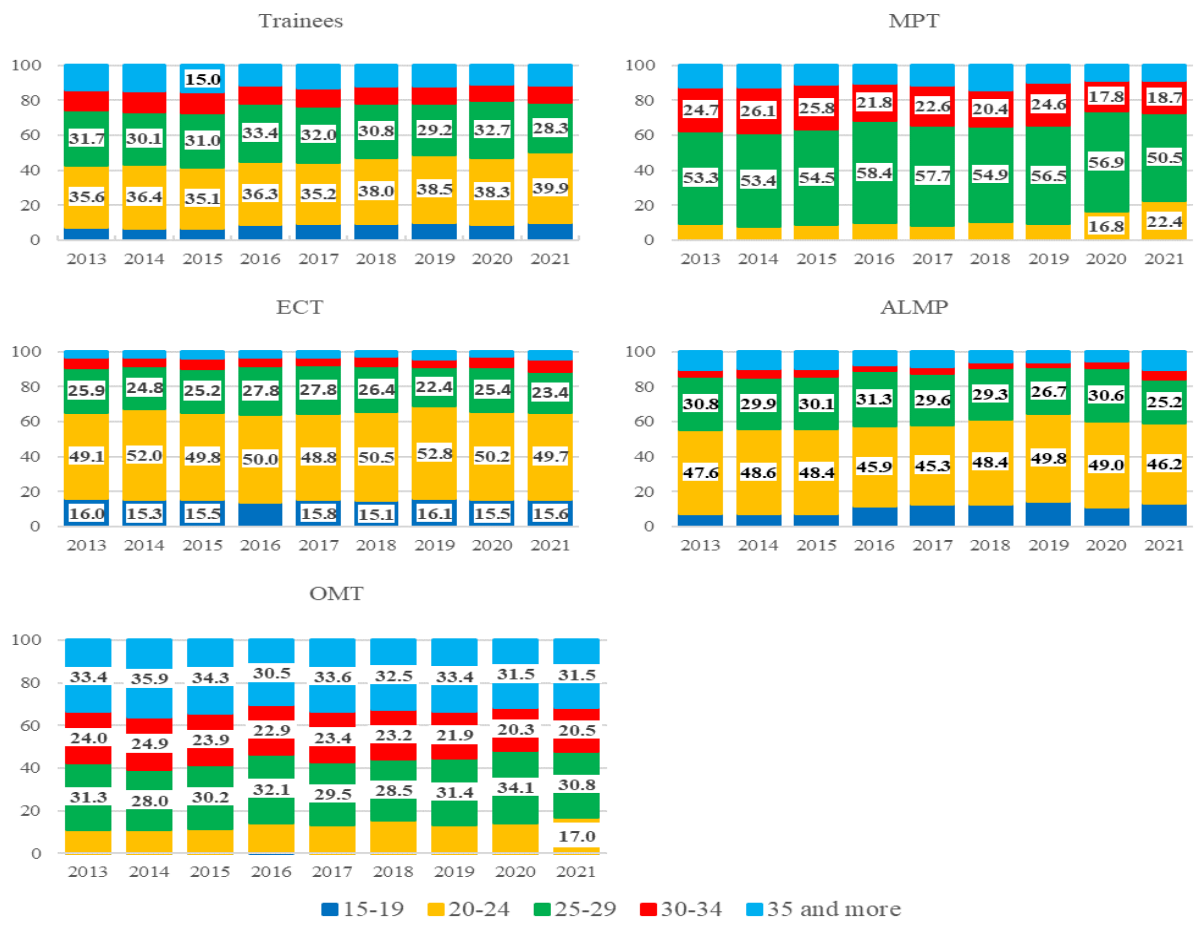


Figure 6: Age composition of trainees by type of traineeship in the EU27
Source: Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

The share of paid trainees above 35 years is highest for OMT (33.4% in 2019).

The EU population of paid trainees is clearly dominated by medium and highly educated individuals[48]**.** Looking at the composition of the trainee population, individuals with a low level of education constitute the smallest share (around 12%) of all paid trainees. Around half of the paid trainees have a medium level of education (49.7%), while around 38.6% are highly educated Moreover, the share of highly-educated trainees has increased over time (from 37% in 2013). In most EU countries, the share of low-educated trainees is well below 10%.

Data on the prevalence rates of paid trainees shows that prevalence increases with the level of education. The prevalence rate of trainees with low education was 0.7% as compared to 1.0% for trainees with a medium level education and 1.1% for highly educated trainees (2019 data).

Evidence on the **composition of the different types of paid traineeships by education level** show that highly educated trainees represent the largest share of MPT[49] and OMT (around 65.9%, 2019), a share that has significantly increased from 2018 onwards (45% 2013, 66% in

[48] Low education: below secondary education, medium education: secondary education, high education: above secondary.
[49] For MPT, highly educated individuals represent 100% of the trainees by construction (see Annex 4).

2018). In contrast, highly educated trainees are least likely to participate in ALMP traineeships, where most trainees have a medium level of education (73.5% in 2019).

The analysis of the profile of trainees responding to the 2023 Eurobarometer survey[50] confirms the analysis of the LFS data. The proportion of young people with traineeship experience is higher for respondents who completed post-secondary education (75%) than for respondents with a secondary (or lower) qualification (61%). Similarly, respondents currently working as a skilled employee or worker (85%) or being self-employed (86%) are more likely than respondents working as an unskilled worker or employee (70%) to have undertaken at least one traineeship.

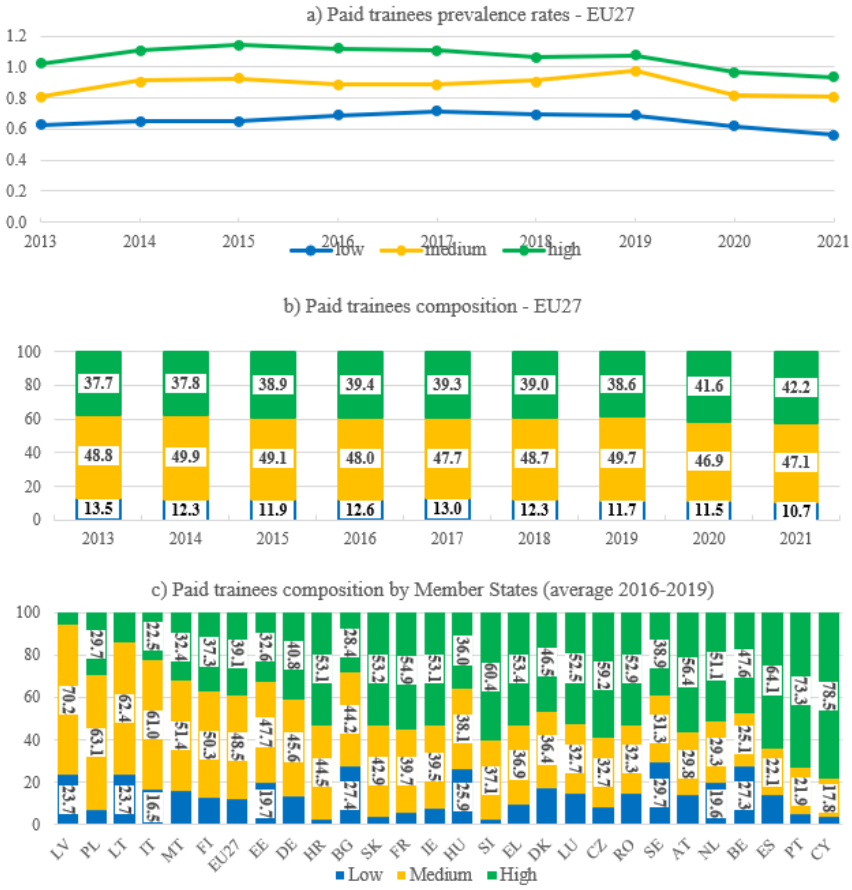


Figure 7: Evidence on paid trainees in the EU27, disaggregated by level of education
Note: Prevalence rates are calculated as the sum of paid trainees divided by the total number of employees of the relevant education level group. Results are displayed in percentages. Panels b) and c) on composition show the share of each education level among paid trainees. Data by Member States displays the average for 2016-2019. Percentages below 15% are not displayed in panels b) and c).
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

In terms of **prevalence of paid traineeships in cities, towns/suburbs and rural areas**, 45.2% of paid traineeships took place in cities, 32.9% in towns/suburbs and 21.9% in rural areas (2019).

[50] Flash Eurobarometer FL523 (April 2023) "Integration of young people into the labour market with particular focus on traineeships" (2964/FL5235).

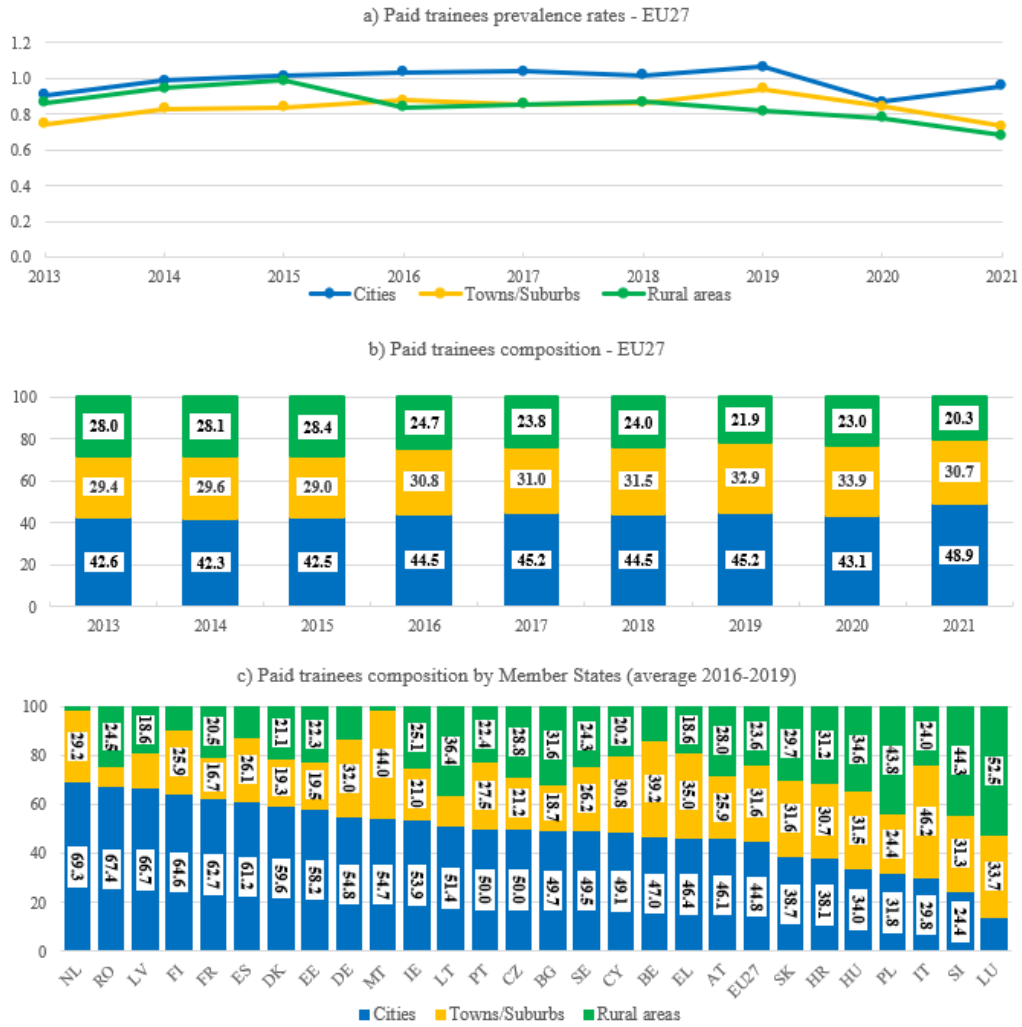


Figure 8: Paid trainees in the EU27, disaggregated by degree of urbanisation
Note: Prevalence rates are calculated as the sum of paid trainees divided by the total number of employees of the relevant degree of urbanisation. Results are displayed in percentages. Panels b) and c) on composition show the share of paid trainees by degree of urbanisation. Data by Member States displays the average for 2016-2019 and is sorted based on the share trainees residing in cities. Percentages below 5% are not displayed in panels b) and c).
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

In terms of types of traineeships, the composition of paid traineeships across cities, towns/suburbs and rural areas is more even within AMLP traineeships, while for the other three types of traineeships, the shares of paid traineeships are highest in the cities (for MPT 67.6%, ECT 53.1% and OMT 46.6% in 2019) and lowest in rural areas (for MPT 9.1%, ECT 18.2% and OMT 22.3% in 2019).

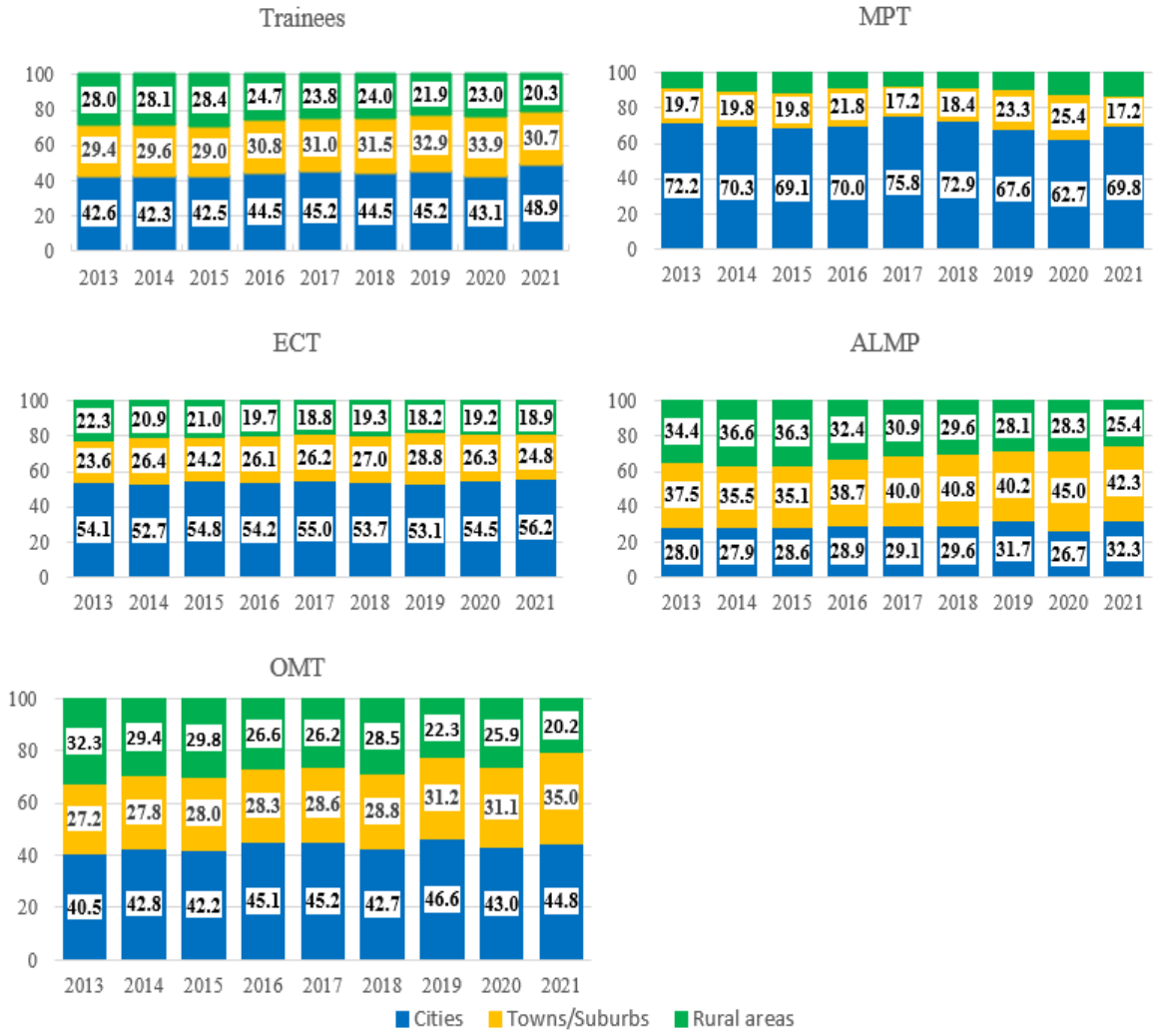


Figure 9: Composition of trainees by type of traineeship and degree of urbanisation in the EU27 – LFS
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

A7.3. Prevalence of unpaid traineeships

Evidence on the prevalence of unpaid traineeships is scarce. Yet the EU-LFS contains information that could be used to generate indicative estimates of the prevalence of unpaid trainees, which are recorded in the EU-LFS as inactive individuals or unemployed (not-employed). The precise methodology is described in Annex 4.

Additional **evidence on unpaid traineeships** can be obtained from the Flash Eurobarometer 523 and the proxy measure used in EC (2023). Across all traineeships, 44% of the respondents did not receive any type of financial compensation, down from 59% in the 2013 Flash Eurobarometer. Although the results from the Eurobarometer are not comparable to the EU-LFS numbers[51], the two data sources demonstrate a similar share of unpaid trainees (44% in the EB, 48% in the LFS). Furthermore, both results indicate that the share of unpaid trainees has

[51] Eurobarometer focuses on a cohort and inquire about traineeships that could have taken place a few years before the survey.

been on a decreasing trend. According to the EU-LFS 65% of all are concentrated in the following countries BE, DE, ES, FR and IT.

The upper panel of the Figure 10 below shows estimates of **paid and unpaid trainees** in the EU27. Between 2016 and 2019, the overall number of traineeships increased in the EU27 (+132 400 or 4.5%), due to an increase in the number of paid traineeships (+116300 or +7.8%). The number of unpaid traineeships only slightly increased, by 16 000 units (+1.1%). On **unpaid traineeships per type of traineeship**, the middle panel below further shows that ECT account for the vast majority of unpaid traineeships in the EU27 (1 237 2000 trainees in 2019 or ca. 85% of all unpaid traineeships (1 455 600)), while ALMP and OMT only account for marginal shares. The lower panel further shows the share of unpaid traineeships within each type of traineeships. ECT have by far the largest share of unpaid traineeships (71.1% in 2019). However, approximately a quarter (25.3%) of OMT are also unpaid, as well as 12.5% of ALMP traineeships.

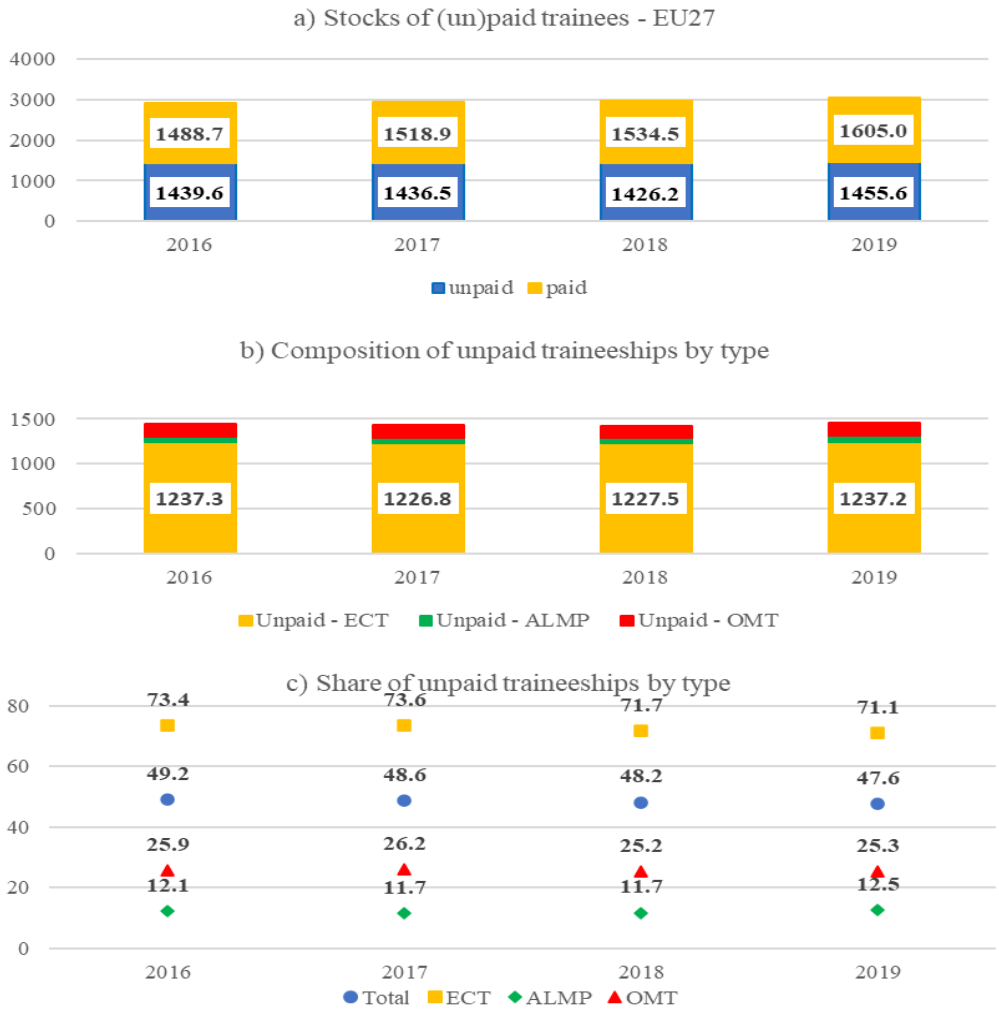


Figure 10: Paid and unpaid trainees in the EU – an estimate using the LFS

According to the Flash Eurobarometer results, there is **a considerable cross-country variation in the share of unpaid traineeships**. In HR, 78% of respondents received compensation whereas at the other end of the spectrum, in BE, it is only half of this rate. These figures are generally in line with the findings of the trainee survey conducted as part of the EC (2023) study

supporting the QFT evaluation[52]. With a sample of 1836 respondents covering OMT and ALMP traineeships, the survey results showed that 47% of trainees received a financial allowance or compensation monthly, while a further 14% benefitted occasionally. 39% indicated that they have not received any allowance or compensation.

Although not representative, data from the 2023 Eurobarometer offers some indication on the **socio-demographic characteristics of unpaid trainees**. According to it, a slight majority of unpaid trainees are women at EU level (54.8%). In all countries except HR (44.9%), PL (47.1%), IT (49.8%) and CZ (50%), more than 40% of unpaid trainees are women. This is in contrast to paid trainees in the Eurobarometer, where men make up a larger share (56.6%) of the population.

As regards the **age of unpaid trainees**, at EU level (using the results of the 2023 Eurobarometer), the largest share is in the age group 18-24 (37.9%), followed by trainees aged 30-34 (34.4%) and then 25-29 (27.6%). As such, unpaid trainees overall are younger than paid trainees. However, there is significant variation in these patterns across Member States. In FR (46.4%), PT (43.6%), IT (41.1%), NL (38.2%), HR (38.1%), DE (36.9%), ES (36%), SI (36%) and LU (34.6%), the largest share of unpaid trainees are aged 18-24. In contrast, in BG (48.4%), EE (45.7%), HU (42.9%), LV (42.5%), LT (42.1%), RO (40.9%), FI (40.7%), MT (40%), CY (39.2%), SK (38.9%), IE (38%), SE (36.5%), PL (36.4%), CZ (35.8%), EL (35.2%) and BE (35%), the age group 30-34 is the most represented. AT (35.2%) and DK (37.4%) are the only two countries where the age group 25-29 constitutes the largest share of unpaid trainees.

With regard to **education level of unpaid trainees**, (using the results of the 2023 Eurobarometer), the majority of unpaid trainees are in either post-secondary non-tertiary education (33.8%) or tertiary education (26.3%), followed by upper secondary VET (24.8%). The Eurobarometer data for paid trainees shows similar patterns, with the largest share in post-secondary non tertiary (39.2%), followed by upper secondary VET (24.6%) and tertiary education (24%). Individuals with either post-secondary non-tertiary education or tertiary education constitute the largest share of unpaid trainees in all EU countries, with the exception of SE, where upper secondary VET is the most represented (44.4%). Finally, on **urbanisation**, across the EU27, the largest share of unpaid trainees is located in a small or medium town (42.4%) or a large town/city (30.2%), with the smallest share in a rural area or village. These shares are similar to the ones for paid trainees. However, there are also a minority of Member States where the largest share of unpaid trainees is in a rural area or village, including LU (53.9%), SI (47.3%), BE (40%), MT (38.7%) and AT (36.8%).

A7.4. Territorial and sectoral prevalence of trainees

Territorial distribution

At **Member State level**, the estimates suggest important differences in the shares of paid traineeships, and in the distribution of the different types of paid traineeships. Five Member States represent almost 90% of the total number of paid trainees (ca. 1.4 million, 2019 data) in the EU (DE, ES, FR, IT, PL), which are also the Member States with the highest population in the EU. At the same time, these Member States also demonstrate the highest prevalence rate of paid traineeships in the population of employees aged 15-64. This indicates that the high share of trainees in these countries is not only driven by population size but is a structural feature of

[52] Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023.

these countries' labour markets. Seven other Member States each account on average for at least 10,000 paid trainees per year (BE, DK, IE, EL, HR, AT, FI). In the remaining Member States, the share of paid traineeships is comparatively low.

Furthermore, evidence of paid traineeships by **degree of urbanisation** shows that the largest share of traineeships takes place in cities (45.2% in 2019), followed by traineeships in towns/suburbs (32.9%). These traineeships show an increasing trend, whereas traineeships in rural areas, which are already rarer (21.9% of traineeships in 2019), show a declining trend (see Figure 8).

The situation varies, though at Member State level. The majority of traineeships in LU are in rural areas, with significant share (more than one third) of traineeships are taking place in rural areas also in SI, PL, LT and HU. In 14 Member States, 50% or more of traineeships are in cities.

When looking at the different types of traineeships, the trend is similar for most types, except for ALMP traineeships, which are more common in rural areas, and the minority of these traineeships take place in cities. For more information, please see the supporting study.

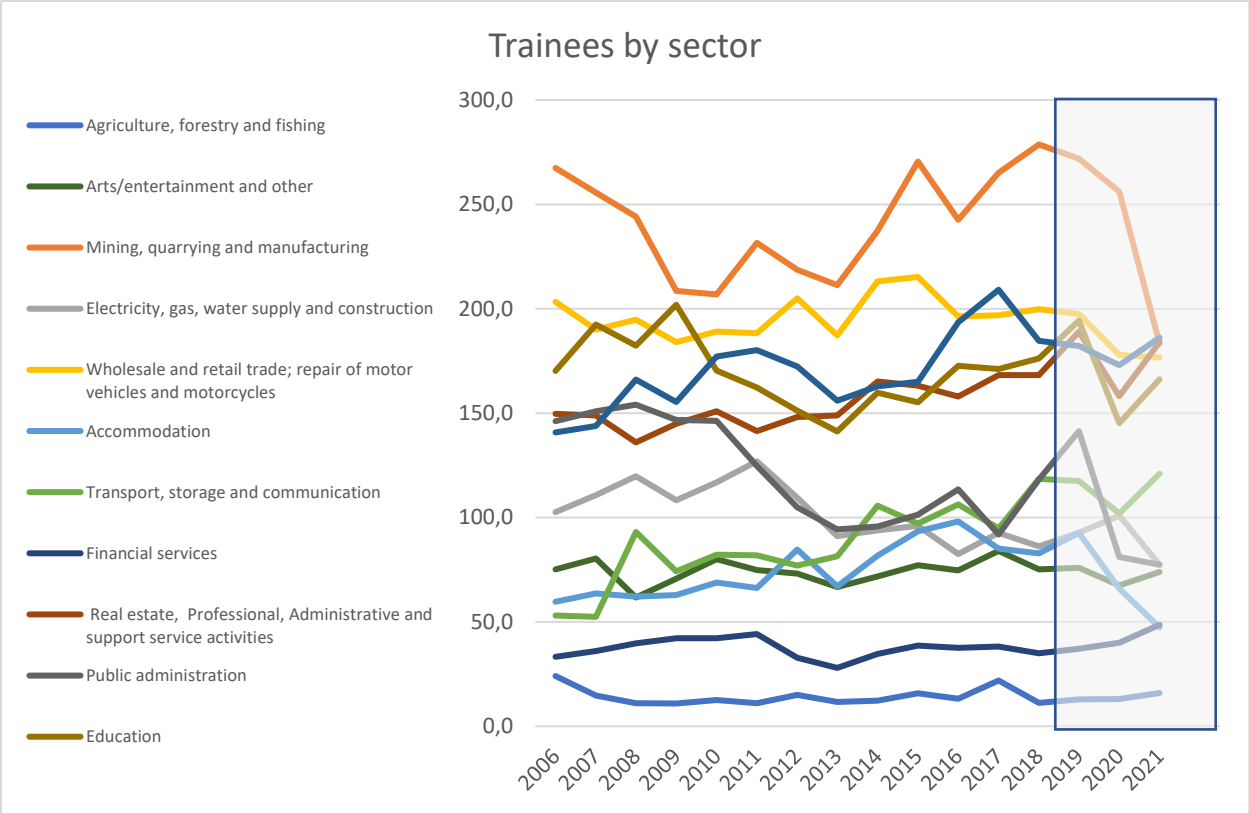
Sectoral distribution

In terms of **sectoral distribution**, five sectors make up the largest share of the trainees. In 2019, manufacturing, wholesale and retail, health, education and real estate and professional, administrative and support activities counted more than 1 million (paid) trainees, or close to two-thirds of the total.

Not all types of traineeships are distributed evenly across sectors. ALPM are concentred in two main sectors. In 2019, mining, quarrying and manufacturing (NACE2) and wholesale and retail trade; repair of motor vehicles and motorcycles (NACE4), hosted 240,000 paid trainees or about 40% of the total. Italy and Poland alone account for about 2/3 of total ALPM in the EU.

Also, MPT trainees are very concentrated in a few sectors, which are associated with the professions for which the MPT is a requirement. The education (NACE 10), the health (NACE 11) and the real estate and professional sectors (NACE8) account for about 85% of the total.

Both ECT and OMT are quite spread across the sectors. The most interesting development in ECT is its growth over time. ECT increased strongly in all the service sectors. The most dramatic increase is observable in the transport, storage and communication sectors. While starting from a very low level, the number increased by more than three times between 2006 and 2019 (and it continues to increase during the COVID period). Interesting to note as well that ECT paid traineeships are highly concentrated in two countries. Germany and France in 2019 accounted for more than 60% of the total trainees of the EU.



Data on sectoral differences between traineeships is available from the survey conducted by the study supporting the evaluation . Evidence shows that some of the sectors with a high number of trainees – notably wholesale, health and social work and education – are also some of the ones exhibiting lower scores across (some of) the quality dimensions where data is available.

In terms of overall attitude towards traineeships, there is some variation across the different sectors, ranging from 23% having reported a negative or very negative opinion in the wholesale & retail trade, transport, accommodation & food sectors to 10% in the agriculture, forest and fishing, education and construction sectors.

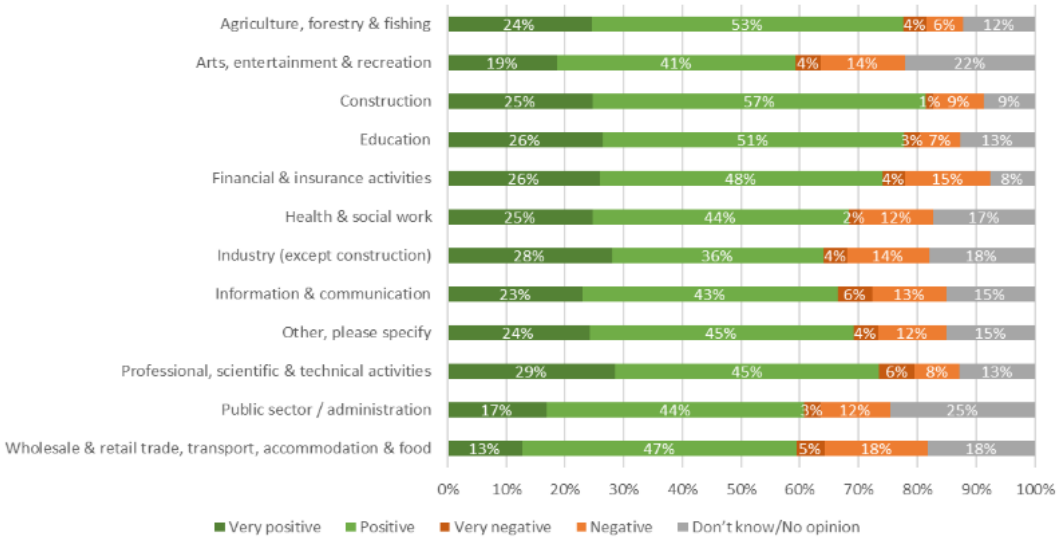


Figure 11 Overall opinion about traineeships
Source: Study support the evaluation, p.408.

Other quality-related indicators, however, point to a more nuanced picture than what the overall trainee perceptions imply. The study supporting the evaluation looked at the share of trainees offered a job at the end of their traineeship. The respective shares were: 43% for Wholesale & retail trade, transport, accommodation & food with 43%, 31% in education, 34% in health and social work and 36% in arts, entertainment & recreation. These shares are still below the 60% in finance and insurance and the 56% in construction.

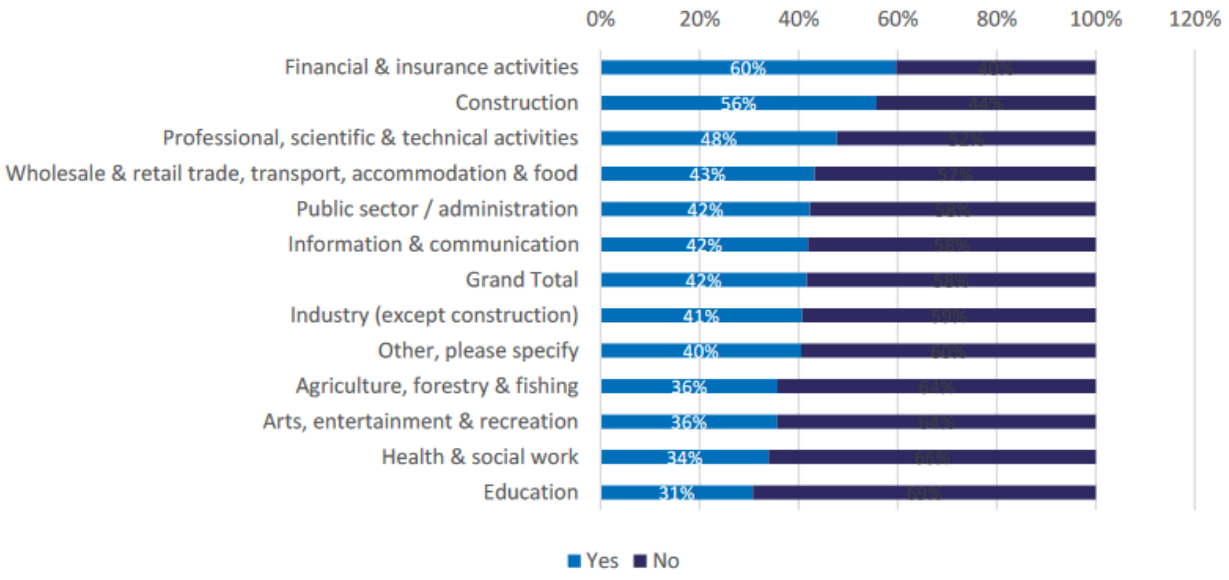


Figure 12 Were you offered a job at the end of your traineeship?
Source: Study support the evaluation,p.53.

The study also asked about the implementation across sectors of three principles of the QFT, namely the provision of a written agreement, the stipulation of learning objectives, and the provision of a certificate at the end of the traineeship. The respective shares were: Wholesale & retail trade (65%), arts, entertainment & recreation (66%) and education (68%) rank as the lowest. Conversely, financial & insurance activities have a 78% implementation rate across the three principles.

Projected trends in traineeship prevalence

The table below shows the projections of the number of the different types of traineeships based on the prevalence trends estimated through the EU-LFS. Using a simple extrapolation exercise, the baseline projections assume for each type of traineeship an annual growth rate equal to the average yearly growth rate observed in the five years before the outburst of the COVID-19 pandemic in Europe. The motivation for selecting the 2014-2019 time-period is two-fold. First, it allows to obtain estimates that are not influenced by the shock caused by the COVID-19 pandemic. In addition, it allows to capture the trends in traineeship prevalence that occurred since the introduction of the Council Recommendation on a Quality Framework for Traineeships. This approach is, however, subject to limitations. To start, the assumption of a linear growth rate might not hold true in the time horizon considered, because of major transformations in the labour market driven by the acceleration in the digital transformation and the green transition. In addition, the limitations that apply to the estimated prevalence (see Annex 4) also affect the projected prevalence trends, especially those related to unpaid traineeships. Lastly, these projections are subject to considerable uncertainty connected to the impacts of future political, economic, and socio-demographic changes. To mitigate these

limitations, we carry out a sensitivity analysis which incorporates prospected socio-economic and political developments in the EU.

The linear trend assumption suggests that by 2030 the **total number of trainees** in Europe will increase by 16.3% compared to its level in 2021. While the number of paid traineeships is expected to increase by 36%% (from 1,4 Mn to 1,9 Mn trainees), the projections for the number of unpaid traineeships suggest a small increase by 5.3% (from 1,6 to 1,7 Mn trainees).

Looking at the trends by **type of traineeship**, the largest growth in relative terms concerns MPT, which are projected to increase by 42.8% (from 159 thousand in 2021 to 227 thousand trainees in 2030). The number of ALMP traineeships is expected to increase by 30.7% (from 489 thousand to 639 thousand trainees), while ECT are expected to increase by 17.5% (from 1,9 to 2,2 Mn trainees). The projections for the number of OMT suggest a small increase by 6.8% (from 427thousand to 456 thousand trainees), driven by a decline in the number of paid OMT and an increase in the number of unpaid OMT.

The small overall growth in the number of **OMT** is supported by recent findings in the literature on the existence and projected increase of labour shortages in various sectors of the economy[53]. The study suggests that labour shortages are driven by structural factors such as the green and digital transition[54].

Nonetheless, the transformations in the nature of work and skills induced by the green and digital transition could potentially increase the number of trainees in the coming years by increasing the needs for upskilling and reskilling and by stimulating policies promoting investments in trainings throughout the working life. In addition, labour shortages connected to poor working conditions could be associated to an overall decline in the number of unpaid OMT traineeships[55]. To capture these trends, we consider a **high-growth scenario** that envisages an increase in OMT driven by fast developments connected to the green and digital transition and the national targets on employment and training to deliver on the European Pillar of Social Rights Action Plan[56]. The high growth scenario is based on the assumption of a 2.3% yearly growth rate of paid OMT and a 0.4% yearly growth rate for unpaid OMT. These correspond to the weighted average yearly growth rates of paid and unpaid traineeships (all types of traineeships) in the time horizon considered. Under this assumption, the overall number of traineeships in the EU would increase by 17% due to the increase in the number of paid OMT (+22%) and a small increase in the number of unpaid OMT traineeships of 3.4%.

The increase in the number of **ALMP traineeships** could be consistent with the expected impacts of the Council Recommendation on the Reinforced Youth Guarantee (RYG) which can be expected to produce larger impacts on traineeship prevalence as (i) it extends its coverage to all young people aged 15-29 years old, compared to the 15-24 age group targeted by the previous YG; (ii) it mobilises a significantly larger amount of financial resources. In particular, the main source of EU funds for the programming period 2021-2027 is represented by the Youth

[53] European Commission. (2023) Employment and Social Developments in Europe 2023: addressing labour shortages and skills gap in the EU.

[54] Employment and Social Developments in Europe 2023: addressing labour shortages and skills gap in the EU. European Commission. 2023.

[55] Even though job quality is a multidimensional concept, the study found that several subsectors facing persistent labour shortages recorded an above average share of low-wage earners and an above average proportion of workers facing difficulties in making ends meet.

[56] The three EU-level social targets to be achieved by 2030 are: a) at least 78% of people aged 20 to 64 should be in employment; b) at least 60% of all adults should participate in training every year; c) the number of people at risk of poverty or social exclusion should be reduced by at least 15 million, including at least 5 million children, compared to 2019.

Employment Initiative, one of the four funding instruments of the European Social Fund Plus (ESF+)[57]. In addition, Member States with a rate of young people (aged 15-29) not in employment, education or training (NEET) exceeding the average for the 2017-2019 period should devote at least 12.5% of their ESF+ resources to youth employment. Under the ESF+, almost EUR 99.3 billion will be invested in EU's employment, social education and skills policies for the programming period 2021-2027.

Finally, the projected increase in the total number of **trainees in education**[58] (ECT) is supported by current evidence from Eurostat suggesting that the share of people with tertiary education in the EU is trending upward[59]. In particular, the share of people aged 25-74 years with tertiary education has increased from 24.5% in 2012 to 31.8% in 2022, with younger people attaining higher levels of education than older ones. In 2022, 37.7% of those aged 25-54 years had attained tertiary education as opposed to 22.7% of those aged 55-74 years. These trends reflect the influence of both socio-economic dynamics and policy initiatives. From an economic perspective, the higher flexibility and complexity of jobs induced by digital technology has resulted in a growing number of employers seeking staff with capacities to think autonomously and manage complex information. These forces are expected to further increase the demand for highly skilled people in the coming years[60]. In addition, at EU level, the Council Resolution on a strategic framework for European cooperation in education and training towards the European Education Area and beyond (2021-2030)[61] sets an EU level target of 45% of persons aged 25-34 years with tertiary educational attainment[62]. Within the EU, the share of the population aged 25-34 years with tertiary education was 42% in 2022. Almost half of the EU Member States already reached the target for 2030 (the highest shares were found in Luxembourg and Ireland, over 60%; the lowest shares of people with tertiary educational attainment were observed in Romania and Italy, below 30 %)[63].

Table 16 : Projections in traineeships trends in the EU27 by type of traineeship (in thousands of traineeships)

		Linear Trend Assumption	**High Growth Scenario**
Year	2021	2030	2030
Paid MPT	159	226 (42.8%)	226 (42.8%)
Paid ECT	575	904 (57.1%)	904, (57.1%)
Paid ALMP	370	474 (28.2%)	474, (28.2%)
Paid OMT	258	2487 (-4%)	319 (22.6%)
Unpaid ECT	1,299	1,299 (0%)	1,299 (0%)

[57] The other instruments of the ESF+ are represented by the European Social Fund, the Fund for European Aid to the most Deprived and the European Programme for Employment and Social Innovation.
[58] It is estimated that between 2021 and 2030 the number of ECT and MPT traineeships would increase by 17.5% and 42.8% respectively.
[59] Source: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Educational_attainment_statistics#:~:text=This%20resolution%20sets%20an%20EU,this%20share%20amounted%20to%2042.0%20%25.
[60] Eurostat Tertiary Education Statistics.
[61] Council Resolution on a strategic framework for European cooperation in education and training towards the European Education Area and beyond (2021-2030) (2021/c 66/01)
[62] Within the EU the share of the population aged 25-34 years with tertiary education was 42 % in 2022. Almost half of the EU Member States already reached the target for 2030 (the highest shares were found in Luxembourg and Ireland, over 60%; the lowest shares of people with tertiary educational attainment were observed in Romania and Italy, below 30 % (source: Eurostat statistics.
[63] Eurostat statistics explained: Educational statistics.

Unpaid ALMP	119	165 (38.4%)	165 (38.4%)
Unpaid OMT	169	208 (23.2%)	175 (3.4%)
Total	2,949	3,525 (16.3%)	3,560 (17.1%)

Note: The table shows the projected number of traineeships by traineeship type and based on whether the trainee is paid or not. For each type of traineeship, the projections are based on the average yearly growth rate observed between 2014 and 2019. Column (4) considers a high growth scenario for OMT based on the assumption of a 2.3% and 0.4% yearly growth rate for paid and unpaid OMT, respectively. The percentage growth compared to the 2021 levels is shown in brackets. Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

ANNEX 8. MORE INFORMATION ON WORK RELATIONSHIPS DISGUISED AS TRAINEESHIPS

This annex presents additional information on the sources used to identify the elements which can be used to distinguish work relationships disguised as traineeships from genuine traineeships.

A8.1. Selection of elements indicating possible work relationships disguised as traineeships

Work relationships disguised as traineeships occur when an employer disguises regular (entry-level) employee positions as traineeships. In such cases, the individual performs the tasks of a regular employee but is wrongly treated as a trainee. As a result, the individual is deprived of a genuine learning experience and the full set of worker rights enshrined in labour law[64].

Based on the following sources, a set of elements can be identified which can serve as indications to distinguish work relationships disguised as traineeships from genuine traineeships:

1) The 2014 QFT definition of traineeships
2) Evidence in the literature, in particular Eurofound reports;
3) Evidence from case law[65],
4) Stakeholder views, including interviews under the supporting study[66] the replies to the second phase social partners' consultation.

The 2014 QFT definition of traineeships highlights three important aspects which can be used as **guiding elements in distinguishing work relationships disguised as traineeships from genuine traineeships:**

(1) the limited duration of the work experience (usually 6 months or less);

(2) a learning and training component, and

(3) the development of practical/professional experience to improve employability and facilitate the transition to employment.

Eurofound[67] establishes a definition of fraudulent traineeships based on case studies of four countries (AT, FI, ES, and the UK), drawing on desk research and interviews with stakeholders from the four countries. **Differences between "real" work and a traineeship are determined** by the length and intensity of the activity performed and the existence of coaching and management. Fraud is associated with inadequacy or lack of training content, guidance and

[64] Eurofound (2016) Exploring the fraudulent contracting of work in the European Union, and Eurofound (2017.).) Fraudulent contracting of work: Abusing traineeship status (Austria, Finland, Spain and UK).
[65]The concept of work relationships disguised as traineeships has gained policy and media attention following a complaint lodged in 2017 with the ECSR by the European Youth Forum (EYF) on issues of unpaid work relationships disguised as traineeships in BE, on which the ECSR ruled against BE. The ECSR judgments have legal force and binding effect on the countries that have ratified the European Social Charter.
[66] Interviewed trade unions, employer associations and youth organisations.
[67] Eurofound (2017) Fraudulent contracting of work: Abusing traineeship status (Austria, Finland, Spain and UK).

supervision, and may involve situations where trainees are required to carry out tasks that cannot be distinguished from those performed by regular workers in a company.

Evidence in the case law:

- the ECSR ruling in a complaint lodged in 2017 by the European Youth Forum (EYF) on issues related to unpaid work relationships disguised as traineeships in BE[68] stated that work relationships disguised as traineeships can be defined as cases where an internship involves performance of real and genuine work without allowing for a real learning experience[69].
- In DE, the regional labour court Berlin-Brandenburg reclassified a traineeship as an employee relationship, on the basis that the written contract contained "typical employee obligations" and did not indicate the predominance of the training purpose or provide sufficient detail on training, such as a written training plan. The duration (one year) was also indicative of an employment relationship.

Stakeholders interviewed under the supporting study[70], including trade unions, employer associations and youth organisations, similarly highlighted that traineeships with low learning content and with similar task-load as the one assigned to employees, as well as traineeships of long duration or consecutive traineeships, may be indicative of cases of work relationships disguised as traineeships. They also clearly emphasised that genuine trainees typically carry out less specialised tasks, have a lighter workload, are supervised closely and are not expected to meet specific productive objectives. However, the extent to which a trainee in practice performs duties which are comparable or equivalent to a regular employee can only be assessed on a case-by-case basis by competent national inspection authorities[71]. Some elements of the traineeship vacancy and/or in the traineeship agreement, like a description of tasks corresponding to the ones of an employee and/or the requirement of having previous experience, can point to work relationships disguised as traineeships. An analysis of traineeship vacancies within the EURES portal conducted for the supporting study[72] found evidence of a number of cases where employers require trainees to have previous experience.

Also, all stakeholder groups interviewed for this study stated that learning is a crucial element of traineeships. A structured learning component includes, for instance, clearly defined objectives and supervision during the traineeship. While the absence of a learning component per se does not automatically imply the use of a traineeship to disguise a regular work relationship (which can be of poor quality traineeship), it can lead to work relationships disguised as traineeships if combined with other indications. For instance, low/no learning content combined with an intensity of activity comparable to an employee may lead to the presumption that the traineeship constitutes a work relationship disguised as traineeships. While this cannot be measured by statistics, the quality of the learning content can be crossed with other factors pointing to work relationships disguised as traineeships, e.g. the duration of traineeships.

[68] European Youth Forum (YFJ) v. Belgium (Complaint No. 150/2017)
[69] The ECSR judgments have legal force and binding effect on the countries that have ratified the European Social Charter (EU Member States are signatory countries).
[70] Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047)..
[71] Findings of national inspection authorities are covered by strict confidentiality rules (see ILO guide on how the labour inspectorate should protect personal and business privacy) therefore data on the scale of this problem is not available.
[72] Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

Finally, both ETUC and the European Youth Forum have pointed to the ratio of trainees within an organisation as an indicator of work relationships disguised as traineeships. According to the ETUC, the ratio of trainees within an organisation, should not exceed 20%.

On the basis of the above the following set of elements were identified as indications to distinguish work relationships disguised as traineeships from genuine traineeships:

- The **excessive duration** of traineeships and **previous experience in the field of activity**, gained also by doing recurrent or consecutive traineeships with the same or different employer (sources: QFT definition, stakeholders views)
- The fact that the trainee is performing the same/similar tasks with the same intensity and having the same/similar responsibilities as regular (entry-level) employees combined with the absence of a significant learning/training component, which also constitutes an element of a poor-quality traineeship (source: QFT definition, evidence in the case law, stakeholders' views).
- The **high ratio of trainees** within an organisation, pointing to the substitution of employees with trainees[73] (stakeholders views).

A8.2. Quantitative data on the excessive duration of traineeships

As mentioned above, the **excessive duration of traineeships** can be considered another indication of work relationships disguised as traineeships. Principle 10 of the 2014 QFT states that, in principle, a reasonable duration does not exceed 6 months for OMT and ALMP traineeships. However, an important aspect to consider when discussing the duration of traineeships, is the type of traineeship. In many countries, the duration of MPT is defined by law to be longer than 6 months (e.g., doctors).

According to the evaluation[74], **22% of respondents** (OMT and ALMP traineeships) to the trainee survey[75] **stated that their traineeship lasted longer than 6 months**[76].

These results are consistent with the results of the 2023 Eurobarometer[77] which suggested that **long (exceeding 6 months) traineeships (including paid and unpaid) exist in the EU.** While the EU average is relatively low (11%), and down from 15% in the 2013 Eurobarometer[78], in six Member States (IE, HR, CY, NL, MT and PT), 20% or more of respondents indicated that their last traineeship lasted more than 6 months. This result is relatively consistent among the four types of traineeships, (13% of OMT, 11% for the ECT, 12.5% for the MPT, 10.5% for the ALMP). In general, countries that have a higher overall share of long traineeships also have higher shares of such traineeships across the different traineeship types.

[73] Data on the share of trainees in a company is not available. A cap on the maximum share of trainees in a company, in particular for OMT, is legally defined d in 8 Member States (BG, LT, LU, HU, AT, PL, PT, RO).
[74] European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).
[75] Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023.
[76] 17% of the respondents indicated that their traineeship lasted for a duration ranging from 7 to 12 months, while a further 5% reported having engaged in a traineeship that extended beyond a 12-months period.
[77] Flash Eurobarometer FL523 (April 2023) "Integration of young people into the labour market with particular focus on traineeships" (2964/FL5235).
[78] Flash Eurobarometer 378 (November 2013) "The experience of traineeships in the EU" (1091_378). Please note that comparisons between the results of the 2023 and 2013 must be interpreted with caution, due to differences in the survey method and questionnaire used. Additionally, the EU averages calculated for 2013 include the UK and exclude Croatia.

However, according to the results of the Eurobarometer[79] around 15% of respondents who stated that they did a traineeship of more than 6 months do not agree that they learnt useful things during their traineeships, while 24% of them do not believe that their (long) traineeship was helpful to find a job. This is lower than the percentage who stated they did learn things that are useful professionally among trainees who did a traineeship of three to 6 months (20.5%) or 1 to 3 months (22.9%), but nevertheless constitutes a significant percentage of respondents, particularly considering that the longer traineeship by definition involves a more significant time investment.

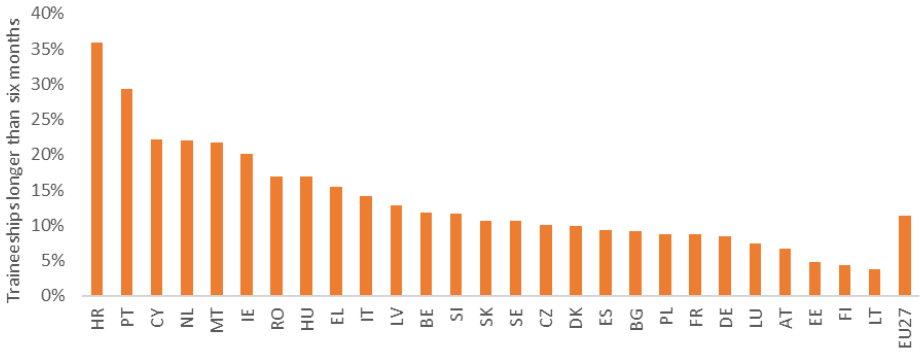


Figure 13: Flash Eurobarometer results - Proportion of individuals whose last traineeship lasted more than 6 months Note: Member States ordered based on the traineeships that last more than 6 months, lowest to highest percentage. Source: Flash Eurobarometer 2023 (FE 523)3; Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

A high share of long traineeships is also observed for ALMP traineeships. While the latter might be justified by the target group of such traineeships, the duration of these traineeships should be closely monitored as on the one hand they are typically supported by public funds, in the form of subsidies or tax benefits for hosting companies and on the other hand they offer monetary advantage to the employer. For example, in Italy, ALMP makes the largest part of those traineeships. In Italy, ALMP are paid, but the minimum (gross) remuneration is only 500 EUR per month, suggesting that even when the productivity of the trainee is higher, compensation may remain very low.

There are also differences in the incidence of traineeships longer than 6 months between paid and unpaid trainees. As shown in the figure below according to the 2023 Eurobarometer, 14% of paid trainees indicated that their traineeship lasted longer than six months, compared to 8% of unpaid trainees. The incidence of traineeships longer than six months among paid trainees is highest in PT (39%), HR (38%), MT (28%), IE (24%), CY (22%), NL (22%) and HU (20%). There is largely an overlap with the countries which have the highest rates of long traineeships among unpaid traineeships. These are HR (26%), NL (23%), CY (22%), PT (17%), EL (16%), RO (16%), IE (14%), MT (12%) and HU (11%).

[79] Flash Eurobarometer FL523 (April 2023) "Integration of young people into the labour market with particular focus on traineeships" (2964/FL5235).

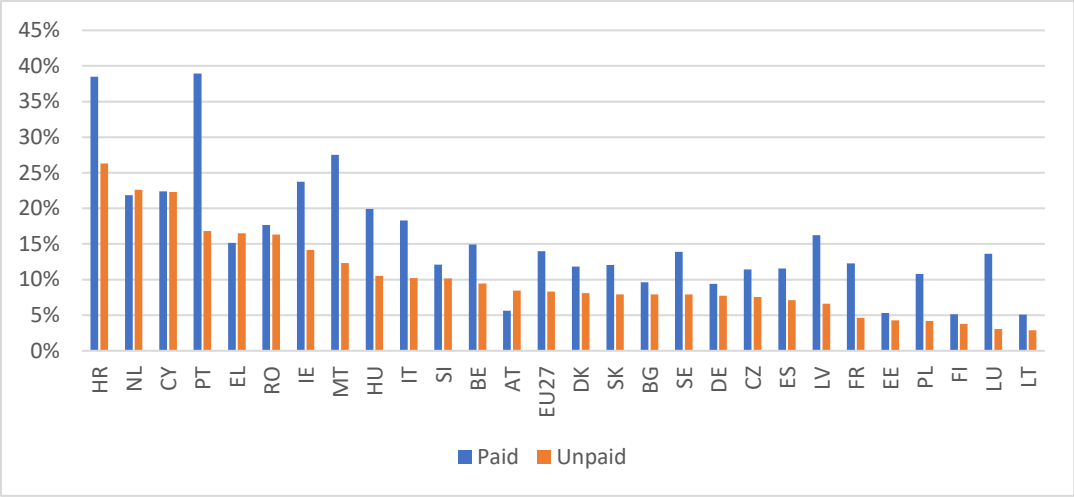


Figure 14: Flash Eurobarometer results -: Share of paid and unpaid trainees whose traineeship lasted longer than 6 months, 2023 Eurobarometer
Source: Flash Eurobarometer 2023 (FE 523)3; Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

- Evidence (approximate estimation) on the prevalence of long (more than 6 months)

An estimate of the number of trainees who have done a traineeship longer than 6 months (by country and type of traineeship) can be obtained by combining data from the 2023 Eurobarometer with the estimated number of trainees obtained from the EU-LFS (see Annex 4 for methodological details). The results are presented in the table below. Considering all traineeships[80] it is estimated that more than 350,000 individuals undertook traineeships longer than six months in the EU 27, out of these 230,795 individuals were paid trainees.

Table 17: Estimated number of paid and unpaid traineeships longer than six months, by traineeship type, 2019

MS	Paid OMT	Paid ALMP	Paid ECT	Total paid	Unpaid OMT	Unpaid ALMP	Unpaid ECT	Total Unpaid	Overall total
EU27	67,088 (16%)	91,832 (17.2%)	71,875 (14.3%)	**230,795**	16,949 (11.9%)	7,616 (10%)	100,076 (8.1%)	124,641	**355,436**

Note: The table shows the estimated number of paid and unpaid trainees undertaking traineeships longer than six months in absolute and percentage terms (in parenthesis). Data on the share of trainees in traineeships longer than six months come from the Eurobarometer 523 Survey. Data on the total number of paid trainees by traineeship type come from the EU-LFS.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming(VT/2022/047).

A8.3. Quantitative evidence on repeated/consecutive traineeships with the same employer

The number of recurrent, including **consecutive and/or traineeships** with the same employer can also constitute an indication of work relationships disguised as traineeships. In the 2023 Eurobarometer[81], respondents who have completed more than one traineeship were asked if any of these traineeships were with the same employer. On average, across the EU, **37% of these respondents have completed recurrent traineeships with the same employer**. Across most countries, a considerable share of respondents who have had more than one traineeship reply that at least two of these traineeships were with the same employer. In fact, in 17 Member States

[80] Without MPT
[81] Flash Eurobarometer FL523 (April 2023) "Integration of young people into the labour market with particular focus on traineeships" (2964/FL5235).

(CZ, DK, EE, IE, EL, ES, IT, CY, LT, HU, NL, PT, RO, SI, SK, FI and SE) more than ca. 40% of respondents stated that they had done more than 1 traineeship with the same employer, with the highest share being observed in HU (50%) (Figure 15). In all the other Member States this share is above 30%, with the exception on FR and LU. The data also shows that at the EU27 level, multiple traineeships with the same employer are most common for MPT (45.7%). Regarding OMT, 1 in 4 respondents (25.7%) stated that they have done more than one traineeship with the same employer while the share is higher for ALMP and ECT (around 35% for each respectively).

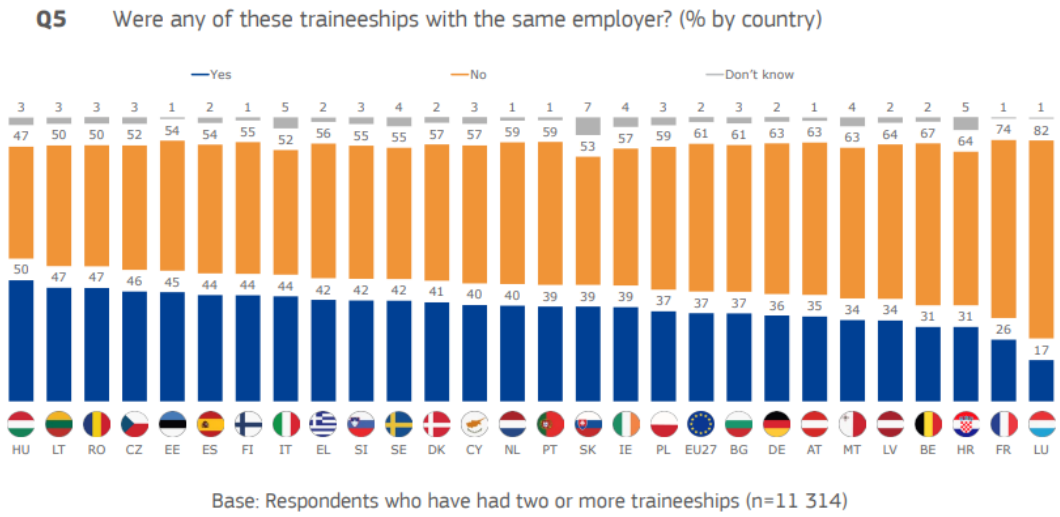


Figure 15: Flash Eurobarometer results – Consecutive traineeships with the same employer in the EU
Source: Flash Eurobarometer 2023 (FE 523)

- Evidence (approximate estimation) on the prevalence of on repeated/consecutive traineeships with the same employer

As mentioned above, in addition to the number of traineeships with a duration longer than six months, excessively long traineeships occur when an individual does multiple short traineeships with the same employer. The table below represents estimates on the number of trainees (paid and unpaid) with traineeships contracts shorter than six months but who conducted repeated traineeships with the same employer with a total duration of at least six months. In the Eurobarometer survey, participants were asked whether they had conducted multiple traineeships, and whether any of these traineeships occurred with the same employer. Respondents were not asked the length of each single traineeship, except than for their last one. Thus, it is not possible to compute precisely whether the traineeship relation with the same employer was overall longer than six months. To overcome this data limitation, it was assumed that respondents had a traineeship longer than six months if they had more than one traineeship with the same employer and their last traineeship was between three and six months long. Also, it should be noted that data on the type of traineeship and remuneration is only available for the last traineeship (and not for previous ones). Based on the results it is estimated that across the EU, 207,787 individuals conducted repeated traineeships with the same employer[82] that were overall longer than six months. Out of these 138,716 were paid trainees.

[82] Without MPT

Table 18: Estimated number of repeated paid and unpaid traineeships with the same employer longer than six months, by traineeship type 2019

MS	Paid OMT	Paid ALMP	Paid ECT	Total paid	Unpaid OMT	Unpaid ALMP	Unpaid ECT	Total Unpaid	Overall total
EU 27	27,808 (7%)	57,118 (11%)	53,790 (11%)	**138,716**	3,209 (2%)	4,915 (6%)	60,947 (5%)	**69,071**	**207,787**

Note: In the Eurobarometer survey, participants were asked whether they had undertaken multiple traineeships, and whether any of these traineeships occurred with the same employer. Respondents were not asked about the length of each single traineeship, except for their last one. Thus, it is not possible to compute precisely whether the traineeship with the same employer was longer than six months overall. To overcome this data limitation, we assume that a respondent had a traineeship longer than six months if she had more than one traineeship with the same employer and her last traineeship was between three and six months long. Information on the type of traineeship and remuneration coverage refer to the latest traineeship.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

Taking together these figures with the estimated in section A8.2 it can be estimated that 563,223 individuals (2019 data) did traineeships longer than 6 months including repeated/consecutive traineeships with the same employer. Out of these 369,511 were paid trainees.

Table 19: Estimated number of traineeships with a long duration of more than 6 months, including consecutive/repeated traineeships with the same employer by traineeship type 2019

MS	Paid OMT	Paid ALMP	Paid ECT	Total paid	Unpaid OMT	Unpaid ALMP	Unpaid ECT	Total Unpaid	Overall total
EU27	94,896	148,950	125,665	**369,511**	20,158	12,531	161,023	193,712	**563,223**

Source: Own elaboration, based on the study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047)

A8.4. Quantitative data on previous professional experience

The fact that a trainee has already gained professional experience by completing one or several traineeships (or has already held regular job positions), in particular in the same field of activity may also serve as an indication of work relationships disguised as traineeships, although other elements, such as the duration of each traineeship, as well as the quality and content of the learning component thereof, have to be taken into account. A traineeship should serve as a stepping stone into the labour market, mainly for young people, by providing the skills that increase their employability and enhance their employment prospects but they can also help people transition between sectors, occupations. However, more than 1 in 2 (52%) of the respondents to the 2023 Eurobarometer did two or more traineeships; 1 in 3 respondents stated that they had done two traineeships, and 1 in 4 respondents reported the completion of three or more traineeships (see figure below). Also, as shown Annex 7, one third (33.4%) of paid trainees doing OMT are people aged above 35 years old. While these are people who might be transitioning in the labour market, this can also constitute an indication of replacement of regular positions by trainees. It should be noted that consecutive traineeships with the same employer are not necessarily an issue if the duration is limited, e.g., the case of two consecutive traineeships of less than three months.

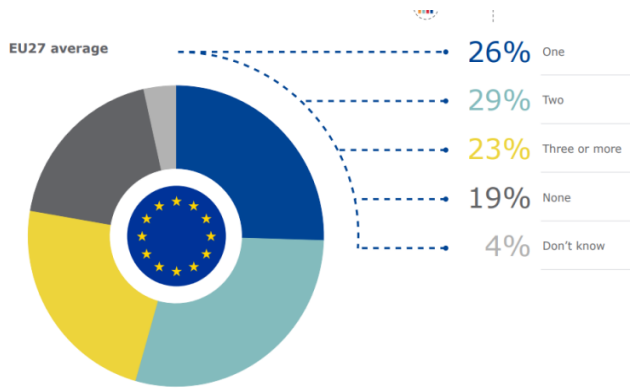


Figure 16: Flash Eurobarometer results - Repeated traineeships in the EU
Source: Flash Eurobarometer 2023 (FE 523).

Analysis at Member State level (Figure 17) reveals that the majority of respondents in all Member States have done repeated traineeships (at least two traineeships), with shares ranging from around 85% in DE, LU and SE to around 80% in BE, CZ, EE, FR, AT, NL, SK and FI to around 70% in BG, ES, LV, LT, HU, MT, RO and SI and 60% in EL. Moreover, respondents in LU (44%), followed by those in DE (40%), are the most likely to have had three or more traineeships. The largest shares having had two traineeships are observed in DE (35%), FR (35%), the NL (33%) and ES (33%).

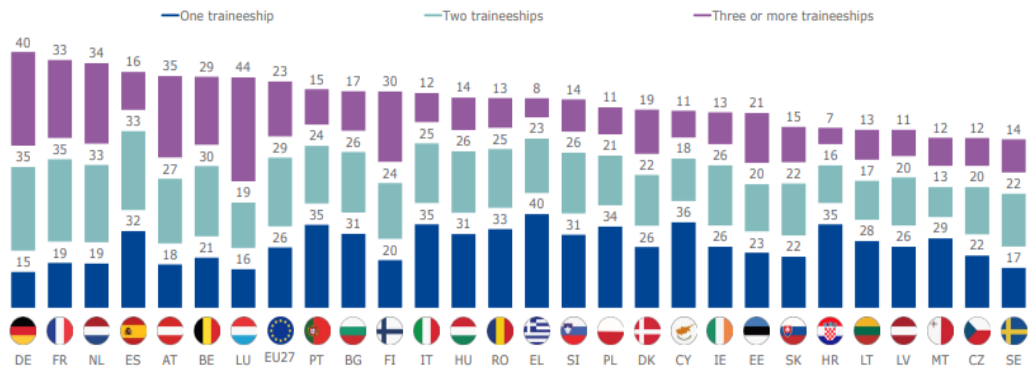


Figure 17: Flash Eurobarometer results -Repeated traineeships by country
Source: Flash Eurobarometer 2023 (FE 523).

- Evidence (approximate estimation) on the prevalence of repeated traineeships with different employers

The results of the 2023 Eurobarometer combined with LFS data can be used to obtain an estimate of the number of trainees doing repeated traineeships with different employers. This gives a proxy measure of the number of traineeships vacancies asking prior work experience to candidates. The results, presented in the table below, suggest around 1.1 million trainees in the EU (2019 data) did multiple traineeships with different employers, out of these 491,211 were paid trainees. These estimates are higher than those obtained through the analysis of the vacancies available on the EURES portal conducted for this study, which found that about 20% of total internship vacancies require prior work experience. This discrepancy could be due to the fact that the approach based on the Eurobarometer is likely to overestimate the number of employers asking prior work experience to trainees for two reasons. First, not all trainees who conducted numerous traineeships were necessarily asked prior work experience. Secondly, in the Eurobarometer survey respondents were asked to consider all possible traineeships

conducted, not only those related to the current year. This implies that the yearly number of multiple traineeships with different employers could be substantially lower.

Table 20: Estimated number of trainees who did repeated traineeships with different employers, 2019

MS	Paid OMT	Paid ALMP	Paid ECT	Total paid	Unpaid OMT	Unpaid ALMP	Unpaid ECT	Total Unpaid	Overall total
EU27	146,877 (35%)	177,716 (33%)	166,618 (33%)	**491,211**	64,103 (45%)	34,998 (46%)	531,285 (43%)	531,285	**1,121,597** (38%)

Note: The table shows the estimated number of paid trainees undertaking multiple traineeships with different employers in absolute and percentage terms (in parenthesis). Data on the share of trainees who conducted multiple traineeships come from the Eurobarometer 523 Survey. Data on the total number of paid trainees by country and traineeship type come from the EU-LFS.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

A8.5. Information on the ratio of trainees within an organisation

Further indications for the existence of work relationships disguised as traineeships could stem from **contextual elements**, such as a particularly **high ratio of trainees within an organisation,** which could point to the substitution of employees with trainees and suggest that certain tasks in the company are systematically done by trainees. This is confirmed by the fact that in some Member States legal provisions exist regulating the maximum share of trainees in a company, in particular for OMT (BG, HU, LT, LU, AT, PL, PT, RO), the highest number across the different types of traineeships. For MPT, there are a number of cases where caps exist only for certain sectors (PL, PT, RO, SK). LT is the only country where caps exist for all types of traineeships.

In practice, it is very challenging to collect quantitative data as major EU company surveys do not collect this information and ad hoc surveys are unlikely to be informative. It is also important to note that the sector of the company (because of differences in the degree of labour intensity) can matter a lot in defining a meaningful threshold of potential use of work relationships disguised as traineeships, but even more the size. For micro companies, the ratio of trainees to employees will always be a double-digit one (at least one in 9 employees), for large companies the same percentage could imply thousands of trainees.

Hence, a sensible threshold is difficult to identify. Nevertheless, some countries have tried, by applying caps. This can be defined as the share of employees, like in FR, where for undertakings with more than 20 employees the maximum number of trainees cannot be above 15% of the employees. In LT, the limit exists for voluntary traineeship agreements and the percentage may not exceed 10 percent of the total number of employees of the organisation, and where the organisation has fewer than 10 employees, such organisation may have only one voluntary traineeship agreement. In other countries, like HU, the cap is set in relation to the number of trainees and apprentices in the previous year.

The table below provides a summary of the existence of a cap on the share of trainees in a company across Member States and types of traineeships.

Table 21: Existence of a cap on the share of trainees in a company

Type of traineeship	Yes	No	Data availability
OMT	BG, LT, LU, HU, AT, PL, PT, RO [8 MS]	CZ, DE, DK, EE, IE, EL, ES, HR, IT, CY, LV, MT, NL, SI, SK [15 MS]	1 NA (FR), 3 no data (BE, SE, FI)
ALMP	EL, IT, LV, PL, PT, [5 MS]	BG, CZ, DE, DK, EE, IE, ES, HR, CY, LT, LU, NL, AT, RO, SK [15 MS]	2 NA (HU, SI), 5 no data (BE, FR, MT, FI, SE)
ECT	LT, LU, HU, SK [4 MS]	BG, CZ, DE, DK, EE, IE, ES, IT, CY, LV, NL, AT, PL, PT, RO, SI [16 MS]	1 NA (HR), 6 no data (BE, EL, FR, MT, FI, SE)
MPT	CZ, IE, IT, LT, PL (medical), PT (law), RO (medical), SI, SK (law) [9 MS]	BG, DE, DK, EE, ES, CY, LV, LU, HU, NL, AT [11 MS]	7 no data (HR, EL, BE, SE, FR, MT, FI)

Note: OMT are prohibited in FR. For ALMP, in SI there are no formal traineeship contracts. For ECT, in HR these traineeships are conducted on a free market basis.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

A8.6. Rough evidence on the prevalence of certain types of work relationships disguised as traineeships in the EU

Estimates of the number of work relationships disguised as traineeships in the EU are difficult to obtain. However, a rough proxy can be obtained for some specific categories of trainees being at risk of being in a work relationship disguised as a traineeship. For example, as discussed in section A8.3 around 563,223 trainees (out of which 370,000 paid trainees) did a traineeship longer than 6 months, including consecutive/reaped traineeships with the same employer. Out of these, it can be estimated that around 158,186 (out of which 100,000 paid trainees) did a long-duration traineeships with a poor learning content (see table below).

Table 22: Estimated number of trainees doing long traineeships with a poor learning content in the EU, 2019

MS	Paid OMT	Paid ALMP	Paid ECT	Total paid	Unpaid OMT	Unpaid ALMP	Unpaid ECT	Total unpaid	Overall Total
EU27	28274 (6.7%)	46761 (8.8%)	27936 (5.5%)	**102,971**	10425 (7.3%)	6409 (8.4%)	38381 (3.1%)	55,215 (5.6%)	**158,186**

Note: The table shows the estimated number of misused traineeships by country in absolute and percentage terms (in parenthesis). This type of work relationships disguised as traineeships were estimated using data from the Eurobarometer 523 Survey on aspects related to remuneration, access to social protection, learning component, duration. Data on the total number of trainees by country come from the EU-LFS and refer to 2019.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

ANNEX 9. ADDITIONAL EVIDENCE FEEDING INTO PROBLEM SECTION

A9.1. Legal status of trainees

While the **2014 QFT contains an EU-level definition of a traineeship** the evaluation[83] has shown that there are still large differences between regulatory approaches to traineeships among Member States. The results of the legal analysis undertaken within the framework of the supporting study are also in line with this finding, indicating that in terms of legal status of under different national regulatory frameworks, trainees fall under three different regimes in different Member States.

Regarding **OMT,** in 14 Member States (BE, BG, CZ, DE, ES, CY, LT, LU, HU, AT, PL, PT, SI, RO) a **specific regulation exists governing all or specific types of traineeships and/or trainees**. The regulation either defines if the traineeship is an employment relationship, and in some cases, it specifies the levels of protection applicable to respective trainees (e.g., access to social protection, minimum wage, collective agreements, other specific rules). Such specific regulations may consist of dedicated provisions for trainees in the Labour Code, specific regulatory acts, or the extension of rights stemming from (components of) national labour law. It should be noted that, in CZ and AT (which have been included in both groups of Member States) while traineeships are in general not regulated, specific regulation exists for certain types of traineeships. In CZ the labour law allows for 2 specific types of more flexible traineeship contracts with lower protection for trainees and in AT special rules apply to traineeships with the state. Regardless of the applicable legal framework, most of the Member States also allow for the possibility to engage in OMT traineeships which are not regulated and are usually unpaid. In FR, OMT are forbidden by law, while in IT OMT are never considered employment relationships but there are guidelines to be followed agreed between the States and the Regions (soft law).

In 13 Member States (CZ, DK, EE, IE, EL, HR, LV, MT, NL, AT, SK, FI, SE), **no specific regulation exists defining the status of OMT trainees** and the working conditions are agreed bilaterally between the trainee and the employer/traineeship provider. If the traineeship is considered to fulfil the conditions of an employment relationship, then the trainees are considered as workers, and they are fully covered by the provisions of EU and national labour law and national labour and collective agreements (where they exist), which ensures some level of favourable working conditions and prevents the emergence of precarious conditions. **Its absence provides no such assurance**[84].

ALMP traineeships are legally regulated in a vast majority of Member States (21 Member States: BE, BG, CZ, DE, DK. EE, EL, ES, FR, FI, HR, IE, LT, LU, MT, AT, PT, PL, RO, SE, SK). In 3 Member States they are covered by a national strategy (CY, HU, LV) and in IT by guidelines agreed between the States and the Regions. According to the supporting study, in 2 Member States (BG, LV) trainees are considered employees, in 15 (DK, EE, ES, HR, IT, CY, LU, MT, AT, PL, PT, RO, SK, FI, SE) unemployed and in 5 (BE, CZ, EL, FR, LT) the status depends on the characteristic of the traineeship. In 3 Member States the status is undefined.

[83] European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final)

[84] Bazzani and Staszewska (2022); Rosin (2017) Labour law protection of trainees, available here.

Regarding ECT, according to the supporting study, in 9 Member States (BE, CZ, FR, IT, PT, RO, SI, SK, SE) trainers are considered students and in BG they are considered employees. In another 9 Member States (DK, DE, EE, HU, AT, LV, LT, NL, FI) the status depends on the characteristic of the traineeship. In the rest of the Member States the status is either undefined or uncertain.

Regarding MPT, according to the supporting study, the legal framework of these traineeships generally varies from profession to profession. The two most common professions which require a MPT are the medical and legal professions, for which the relevant provisions are presented below:

- Concerning **MPT to access medical professions,** in 18 Member States (CZ, DK, EE, EL, IE, CY, LV, LT, HU, MT, NL, AT, PL, RO, SI, SK, FI, SE) medical trainees are considered workers by statutory law and in 6 Member States (BE, DE, FR, ES, IT, PT) are covered by a specific legislation. In HR the status depends on the characteristic of the traineeship and in BG and LU their status is not defined.
- **Concerning MPT to access legal professions,** in 7 Member States (CZ, DK, CY, HU, NL, SK, SE) trainees are considered as workers and in 4 (DE, AT, PT, RO) they are covered by a specific legislation. In BE and LV they are self-employed and in ES students. In 5 Member States (EE, IE, HR, LT, SI) the status depends on the characteristic of the traineeship exist and in 6 Member States (BG, EL, IT, LU, MT, PL) their status is not defined.

The vast diversity of national systems with regard to the classification of trainees is reflected in their very different corresponding labour rights (including remuneration), and access to social protection, laid down in national law and collective agreements, where they exist.

However, **it should be noted that paid trainees**, regardless of their classification in national law, **are likely to qualify as workers under EU labour law**. For the purpose of **Union law**, trainees fall under the concept of 'worker' if they perform genuine and effective activity, for and under the direction of an employer, and are remunerated for the work they provide[85].

[85] See for instance, CJEU, case C 229/14 ('Balkaya'), paragraph 50, with further references

	Status defined in legislation	Status Undefined, and depending on the characteristics of traineeship (subordination, pay, etc)	No regulation	Comments
OMT	BE, BG, CZ, DE, ES, CY, LT, LU, HU, AT, PL, PT, SI, RO [14 MS]	CZ, DK, EE, IE, EL, HR, LV, MT, NL, AT, SK, SE FI [13 MS]	IT(soft law) FR(forbidden)	In several Member States trainees can have different legal statuses.
ALMP	Employees: BG, LV [2MS] Unemployed: DK, EE, ES, HR, IT, CY, LU, MT, AT, PL, PT, RO, SK, FI, SE [15 MS]	BE, CZ, EL, FR, LT [5 MS]	DE, IE, NL [3 MS]	2 NA (HU, SI)
ECT	Employee: BG Student: BE, CZ, FR, IT, PT, RO, SI, SK, SE [9 MS] Uncertain: LU, MT [2 MS]	DK, DE, EE, HU, AT, LV, LT, NL, FI [9 MS]	CY, EL, IE, ES, PL [5 MS]	1 NA (HR)
MPT medical	CZ, DK, EE, EL, IE, CY, LV, LT, HU, MT, NL, AT, PL, RO, SI, SK, FI, SE [18 MS] Sui generis: BE, DE, FR, ES, IT, PT [6 MS]	HR [1 MS]	BG, LU [2 MS]	
MPT legal	CZ, DK, CY, HU, NL, SK, SE Sui generis: DE, AT, PT, RO [4 MS] Self-employed: BE, LV Student: ES	EE, IE, HR, LT, SI [5 MS]	BG, EL, IT, LU, MT, PL [6 MS]	No data: FR, FI [2 MS]

Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047) and own analysis.

A9.2. Provisions on remuneration and access to social protection

The regulatory situation in Member States indicates **considerable complexity and diversity within and between Member States** in terms of trainees' access to the labour rights, including remuneration, which apply to regular workers. The sections below provide details on the regulatory provision on remuneration in the Member States by type of traineeship.

Regarding OMT, in 22 Member States (all but BG, SI, RO, as well as FR where OMT are forbidden) **unpaid traineeships are legally possible**. This is usually the case where unpaid traineeship contracts or "voluntary" traineeship schemes exist. In 13 Member States (CZ, DK, EE, EL, FI, HR, IE, LV, MT, NL, AT, SE, SK) if trainees are considered to be in an employment relationship, they are entitled to full protection under EU and national labour law and collective agreements, including minimum wage provisions, where they exist. At the same time, in 14

Member States specific regulations exist for OMT (BE, BG, CY, CZ, DE, ES, HU, LT, LU, AT, PL, PT, SI, RO), regulating all or some traineeship types, which also **defines the rights of trainees in terms of remuneration**. For example, in seven Member States (BG, CY, DE, ES, HU, LT and SI) trainees are entitled at least the minimum wage (MW)[86]. In two Member States (ES and SI), while the minimum wage is guaranteed, additional provisions exist for trainees **providing for proportionate remuneration**. In ES, the remuneration of trainees should be at least 60%-75% (depending on duration) of the remuneration of a comparable worker[114] as established in the respective collective agreement. In SI the law states that the trainee has the right to at least 70% of the remuneration of a comparable worker. In PL a recommendation on proportionate pay was adopted by the Social Dialogue Committee. Other Member States set the minimum level of remuneration to a **proportion of the minimum wage**. For example, in BE and RO this level is set to 50% of the MW, in LU at 40%-75% of the MW (for unskilled trainees depending on duration) and in Portugal at 80% of the MW. In PL trainees can be paid or unpaid but their remuneration cannot exceed 200% of the MW. In CZ the labour law allows for two specific types of traineeship contracts[87] with greater flexibility, which provide lower levels of protection, nevertheless, under both of these contracts the minimum wage is guaranteed. In AT special regulatory provisions exist for traineeships with the state, which have their own pay scale.

In general, **ALMP trainees receive some kind of remuneration, compensation or social benefit**, even in Member States where there is no respective legal framework. NL is an exception where ALMP traineeships are paid only if an employment relation can be established. The status of trainees and the level of remuneration depends on the rules of the national ALMP traineeship, which vary considerable within and among Member States. The section below, provides some examples of existing provisions in Member States for certain ALMP traineeship schemes. In BE[88], BG[89], HR, LV and MT, ALMP trainees can be entitled to at least the minimum wage. In the majority of Member States (CZ, DK, DE, ES, IE, EL, ES, FR, HR, IT, CY, LT, LU, PL, PT, SK, SE) other requirements exist depending on the scheme: For example, in LT, the ALMP trainees can choose between 50%MW or the unemployment benefit, in PT they receive a monthly internship grant, the value of which depends on their qualifications, while in PL they receive a training allowance equal to 120% of the unemployment benefit. In SK, ALMP trainees receive an allowance to cover their expenses. In SE, the level of remuneration is obligatory, and it has to follow the relevant collective agreement. In EL, the PES implements a number of fully subsidised work experience schemes, which takes the form of fixed-term contracts. The trainees receive remuneration which varies and depending on each scheme. In CY, young LTU are entitled to compensation decided by the National Training Authority, which usually equals the national minimum wage. In IT, according to the agreement between the state and regions, ALMP trainees shall receive remuneration (in the form of expenses compensation) of (gross) EUR500 per month (EUR800 in some regions). Finally, in six Member States (CZ, DK, EE, FI, IE, AT) ALMP trainees receive a social benefit.

In the case of ECT, legal provisions on remuneration/compensation for ECT exist only in 5 Member States (FR, HR, LU, HU and SK). Such remuneration/compensation is most often tied to minimum duration: in FR, this is 2 months, in LU four weeks, while in HU it is six weeks. In LU, for longer traineeships, compensation corresponds to at least 30% of the minimum social wage for unskilled workers. In HU, an exception relates to traineeships undertaken in public

[86] In CY, DE and PT very short traineeships are excluded from the minimum wage law
[87] Agreement to complete a job (DPP) and Agreement to perform work (DPC)
[88] In BG different schemes exist with different levels of remuneration
[89] In BG different schemes exist with different levels of remuneration (e.g. minimum wage, 90%MW or specific minimum contributory income)

administration, which might still be unpaid. In some cases, the entitlements to remuneration/compensation also depend on the educational level of the ECT. For example, in FR for vocational training the level of remuneration must follow collective agreements, where they exist while for post-secondary and tertiary ECT the level is set to 15 % of the social security hourly "ceiling". In SK, only students doing secondary level ECT are entitled compensation, which in SK equals least 50% of the hourly minimum wage.

Mapping two professions where MPT are undertaken, legal and medical professions, it seems that the majority of Member States have legal obligations for remuneration or compensation. This is the case for 21 in the case of legal trainees (BE, CZ, DE, DK, EE, IE, HR, IT, CY, LT, LU, HU, NL, AT, PL, PT , RO, SI, SK, FI, SE) and 25 in the case of medical trainees (BE, CZ, DE, DK, EE, IE, EL, ES, FR, HR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, SE).

Regarding **access to social protection**, the study supporting the evaluation of the 2014 QFT[90] noted that the diverse regulatory strategies regarding traineeships **result in uncertain eligibility for social protection of trainees**. The results of the legal analysis conducted under the supporting study show that indeed trainees have access to different branches of social protection (see table below). The two most widespread protection branches available to trainees are "Accidental & Occupational Injuries" (for all four types of traineeships) and sickness benefits. In most of the Member States (BE, BG, DK, DE, IE, EL, ES, HR, CY, LT, LU, HU, NL, AT, PL, PT, RO, SI, FI, SE for OMT; BE, BG, DK, EE, IE, EL, LV, LU, MT, PT, AT, RO, FI, SE for ALMP; BG, DK, IE, EL, LT, LV, LU, NL, HU, AT, FI for ECT, CZ, EE, IE, EL, ES, FR, HR, CY, LT, LV, LU, HU, MT, NL, AT, PL, RO, SI, SK, FI, SE for medical MPT and CZ, EL, ES, HR, CY, HU, NL, AT, SK, FI, SE for legal MPT) the same protection is granted as to regular employees, provided that the trainee benefits from an employment contract.

Table 23: Access to five branches of social protection by Member State and type of traineeship

Branch	Traineeship type	Access (number of MS)	Share of 27 MS
Accidental & Occupational Injuries (A)	OMT	20	67%
	ALMP	23	74%
	ECT	16	56%
	MPT	19	85%
Sickness Benefit (S)	OMT	17	63%
	ALMP	22	81%
	ECT	15	59%
	MPT	19	78%
Unemployment Benefits (U)	OMT	15	52%
	ALMP	12	41%
	ECT	6	22%
	MPT	7	41%
Old-Age Benefits (P)	OMT	16	63%
	ALMP	15	52%
	ECT	9	37%
	MPT	14	70%
Maternity & Equivalent Paternity Benefits (M)	OMT	15	59%
	ALMP	17	59%

[90] Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023.

	ECT	12	41%
	MPT	17	70%

Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

The table below shows the estimated number of trainees that could potentially be affected by this intervention. The figures were computed by multiplying the share of trainees who reported not being covered by any type of social protection by the total number of trainees in 2019 estimated using the EU-LFS survey. Averaging across Member States, 35% of the total number of trainees in Europe (corresponding to more than 1 million trainees) did not have access to social protection.

Table 24: Estimated number of trainees without social protection coverage, by country and traineeship type, 2019

MS	Paid OMT	Paid ALMP	Paid ECT	Paid MPT	Unpaid OMT	Unpaid ALMP	Unpaid ECT	Total
EU27	106,222 (25.3%)	93,281 (17.5%)	84,208 (16.7%)	16,072 (10.8%)	82,397 (57.8%)	24,126 (31.8%)	662,052 (53.5%)	1,068,358 (35%)

Note: The table shows the estimated number of traineeships without social protection coverage by country and traineeship type in absolute and percentage terms (in parenthesis). The fraction of trainees with no access to social protection was estimated using data from the Eurobarometer 523 Survey. Data on the total number of trainees by country come from the EU-LFS.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

A9.3. Traineeship duration, consecutive traineeships and previous experience in vacancy notices

Provision of duration

Excessive duration of traineeships could constitute an indication of work relationships disguised as traineeships. As shown in the table below, according to the results of the legal analysis carried under the supporting study[91], **legal requirements for the duration of traineeships exist in many Member States** for all types of traineeships which, however, differ considerably among Member States.

Table 25: Legal requirements on the maximum duration of traineeships

Type of traineeship	Yes, max 6 months (Some contracts)	Yes, longer than 6 months (Some contracts)	No	Data availability
OMT	BE, BG, CZ, LT, LU, PL, RO [7 MS]	BG, CZ, IE, ES, PT, SI, SE, FI [8 MS]	DK, DE, EE, EL, HR, IT, CY, LV, MT, NL, AT, SK [12 MS]	FR (forbidden) HU (no data) [2MS]
ALMP	BE, BG, CZ, EE, EL DK, FR, IT, LT, LU, PT, PL, RO, SK [14 MS]	BG, ES, HR, IT, LT, LU, PT, PL, SK SE, FI [11 MS]	DE, IE, CY, LV, NL, AT [6 MS]	MT (no data) HU, SI (NA) [3 MS]

[91] Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

ECT	BG, HU, IT, LU [4 MS]	IT, LV, LT, AT, RO [5 MS]	BE, DK, DE, EE, IE, EL, ES, CY, MT, NL, PL, PT, SI, SK, FI, SE [16 MS]	FR, CZ (no data) HR (NA) [3 MS]
MPT	IT , SI [2 MS]	BE, BG, EE (medical), ES, LT, LU, HU, NL, AT, PL (medical), PT, RO, SK (legal), FI (legal), SE [15 MS]	CZ, DK, DE, EL, CY, LV, MT BG, HU, IT, LU [7 MS]	IE, FR, HR (no data) [3 MS]

Note: NA indicate cases where such traineeship types are not known. OMT are prohibited in FR, for ALMP, in HU and SI there are no formal traineeship contracts and therefore this is treated as NA, for ECT, HR is marked as NA is these traineeships are conducted on a free market basis.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047) and own elaborations.

The evaluation[92] identified that Principle 10 of the 2014 QFT on setting a maximum duration of 6 months was among the ones that were the least[93] implemented in legislative frameworks of Member States, for both OMT and ALMP traineeships. This is confirmed by the results of the legal analysis conducted under the supporting study which showed that only in seven Member States (BE, BG, CZ, LT, LU, PL, RO) legal obligations exist mandating that for some types of OMT duration should be maximum six months, while in eight (BG, CZ, IE, ES, PT, SI, SE, FI) legal restrictions exist indicating other duration restrictions for some types. For instance, in BG, for some of the OMT[94] the Labour Code indicates that traineeships cannot be less than 6 months and not more than 12 months. In ES the duration of OMT traineeships was limited to 1 year in December 2021, whereas the previous legislation allowed for a maximum duration of 3 years – some traineeships, concluded before the entry into force of the new legislation, are still under the old regime. In the CZ, if a traineeship is concluded under the "DPC modality" (agreement to perform work) the maximum length is 52 weeks. 12 Member States (DK, DE, EE, EL, HR, IT, CY, LV, MT, NL, AT, SK) have no provisions on the duration of OMT traineeships. In some cases, traineeships exceeding six months are explicitly included in legislation.

For ALMP traineeships, a legal restriction for some types exists in 14 Member States (BE, BG, CZ, EE, EL DK, FR, IT, LT, LU, PT, PL, RO, SK) defining a maximum duration of traineeships to 6 months, while in 11 Member States other legal restrictions apply for different types of traineeships (BG, ES, HR, IT, LT, LU, PT, PL, SK SE, FI). In six Member States (DE, IE, , CY, LV, NL, AT) this legal obligation does not exist.

Regarding ECT, four Member States (BG, HU, IT, LU) have legal setting a maximum duration of 6 months. Additionally, in five Member States (IT, LV, LT, AT, RO) such legal obligations exist with diverging maximum limits. In LV, the limits on length are provided for in the specific traineeship agreement; in RO, student traineeships must take place within the 1 week – 12

[92] European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).
[93] The number of Member States not having implemented at all were counted to assess which principles have been implemented the least.
[94] Contracts regulated by Art. 233B LC. Conversely, those under Art 230 LC can last up until 6 months, hence its 'partial' classification.

months time frame. There are no restrictions in 16 Member States (BE, DK, DE, EE, IE, EL, ES, CY, MT, NL, PL, PT, SI, SK, FI, SE).

Regarding MPT, their duration is generally not restricted to 6 months and the maximum duration depends on the professional program. Such restriction can only be found in IT and SI for some contracts. Usually, the maximum duration is considerably longer than 6 months, reaching 7 years in some cases (medical traineeships in LT, RO). For example, in the case of medical students in LT or accountants in LU. In BE, auditors, lawyers and accountants must undergo 3-year training before accessing the professions.

Consecutive Traineeships

The overall duration of traineeships can also be prolonged through repeated, including **consecutive, traineeships** with the same employer. However, as shown in the table below, the results of the legal analysis have shown that in most **Member States there are no legal restrictions on consecutive traineeships** at least for one type of traineeships. In six Member States (BG, CZ, DK, EE, IE, CY), no legal restrictions exist on consecutive traineeships, for any type of traineeship. For OMT, there are restrictions only in six countries (LT, HU, RO, SK, FI, SE), for ALMP five (LU, PL, PT, SK, SE) for ECT three (LT, HU, SI) and finally, in the case of MPT, six (DE, DK, ES, LU, SI, SK).

Table 26: Restrictions on Consecutive Traineeships

Type of traineeship	Yes	No	Data availability
OMT	LT, HU, RO, SK, FI, SE [6 MS]	BG, CZ, DE, DK, EE, IE, EL, ES, HR, IT, CY, LV, MT, NL, AT, PL, PT, SI, SK [19 MS]	1 NA (FR,), 1 no data (BE)
ALMP	LU, PL, PT, SK, SE [5 MS]	BG, CZ, DE, DK, EE, IE, ES, HR, IT, CY, LT, MT, NL, AT, RO, FI [16 MS]	2 NA (HU, SI), 4 no data (BE, EL, FR, LV)
ECT	LT, HU, SI [3 MS]	BG, CZ, DE, DK, EE, IE, EL, ES, IT, CY, LV, LU, MT, NL, PL, PT, RO, SK, FI, SE [20 MS]	1 NA (HR), 3 no data (BE, FR, AT)
MPT	DE, DK (legal) ES (legal)[95], LU, SI, SK (legal) [6 MS]	BG, CZ, EE, IE, IT, CY, LV, LT, HU, MT, NL, AT, PL, PT, RO, FI, SE [17 MS]	4 no data (BE, EL, FR, HR)

Note: NA indicate cases where such traineeship types are not known. OMT are prohibited in FR, for ALMP, in HU and SI there are no formal traineeship contracts and therefore this is treated as NA, for ECT, HR is marked as NA is these traineeships are conducted on a free market basis.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

[95] Interpretation of whether this is to be considered as restriction on consecutive traineeships or duration is not straightforward, as restriction refers to completion of 30 ECTS.

Vacancy analysis on previous work experience

The purpose of the analysis of vacancies on the EURES platform was to detect the extent to which previous work experience is required from trainee applicants. The analysis shows that 28% of the traineeship vacancies include an explicit mention of the level of experience required. Of them, about one-third (i.e. 9% of total) does not require any experience. In principle, these vacancies together with those in which the experience is 'not specified' (which together make about 80% of total vacancies) contain no requirement of previous experience, as expected in real traineeships.

Table 27. Overview level of experience in internship vacancies

Level of experience	Number of Internship vacancies	% of Internship vacancies
None required	101	9%
Up to 1 year	62	5%
Between 1 and 2 years	139	12%
Between 2 and 5 years	24	2%
More than 5 years	10	1%
Not Specified	844	72%

By contrast, about 20% of total traineeship vacancies seem to require prior experience. For more than half of them (12% of total), this is between 1 and 2 years and, for some, it is even higher, which seems very much against the idea of a genuine traineeship.

A disaggregation of the vacancies by country suggests that, in fact, experience to apply for a traineeship is only required in a very few cases in BE and most often in NL.

Table 28. Distribution of level of experience across countries (number of vacancies)

Level of experience	Total	NL	DE	FI	BE	CH
None required	**101**	92	0	0	9	0
Up to 1 year	**62**	57	0	0	5	0
Between 1 and 2 years	**139**	138	0	0	1	0
Between 2 and 5 years	**24**	24	0	0	0	0
More than 5 years	**10**	10	0	0	0	0
Not Specified	**844**	519	232	92	15	1

A closer look was taken to understand what level of required experience means, but due to how the vacancies were drafted, in most cases, it was not possible to have a clear understanding on whether experience is really required. However, the analysis of the EURES vacancies allows two main conclusions. First, there are cases in which traineeship vacancies include prior experience as a requirement, pointing to a work relationship disguised as traineeship. However, a closer examination shows that the number of such cases is much lower than the sheer number of EURES vacancies which express requiring prior experience.

Enforcement and inspection mechanisms

The evaluation showed that the monitoring and enforcement of the relevant national legislation governing traineeships are in many cases not fit for purpose[96]. This was verified by evidence from the legal analysis conducted within the framework of the supporting study. In most **Member States there are no systems for inspections or guidance for labour inspectorates** with specific reference to traineeships, for any of the four traineeship types. Only four Member States set out systems of inspections or guidance for all traineeships (BG, LT, LU, SK).

Table 29: Existence of systems of inspections or guidance for inspectorates

Type of traineeship	Yes	No	Data availability
OMT	BG, EL, LT, LU, HU, SK [6 MS]	CZ, DK, DE, EE, IE, ES, HR, IT, CY, LV, MT, NL, AT, PL, PT, RO, SI [17 MS]	1 NA (FR), 3 no data (BE, FI, SE)
ALMP	BG, DK, IE, IT, LT, LU, PT, SK [8 MS]	DE, CZ, EE, EL, ES, HR, CY, LV, NL, AT, PL, RO [12 MS]	2 NA (HU, SI), 5 no data (BE, FR, MT, FI, SE)
ECT	BG, DK, IE, EL, IT, LT, LU, HU, SK [9 MS]	CZ, DE, EE, ES, CY, LV, NL, AT, PL PT, RO, SI [12 MS]	1 NA (HR), 5 no data (BE, FR, MT, FI, SE)
MPT	BG, DK (medical), IE, IT (medical), LT, LU, HU, SK [8 MS]	CZ, DE, EE, EL, ES, CY, HR, LV, NL, AT, PL, PT, RO, SI, [14 MS]	5 no data (BE, FR, MT, FI, SE)

Note: NA indicate cases where such traineeship types are not known. OMT are prohibited in FR, for ALMP, in HU and SI there are no formal traineeship contracts and therefore this is treated as NA, for ECT, HR is marked as NA is these traineeships are conducted on a free market basis.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

Available evidence also shows that procedures for registering complaints or reporting malpractice are lacking in a number of Member States and types of traineeships. The results of the legal analysis conducted within the framework of the supporting study (see table below) show that, on the basis of available data, only four countries (IE, LT, LU and SK) have procedures for registering complaints and reporting malpractice for all four types of traineeships. In seven Member States, no procedures were identified for any type of traineeship (CZ, DE, HR, CY, AT, PL, SI,). There are also some in-between cases, where only certain types of traineeships are covered (for instance ALMP, ECT and MPT are covered in DK, IT and LV, only ALMP in PT and only legal MPT in RO.

[96] The evaluation assessed that monitoring and enforcement systems exist in in 14 Member States for OMT and in all Member States for ALMP, however, are not adequately used. The discrepancy between the assessment here and these results might be explained by the different terminology/definition used.

Table 30: Existence of procedures for registering complaints & reporting malpractice in the Member States by type of traineeship

Type of traineeship	Yes	No	Data availability
OMT	BG, IE, ES, LV, LT, LU, SK [7 MS]	CZ, DK, DE, EE, EL, HR, IT CY, LV, MT, HU, NL AT, PL, PT, RO, SI [16 MS]	1 NA (FR,), 3 no data (BE, FI, SE)
ALMP	BG, DK, EE, IE, IT, LV, LT, LU, PT, SK, [11 MS]	CZ, DE, EL, ES, HR, CY, NL, AT, PL, RO [10 MS]	2 NA (HU, SI), 4 no data (BE, FR, MT, FI, SE)
ECT	BG, DK, IE, LV, LT, LU, IT, HU, SK [9 MS]	CZ, DE, EE, ES, CY, NL, AT, PL, PT, RO, SI [11 MS]	1 NA (HR), 6 no data (BE, EL, FR, MT, FI, SE)
MPT	DK, EE (medical, legal), IE, IT (medical), LV, LT, LU, HU, NL (legal), RO (legal), SK [11 MS]	BG (medical, legal), CZ, DE, EL, ES, HR, CY, AT, PL, PT, SI [11 MS]	5 no data (BE, FR, MT, FI, SE)

Note: NA indicate cases where such traineeship types are not known. OMT are prohibited in FR, for ALMP, in HU and SI there are no formal traineeship contracts and therefore this is treated as NA, for ECT, HR is marked as NA is these traineeships are conducted on a free market basis.
Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

Provisions on the training component of traineeships

The results of the evaluation indicated gaps in the legal frameworks to ensure that the tasks of the trainees are aligned with their learning and training objectives. In fact, despite that the 2014 QFT recommends including in the written agreement the learning and training objectives, the principle on alignment of tasks with learning objectives was among the QFT principles that were the least implemented in national legal frameworks in Member States, with this trend in place for both OMT and ALMP traineeship regulation. Regarding OMT, this principle is not implemented at all in six Member States (DK, IE, CY, HU, AT and PL) but it has been partially implemented in six other countries (CZ, DE, EL, HR, PT and RO)[97]. Regarding ALMP traineeships, the principle has not been implemented in all countries except HU[98], even though the implementation is only partial in CZ, EE, CY, PL and RO.

Further evidence, collected from the legal analysis carried out under the supporting study, provided information on the legal provisions which exist in Member States to ensure that the tasks of the trainees are aligned with their training objective, for all four types of traineeships. The results show that the largest gaps in legal provisions in this area are found in the case of OMT. In contrast, the other three types of traineeships tend to be more regulated in this regard, with provisions for MPT found in all but three (BG, EL, CY), and all but one for ALMP (CY). Regarding ECT, 15 countries (BG, DK, DE, IE, EL, ES, IT, LV, LT, LU, HU, AT, PT, RO, SK) have such provisions. The extent to which such provisions are translated into effective learning content seems to be, however, somewhat limited. According to the results of the 2023 Eurobarometer, while in AT such legal provisions exist for all types of traineeships, except

[97] The evaluation considers that in seven Member States, OMT do not exist or are rare (EE, FR, FI, IT, MT, SE and SK).
[98] No data for NL.

OMT, only 28% of respondents stated that during their traineeship they have not learnt things that were useful professionally though other factors are likely to have contributed to this result.

Table 31: Legal provisions requiring a written agreement/written information indicating that tasks allow trainees to work towards their learning and training objectives

Type of traineeship	Yes	No	Data availability
OMT	BE, BG, CZ, DE, EL, ES, HR, LT, LU, PT, RO, SI [12 MS]	DK, EE, IE, IT, CY, LV, MT, AT, HU, PL, SK [11 MS]	1 NA (FR), 3 no data (NL, FI, SE)
ALMP	BE, BG, CZ, DE, DK, EE, IE, EL, ES, FR, HR, IT, LV, LT, LU, MT, AT, PL, PT, RO, SK, FI, SE [23 MS]	CY [1 MS]	2 NA (HU, SI), 1 no data (NL)
ECT	BG, DE[99], DK, IE, EL, ES, IT, LV, LT, LU, HU, PT, RO, AT, SK [15 MS]	CZ, EE, CY, PL, SI [5 MS]	1 NA (HR), 6 no data (BE, FR, MT, NL, FI, SE)
MPT	CZ, DE, DK, EE, IE, ES, HR, IT, LV, LT, LU, HU, AT, PL, PT, RO, SI, SK (medical) [18 MS]	BG, EL, CY [3 MS]	6 no data (BE, FR, MT, NL, FI, SE)

Note: NA indicate cases where such traineeship types are not known. OMT are prohibited in FR, for ALMP, in HU and SI there are no formal traineeship contracts and therefore this is treated as NA, for ECT, HR is marked as NA is these traineeships are conducted on a free market basis.
Source: Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

Provisions on supervision or mentorship

The results of the legal analysis carried out under the supporting study showed that, in general, legal provisions on supervision or mentorship exist in several countries, however, gaps still exist. There are nine countries where OMTs are not required to be assigned either a supervisor or a mentor (AT, DE, EL, IE, IT, LV, MT, PL, SK). For MPT, there are also a number of countries (BE, EE, IT, LT, NL, PL) where only traineeships in the medical sector are covered by supervision provisions, and only two (BG and EL) are not covered by mandatory requirements on mentoring (table below).

Examples of such provisions on mentorship include the law in RO (Law 335/2013) which imposes specifically to the mentor to explain the assigned tasks and provide support to the trainee during their traineeship. Learning objectives are also discussed and agreed at the beginning of the traineeship and additional training can be considered throughout the duration of the traineeship. In other Member States, this principle is implemented more broadly. For example, in LT, the nature of the activities should be included in the written agreement but there is no specific regulation stipulating that the trainee should work towards learning and training objectives.

[99] As long as they are mandatory. There are no requirements for optional ECT traineeships.

Table 32: Legal provisions on a supervisor and/or mentor for trainees

Type of traineeship	Yes	No	Data availability
OMT	BE, BG, CZ, DK, EE, ES, HR, CY, LT, LU, HU, NL, PT, RO, SI [15 MS]	AT, DE, EL, IE, IT, LV, MT, PL, SK [9 MS]	1 NA (FR), 2 no data (FI, SE)
ALMP	BE, CZ, DK, EE, IE, EL ES, FR, HR, IT, CY, LV, LT, LU, NL, MT, PL, PT, RO, SK, FI, SE [22 MS]	BG, DE, AT [3 MS]	2 NA (HU, SI)
ECT	BG, DK, IE, ES, IT, CY, LV, LT, LU, HU, AT, PT, RO, SI, SK [15 MS]	DE, EE, CZ, PL [4 MS]	1 NA (HR), 7 no data (BE, EL, FR, MT, NL, FI, SE)
MPT	BE (medical), CZ, DE, DK, EE (medical), IE, ES, HR, IT (medical), CY, LV, LT (medical), LU, HU, AT, NL (legal), PL (medical), PT, RO (medical, legal), SI, SK [21 MS]	BG, EL [2 MS]	4 no data (FR, MT, FI, SE)

Note: NA indicate cases where such traineeship types are not known. OMT are prohibited in FR, for ALMP, in HU and SI there are no formal traineeship contracts and therefore this is treated as NA, for ECT, HR is marked as NA is these traineeships are conducted on a free market basis.
Source: Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

Transparency of vacancy notices

The evaluation pointed out **a lack of transparency in the vacancy notices** which can be considered as a driver of poor traineeships. Namely, it identified that Principle 14, on transparency of vacancies, is among the principles that are the least[100] implemented in legislative frameworks of Member States, for both OMT and ALMP traineeships. This is not implemented at all in seven Member States (DK, DE, IE, ES, HR, AT and PT) for OMT and in nine (DK, DE, IE, ES, IT, LV, SI, SK and SE) for ALMP traineeships. Across Member States, traineeship providers are generally not required to include information in their vacancies on the conditions of the traineeship. The reasons for this are twofold. Firstly, in some Member States (such as DK, EE, LV, SI) vacancies for ALMP traineeships are not available as trainees find traineeship positions through a PES consultant on a case-by-case basis. Secondly, in other Member States it is not compulsory to provide details about the objectives and the requirements of an ALMP or an OMT (e.g., IE, FR, IT, LT, HU).

[100] The number of Member States not having implemented at all were counted to assess which principles have been implemented the least.

Furthermore, a **vacancy analysis[101],** conducted as part of the evaluation, examined almost 2,000 vacancies[102] in the 27 Member States on their alignment with the QFT principles on transparency and showed that only around 40% for OMT and 50% form ALPM traineeships vacancies mentioned allowance or compensation and/or/ did not clarify the learning and training objectives; 63% of OMT and 40% of ALMP did not mention the duration and less than 10% mentioned information on social protection.

- 42% of OMT and 59% of ALMP traineeship vacancies mentioned allowance or compensation. 21% of OMT and 44% of ALMP traineeship vacancies indicated the amount.
- Around 40% of OMT and 58% of ALMP traineeship vacancies did not clarify the learning and training objectives, while only 11% of OMT and 8% of ALMP traineeship vacancies mentioned assigning a supervisor.
- 63% of OMT and 40% of ALMP traineeship vacancies did not mention the duration, while 86% of OMT and 92% of ALMP traineeship vacancies did not mention the conditions for an extension or renewal.
- Less than 10% mentioned information on social protection.

Furthermore, in the trainee survey conducted for the study supporting the evaluation, when asked what elements respondents would like to find in a vacancy notice advertising a traineeship, respondents ranked the tasks/job description of the traineeship as the most important element (68%), followed by the traineeship duration (65%), terms and conditions (60%), and the traineeship working hours (57%) (see Figure 18).

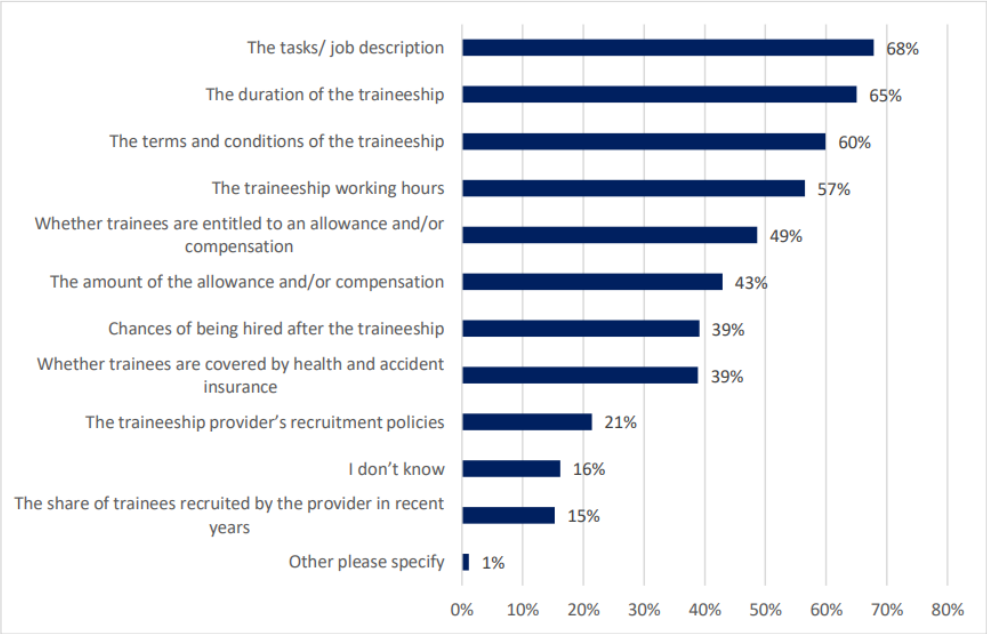


Figure 18: Results of trainees' survey. Question: "Which of the following elements would you like to find in a vacancy notice advertising the traineeship?
Source: Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023. N=449

[101] Sources for vacancy analysis: OMT vacancies: portals for open market traineeships in Member States (e.g. Monster/Jobpilot, LinkedIn, Indeed, Jobat, StepStone)"; ALMP vacancies: PES vacancy databases and EURES.
[102] of which 1,272 were on OMT and 700 concerned ALMP traineeships.

Provisions on teleworking arrangements

Based on the legal analysis, overall, it appears that most countries have not introduced formal teleworking arrangements. Ten Member States (DE, EE, EL, CY, LV, NL, AT, PT, RO, NL) have no formal teleworking arrangements for any type of traineeship. The ones that have, most often, apply the arrangements to all types of traineeships.

Table 33: Legal analysis - existence of teleworking arrangements

Type of traineeship	Yes	No	Data availability
OMT	BG, CZ, DK, IE, ES, LT, HU, SI, SK [9 MS]	DE, EE, EL, IT, CY, LV, MT, NL, AT, PL, PT, RO [12 MS]	1 NA (FR), 5 no data (BE, HR, LU, FI, SE)
ALMP	BG, CZ, DK, IE, LT [5 MS]	DE, EE, EL, ES, CY, LV, NL, AT, PL, PT, RO, SK [12 MS]	2 NA (HU, SI), 8 no data (BE, FR, HR, IT, LU, MT, FI, SE)
ECT	BG, DK, IE, LT, HU, SI [6 MS]	CZ, DE, EE, EL, ES, CY, LV, NL, AT, PL, PT, RO, SK [13 MS]	1 NA (HR), 7 no data (BE, FR, IT, LU, MT, FI, SE)
MPT	CZ, DK, IE (legal, accountant), LT, HU, PL, SI, SK (legal, accountant) [8 MS]	BG, DE, EE, EL, ES, CY, LV, NL, AT, PT, RO [11 MS]	8 no data (BE, FR, HR, IT, LU, MT, FI, SE)

Note: OMT are prohibited in FR. For ALMP, in SI there are no formal traineeship contracts. For ECT, in HR these traineeships are conducted on a free market basis.
Source: Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).

The weak position of trainees in the labour market

The weak position of trainees vis-à-vis employers is an important driver, especially for problematic uses of traineeships, and to an extent poor quality traineeships. There are several reasons why trainees could face an asymmetrical power dynamic against employers.

An important first consideration is how this driver is intrinsically linked to the legal status of the trainee. Trainees not classified as workers are exposed to precarious conditions because they only benefit from limited labour rights. Evidence from the literature suggests that the written form of a traineeship agreement does not always provide sufficient protection to the trainee[103]. Moreover, besides the problems of weak enforcement and capacity, labour inspectorates and trade unions might lack legal competence in cases where trainees are not officially classified as workers[104].

The complexity of agreements between the traineeship provider and the trainee can be another cause for an asymmetric power dynamic between the employer and the trainee. Trainees are sometimes simply unaware of their rights due to a lack of legal training, experience in dealing with contracts and the complexity of agreements presented to them[105]. In this respect, the fact that some types of traineeships (e.g. when educational obligations must be fulfilled, or in the case of ALMP if PES are involved) imply an interaction between a formal and a substantive employer, further complicates the position of trainees[106]. Moreover, trainees are often not in a position to influence the conditions of their traineeship[107].

The position of 'dependency' in which trainees might find themselves – be it real or perceived – is yet another factor putting them in a relatively weaker position. Rosin (2016)[108] argues that "Even if direct economic dependency is weak, social dependency on the employer in obtaining education or entering the labour market is stronger. Additionally, the receipt of only job-specific training can increase the trainee's dependency".

The weak position of trainees also results from additional elements, including the relatively short duration of a traineeship, the need to secure a more stable labour market position or the fear of negative repercussions from taking legal action or filing a complaint, and the complexity of regulations in Member States. Therefore, **trainees are unlikely to go to courts to enforce their rights**. There are initiatives by trade unions supporting and considering the interests of trainees. However, often trade unions as well face capacity problems in supporting trainees[109]. Furthermore, the problem may be exacerbated in cases where the trainee is not classified as a worker and may not have access to the support of trade unions and labour inspectorates[110].

Finally, the relative bargaining position of trainees also depends on the characteristics and labour market dynamics specific to different sectors. The evaluation pointed to a few sectors where low-quality traineeships were more prevalent. These sectors included arts, entertainment and recreation, health and social work and education. Neither the evaluation nor other studies bring conclusive evidence as to why such differences exist. One of the reasons might be that a larger supply of trainees, compared to the relative demand, in these sectors, makes it possible

[103] Rosin (2016) Precariousness of Trainees that Work in the Framework of a Traineeship Agreement.
[104] Eurofound (2017) Fraudulent contracting of work: Abusing traineeship status (Austria, Finland, Spain and UK)
[105] Idem
[106] Eurofound (2017) Fraudulent contracting of work: Abusing traineeship status (Austria, Finland, Spain and UK)
[107] Rosin (2016) Precariousness of Trainees that Work in the Framework of a Traineeship Agreement
[108] Idem
[109] Eurofound (2017) Fraudulent contracting of work: Abusing traineeship status (Austria, Finland, Spain and UK)
[110] Idem

for traineeship providers to pick from a larger pool of candidates while being less exposed to reputational risks.

Factors hampering the use, quality and access to traineeships

- Weak monitoring framework and lack of availability of data on traineeships

The evaluation provided a strong conclusion about the lack of monitoring based on comparable definitions. Besides the inexistence of a common EU level monitoring framework – which may be too burdensome to achieve – monitoring does not exist in most countries and data are often not available at national level. Lack of monitoring is an obstacle to the production of reliable data that could be used to assess the effectiveness of policy interventions and the regulatory framework, either at EU or national level. Also, lack of or limited data availability makes the design of policy interventions increasingly challenging. These challenges, in turn, make it even more difficult to enforce existing rules and ensure compliance with quality standards and relevant legislation[111].

Therefore, the lack of monitoring – and the resulting lack of effective implementation – contributes not only to poor quality traineeships but also potentially non-compliant ones. It could also indirectly limit access to traineeships by failing to provide information on issues such as socio-economic background and vulnerable groups. Finally, it should be noted that, according to the interviews with national authorities and traineeship providers within the framework of the evaluation, the non-existent or ineffective monitoring and evaluation mechanisms are one of the main reasons for a weak application of the 2014 QFT.

- Issues related to the involvement of social partners and relevant stakeholders

The 2014 QFT (Principles 21 and 22) recommends promoting the active involvement of **key stakeholders**, including social partners, public employment services, education institutions and training providers in applying the QFT.

The evaluation gave indications that the active **involvement of social partners and key stakeholders** in **implementing** quality traineeships was considered very important or important by some stakeholders (i.e. rated as very important by all six trade union respondents (100%), two out of three business associations respondents (66%), important by 32 out of 85 public authorities (38%), 12 out of 34 former or current trainees (35%), and 23 out of 56 academic/research institutions (41%)). This aspect is deemed particularly relevant by social partners, with employer organisations and trade unions valuing stakeholders' engagement the most (67% and 100% respectively).

The involvement of social partners through **collective agreements** (e.g., ES, AT, FI) tends to focus on working conditions. The case study on AT observed that improvements for trainees mainly related to establishing a minimum remuneration in certain sectors (not a QFT principle), but that in the Information Technology sector the collective agreement also required a training plan to be defined (relevant to the QFT principle of defining learning and training objectives). In FI, trade unions at sectoral level are involved in collective agreements, which also cover traineeships as regards remuneration, quality issues, rights and working conditions. The case study on ES found that trade unions regularly engage in negotiations with employer organisations and/or the government in relation to traineeship relevant legislation, such as the

[111] Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023.

recently adopted labour market reform (RDL 32/2021). This reform specifies the need for supervision and individual training plans.

Besides collective agreements, only in a few Member States **social partners** are involved in discussions on **regulation and/or policy-making** with regards to traineeships (IE, HR, IT, LU, FI) and in **monitoring** the implementation of policies relevant to traineeships (DK and FI). It was not possible to deduce from the evidence gathered in the study supporting the evaluation whether such involvement has had an impact on the application of the QFT principles.

In all Member States, the case studies and interviews conducted in the targeted consultations found that PES are actively involved in the design, delivery and promotion of ALMP traineeship programmes, at times in cooperation with other national authorities and employers/employer organisations. PES also develop guidance and support for key actors (such as traineeship providers) on how to implement high quality traineeships.

- Lack of practical guidance on the implementation of the 2014 QFT and low awareness of the 2014 QFT principles

Lack of practical guidance on the overall implementation of the 2014 QFT as well as low awareness of the 2014 QFT principles are another challenge regarding insufficient implementation on the ground.[112] The evaluation pointed out that providers often suffered from a **lack of practical guidance** on how to navigate and implement the QFT. In particular, guidance on regulations on hiring trainees from other countries, carrying out a skills assessment and providing adequate supervision would be necessary according to the evaluation's findings. **Insufficient awareness of 2014 QFT principles** has been pointed out numerous times by the evaluation as hindering implementation on the ground and limiting the efficiency of the 2014 QFT. Both of these issues are particularly relevant in the case of **SMEs**, given the broader challenges they are facing (see driver D4.4 below for more details). It should also be noted that according to the 2023 Eurobarometer, 78% of respondents said that their last traineeship provider was a SME. According to the evaluation, sectors with a higher proportion of small businesses were found to be less likely to implement QFT principles on the ground. This observation can be explained by the 'limited human and financial capacity to handle the administrative burden – or the perceived administrative burden – of ensuring quality traineeships'[113].

- Insufficient resources (in particular of SMEs) to provide quality traineeships

SMEs accounted in 2022 for the majority of total employment in most industries, and for more than 80% of total employment in construction, accommodation and food services, real estate activities, and professional, scientific and technical activities. It should be noted that since early 2020 the 24 million EU27 SMEs have faced unprecedented economic uncertainty and turmoil[114]. The inflation rates augmented drastically, especially during 2022, also provoking rises in interest rates, which in turn has reduced access to finance. The increased energy costs and the increased raw material prices put extra pressure on enterprises.

[112] European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).
[113] Idem
[114] Augmented inflation and interest rates, with reduced access to finance. Increased energy costs and raw material prices. Termination of the government financial aid linked to the pandemic. Many EU SMEs were also impacted by the war-related developments triggered by the illegal Russian invasion of Ukraine.

SMEs and smaller organisations in general have considerable constraints in the resources that can be allocated to enhancing the quality of traineeships offered. Very small companies are more likely to face limited resources for recruitment and talent acquisition. They may also face challenges in promoting their trainee programmes effectively and reaching a wide pool of potential candidates, but also in offering competitive compensation and/or benefits. Finally, if traineeships are seen as an opportunity for companies to train and develop individuals in specific areas relevant to their business, a company must know their skill needs. This cannot be taken for granted in very small companies, where the lack of resources can constitute an obstacle to reaping the opportunities of training (in a broad sense)[115]. In addition, SMEs might struggle to offer remote/hybrid opportunities[116] due to a lower degree of digitalisation[117].

The imbalance in the level of resources to be allocated to this end is an important driver for all problems identified, but in particular for unequal access (P3) among traineeship providers and poor quality traineeships (P2). In particular, small(er) companies are more likely to face limited resources for recruitment. They typically have smaller budgets and fewer resources dedicated to recruitment and talent acquisition. They may also face challenges in promoting their trainee programmes effectively and reaching a wide pool of potential candidates, but also in offering competitive compensation and/or benefits.

The evaluation pointed to issues for SMEs in offering traineeships that assign supervisors, set learning objectives and provide certification at the end of the traineeship[118]. Notably, the study argues that such costs discourage SMEs from offering traineeships altogether. If confirmed, such a disincentive could clearly indicate an issue for tapping into the potential supply of trainees and in particular those that can only afford to take up paid opportunities.

- Barriers to engage in cross-border traineeships

Lacking information on the practical and regulatory side of traineeships abroad is also a driver limiting access to cross-border traineeships. In the 2023 Eurobarometer, 22% of the respondents said they were not well informed about traineeships abroad. Indeed, the study supporting the Commission's ex-post evaluation of EURES[119] highlighted difficulties in providing support on traineeships, mostly due to persisting differences in and a lack of harmonisation of national legislative frameworks for traineeships outside of education (e.g. legislative uncertainties regarding the definition of trainees). The trainee survey carried out in the context of the evaluation indicated that only 239 out of 1,836 (13%) of respondents made use of the EURES portal to find cross-border traineeship opportunities.

In addition to the lack of information on cross-border traineeships, the lack of financial resources is also a factor preventing trainees from doing cross-border traineeship due to the (sometimes even higher) costs involved. In fact, 37% of respondents in the trainee survey carried out under the evaluation indicated that a lack of financial resources limits their possibilities to undertake a traineeship abroad. Similarly, in the 2023 Eurobarometer 30% of those who had not done a cross-border traineeship, indicated that the reason was insufficient

[115] See for instance Baiocco et al. (2020).
[116] Hybrid or remote working arrangements, are increasingly priced by workers and this is a factor that can affects workers choice to work in a certain place, see among other McKinsey (2023).
[117] See for instance OECD (2021).
[118] Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023.
[119] European Commission, Directorate-General for Employment, Social Affairs and Inclusion, Study supporting the ex-post EURES evaluation and the second biennial EURES report, Publications Office, 2021.

financial resources, while 10% reported a lack of financial resources as the main reason for not doing a traineeship (in general).

Details on External Drivers

Partially, and sometimes indirectly, the problems outlined above are influenced by global megatrends affecting labour markets in general, such as globalisation, digitalisation and ongoing societal shifts and changes. These drivers, while having some impact on the problems the EU initiative aims at tackling, are "external" to its scope and reach.

The **twin green and digital transformations** have the potential to increase productivity and living standards but may leave behind current and future workers. Increased automation, digitisation, and robotisation have significantly contributed to job polarisation, but new, greener economies and industries could also benefit lower-skilled workers [120]. Globally, the ILO predicts some 71 million jobs to be lost and around 79 million to be created by 2030 due to the green transition. In the EU, some 2.5 million net jobs will be created by 2030. Besides job creation and destruction, the combination of such transformations is reshaping the workforce by creating new occupations, modifying existing roles, and emphasising the importance of new skills. Up- and re-skilling have become critical to embracing these technological and environmental advancements, **increasing the need as well as the demand for training** among both young and mid-career professionals. Traineeships can, potentially, be an important measure to bring about the twin transition, but this depends on their quality.

The **shrinking of the EU working age population** is particularly stark for young workers aged 15-29, whose share of the total population has declined from 18.1% in 2011 to 16.3% in 2021[121]. Such a demographic trend is tightening already tight labour market conditions, through a (relative) decline in the supply of labour, especially of young workers. Employers increasingly have therefore to **compete to attract young talented employees**. One way of doing it could be **improving traineeship** conditions and quality.

In periods of **economic downturn or recession,** youth unemployment increases faster than total unemployment, as young employees who tend to have shorter-term contracts are often the first to be let go[122]. Trainees typically have lower negotiating power compared to other labour market participants, due to the over-supply and competition for limited opportunities, while companies' pressure to minimise costs is higher during times of economic difficulty. This **potentially increases** the prevalence of lower quality traineeships, for example without significant educational value.

The **rise of remote and hybrid working arrangements**, spurred by digitalisation and the COVID-19 pandemic, has disrupted organisational structures and reduced social interaction and face-to-face communication. Some studies have even found that this may lead to a **deterioration of the effectiveness of knowledge transfer and learning at the workplace**, which is especially relevant for young workers and **trainees**.

'Job-hopping', which refers to the practice of changing jobs frequently, typically within a short period, has become more relevant in recent years. Recent OECD research[123] has illustrated an

[120] ILO, (2019), Skills for a greener future: a global view, International Labour Office, Geneva.
[121] European Commission (2023), The impact of demographic change – in a changing environment (SWD(2023) 21 final).
[122] O'Higgins, N. (2001). Youth unemployment and employment policy: A global perspective. Geneva, ILO. https://ssrn.com/abstract=3019316
[123] OECD (2023), Retaining Talent at All Ages, Ageing and Employment Policies, OECD Publishing, Paris.

increase in job-to-job transitions in OECD countries for all age groups over the period 2012-2019, particularly for younger workers. A 2022 survey in nine European countries[124] revealed that one in three workers was considering quitting in the following 3 to 6 months. While job-hopping approaches can lead to faster pay rises and acceleration in career progression, high turnover generates a negative human capital externality, as the company does not receive the full benefit of the training it gave. This can lead to the under-provision of learning opportunities and a socially inefficient market outcome, as employers are disincentivised from investing in training, **including via traineeships**.

Finally, **language barriers** constitute a barrier to take-up of cross-border traineeships. According to data from the Flash Eurobarometer 2023, 17% of respondents indicated that they did not do a traineeship abroad due to insufficient knowledge of a foreign language. However, this tends to be quite concentrated in a few countries (in the Czech Republic, Poland, Slovakia Spain and France the percentage of respondents is above 20%) while in other countries it is less of an issue (in Cyprus, Denmark, Estonia, Greece, Luxembourg, Malta, Netherlands it is lower than 10%).

Who is affected by the problem?

- Consequences for trainees

Legal uncertainty and vulnerability: As a result of the complexity of the regulatory approaches to traineeships, trainees suffer from legal uncertainty regarding their legal status. This, combined with their weak position in the labour market, make them vulnerable. The lack of effective controls and inspections, aggravates the issue as it prevents individuals in work relationships disguised as traineeships from enjoying the rights and protections offered by the EU and national labour acquis. At the same time, weak enforcement is likely to contribute to poor quality traineeships and cause divergence among the opportunities offered to trainees across Member States. Regulatory divergence between different Member States also poses challenges for cross-border traineeships.

Precarious working conditions: A large number of trainees do not benefit from remuneration, do not have access to social protection, and/or are exposed to sub-standard working conditions. This can affect their standards of living, but it can also undermine their self-esteem and mental health, future productivity[125] and therefore normalise precarious working conditions in the future. Also, available evidence[126] suggests that traineeships which provide remuneration and access to social protection, which are also usually associated with better programme structure[127], are associated with better labour market outcomes. Furthermore, income insecurity and greater exposure to social security risks may also prevent people, in particular in vulnerable situations, from taking up traineeship opportunities reducing as such access to traineeships and overall social mobility since young people from lower-income households might not have the financial support to work for free.

[124] Eight EU member states (AT, BE, FR, DE, IT, PL, PT, ES) and Switzerland. The figure cited is based on a sub-set of ~11 000 respondents. Survey done by McKinsey, see: European talent is ready to walk out the door. How should companies respond? | McKinsey.

[125] see, for example, Rosin, A. (2016), "Precariousness of Trainees Working in the Framework of a Traineeship Agreement", *International Journal of Comparative Labour Law and Industrial Relations*, 32(2), p. 131-159.

[126] European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final); Stewart et al. (2018) The regulation of internships: A comparative study.

[127] See i.a. Chapter 3 of ILO (2021) Internships, Employability and the Search for Decent Work Experience; Hunt and Scott (2020) Paid and Unpaid Graduate Internships: Prevalence, Quality and Motivations at Six Months after Graduation.

Reduced opportunities for career development/employability: Poor learning content can have significant impacts on trainees' professional skills development, employability and consequently, future labour market career, the latter being a principal objective of traineeships. According to the 2023 Eurobarometer, 31% of trainees found that their experience was not or would not be helpful in finding a regular job[128]**.** Further, it increased the size of the opportunity cost, including the indirect consequence of deadweight loss if the trainee would have obtained employment even without the traineeship. A traineeship characterised by inadequate learning content effectively squanders the trainee's time, and, empirical evidence suggests, can lead to scarring effects that depress wages and productivity even after the traineeship is over[129]. The risk may be higher for those with vulnerable/disadvantaged backgrounds, who may be more 'liquidity constrained' and need to accept the first job available, even if it is not a good opportunity or one they are suited[130].

- Consequences for employers/traineeship providers

Skills and competencies not matching company needs and reduced pool to recruit: Poor quality traineeships or work relationships disguised as traineeships might reduce the contribution of trainees to the needs of the business. The lack of a formalised and well-structured approach will not equip trainees with the right skills, but it will also decrease trainees' motivation leading to a situation where trainees are seen more as a burden rather than an asset or opportunity for the organisation. Such practices might also lead to the "wrong" trainee being hired for the traineeship, with misaligned expectations between trainee and employer leading to ineffective traineeships[131]. The issue of skills mismatches may be further exacerbated by poor-quality traineeships with low learning content. A study of UK SMEs and graduates suggests that SMEs – and other employers – may have little experience of young workers, and thus may be ill-equipped to best put them to use[132]. This implies that the traineeship will bring little benefit for skills development, and that trainees will not be able to acquire skills needed for the traineeship and their subsequent labour market career. This is disadvantageous for employers, as the pool of skilled trainees – and therefore future workers - is reduced, as is the degree to which the skills trainees develop during their traineeship matches future labour market needs. Finally, unequal access to traineeships, and low numbers of cross-border traineeships reduce the size of the talent pool employers can recruit from. This has negative effects on the productivity of businesses and on the overall competitiveness of the European Union.

"Uneven playing field" between providers with/out quality traineeships (within and across countries). Employers/traineeship providers offering good quality traineeships (compliant with the 2014 QFT principles) may experience unfair competition from non-compliant employers133. At the same time, such companies are in competition with companies who use traineeships to gain a competitive advantage in terms of lower labour costs, leading to distortions which impact competitiveness within the same country. Also, national differences in the regulatory frameworks governing traineeships lead to an uneven playing field between

[128] Flash Eurobarometer FL523 (April 2023) "Integration of young people into the labour market with particular focus on traineeships" (2964/FL5235) .
[129] Cockx, B. and Matteo P. (2013) "Scarring effects of remaining unemployed for long-term unemployed school-leavers," Journal of the Royal Statistical Society: Series A (Statistics in Society), 176 (4), 951–980
[130] Chetty, R. (2008) "Moral Hazard versus Liquidity and Optimal Unemployment Insurance," Journal of Political Economy, 116 (2), pp. 173–234.
[131] Maertz Jr, C., Stoeberl, P., & Marks, J. (2014). Building successful internships: lessons from the research for interns, schools, and employers. Career Development International , 19 (1), 123-142
[132] Brindley, C. R. (2000). Undergraduates and small and medium-sized enterprises: Opportunities for a symbiotic partnership? Education & Training 2000, 8 (9), 509-517
133 Eurofound (2017), Fraudulent contracting of work: Abusing traineeship status (Austria, Finland, Spain and UK), Eurofound, Dublin.

employers/traineeship providers across the EU as some of them are faced with different requirements for comparable positions (traineeships) than their peers and/or competitors in other EU countries.

Burdensome process for employers to offer quality traineeship opportunities, in particularly for SMEs. The regulatory systems governing traineeships and/or the legal status of trainees in the EU are complex and fragmented. This creates difficulties in the understanding and awareness of what constitutes a quality traineeship and the regulatory provisions (if existent in the country at hand) that apply. Business, and in particular SMEs often lack the administrative and human capital capacity to ensure QFT-compliant traineeships. Also, businesses may not have the time or resources to research a complex and ambiguous regulatory legal framework in order to provide good quality traineeship[134].

- Consequences for society at large

Unemployment. Low-quality traineeships fail to sufficiently develop the trainee's employability and thus lead to sub-optimal labour market outcomes. When the traineeship ends, the ex-trainee may remain unemployed, with reduced chances of finding a new job as compared to peers benefitting from higher quality traineeships. This is often exacerbated by traineeships reducing job-search intensity, as a trainee's time is filled with their traineeship, further reducing employment rate if the traineeship is not of good quality[135]. At societal level, low-quality traineeships are therefore likely to lead to increased unemployment rates.

Skills and competences not matching labour market, reduced productivity, and loss of competitiveness. Low-quality traineeships, especially regarding matching the right employees to the right positions, can be considered opportunity costs for the labour market, and increasing productivity. Poor learning content prevents trainees from developing their skills and in turn leads to lower productivity, which prevents future employers to fully exploit their potential. If poor quality traineeships proliferate *en masse*, it will lead to an insufficient supply of high-quality ex-trainees to meet the demand for them from employers. The consequence of such skills shortages are stagnating productivity and economic competitiveness[136]. This is particularly important in the current changing labour market context. Low-quality traineeships can even have 'locking-in' effects whereby trainees decrease their search efforts during the traineeship for an employer that would be a better fit, thus further lowering their productivity[137]. Moreover, a lack of productivity gains may be felt by the traineeship provider too, if the trainee fails to be well-aligned with company needs or skill gaps[138]. This represents an opportunity cost for the employer and employee.

Loss of public revenue. The problematic use of traineeships and persisting access barriers for people in vulnerable situations result in the loss of public revenue. First, the replacement of regular contracts by work relationships disguised as traineeships and non-compliant traineeships may result in the loss of potential tax revenues and social security contributions. Second, persisting access barriers to (paid) traineeships may prevent the labour market inclusion of people in vulnerable situations, also resulting in the loss of potential tax revenues

[134] Cousins, B. (2018). Design thinking: Organisational learning in VUCA environments, in: Academy of Strategic Management Journal , 17 (2), 1-18
[135] García-Pérez, JI. and Muñoz-Bullón, F. (2011) "Transitions into Permanent Employment in Spain: An Empirical Analysis for Young Workers," British Journal of Industrial Relations, 49 (1), 103–143.
[136] SWD (2023)
[137] van Ours, JC (2004)"The locking-in effect of subsidized jobs", Journal of Comparative Economics, 32 (1)
[138] Stewart (2021) The nature and prevalence of internships in: ILO (2021) Internships, Employability and the Search for Decent Work Experience

and social security contributions. At the same time these challenges can also exacerbate dynamics of in-work poverty and social exclusion, thereby negatively impacting intergenerational solidarity and burdening public support budgets.

ANNEX 10. PROBLEM DEFINITION BY TYPE OF TRAINEESHIPS

A10.1. Summary of the size of the problem of the problems by type of traineeships, and Member States affected

1) Problematic use of traineeships

	Share of excessive duration traineeships (single traineeship) (source: Flash EB 2023, % of total traineeships)	Number of trainees (paid and unpaid) doing long trainee (source: Flash EB 2023, % within each type of traineeship) ships	Traineeships / requiring previous work experience share of trainees who did repeated/consecutive traineeships with the same employer) (source: Flash EB 2023, % within each type of traineeship)	Number of trainees (paid and unpaid) repeated traineeships with the same employer source: Flash EB 2023, % within each type of traineeship)	Number of trainees (paid and unpaid) doing long duration traineeships including consecutive/repeated traineeships with the same employer source: Flash EB 2023, % within each type of traineeship)	Number of trainees who did repeated traineeships with different employers at some point in their life source: Flash EB 2023, % within each type of traineeship)	No existence of a cap on the share of trainees in a company
OMT	13%	Paid: 67,088 (16%) Unpaid: 16,949 (11.9%)	25.7%	Paid: 27,808 (7%) Unpaid: 3,209 (2%) Out of which with also with poor learning content: Paid: 28274 Unpaid: 10425	Paid: 94,896 (22.3%) Unpaid: 20,158 (14%)	Paid: 146,877 (35%) Unpaid: 64,103 (45%)	15MS CZ, DE, DK, EE, IE, EL, ES, HR, IT, CY, LV, MT, NL, SI, SK
ALMP	10.5%	Paid: 91,832 (17.2%) Unpaid: 7,616 (10%)	35%	Paid: 57,118 (11%) Unpaid: 4,915 (6%) Out of which with also with	Paid: 148,950 (28%) Unpaid: 12,531(17.6 %)	Paid: 177,716 (33%) Unpaid: 34,998 (46%)	15MS BG, CZ, DE, DK, EE, IE, ES, HR, CY, LT, LU, NL, AT, RO, SK

				poor learning content: Paid: 46761 Unpaid: 6409			
ECT	11%	Paid: 71,875 (14.3%) Unpaid: 100,076 (8.1%)	35%	Paid: 53,790 (11%) Unpaid: 60,947 (5%) Out of which with also with poor learning content: Paid: 27936 Unpaid: 38381	Paid: 125,665 (25%) Unpaid: 161,023 (13%)	Paid: 166,618 (33%) Unpaid: 531,285 (43%)	16MS BG, CZ, DE, DK, EE, IE, ES, IT, CY, LV, NL, AT, PL, PT, RO, SI
MPT	Not relevant	Not relevant for MPT.	45.7%				11MS BG, DE, DK, EE, ES, CY, LV, LU, HU, NL, AT

Gaps in national legislation, systems and procedures

	No existence of a cap on the share of trainees in a company	No legislation limiting duration to 6 months (source: legal analysis, number of Member States)	No systems of inspections or guidance for inspectorates	No procedures for registering complaints & reporting malpractice
OMT	15 MS CZ, DE, DK, EE, IE, EL, ES, HR, IT, CY, LV, MT, NL, SI, SK	20 (+ 2 no information available) No restrictions: DK, DE, EE, EL, HR, IT, CY, LV, MT, NL, AT, SK Restrictions but more than 6 months: BG, CZ, IE, ES, PT, SI, SE, FI	17 MS CZ, DK, DE, EE, IE, ES, HR, IT, CY, LV, MT, NL, AT, PL, PT, RO, SI	16 MS CZ, DK, DE, EE, EL, HR, IT CY, LV, MT, HU, NL AT, PL, PT, RO, SI
ALMP	15 MS BG, CZ, DE, DK, EE, IE, ES, HR, CY, LT, LU, NL, AT, RO, SK	17 (+ 3 no information available) No restrictions: DE, IE, CY, LV, NL, AT Restrictions but more than 6 months: BG, ES, HR, IT, LT, LU, PT, PL, SK SE, FI	12 MS DE, CZ, EE, EL, ES, HR, CY, LV, NL, AT, PL, RO	10 MS CZ, DE, EL, ES, HR, CY, NL, AT, PL, RO
ECT	16 MS BG, CZ, DE, DK, EE, IE, ES, IT, CY, LV, NL, AT, PL, PT, RO, SI	21 (+ 3 no information available) No restrictions: BE, DK, DE, EE, IE, EL, ES, CY, MT, NL, PL, PT, SI, SK, FI, SE Restrictions but more than 6 months: IT, LV, LT, AT, RO	12 MS CZ, DE, EE, ES, CY, LV, NL, AT, PL PT, RO, SI [12 MS]	11 MS CZ, DE, EE, ES, CY, NL, AT, PL, PT, RO, SI
MPT	No existence of a cap on the share of trainees in a company	22 (+ 3 no information available). However, not relevant for MPT.	14 MS CZ, DE, EE, EL, ES, CY, HR, LV, NL, AT, PL, PT, RO, SI,	11 MS: BG (medical, legal), CZ, DE, EL, ES, HR, CY, AT, PL, PT, SI

2) Poor quality traineeships

	Number of trainees not unpaid trainees by type of traineeships ([139])	Number of trainees without social protection coverage	Number of trainees who reported not learning things that are useful professionally	Lack of legal requirements for written agreement/written information indicating that tasks allow trainees to work towards their learning and training objectives	Lack of legal provisions on a supervisor and/or mentor for trainees
OMT	156800	Paid: 106,222 (25.3%) Unpaid: 82,397 (57.8%)	Paid: 91,944 (22%) Unpaid: 44,937 (32%)	11MS DK, EE, IE, IT, CY, LV, MT, AT, HU, PL, SK [11 MS]	9MS DE, EL, IE, IT, LV, MT, AT, PL, SK
ALMP	83200	Paid: 93,281 (17.5%) Unpaid: 24,126 (31.8%)	Paid: 111,570 (21%) Unpaid: 21,003 (34%)	CY	3MS BG, DE, AT
ECT	1360000	Paid: 84,208 (16.7%) Unpaid: 662,052 (53.5%)	Paid: 81,727 (16%) Unpaid: 257,070 (21%)	5MS : CZ, EE, CY, PL, SI	4MS DE, EE, CZ, PL
MPT	-	Paid: 16,072 (10.8%)	-	3MS: BG, EL, CY	2MS BG, EL

A10.2. Material Scope

The 2014 QFT included OMT and ALMP traineeships, but excluded ECT and MPT. For the analysis on the extension of the scope, the supporting study assessed the differences between the four traineeship types and examined whether there is evidence pointing to the need to create an instrument that encompasses all of them.

([139]) Data for paid trainees not fairly/proportionately remunerated can only be obtained at aggregated level

In terms of prevalence, the supporting study using EU-LFS data showed that, in 2019, the share of ECT and MPT of total paid traineeships was 31.1% and 9.2% respectively. Of unpaid traineeships, ECT are estimated (based on LFS data) to represent 85%, but no data was available on MPT (in EU-LFS). Looking at the trends, the largest growth in relative terms concerns MPTs, which are projected to increase by 42.8% (from 158,617 in 2021 to 226,463 in 2030), while ECT are expected to increase by 17.5% (from 1,874,428 to 2,202,857).

The results of the 2023 Eurobarometer grouped by types of traineeships form the starting point of the analysis on quality. Results for selected questions are compared to see how they perform relative to other traineeship types. The table below aims to help visualise performance by grouping the results into two simple categories: the two types under each dimension that exhibit better results are coloured in green, while the other two are red. Caution should be taken during the interpretation of this simplistic categorisation – which first and foremost serves as a tool for comparison across types – as often they hide differences that are sometimes very modest.

Table 34: Results from Eurobarometer - green for better performance, red for worse (two-two for each question)

Type	Relevance to problem	OMT	ALMP	ECT	MPT
Traineeship >6 months (Q9)	1	13%	11%	11%	13%
Not paid (Q14) (LFS estimates in bracket)	2	42% (50)	38% (15)	52% (66)	35%
Equivalent conditions – disagree or totally disagree (Q13)		31%	29%	29% [140]	26%
Mentorship – disagree or totally disagree (Q13)		28%	26%	21%	24%
No access to social protection – numbers in brackets mean partial only (Q16)		37% (20)	23% (37)	33% (22)	18% (36)
No/limited professionally useful content (Q13)		27%	25%	20%	23%

From the above table, it seems that OMT are more problematic across all dimensions that the rest of the traineeship types. Conversely, MPT perform relatively well in all but one dimension compared to the other 3 types, exhibiting higher shares of traineeships above 6 months compared to ALMP and ECT. However, the longer duration appears to be mostly justified by the nature of this type of traineeship.

ECT is shown in red in three dimensions, namely the share of unpaid traineeships, not having equivalent conditions to regular employees and the lack of access to social protection. The share of unpaid is the highest for ECT. The share of ECT trainees lacking similar working conditions to regular employees does not show a marked difference from ALMP trainees, therefore the red-green categorisation implies a larger difference than the Eurobarometer results would warrant. Finally, lacking access to social protection is likely to follow from the status as 'student' (rather than employee status) in most Member States. In terms of learning content,

[140] 'Totally disagree' 11% vs 9% for ALMP, hence worst categorisation.

both ECT and MPT traineeships perform relatively well compared to OMT and ALMP traineeships.

The extension to ECT could lead to an overlap with rules for apprentices, depending on national definitions of traineeships and apprenticeships. As apprenticeships are covered by the Recommendation on a European Framework for Quality and Effective Apprenticeships, the non-binding option would provide flexibility to Member States to assess which of the two quality frameworks should apply to VET work-based learning experiences, depending on their national and regional specific features. -When doing so, to ensure that all learners in work-based learning receive the highest level of protection, Member States would be encouraged (as relevant) to apply the framework conditions which are more protective among the two frameworks, in line with national circumstances.

Legal provisions

To get a sense of the extent to which the different traineeship types are regulated in some of the dimensions examined by the problem definition, the table below maps the share of countries where there are no provisions in place. The table uses the same colour coding as above.

Table 35: share (%) of countries without legal provisions - green for better performance, red for worse (two-two for each question)

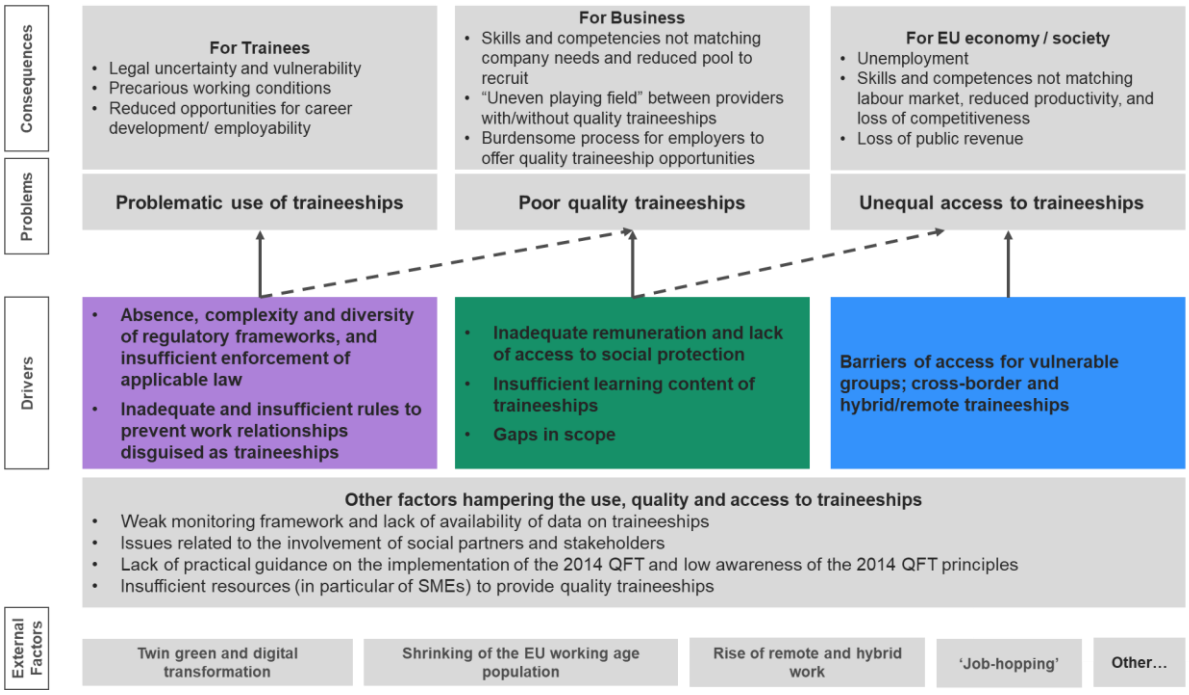
Type	Relevance for problem	OMT	ALMP	ECT	MPT
No general requirement on six months cap on duration	1	80% (21 out of 26)	76% (19 out of 25)	92% (23 out of 25)	100% (24 out of 24)
No procedures for registering complaints & reporting malpractice		70% (16 out of 23)	48% (10 out of 21)	55% (11 out of 20)	50% (11 out of 22)
Legislation allows for unpaid traineeship	2	85% (22 out of 26)	16% (4 out of 25)	100% (26 out of 26)	4% for medical (1 out of 26) 12% for legal (3 out of 25)
No legal provisions to ensure that tasks allow trainees to work towards their learning and training objectives		48% (11 out of 23)	4% (1 out of 23)	25% (5 out of 20)	14% (3 out of 21)
No requirement for full access to social protection for those under employee contracts		19% (5 out of 26)	44% (11 out of 25)	58% (15 out of 26)	22% (6 out of 27 for medical) and 59% (16 out of 27 for legal)
No provisions on mentorship		37% (9 out of 24)	12% (3 out of 25)	21% (4 out of 19)	9% (2 out of 23)

Note: shares based on countries where data is available were calculated to avoid biased results due to varying number of countries with data gaps

Once again, OMT emerge as a more problematic case virtually in all dimensions. However, there are two caveats to be kept in mind. The first relates to duration, where MPT are generally not expected to have a six-month cap. The second refers to access to social protection, where the low share of countries not requiring full social protection is driven by the fact that this number only refers to those trainees with employment contracts. In reality, this share is likely to be much higher in countries where variable status is possible, and those without employment contracts have partial access. Otherwise, the share of EU countries across all of these dimensions where there are no legal provisions for OMT is considerably higher than for the other traineeship types except for ECT. The latter exhibit a similar trend whereby they remain largely unregulated in the dimensions included in the table. It should be noted that for ECT, which are typically governed by tripartite agreements in which the university is one of the parties, very often the university secures financial support for the student trainee. This implies that even if the legislation allows for unpaid ECT, in practice trainees often receive some form of financial provision associated with the status of student (rather than as compensation for the work done). Conversely, MPT are fairly well-regulated with the exception of procedures for registering complaints and reporting malpractice.

Overall, OMT and ECT appear to be the two types of traineeships with worst performance regarding the above provisions, and potentially the most exposed to work relationships disguised as traineeships or poor-quality traineeships. This could partially be explained by regulatory overlaps between the two types of traineeships. In some cases, the same laws (can) apply to both types (for instance in BG, EE, HU, AT, NL). In general, the legal framework governing ECT seems to be rather loosely defined and, in some cases, there is no national framework to speak of (e.g. PL, PT). However, specific conditions could depend on the university, which sets the standards through its involvement in the tripartite agreements between the trainee and the traineeship provider. Thus, in practice, the quality of the agreement can strongly affect the use and quality of the traineeship, despite the lack of a regulatory framework. It should be noted that the requirement to set tripartite agreements does not exist in all Member States (e.g. in IE, CY, AT, PL, PT, RO and FI).

ANNEX 11. PROBLEM TREE



ANNEX 12. ADDITIONAL INFORMATION ON POLICY OPTIONS

A12.1. Baseline

- Existing EU Law and Instruments and relevant principles of the 2014 QFT

Over the years the **European Union has built a floor of rights for workers, including trainees,** who have an employment contract or employment relationship as defined by law, collective agreements or practice in force in each Member State, with consideration to the case-law of the Court of Justice of the European Union. These encompass both individual rights (information about working conditions; health and safety; working time; discrimination and abuse of non-standard employment; equal treatment at workplace; posting of workers), and collective rights (European Works Councils; information and consultation in relation to company changes, collective redundancies, transfers of undertakings). Therefore, trainees who are considered as workers under EU law will continue to be protected by the provisions of these legislative and political instruments, as described below.

These EU legislative and policy initiatives are expected to support the implementation of some of the 2014 QFT principles into the national legislation and could lead to improvements in the quality of traineeships, for trainees who are considered workers under EU law. Nonetheless, many trainees who do not classify as workers, but also those who should have been classified as workers (but are not), would continue to face challenges in terms of working conditions. In the coming years, the number of such trainees can be expected to increase given the popularity of traineeships in the youth labour market. The 2014 QFT principles provide guidance to Member States in several domains, however, as already discussed, without EU action, limited improvements can be expected regarding national (regulatory) framework governing traineeships.

For trainees who qualify as workers under EU law, several aspects of their working conditions including the duration of the traineeship, will continue to be governed by the **Fixed-Term Work Directive (1999/70/EC)**[141] and the **Part-Time Work Directive (1997/81/EC)**[142]. The Fixed-Term Work Directive aims at improving the quality of fixed-term work by ensuring equal treatment for fixed-term workers and requires Member States to introduce provisions to **prevent abuse practice of fixed-term contracts**. Specifically, it requires Member States to implement at least one of the following measures in their national laws to prevent misuse of successive fixed-term contracts: (1) objective reasons for the renewal of fixed-term contracts; (2) maximum total duration of successive fixed-term contracts or (3) maximum number of renewals of fixed-term. Such provision should either limit the maximum total duration of contracts, or the maximum permitted number of renewals, or they can introduce justifications for renewing fixed-term contracts. It also ensures access by fixed-term workers to appropriate training opportunities and to information about vacancies within the undertaking with a view to secure a permanent position. The Directive applies to fixed-term workers, who have an employment contract or relationship as defined in law, collective agreement, or practice in each

[141] Council Directive (1999/70/EC) of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP.
[142] Council Directive 97/81/EC – the Framework Agreement on part-time working concluded by UNICE, CEEP and the ETUC (trade unions).

Member State. It also applies to trainees, if they meet the criteria to be considered workers under EU law and provided that Member States have not made use of the possibility of excluding initial vocational training relationships, apprenticeship schemes or employment contracts and relationships which have been concluded within the framework of a specific public or publicly-supported training, integration and vocational retraining programme. Nevertheless, there is a great heterogeneity in the national legal provisions implemented in the Member States following the transposition of the Fixed-Term Directive, and these national rules may not be always fit-for-purpose in the case of trainees. The Part-Time Work Directive sets out a list of principles to prevent discriminatory practices towards part-time workers.

The 2014 QFT includes a number of principles on reasonable duration of traineeships (Principles 10-12). The principles were included with the aim to limit distortions to the labour market, particularly in terms of the risk of substituting regular jobs with traineeships[143]. The 2014 QFT states that in principle a **reasonable duration does not exceed 6 months** (Principle 10), **but it does not recommend a minimum duration for traineeships**. However, quantitative evidence from a variety of data sources suggests that, in the absence of a policy intervention, the number of trainees under contracts longer than 6 months and undergoing consecutive traineeships would remain high for all types of traineeships[144]. The 2014 QFT also includes a provision on transparency concerning the renewal or extension of traineeship agreements, but it does not address the potential abuse of repeated traineeships, including **consecutive traineeships,** with the same or different employer to circumvent general labour law requirements or to replace regular employment.

Recently adopted legal initiatives are also expected to have some positive impact on the quality of remunerated traineeships. The Directive on Transparent and Predictable Working Conditions (TPWC) (2019/1152)[145] expands workers' rights and addresses protection for workers in precarious jobs, including trainees. It includes the obligation for employers to inform in a written form workers about the essential aspects of the employment relationship (duration, remuneration, tasks, etc.). Recital 8 of the Directive explains that trainees and apprentices could fall within the scope of the Directive, but adds that this is provided that they fulfil the criteria for determining the status of a worker established by the Court of Justice of the European Union.[146] Thus, the Directive is expected to contribute to the integration of Principles 6 to 9 of the 2014 QFT (on respecting working conditions applicable to trainees and the clarification of rights and obligations of the traineeship agreement) into national legislation and to the harmonisation of national regulations. However, Article (4) of the TPWC Directive, which outlines the essential aspects of the employment relationship, does not require the provision of information on the learning objectives and the arrangements for mentorship, supervision and evaluation. These elements have been identified by the evaluation as areas where there is room for improvement.

The 2014 QFT (Principle 2 and 3) recommends to Member States to require that traineeships are based on a written agreement which indicates the educational objectives as well all the other essential elements of the traineeship. Principle 4 of the QFT requests Member States to promote

[143] European Commission (2013) Impact Assessment accompanying the Proposal for a Council Recommendation on a Quality Framework for Traineeships (SWD(2013) 495 final).
[144] Evidence on trends in traineeships duration come from the Study supporting the evaluation of the Quality Framework for Traineeships and the 2023 Eurobarometer Survey on the Integration of young people into the labour market with a particular focus on traineeships.
[145] Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union.
[146] The Directive has been implemented in all Member States except CZ, LU, AT and SI (transposition deadline was 1 August 2022).

best practices as regards learning and training objectives in order to help trainees acquire practical experience and relevant skills and to ensure that the tasks assigned to the trainee should enable these objectives to be attained. However, the principle of aligning the task of the trainee to the learning objectives is among the QFT principles that were least implemented in national legal frameworks in Member States. Therefore, it can be assumed that challenges regarding the learning and training component of traineeships will persist without stronger EU intervention.

Regarding the area of the learning content of traineeships, the **Council Recommendation on individual learning accounts** (2022/C 243/03) may contribute to filling some learning gaps by supporting the access of all working-age adults (irrespective of their labour force or professional status) to training, however it will depend on the implementation of the Recommendation by the Member States.

The 2014 QFT recognises the importance of learning and training. It also notes the importance of having recourse to a supervisor who provides guidance, monitoring and assessment of progress. In particular, **Principle 5 of the 2014 QFT invites Member States to encourage traineeship providers to designate a supervisor for trainee.** The evaluation also identified **having a supervisor or a mentor as a critical element of quality**, linked to the learning component, contributing to better post-placement outcomes.

The 2014 QFT recommends employers to be transparent in their vacancy notices about the terms and conditions of the traineeship (Principle 14). It explicitly refers to certain financial conditions, namely an allowance and/or compensation, as well as health and accident insurance. It also recommends transparency about recruitment policies.

The **Directive on adequate minimum wages in the European Union (2022/2041)**[147] establishes a framework to improve the adequacy of statutory minimum wages and enhance effective access of workers, including trainees qualifying as workers under EU law, to minimum wage protection, including through collective bargaining. Article 6 of the Directive allows Member States to set different rates of statutory minimum wage for specific groups of workers, but they shall ensure that principles of non-discrimination and proportionality, the latter including the pursuit of a legitimate aim. However, recital 29 notes that it is important to avoid variations being used widely, as they risk having a negative impact on the adequacy of minimum wages. The transposition of the Directive can have a positive effect on trainees considered as workers under EU law, and could improve access to traineeships to individuals who may lack the financial resources to undertake traineeships, however, it will not ensure that trainees are fairly/proportionated remunerated by taking into account comparative factors such as the respective weight of learning and work components, the trainee's tasks and responsibilities and the economic value and the intensity of the trainee's work.

The Directive to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms (2023/970)[148] lays down minimum requirements to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women (the 'principle of equal pay') enshrined in Article 157 TFEU and the prohibition of discrimination laid down in Article 4 of Directive 2006/54/EC, in particular through pay transparency and reinforced enforcement mechanisms. The new rules make it compulsory for employers to inform job seekers about the starting salary or pay range of advertised positions, whether in the

[147] Directive (2022/2041) on adequate minimum wages in the European Union.
[148] Pay Transparency Directive (2023/970)

vacancy notice or ahead of the interview. Employers will also be prevented from asking candidates about their pay history. Once in the role, workers will be entitled to ask their employers for information about average pay levels, broken down by sex, for categories of employees doing the same work or work of equal value. They will also have access to the criteria used to determine pay and career progression, which must be objective and gender neutral.

The **"Recast" Directive 2006/54/EC** implementing the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast) prohibits discrimination between men and women in employment and occupation, including regarding "access to all types and to all levels of vocational guidance, vocational training, advanced vocational training and retraining, including practical work experience".[149]

The **Council Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation** introduced the principle of equal treatment in employment and occupation to combat discrimination on the grounds of religion, disability, age, or sexual orientation. The Directive also requires employers to provide reasonable accommodation for persons with disabilities.

As for the access to social protection, the 2019, the **Council Recommendation on the access to social protection for workers and self-employed (2019/C 387/01)**[150] calls for Member States to "*provide access to social protection to all workers and self-employed persons in the Member States*" and explicitly mentions trainees among the categories of workers that are excluded from social protection in some Member States. However, this does not apply to trainees not considered as workers under EU law. New recommendations would thus complement the 2019 Council Recommendation on access to social protection for workers and self-employed, which is not applicable to trainees who are not considered workers.

It should also be noted that unpaid traineeships may be covered by existing Union measures on "working conditions" adopted on the basis of Article 153(1)(b) TFEU, which address first and foremost "workers" and cover trainees only in an ancillary way, namely because trainees work at the same workplace. This notably concerns the Council Directive on the introduction of measures to encourage improvements in the safety and health of workers at work[151].

Other relevant EU legislation includes the Work-Life Balance Directive[152], the Part-Time Work Directive[153], the Directive establishing a general framework for informing and consulting employees[154], and the EU's equal treatment and anti-discrimination acquis.

Furthermore, the **Council Recommendation on Reinforcing the Youth Guarantee**[155] is closely aligned with the objectives of the 2014 QFT and specifically recommends that *"traineeship offers adhere to the minimum standards laid out in the Quality Framework for Traineeships"*. The implementation of the reinforced Youth Guarantee is backed up by

[149] Article 14, OJ L 204, 26.7.2006, p. 23.
[150] Council Recommendation on the access to social protection for workers and the self-employed (2019/C 387/01).
[151] OJ L 183, 29.6.1989, p. 1–8
[152] OJ L 188, 12.7.2019, p. 79–93
[153] OJ L 14, 20.1.1998, p. 9–14
[154] OJ L 80, 23.3.2002, p. 29–34
[155] OJ C 372, 4.11.2020, p. 1–9

significant EU financial support from the European Social Fund+[156] and the Recovery and Resilience Facility[157] in order to support young people in gaining work experience and developing the right skills for a changing world of work, in particular those relevant to the green and digital transitions.

The **2021 Commission Recommendation on Effective Active Support to Employment** (EASE) states that Member States "should introduce or strengthen support schemes for […] paid traineeships […]" which "should include a strong training component and be subject to monitoring and evaluation, offering a path to stable labour market integration", and emphasises that support "should be linked to the relevant frameworks fostering job quality, such as […] the Quality Framework for Traineeships"[158].

A12.2. List of measures regarding the unequal access to quality traineeships

The following measures aim to address the barriers to access to traineeships for vulnerable groups, as well as to quality cross-border and remote/hybrid traineeships. They aim to address gaps identified in the evaluation, by relevant stakeholders, the 2023 Eurobarometer, and by the study.

Unequal access to quality traineeships for vulnerable groups

The measures to address the drivers of unequal access to quality traineeships for vulnerable groups consist of:

- increasing outreach to vulnerable groups
    - targeted outreach to vulnerable groups to increase their access to traineeship opportunities either through national level campaigns and/or actions at the level of traineeship providers to make people belonging to vulnerable groups equally aware of existing traineeship opportunities
- ensuring equal treatment
    - applying equal treatment of all candidate trainees, regardless of their background, through neutral language in vacancies and through non-discriminatory recruitment processes
- increased awareness-raising of traineeship opportunities as well as of the quality standards for quality traineeships for both trainees and traineeship providers
    - raising awareness amongst candidate trainees, in particular those belonging to vulnerable groups, of the benefits of quality traineeships in terms of facilitation to the labour market and increased employability through information campaigns

[156] With a budget of around EUR 99 billion for 2021-2027, the European Social Fund Plus (ESF+) continues to be the EU's key instrument to support the implementation of the reinforced Youth Guarantee. Member States which experience an above average rate of young people not in employment, education or training (NEET) need to devote at least 12.5% of their ESF+ funding to targeted youth employment measures. The other Member States need to dedicate an appropriate amount to implement the reinforced Youth Guarantee in line with the gravity of their youth employment challenges.
[157] One of the six pillars of the RRF is aimed at policies for the next generation. The measures included in Member States' Recovery and Resilience Plans should be consistent with the reinforced Youth Guarantee.
[158] OJ L 80, 8.3.2021, p. 1–8

    - raising awareness of what constitute quality traineeships amongst trainees and traineeship providers through information campaigns and mutual learning activities
- increasing conformity to transparency requirements on vacancies
    - building on the existing transparency requirements of the existing QFT (baseline), strengthening vacancies in terms of information provided on working conditions (including remuneration and social protection) and expected learning elements (assignment of supervisor and mentor as well as learning objectives and related tasks)
- remuneration and social protection
    - encouraging the provision of remuneration and access to social protection to allow candidate trainees belonging to vulnerable groups to take up traineeship opportunities despite social precariousness and limitations regarding financial means

- ensuring adaptable and accessible workplaces for trainees with disabilities
    - promote inclusive traineeships by adapting traineeship programmes and workplaces to individual needs (such as tailored trainings, digital tools and office equipment), in particular for trainees with disabilities

Unequal access to cross-border traineeships

The measures to address access to cross-border traineeships are:

- improve information provision on cross-border traineeships
    - increase awareness of the benefits of cross-border traineeships (such as the improvement of linguistic skills and gaining experience in other cultural environments) through awareness-raising campaigns and/or networks
- facilitate cross-border traineeships, using the potential of the European cooperation network of employment services (EURES)
    - clarify national traineeship regulations in Member States by providing information and guidance to trainees using EURES
    - increase awareness of traineeship opportunities abroad through easing access to cross-border traineeship vacancies using EURES
- encourage that the principles of the reinforced Quality Framework for Traineeships are applied in traineeship mobility agreements with hosting organisations outside the EU.

Unequal access to remote/hybrid traineeships

The measures to address access to remote/hybrid traineeships are:

- facilitate remote and hybrid traineeships through an appropriate working environment including equipment and mentoring
    - provide guidance to employers on establishing the minimum enabling conditions (in terms of equipment, infrastructure, and appropriate work organisation, tasks, supervision and mentorship) to ensure accessibility of remote/hybrid traineeships
    - encourage financial incentives for employers to invest in adaptations of the working environment to make traineeships remote/hybrid proof, without overburdening candidate trainees

- ensure quality criteria apply to remote/hybrid traineeships
    - extend the quality criteria of the quality framework on traineeships to remote/hybrid traineeships

ANNEX 13. IMPACTS AND COMPARISON OF OPTIONS

A13.1. Member States mostly affected by each policy option

- **Policy options A1.1, A1.2 and A1.3: Facilitate and strengthen enforcement and support trainees**

a) Evidence from Member Sates on the impact of increasing dedicated inspections and controls

In IE dedicated joint investigations involving Revenue Commissioners and the Department of Social Protection detected almost 200 cases of disguised self-employment in the construction sector in 2014-2015.

In SE, in 2012 the Swedish Tax Agency implemented a new initiative to regulate foreign self-employed drivers and the hauliers that engaged. This resulted in the detection of over 300 falsely self-employed foreign drivers within months.

In FR in 2020, out of 107,490 controls from labour inspectors (on all aspects of labour law, not just related to traineeships), 10 penalties were addressed for misuse of traineeships[159], a stable figure with 8 penalties for misuse of traineeships in 2019 and 9 in 2018.[160] In 2018, the average penalty from the French labour inspection to organisations for misuse of traineeships was EUR 293 per trainee, and EUR 25,879 per organisation.[161]

b) Existence of specific systems of inspections or guidance for inspectorates on traineeships

Type of traineeship	No systems of inspections or guidance for inspectorates
OMT	CZ, DK, DE, EE, IE, ES, HR, IT, CY, LV, MT, NL, AT, PL, PT, RO, SI [17 MS]
ALMP	DE, CZ, EE, EL, ES, HR, CY, LV, NL, AT, PL, RO [12 MS]
ECT	CZ, DE, EE, ES, CY, LV, NL, AT, PL PT, RO, SI [12 MS]
MPT	CZ, DE, EE, EL, ES, CY, HR, LV, NL, AT, PL, PT, RO, SI [14 MS]

c) Existence of specific procedures for registering complaints & reporting malpractice for trainees/traineeships

Type of traineeship	No procedures for registering complaints & reporting malpractice
OMT	CZ, DK, DE, EE, EL, HR, IT CY, LV, MT, HU, NL AT, PL, PT, RO, SI [16 MS]

[159] With regard to French legislation, this can relate among others to the maximum duration of 6 months, the ratio of trainees to employees in the establishment, the working hours and the designation of a tutor. See Article L124-17 of Education Code.
[160] See annual reports of labour inspection: Direction Générale du Travail (2021). L'inspection du travail en France en 2020; Direction Générale du Travail (2020). L'inspection du travail en France en 2019 ; Direction Générale du Travail (2019). L'inspection du travail en France en 2018
[161] Direction Générale du Travail (2019). L'inspection du travail en France en 2018.

ALMP	CZ, DE, EL, ES, HR, CY, NL, AT, PL, RO [10 MS]
ECT	CZ, DE, EE, ES, CY, NL, AT, PL, PT, RO, SI [11 MS]
MPT	BG (medical, legal), CZ, DE, EL, ES, HR, CY, AT, PL, PT, SI [11 MS]

- **Policy Options A2.1 and A.2.2: Prevent the problematic use of traineeships – provisions on duration**

Type of traineeship	Challenge	Member States affected
OMT	Member States with no restrictions on duration	DK, DE, EE, EL, HR, IT, CY, LV, MT, NL, AT, SK [12 MS]
	Member States with legal restriction but more than 6 months (some contracts)	BG, CZ, IE, ES, PT, SI, SE, FI [8 MS]
ALMP	Member States with no restrictions	DE, IE, CY, LV, NL, AT [6 MS]
	Member States with legal restriction but more than 6 months (some contracts)	BG, ES, HR, IT, LT, LU, PT, PL, SK SE, FI [11 MS]
ECT	Member States with no restrictions	BE, DK, DE, EE, IE, EL, ES, CY, MT, NL, PL, PT, SI, SK, FI, SE [16 MS]
	Member States with legal restriction but more than 6 months	IT, LV, LT, AT, RO [5 MS]
MPT	Member States with no restrictions	CZ, DK, DE, EL, CY, LV, MT [7 MS]
	Member States with legal restriction but more than 6 months	BE, BG, EE (medical), ES, LT, LU, HU, NL, AT, PL (medical), PT, RO, SK (legal), FI (legal), SE [15 MS]

- **Policy option B2.1 and B2.2: Improve the learning component of traineeships**

a) Lack of legal provisions requiring a written agreement/written information indicating that tasks allow trainees to work towards their learning and training objectives

Type of traineeship	Lack of legal requirements for written agreement/written information indicating that tasks allow trainees to work towards their learning and training objectives
OMT	DK, EE, IE, IT, CY, LV, MT, AT, HU, PL, SK [11 MS]
ALMP	CY [1 MS]

ECT	CZ, EE, CY, PL, SI [5 MS]
MPT	BG, EL, CY [3 MS]

b) Lack of legal provisions on a supervisor and/or mentor for trainees

Type of traineeship	**No procedures for registering complaints & reporting malpractice**
OMT	DE, EL, IE, IT, LV, MT, AT, PL, SK [9 MS]
ALMP	BG, DE, AT [3 MS]
ECT	DE, EE, CZ, PL [4 MS]
MPT	BG, EL [2 MS]

- Policy option under Policy Area C - Improving equal access to traineeships

In the supporting study, public authority respondents from CY, LT, RO and SK and trade unions from BG, HR, and PL reported that there were no measures implemented in their countries to improve the accessibility of traineeships to vulnerable groups (e.g. persons with disabilities, from minorities or low economic background). At least these countries could thus be affected by the policy measures under Policy Area C. Regarding remote/hybrid traineeships, it appears that ten Member States (DE, EE, EL, CY, LV, NL, AT, PT, RO, NL) have no formal teleworking arrangements for any type of traineeship. The ones that have, most often, apply the arrangements to all types of traineeships. Therefore, at least the aforementioned 10 Member States may be affected by the options to increase accessibility to remote/hybrid traineeships.

Table 36: Legal analysis - existence of teleworking arrangements

Type of traineeship	**No existence of teleworking arrangement**
OMT	DE, EE, EL, IT, CY, LV, MT, NL, AT, PL, PT, RO [12 MS]
ALMP	DE, EE, EL, ES, CY, LV, NL, AT, PL, PT, RO, SK [12 MS]
ECT	CZ, DE, EE, EL, ES, CY, LV, NL, AT, PL, PT, RO, SK [13 MS]
MPT	BG, DE, EE, EL, ES, CY, LV, NL, AT, PT, RO [11 MS]

Source: Study exploring the context, challenges, and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047).
Note: NA indicate cases where such traineeship types are not known (FR for OMT, HU and SI for ALMP, HR for ECT). For ALMP, in SI there are no formal traineeship contracts and therefore this is treated as NA. For ECT, HR is marked as NA is these traineeships are conducted on a free market basis.

A13.2. Details on Comparison of options

- **Effectiveness**

Options under Area A: Addressing the problematic use of traineeships	**Baseline**	**A1.1**	**A1.2**	**A1.3**	**A2.1**	**A2.2**
Primary Specific objectives		*SO1: Facilitate and strengthen enforcement of applicable legislation and support trainees in accessing their rights*			*SO2: Facilitate prevention of problematic use of traineeships*	
Effectiveness	**0**	+	++	++/+++	+	+/++
Indicators for comparing policy options		➢ Number of trainees (workers or not) benefiting from inspections and enforcement to ensure their rights. ➢ Reduction in the number of paid trainees doing traineeships of a total duration of more than 6 months, including consecutive/repeated traineeships with the same employer as well as those who also had a poor learning content. ➢ Number of trainees doing traineeships with a duration longer than 6 months as well as those doing long (> 6 months) consecutive/repeated traineeships with the same or different employers				
Options under Area B: Addressing the poor quality of traineeships	**Baseline**	**B1.1**	**B1.2**	**B1.3**	**B2.1**	**B2.2**
Primary Specific objectives		*SO3. Support fair working conditions for traineeships, including remuneration and access to social protection*			*SO4: Improve the learning component of traineeships*	
Effectiveness	**0**	+	+++	+++	+	+/++
Indicators for comparing policy options		➢ Number of trainees to benefit from fair/proportionate remuneration and access to social protection. ➢ Transparency on working conditions, tasks and learning content (trainees benefiting from written agreement and mentorships)				
Option under Area C: measures improving access to traineeships	**Baseline**	**C.1**				
Primary Specific objectives		*SO5. Foster inclusiveness and improve access to traineeship opportunities*				
Effectiveness	**0**	**++**				
Indicators for comparing policy options		➢ Number of trainees (in particular vulnerable groups) benefiting from increased accessibility to all traineeships, including cross-border and remote/hybrid traineeships				
Option under Area D: Extending the scope to all traineeships	**Baseline**	**D1**				
Specific objectives		*All*				
Effectiveness	0	++				
Indicators for comparing policy options		➢ Number of trainees benefiting from fair/proportionate remuneration, access to social protection, transparency on working conditions, tasks and learning content, inclusiveness of and access to traineeships				
All		➢ Expected level of implementation by Member States				

- **Efficiency**

Options under Area A: Addressing the problematic use of traineeships	**Baseline**	**A1.1**	**A1.2**	**A1.3**	**A2.1**	**A2.2**
Primary Specific objectives		*SO1: Facilitate and strengthen enforcement of applicable legislation and support trainees in accessing their rights*			*SO2: Facilitate prevention of problematic use of traineeships*	
Efficiency	**0**	0	+	+/++	0	0
Indicators for comparing policy options		➢ Fulfilment of objectives in view of the following costs ➢ Compliance costs on employers/traineeship providers ➢ Enforcement costs on public authorities ➢ Adjustment costs for employers/traineeship providers for more frequent recruitment ➢ Revenue to public sector (fines)				
Options under Area B: Addressing the poor quality of traineeships	**Baseline**	**B1.1**	**B1.2**	**B1.3**	**B2.1**	**B2.2**
Primary Specific objectives		*SO3. Support fair working conditions for traineeships, including remuneration and access to social protection*			*SO4: Improve the learning component of traineeships*	
Efficiency	**0**	0	0	0	0	0
Indicators for comparing policy options		➢ Fulfilment of objectives in view of the following costs ➢ Costs related to fair / proportionate remuneration and access to social protection ➢ Cost to provide written agreement and on mentorship ➢ Enforcement costs on public authorities				
Option under Area C: measures improving access to traineeships	**Baseline**	**C.1**				
Primary Specific objectives		*SO5. Foster inclusiveness and improve access to traineeship opportunities*				
Efficiency	**0**	0				
Indicators for comparing policy options		➢ Fulfilment of objectives in view of the following costs ➢ Compliance costs for traineeship providers and public authorities				
Option under Area D: Extending the scope of recommendations to all traineeships	**Baseline**	**D.1**				
Specific objectives		*All*				
Efficiency	**0**	0/+				
Indicators for comparing policy options		Fulfilment of objectives in view of the following costs ➢ Compliance costs for traineeship providers and public authorities				
All		➢ One-off adjustment costs for business for familiarisation with all new provisions ➢ One-off enforcement costs for public authorities for integration of new provisions into national law				

- **Coherence**

Options under Area A: Addressing the problematic use of traineeships	**Baseline**	**A1.1**	**A1.2**	**A1.3**	**A2.1**	**A2.2**
Primary Specific objectives		*SO1: Facilitate and strengthen enforcement of applicable legislation and support trainees in accessing their rights*			*SO2: Facilitate prevention of problematic use of traineeships*	
Coherence	0	++	++	++	++	++
Options under Area B: Addressing the poor quality of traineeships	**Baseline**	**B1.1**	**B1.2**	**B1.3**	**B2.1**	**B2.2**
Coherence	**0**	++	++	++	++	++
Options under Area C: Measures improving access to traineeships	**Baseline**	**C1**				
Primary Specific objectives		*SO3. Support fair working conditions for traineeships, including remuneration and access to social protection*			*SO4: Improve the learning component of traineeships*	
Primary Specific objectives		*SO5. Foster inclusiveness and improve access to traineeship opportunities*				
Coherence	**0**	**+**				
Options under Area D: Extending the scope of recommendations to all traineeships	**Baseline**	**D1**				
Specific objectives		*All*				
Coherence	**0**	**+**				
Indicators for comparing policy options		➢ Treaty Objective ➢ Principles of EPSR ➢ Fundamental Rights of the European Union ➢ EU labour acquis ➢ Strategy for rights of persons with disabilities 2021 – 2030 (area C) ➢ Erasmus+ (areas C and D)				

- **Proportionality**

Options under policy Area A: Addressing the problematic use of traineeships	**Baseline**	**A1.1**	**A1.2**	**A1.3**	**A2.1**	**A2.2**
Primary Specific objectives		*SO1: Facilitate and strengthen the enforcement of applicable legislation and support trainees in accessing their labour rights*			*SO2: Prevent the problematic use of traineeships*	
Proportionality	0	0/+	+	+/++	+/++	0/+
Options under Area B: Addressing the poor quality of traineeships	**Baseline**	**B1.1**	**B1.2**	**B1.3**	**B2.1**	**B2.2**
Primary Specific objectives		*SO3. Support fair working conditions for traineeships, including remuneration and access to social protection*			*SO4: Improve the learning component of traineeships*	
Proportionality	**0**	0/+	++	0/+	+	0
Options under Area C: Measures improving access to traineeships	**Baseline**	**C1**				
Primary Specific objectives		*SO5. Foster inclusiveness and improve access to traineeship opportunities*				
Proportionality	**0**	**+**				
Options under Area D: Extending the scope of recommendations to all traineeships	**Baseline**	**D1**				
Specific objectives		*All*				
Proportionality	**0**	**+**				
Indicators for comparing policy options	➢ Uncertainty of the scale of the problem ➢ Expected benefits and costs ➢ Choice of instrument ➢ Scope for national consideration ➢ Broader subsidiarity considerations					

A13.3. Overview of impacts of all policy options

Estimation of benefits

1) Evidence underpinning the assessment of impacts on number of trainees under Area A (rough proxies, full implementation) [162]

Table 37: Summary of data on traineeships, 2019 data

Option	Traineeship Type	Paid OMT	Paid ALMP	Paid ECT	Total paid	Unpaid OMT	Unpaid ALMP	Unpaid ECT	Total unpaid	Overall total
A1.1	**1) Number of trainees that could benefit from controls and inspections**				1.6 million				1.5 million	**3.1 million**
A1.2 and A1.3	**2) Number of trainees doing traineeships of a total duration of more than 6 months, including consecutive/repeated traineeships with the same employer (4+5)**	94,896	148,950	125,665	369,511	**NA**				
	3) Number of trainees doing traineeships of a total duration of more than 6 months, including consecutive/repeated traineeships with the same employer and had a poor learning content	28274	46761	27936	102.971	**NA**				
A2.1 and A2.2	**4) Number of trainees doing traineeships more than 6 months**	67,088	91,832	71,875	230,800	16,949	7,616	100,076	124,641	**355,436**
	5) Number of trainees doing consecutive/repeated traineeships with the same employers of duration more than 6 months	27,808	57,118	53,790	138,716	3,209	4,915	60,947	69,071	**207,787**
	6) Number of trainees who did consecutive/repeated traineeships with different employers at some point in their life	146,877	177,716	166,618	491,211	64,103	34,998	531,285	630,386	**1,1 million**
	7) Number of trainees doing traineeships of a total duration of more than 6 months, including consecutive/repeated traineeships with the same employer and had a poor learning content	28274	46761	27936	102971	10425	6409	38381	55,215	**158,186**

[162] Full implementation comprises full delivery on both the legislative options for trainees considered workers (proxied by paid trainees and on the non-legislative option for non-workers (for details, see section 6.1 of the IA report).

2) Potential number of trainees to benefit from policy options under Area B

2.1. Paid trainees who potential could be considered as not being fairly /proportionately remunerated (Options B1.2 and B1.3)

The table below provides different proxies on the number of paid trainees not fairly /proportionately remunerated. The shares are estimates on the basis of the total number of paid trainees: 1.6 million (see Annex A7.1 on the prevalence of paid trainees and Annex A4.4 for methodology).

Different options to obtain a proxy for the number of paid trainees not fairly /proportionately remunerated	Corresponding number of trainees
22% of paid trainees stated that their compensation was not at all sufficient to cover basic living expenditures	353,000
38% - average of 22% (above) and 54% (below)	610,000
54% of paid trainees stated that they received below the minimum wages	870,000
62% of paid trainees stated that their compensation was not sufficient to cover basic living expenditures	1 million

2.2. Total number of all trainees (paid and unpaid) who could potential receive fair /proportionate remuneration (Option B1.1)

The table below provides different estimates on the number of trainees (paid and unpaid) not fairly /proportionately remunerated under 3 scenarios, based on the estimations under point 2.1 above (see Annex A7.3 on the prevalence of unpaid trainees).

Scenario 1: 22% of paid trainees would benefit and 485,200 - 1.5 million unpaid trainees (depending on implementation)

Implementation by Member States	Paid trainees (22% scenario)	Unpaid trainees	Total
33%	353,000	485,200	838,200
66%	353,000	970,400	1,323,400
100%	353,000	1,455,600	1,808,600

Scenario 2: 38% of paid trainees would benefit and 485,200 - 1.5 million unpaid trainees (depending on implementation)

Implementation by Member States	Paid trainees (38% scenario)	Unpaid trainees	Total
33%	610,000	485,200	1,095,200
66%	610,000	970,400	1,580,400
100%	610,000	1,455,600	2,065,600

Scenario 3: 54% of paid trainees would benefit and 485,200 - 1.5 million unpaid trainees (depending on implementation)

Implementation by Member States	Paid trainees (54% scenario)	Unpaid trainees	Total
33%	870,000	485,200	1,355,200
66%	870,000	970,400	1,840,400
100%	870,000	1,455,600	2,325,600

2.3. Share of trainees who could benefit for access to social protection – Area B1

Implementation by Member States	Paid Trainees	Unpaid trainees	Total
Conservative (33%)	99,928	252,192	352,119
Optimistic (66%)	199,855	512,383	712,239
Full (100%)	299,783	768,575	1,068,358

Note: Shares based on the number of trainees without access to social protection (Annex A9.2)

2.4. Number of trainees who could benefit from the measure on the written agreement (Area B2) (see Annex A4.4.2 for methodology)

	B2.1	B2.2		
Implementation by Member States	**All trainees**	**Paid trainees**	**Unpaid trainees**	**Total**
33%	202,896	264,780	114,636	379,416
66%	405,792	264,780	229,272	494,052
100%	608,688	264,780	343,908	608,688

Estimation of costs per policy options

- **Enforcement costs (EUR) – Options A1.1, A1.2 and A1.3**

Regarding enforcement costs the conservative scenario assumes that only training costs are introduced compared to the baseline, the middle scenario considers trainings costs and the costs of recruiting half of the required labour inspectors, the optimistic costs scenario considers the costs of training and hiring all the labour inspectors required to fill existing gaps (see Annex 4.6 for methodology).

	A1.1			**A1.2 & A1.3**		
Enforcement Scenarios/ Implementation by Member States	**Conservative (only training)**	**Middle (close half gap)**	**Optimistic (close full gap)**	**Conservative (only training)**	**Middle (close half gap)**	**Optimistic (close full gap)**
Conservative (33%)	8,910	260,700	363,000	27,000	790,000	1.2 million
Optimistic (66%)	17,820	521,400	726,000			
Full (100%)	27,000	790,000	1.2 million			

- **Cost from measure on ensuring transparency of vacancies cost (EUR) – Options in Area A1** (see Annex A7.1 for methodology)

Implementation by Member States	**A1.1**	**A1.2 & A1.3**
Conservative (33%)	15 million	46 million
Optimistic (66%)	30 million	
Full (100%)	46 million	

- **Recruitment costs (EUR) Options in Area A2** (see Annex A7.2 for methodology)

Implementation by Member States	**A2.1**	**A2.2**
Conservative (33%)	22 million	68 million
Optimistic (66%)	45 million	
Full (100%)	68 million	

- **Labour costs – Options under area B1**

To estimate the labour costs, 3 different scenarios were considered: 22% of paid trainees would benefit; 38% of paid trainees would benefit and 54% would benefit (see point 2.1 in section A13.3.1). Annex 4.8 provide additional information on the methodology.

Also, two scenarios were considered for the benchmark wage: 1) minimum wage and 60% of the wage of comparable workers. In both scenarios it is assumed that all ALMP trainees and paid ECT trainees would receive the minimum wage. Regarding unpaid ECT trainees two cases are considered: 1) around 1/5 of unpaid ECT would receive minimum wage and 2) all unpaid ECT trainees will receive 60% of the minimum wage.

Case 1: around 1/5 of unpaid ECT to get the MW

	Scenario 1: 22% of paid trainees to benefit		Scenario 2: 38% of paid trainees to benefit		Scenario 3: 54% of paid trainees to benefit	
Implementation	**Minimum Wage benchmark**	**Costs under the 60% wage benchmark**	**Minimum Wage benchmark**	**Costs under the 60% wage benchmark**	**Minimum Wage benchmark**	**Costs under the 60% wage benchmark**
B1.1						
Full (100%)	**2,234,927,758**	**2,193,799,265**	**2,264,866,193**	**2,252,714,059**	**2,294,804,626**	**2,311,628,861**
Conservative (33%)	744,975,919	731,266,422	754,955,398	750,904,686	764,934,875	770,542,954
Optimistic (66%)	1,489,951,839	1,462,532,843	1,509,910,795	1,501,809,373	1,529,869,751	1,541,085,907
B1.2 & B1.3						
Paid trainees	**41,165,345**	**81,007,850**	**71,103,780**	**139,922,644**	**101,042,213**	**198,837,446**
Unpaid trainees	**2,193,762,413**	**2,112,791,415**	**2,193,762,413**	**2,112,791,415**	**2,193,762,413**	**2,112,791,415**
Unpaid conservative (33%)	731254137.7	704263805	731254137.7	704263805	731254137.7	704263805
Unpaid optimistic (66%)	1,462,508,275	1,408,527,610	1,462,508,275	1,408,527,610	1,462,508,275	1,408,527,610
Total trainees	**2,234,927,758**	**2,193,799,265**	**2,264,866,193**	**2,252,714,059**	**2,294,804,626**	**2,311,628,861**
Conservative (33%)	772,419,483	785,271,655	802,357,918	844,186,449	832,296,351	903,101,251
Optimistic (66%)	1,503,673,620	1,489,535,460	1,533,612,055	1,548,450,254	1,563,550,488	1,607,365,056

Case 2: All unpaid ECT to get the MW

	Scenario 1: 22% of paid trainees to benefit		Scenario 2: 38% of paid trainees to benefit		Scenario 3: 54% of paid trainees to benefit	
Implementation	**Minimum Wage benchmark**	**Costs under the 60% wage benchmark**	**Minimum Wage benchmark**	**Costs under the 60% wage benchmark**	**Minimum Wage benchmark**	**Costs under the 60% wage benchmark**
B1.1						
Full (100%)	**1,588,921,255**	**1,835,532,966**	**1,618,859,690**	**1,894,447,760**	**1,648,798,123**	**1,953,362,562**
Conservative (33%)	529,640,418	611,844,322	539,619,897	631,482,587	549,599,374	651,120,854
Optimistic (66%)	1,059,280,837	1,223,688,644	1,079,239,793	1,262,965,173	1,099,198,749	1,302,241,708
B1.2 & B1.3						
Paid trainees	**41,165,345**	**81,007,850**	**71,103,780**	**139,922,644**	**101,042,213**	**198,837,446**
Unpaid trainees	**1,547,755,910**	**1,754,525,116**	**1,547,755,910**	**1,754,525,116**	**1,547,755,910**	**1,754,525,116**
Unpaid conservative (33%)	515,918,637	584,841,705	515,918,637	584,841,705	515,918,637	584,841,705
Unpaid optimistic (66%)	1,031,837,273	1,169,683,411	1,031,837,273	1,169,683,411	1,031,837,273	1,169,683,411
Total trainees	**1,588,921,255**	**1,835,532,966**	**1,618,859,690**	**1,894,447,760**	**1,648,798,123**	**1,953,362,562**
Conservative (33%)	557,083,982	665,849,555	587,022,417	724,764,349	616,960,850	783,679,151
Optimistic (66%)	1,073,002,618	1,250,691,261	1,102,941,053	1,309,606,055	1,132,879,486	1,368,520,857

- **Access to social protection – Options under Area B1** (Annex A4.8 for methodology)

Implementation by Member States	All options under Area B1 (B1.1, B1.2, B1.3)
Conservative (33%)	2.8 billion
Optimistic (66%)	5.4 billion
Full (100%)	8.4 billion

- **Written agreement costs – Options under Area B2 (EUR)** (see Annex A4.9)

	B2.1	B2.2		
Type of trainees/ Implementation by Member States	**All trainees**	**Paid trainees**	**Unpaid trainees**	**All trainees**
Conservative (33%)	27 million	30 million	17 million	47 million
Optimistic (66%)	53 million	30 million	33 million	63 million
Full (100%)	80 million	30 million	50 million	80 million

Summary table

	BENEFITS							
Options	**Indicator**	**Legislative**	**Non-legislative**	**Total**	**Indicator**	**Legislative**	**Non-legislative**	**Total**
A1.1	**1) Number of trainees that could benefit from controls and inspections**	up to 1.02 - 3.1 mill (depending on implementation)						
A1.2	**2) Number of paid trainees doing long traineeships incl.. consecutive/repeated traineeships with the same employer (4) + (5)**	up 370,000 but more under A1.3	NA	NA	**3) Number of trainees doing long traineeships with a poor learning content (sub-set of indicator 2)**	up 100,000 but more under A1.3	NA	NA
A1.3								
A2.1	**4) Number of trainees doing traineeships more than 6 months**	up to 117,000 - 355,400 (depending on implementation)			**5) Number of trainees doing long consecutive/repeated traineeships with the same employers**	up to 68,000 - 207,800 (depending on implementation)		
A2.2		up to 230,800	up to 42,000 - 124,600 (depending on implementation)	up to 272,800 - 355,436 (depending on implementation)		up to 138,700	up to 23,000 - 69,000 (depending on implementation)	up to 161,700 - 207,787 (depending on implementation)
B1.1	**6) Number of trainees benefiting from fair/proportionate remuneration**	remuneration: up to 840,000-1.8million trainees (depending on implementation)			**7) Number of trainees benefiting from access to social protection**	social protection: 352,000 - 1,07million trainees (depending on implementation)		
B1.2		up to 353,000 to 870,000 paid trainees (depending on scenario)	up to 500,000-1.5 million unpaid trainees (depending on implementation)					
B1.3								
B2.1	**8) Number of trainees having access to a mentor**	up to 212,000-637,000 trainees (depending on implementation)			**9) Number of trainees to potentially benefit from a written agreement**	up to 203,000 – 609,000 trainees (depending on implementation)		
B2.2						up to 265,000 trainees	115,000 – 343,000 unpaid trainees could benefit (depending on implementation.	380,000 – 609,000 unpaid trainees could benefit (depending on implementation.

	COSTS			
Options	**Indicator**	**Legislative**	**Non-legislative**	**Total**
A1.1	**Enforcement cost**	EUR 9,000 – 27,000 (depending on implementation and if only training) to around 363,000 - 1.2 million (depending on implementation and optimal number of inspectors hired)		
A1.2		EUR 27,000 (training) -1.1 million (hire optimal number of inspectors hired)	NA	NA
A1.3				
A2.1	**Recruitment costs**	up to EUR 22-68 million (depending on implementation)		
A2.2		up to EUR 68 million	NA	up to EUR 68 million
B1.1	**Labour costs**	Remuneration (paid and unpaid): EUR 745 million – 2.23 billion (MW benchmark); EUR 732 million – 2.19 billion (60% benchmark) - both depending on implementation		
B1.2		Remuneration paid trainees: EUR 41 million (MW benchmark); 81 million (60% benchmark) (22% scenario)	Remuneration unpaid trainees: EUR 731,2 million - 2.19 billion (MW benchmark) and EUR 704.2 million - 2.11 billion (60% benchmark, depending on implementation)	
B1.3		Social protection: EUR 2.8 – 8.4 billion (depending on implementation)		
B2.1	**Costs for written agreement**	up to EUR 27-80 million (depending on implementation)		
B2.2		up to EUR 30 million	up to 17-50 million (depending on implementation)	EUR 47 - 80 million (depending on implementation)

The impacts in Policy areas A, B and C already take into account the extended scope explained in Policy area D.

- **Summary of impacts under all policy options**

Table 38: Summary of impacts under all options

Impact	Baseline	All measures
Economic impacts		
Familirisation costs for traineeship providers	none	Transversal small adjustment costs (between EUR 53 for SMEs and EUR 39 for larger companies)
Enforcement costs for public authorities	none	Integration of provisions into the national regulatory scheme
Fundamental rights		
Benefits	none	Policy options under policy areas A, B, and D are expected to contribute to ensuring the right to workers' equality before the law (Article 20), the right to fair working conditions (Article 31), access to adequate social protection (Article 34) and healthcare (Article 35). These measures could also contribute to reducing the gender pay gap among trainees. Policy options under policy area C and D are expected to contribute to ensuring the right to equal opportunities and treatment of under-represented groups and non-discrimination (Article 21). The policy option to facilitate cross-border traineeships also promote the freedom of movement within the EU (Article 45), while the policy option on hybrid/remote traineeships is expected to facilitate the right to family life (Article 7).

- **Summary of impacts under Policy Area A**

Table 39: Summary of impacts under Policy Area A1

Impact	Baseline	A1.1:Non-legislative	A1.2	A1.3
Social impacts				
Trainees				
Number of trainees (workers or not) who will enjoy the right they are entitled to under EU or national law	No or minimal improvements expected. 3.1 million trainees	Increased number of trainees (workers or not) who will enjoy the right they are entitled to under EU or national law, resulting from more controls and inspections which could contribute to reduced levels of exploitation of trainees. All trainees could potentially benefit. Estimate: up to 1.02 - 3.1 mill (depending on implementation: 33%-100%), though data on the number of trainees being deprived their rights does not exist.		
Number of people at risk of being in a work relationship disguised as traineeship and in a non-compliant traineeship	370,000 paid trainees (rough proxy) did traineeships of a total duration of more than 6 months, out of which around 100,000 (rough proxy) did a long-duration traineeships with a poor learning content.	Transparent information in vacancies would (depending on Member States' implementation) help trainees understand their rights, the working conditions and the learning and training component of the traineeship, helping them make an informed decision. Empowerment of trainees in addressing (risks of) mistreatment	Same as A1.1 but for trainees who are workers the legislative measures in these options would also lead to a reduction of the number of work relationships disguised as traineeships and non-complaint traineeships due to more effective controls and inspections to detect these unlawful arrangements and take enforcement action, supported by a list of elements defined at EU level and support measures to trainees in enforcing their rights. Benefits for the majority of Member States. Transparent information in vacancies would result in legal certainty for trainees considered as workers and regulatory clarity for traineeship providers which can also bring benefits in terms of better enforcement and compliance. Up to 370,000 paid trainees (rough proxy) could benefit who did long traineeships out of which around 100,000 (rough proxy) who did a long-duration traineeships with a poor learning content.	
			A modest decrease in the number of work relationships disguised as traineeships and non-compliant traineeships is expected and the	Same as A1.2 but a higher and more uniform decrease in the number of people at risk across the Member States due to the concrete and harmonised EU-level recommendations for carrying out controls and

		and/or unlawful practices. Decrease in the number of non-compliant traineeships due to increased number of complaints submitted and representations for trainees to claim their rights.	magnitude will vary across the Member States, as different and possibly less comprehensive list of elements will be designed.	inspections and the common understanding of work relationships disguised as traineeships.
Economic impacts				
Traineeship providers				
Level playing field/ Fair market competition	No or minimal improvements expected. Compliant trainee providers/employers would be less competitive, in part due to higher cost of employing workers and/or providing good quality traineeships.	Decrease the number of non-compliant traineeships. Possible improvement in fair market competition through increased complaints from trainees and the alignment of the labour costs to the level of compliant traineeships.	Same as A1.1 but stronger improvement in fair market competition, due to the legislative measure, through the alignment of the labour costs to the level of compliant and genuine traineeships and increased complaints.	Similar impact as in A1.2 but higher improvement because this option is expected to benefit a larger number of trainees.
Productivity and competitiveness	Inexperienced trainees will continue to be a sub-optimal solution to fill regular job positions.	Enhancement of employer's reputation and capacity to attract traineeship candidates as traineeships offered comply with the applicable EU and national law	Same as A1.1 but stronger improvement due to the legislative measure: 1) Employers who hire regular employees instead of trainees and those who offer quality traineeships, in particular with an adequate training component, will enjoy the benefits of more qualified and competent workforce and potentially a better matching of trainees' skills to the needs of their company. 2) More employees will be satisfied and will be more productive. 3) More well-informed and motivated candidate trainees applying for a traineeship opportunity with the same expectations as the traineeship provider due to increased	Similar impact as in A1.2 but higher improvement because this option is expected to benefit a larger number of trainees.

			transparency of vacancies.	
Labour costs and costs for potential administrative or judicial procedures and penalties	No or minimal changes. The overall share of costs for trainees in total costs for companies would remain small.	Costs cannot be quantified (no figures on the number of non-compliant traineeships nor on the magnitude of the gap that would need to be bridged in order to make those traineeships compliant to the applicable EU and national laws. In addition, such costs would depend on the extent of implementation by Member States.)	Increase costs for companies where work relationships disguised as traineeships or non-compliant traineeships are identified during implementation or controls and inspections. Given that on average the share of trainees in a company is low, the possible increase in costs would still constitute a small share of the overall costs in of a company. These costs could be relatively larger for SMEs since they could face larger capacity constraints.	Same as A1.2 but costs would be higher as they will relate to a higher number of trainees.
Cost for inspections and information provision			Some small **costs** could arise from the inclusion of traineeships in existing controls and inspections. **Administrative costs** arising from the need to provide competent authorities data and information regarding trainees and their contracts. Data to be provided upon request	Same as A1.2
Costs related to litigation	No or minimal	Costs cannot be quantified would depend on the extent of implementation by Member States.)	Possible increase in litigation costs from more trainees claiming their rights/	Same as A1.2
Costs to adjusting vacancies	No cost	Estimated cost of EUR 15-46 million depending on implementation	Estimated cost of EUR 46 million	
Public Authorities				
Public budget	No improvement in the level of effectiveness detecting and combatting work relationships disguised as traineeships and non-complaint traineeships.	More effective in monitoring and enforcement as regards non-compliant traineeships.	Same as A1.1 and more effective for trainees considered workers in detecting and combatting work relationships disguised as traineeships and non-complaint traineeships.	Same as A1.2 but higher benefit due to more effective inspections.
	Foregone revenues due to inaccurate classification of individuals.	Possible higher increase in public revenues, as the number of detected non-compliant	Moderate increase in public revenues generated by fines, higher taxes and social security contributions. The magnitude would	Higher increase in public revenues, as the number of detected work relationships disguised as traineeships / non-compliant traineeships is expected to be higher due

		traineeships could be higher due to more effective inspections. Not quantifiable.	depend on the number of individuals reclassified.	to more effective inspections.
	Costs of business as usual inspections	Possible small costs to adjust controls and inspections systems to more effectively monitor and enforce. Estimate: EUR 9,000 – 27,000 (only training and depending on implementation to around 363,000 - 1.2 million (if optimal number of inspectors hired and depending on implementation)	Small costs to adjust their controls and inspections systems to also cover traineeships and to maintain the capacity of their competent authorities. The increase will be higher in Member States where traineeships are not covered by the labour market inspection systems and in those with inadequate capacity. Estimate: 27,000 EUR (if only training will be provided) to around 1.2 million in the case Member States decide to hire and train additional staff in line with the ILO recommendations on the optimal number of inspectorates per/10 000 employees	
	Business as usual revenue	Possible small decrease in public revenues due to a decrease in the total number of (contributory) positions	Small decrease in public revenues due to a decrease in the total number of (contributory) positions	Same as A1.2 but costs would be higher as they will relate to a higher number of trainees
	Costs of business as usual of channels to report malpractice	Costs might arise from the **requirement to set up / designate channels to report malpractice** and from increased inspections due to more complaints. But as such channels already exist in most Member States for employees and some categories of trainees this provision would mostly entail costs connected to awareness campaigns to inform trainees about the existence of such mechanisms.		

Impact	**Baseline**	**A2.1 Non-legislative**	**A2.2**
Social impacts			
Trainees			
Prevention of long and repeated/ consecutive traineeships with the same employer	Principle on duration exists but not for repeated/consecutive traineeships. Therefore, minimal improvements expected. 355,400 trainees did a traineeship of long duration (230,800 paid and 124, 600 unpaid trainees, 2019 data) and 207,800 trainees (138,700 paid and 69,000 unpaid) did repeated/consecutive traineeships	Recommendations could help break the vicious cycle of trainees being trapped in long and repeated/consecutive traineeships with the same employer with modest impact. Estimate: up to up to 117,000 - 355,400 trainees doing long duration traineeships could benefit (depending on implementation – 33%-100%) trainees could benefit. Up to 68,000-207,800 trainees doing repeated/consecutive traineeships could benefit (depending on implementation)	Same as A2.1 but higher improvement because this option is binding for trainees considered as workers. Up to 230,800 paid trainees and 42,000 -124,600 unpaid trainees doing long traineeships could benefit (latter depending on implementation 33%-100%) Up to 138,700 paid trainees and 23,000 - 69,000 unpaid trainees doing repeated/consecutive traineeships could benefit (the latter depending on implementation)

Prevention of long and repeated/ consecutive traineeships with different employers	No improvement	Both options would also contribute to reducing the number of trainees doing repeated/consecutive traineeships with different employers by recommending to Member States to prevent employers from asking previous working experience from candidate-trainees. However, this potential may not be fully achieved: while trainee providers may be prevented to request previous experience in the vacancy notice, they could still hire someone with previous experience.	
Economic impacts			
Traineeship providers			
Level playing field/ Fair market competition. Productivity and competitiveness	No or minimal improvements expected.	Contribute to traineeship providers offering genuine traineeships (with no intention of replacing entry-level work), thereby attracting and employing motivated trainees (in search of genuine traineeships). The recommendations could also contribute to clarity on the expectations of both parties, including on duration and level of performance (with no previous work experience required).	Same as A2.1 but higher improvement because this option is binding for trainees considered as workers
Costs to adjust to new provision	No or minimal	Small adjustment costs from revising traineeship contracts in line with the maximum duration limits. Furthermore, costs related to more frequent recruitment and onboarding processes. Estimate: EUR 22 - 68 million depending on implementation (33% - 100%) For companies requiring previous work experience, both policy options could result in modest additional costs for training inexperienced trainees.	Same as A1.2 but cost estimated at EUR 68 million as the measure is binding for all trainees.

- ## Summary of impacts under Policy Area B

Table 40: Summary of impacts of options under Policy Area B1

Impact	Baseline	B1.1	B1.2	B1.3
Social impacts				
Trainees				
Working conditions of all trainees		More trainees would benefit from good working conditions		
Income of paid and unpaid trainees	No improvements expected. 353,000 paid trainees stated that their remuneration is not sufficient at all to cover basic expenses. 870,000 paid trainees stated that they earn below the minimum wage. 1.5 million unpaid trainees could benefit.	Potentially benefitting up to 840,000-1.8million trainees (paid and unpaid), depending on implementation (33%-100%)	The requirements to prevent unjustifiable differential treatment as regards working conditions is expected to benefit trainees considered workers. The Recommendation for fair/proportionate remuneration is expected to provide a guidance on how unjustifiable differential treatment can be prevented in the area of pay. It	Similar to B1.2 but the direct right to fair/proportionate remuneration is expected to have a strong impact on increasing trainees' remuneration for trainees considered workers. Policy option could potentially result in a reduction in the total number of traineeship opportunities, including paid traineeship opportunities, because of higher costs for traineeship providers. It is difficult to meaningfully quantify these impacts, but evidence suggest that the impact will be small. The obligation of fair/proportionate remuneration would only apply to trainees considered as workers under EU law , the measure may be an incentive for traineeship providers to offer less paid traineeships. Such behaviour would however be deterred by the recommendations on remuneration and access to social protection for all trainees.

			also recommends that unpaid trainees are fairly/proportionately remunerated. Up to 352,000 to 870,000 paid trainees could benefit (depending on scenario) Also, up to 500,000-1.5 million unpaid trainees could benefit from access to remuneration (depending on implementation, 33%-100%).	
Number of trainees without social protection	No impact 768,600 unpaid trainees and 300,000 paid trainees do not have access to full social protection (2019 data) – total 1.,07 million	Reduction in the number of trainees without/with partial social protection to some extent. Estimate: 352,000 - 1,07 million trainees depending on depend on MS implementation (33%-100%).		
Economic impacts				
Traineeship providers				
Productivity and competitiveness Trainees' retention rate	Trainees doing bad quality traineeship will continue to be non-productive and non-motivated. Same retention rate	Increased productivity of more motivated trainees through fair/proportionate remuneration. Through improved reputation and the coverage of social protection, increased potential to attract more motivated and productive trainees as well as draw from a wider pool of candidates. Improved labour market matching and increased retention rate.	Same as B1.1 but higher improvement because this option is binding for trainees considered as workers .	Same as B1.2
Compliance costs Labour costs	Business as usual costs	Fair/proportionate remuneration recommendations: total costs (paid and unpaid) ranging from low estimate: EUR 745 million – 2.23 billion (MW benchmark);	Some costs to adjust existing contracts. Remuneration of paid trainees EUR 41 million (MW benchmark); 81 million (60% benchmark) (22% scenario) Remuneration of unpaid trainees:	Similar to B1.2 regarding remuneration. No costs arise from other working conditions

		EUR 732 million – 2.19 billion (60% benchmark) - both depending on implementation (33%-100%)	EUR 731,2 million - 2.19 billion (MW benchmark) and EUR 704.2 million - 2.11 billion (60% benchmark, depending on implementation). However, given that the average the share of trainees in a company is low, the possible increase in costs would still constitute a small share of the overall costs in of a company. Additional costs arising from adjusting other working conditions.	
Compliance costs Social protection	Business as usual costs	Social protection: EUR 2.8 – 8.4 billion (depending on implementation, 33%-100%)		
Society as a whole				
Better working condition	Downward pressure from poor quality traineeships on working conditions in general.	Benefit for the entire workforce, in particular young people, thanks to a reduced downward pressure from poor quality traineeships on working conditions in general.		
Public Authorities				
Public budgets	Foregone revenue	Positive impact on the tax revenues and the level of social security contributions and reduce social expenditure. (Social security: up to EUR 2.8 billion in case of a partial implementation scenario (33% implementation by Member States), up to EUR 5.6 billion (66% implementation) and up to EUR 8.4 billion in case of full implementation) A decline in the number of low-quality traineeships could reduce enforcement costs in the longer term.		
	Business as usual revenue	Small decrease in public revenues due to a decrease in the total number of (contributory) positions.		

Table 41: Summary of impacts of options under Policy Area B2

Impact	**Baseline**	**B2.1**	**B2.2**
Social impacts			
Trainees			
Transparency of working conditions Awareness of trainees about their rights regarding working conditions, tasks and learning content	No / small impact. Already improved awareness due to TPWC Directive on working conditions however not on learning content and only for trainees considered as workers	The increased transparency on working conditions is likely to raise awareness among trainees about their rights and their (expected) tasks. This would result in legal certainty for trainees and regulatory clarity for employers/traineeship providers. Trainees benefit from 'contractual' certainty on what to expect from the traineeship in terms of the learning and training component, the tasks, the arrangements for mentorship, supervision and evaluation, remuneration, and social protection. This strengthens trainees' position, as the rights and obligations of the traineeship provider are clear. Estimate: 203,000 – 609,000 trainees could benefit from a getting	Same as B2.1 but higher improvement because this option is binding for trainees considered as workers . Same as B2.1 but impacts will be stronger for trainees considered as workers. Estimate: up to 265,000 paid trainees could benefit and 115,000 – 343,000 unpaid trainees could benefit (depending on implementation).

		a written traineeship agreement (depending on implementation)	
Trainees benefiting from strengthened mentorship.	No impact	The number of trainees that would benefit is estimated at 212,000-637,000 trainees (depending on implementation) (rough proxy) which corresponds to the 22% of respondents to the 2023 Eurobarometer who stated that they could not turn to a mentor during their traineeships.	
Economic impacts			
Traineeship providers			
Productivity and competitiveness and Recruitment costs	Business as usual costs	Improved labour market matching and higher retention rates which could decrease employers' search, matching and recruitment costs of regular workers. Assigning a mentor could benefit traineeship providers, as the guidance and coaching to trainees has a productivity-enhancing potential. These benefits can however not be quantified.	
Compliance costs for traineeship providers (for trainees considered as workers under EU law)	Costs in line with the TPWC Directive to provide transparent information on working conditions	Costs to provide written information to cover the additional requirements not covered by the TPWC. The additional costs are expected to be small, because only some elements are to be added to what is already requested by the TPWC. Estimate: up to EUR 27-80 million (depending on implementation) Extension of the written agreement to unpaid trainees, ECT and MPT, estimates range from EUR 44 for micro companies, to EUR 57 for SMEs, and are lowest for large companies at EUR 25 (average annual costs per written statement per employee Costs of assigning a mentor to a trainee could not be quantified (one estimate based on one BE company in labour hours: six hours per mentor per trainee(ship)	Same as B2.1 but cost estimated at EUR 30 million for paid trainees and up to 17-50 million for unpaid trainees (depending on implementation) as the measure is binding for all trainees. Plus, costs for combining and formalising all information in a written traineeship agreement.

- **Summary of impacts under Policy Area C**

The measures under policy area C are non-binding and give flexibility to Member States in terms of implementation and approach. Consequently, the impacts can only be described qualitatively. The proposed measures would have a particularly strong impact in Member States, which are reportedly lacking measures in these areas, as identified by the supporting study (see A13.1).

Table 42: Summary of impacts under Policy Area C

Impact	**Baseline**	**Access to quality traineeships**
Social impacts		
	Trainees	
Trainees (in particular vulnerable groups) benefiting from increased access to all traineeships, including cross-border and remote/hybrid traineeships	Low take-up of traineeships from vulnerable groups - in particular persons with disabilities, with low socio-economic and educational background - to continue in the absence of targeted outreach activities and adjustments of working conditions (e.g. persons with disabilities) The increase in remote/hybrid traineeship/forms of work triggered by the pandemic could improve access to traineeship. However, individuals from disadvantaged socio-economic background or persons with visual or hearing impairments, will not be able to benefit if traineeships are not properly adapted to their needs. No/limited improvements in the equal access to cross-border traineeships. The possibilities to benefit from the training opportunities offered by the twin transitions will not be available to the most vulnerable groups.	Better/targeted outreach, special attention to trainees from vulnerable group and traineeships better adjusted to the needs of trainees with disabilities, will contribute to a level playing field for all (candidate) trainees, regardless of their background, on the labour market and improve the access to quality traineeships for vulnerable groups. Improved accessibility to remote/hybrid trainees would facilitate the uptake of such traineeships for all (candidate) trainees, with an expected larger impact on vulnerable groups with limited financial resources. Quality remote/hybrid traineeships could help overcome barriers related to costs caused by physical distance. Increased access to quality and cross-border traineeships would ultimately contribute to the increased employability of trainees, including those from vulnerable groups.
	Society	
Inequalities and social cohesion	Transmission of educational disadvantage between generations to continue and inequalities to continue or even increase.	The potential to reduce inequalities and foster the integration of disadvantaged individuals into the labour market, thereby contributing to overall youth employment, social cohesion, and productivity whilst contributing to decreasing (the risk of) poverty.
Economic impacts		
	Traineeship providers	
The diversity of pool of candidate trainees and capacity to attract candidate	Less diverse pool of candidate trainees, negative impact on reputation from being low/poor inclusive company	Traineeship providers would benefit from a wider and more diverse pool of trainee candidates. An inclusive approach could have a positive impact on the organisation's reputation and its capacity to attract candidates.
Costs of facilitating inclusiveness of traineeships	No or negligible costs.	Some costs can be expected from campaigns/advertisements targeting those harder to reach. Also, the provision of equipment, infrastructure and ensuring an appropriate work organisation (including guidance and mentorship) to facilitate access to remote/hybrid traineeships may also bear costs. Tailoring traineeship programmes to specific needs, for example catering for certain training or accessibility

		needs of trainees with disabilities, could have an impact on the costs, although some of those costs are likely to be one-off. In general, all aforementioned costs could be proportionally larger for SMEs.
Public authorities		
Public budget	Foregone revenues as individuals from vulnerable groups do not take up traineeships and reduce their employability opportunities. Expenditures for activation measures for individuals from vulnerable groups and/or last resort safety nets	Decreased spending on social protection, as these measures would benefit in particular those who tend to be furthest away from the labour market. Expenditures to facilitate inclusiveness of traineeships by actions like national level awareness raising activities or guidance to traineeship providers on quality principles or on specific inclusion measures. Financial support (incentives) to traineeship providers to implement these measures would entail costs. The expenditures related to improved use of EURES to facilitate cross-border traineeships, adjustment costs could be involved for the European Labour Authority and competent national authorities.

- **Summary of impacts under Policy Area D**

Under the baseline, the quality principles of the QFT will continue to apply only to OMT and ALMP. This would include also new quality principles introduced by this initiative or to those that would be reinforced. The situation and impacts as identified in the baseline for policy areas A, B and C for different stakeholders would thus continue to apply for ECT and MPT.

The **extension of the scope to ECT and MPT** could increase both the relevance and coherence of the initiative for all **trainees**. It would support adequate working conditions and improve the learning component for all types of traineeships and strengthen support for trainees in case of malpractice or poor working conditions. The impact on ECT is expected to be greater as more quality issues were identified for this type.

In terms of costs, the extension of the scope of the non-binding measure to ECT and MPT could have a disincentivising impact on the offers of these types of traineeships, as conformity with the quality principles may entail additional costs for traineeship providers. However, the reduction of low quality traineeship offers could also be regarded as a positive impact.

For **traineeship provider**s benefits would include more clarity as the quality principles would apply to all types of traineeships. Costs at first instance would seem to possibly affect a large majority of ECT traineeship providers, as ECT represent 85% of all unpaid traineeships (2019 data). However, costs linked to remuneration cannot be quantified. Though the non-binding instrument would strongly recommend trainees to be fairly and proportionately remunerated, the EU has no competence to oblige this for unpaid trainees. For both ECT and MPT it can be stated that if the recommendations on remuneration were complied with as regards currently unpaid ECT and MPT, this would entail a cost in terms of recurrent labour costs. However, any other costs related to the non-binding instrument would be equally difficult to quantify, as the level of implementation cannot be estimated.

ANNEX 14. SMES TEST

(1) Identification of affected businesses	
SMEs are in the scope of the initiative, but are not specifically targeted by it.[163] The initiative targets all traineeship providers, a category which includes but is not limited to businesses. The evidence suggests that traineeships are concentrated in medium and large companies.. SMEs, in particular Medium Enterprises (i.e. with more than 49 employees) are going to be impacted directly and indirectly by the initiative, with both positive and negative expected impacts.	See sections 2.3 and 6; Annexes 2 and 4.
(2) Consultation of SME Stakeholders	
The consultation strategy envisaged adequate tools to reach out to the SME community. Notably, as part of the 2-stage Treaty-based consultation of **European Social Partners**, **SMEUnited** (representing national cross-sectoral Craft and SME federations, European SME branch organisations and associate members, speaking on behalf of 22.5 million SMEs in Europe) provided their views in both phases. Furthermore, a **SME Panel survey** was conducted between 12 October and 9 November 2023, with the support of Enterprise Europe Network (EEN). The questionnaire was translated in all EU official languages and received 170 responses, mostly from Spain (50 responses), Portugal (34), Italy (27) and Poland (21). Among the respondents, there were single person business (10), as well as SMEs with 1-9 employees (57), 10-49 employees (60), and 50-249 employees (43). A summary of the responses is provided in Annex 2. Inputs relevant for SME-specific considerations were included, including when assessing the impacts.	See section 6; Annexes 2 and 4.
(3) Measurement of the impact on SMEs	
Given the limitations in the available data and the scope of the initiative (see above), it was not always feasible to measure the specific impact of the relevant measures and policy options on SMEs. However, as mentioned above, specific activities to collect information on impacts for SMEs were executed. As outlined in section 6 (impacts) these resulted in assessments of the transversal adjustment costs for familiarisation with all new provisions; economic benefits for SMEs in terms of access to a larger/more diverse pool of trainees, increased productivity, better labour matching and increased retention; adjustment costs for SMEs in terms of compliance with new rules, possible administrative adjustments, and provision of equipment and other instruments for remote/hybrid traineeships. As outlined in more detail in Annexes 2 and 4, the SME Panel was used to gather data concerning administrative costs for SMEs (suggesting that such costs appear to provide some buffer for reasonable cost increases, should those actually materialize) and advantages for SMEs in having trainees (which appear to be significant). Although it is not exclusively a SME-specific impact, concerns were raised by employer organisations in the course of the EU-level social partners' consultation that the initiative might result in the unintended consequence of reducing incentives to offer traineeships, particularly by SMEs. This impact is recognized and discussed in Section 6, while also noting that, as it also emerged from the social partners' consultation, the mere reduction in the aggregate number	See sections 6; Annexes 2, 4, 13.

[163] Notably, the results of the 2023 Flash Eurobarometer FL523 on "*Integration of young people into the labour market with particular focus on traineeships*"[163] show that 78% of respondents (n = 18.361) did their last traineeship in an organisation with up to 250 employees (20% 1-9 employees, 34% 10-49, 24% 50-250). However, it should be noted that the survey question referred to "host company or organisation", hence the responses included traineeship providers which are not businesses.

of traineeships cannot be considered as a negative impact "per se", if such reduction would primarily concern low-quality traineeships or work relationships disguised as traineeships. As discussed in section 6, the impacts of the initiative should also be seen in light of the need to create a level-playing field and foster fair competition among SMEs, and to address some of the drivers behind labour shortages in the EU, as presented in section 5.2.	
(4) Assessment of alternative options and mitigating measures	
The options (section 6) have duly considered both negative and positive impacts for SMEs. The need to avoid too prescriptive approaches, raised by employer organisations during the EU-level social partners' consultation, was duly considered. Indeed, the preferred option includes a binding instrument, but in the form of a Directive, leaving appropriate margins at the national level to meet the needs of SMEs. Furthermore, the social partners' consultation also highlighted the desire of businesses (including SMEs) to strengthened cooperation amongst relevant stakeholders, practical guidance, exchange of best practices, and awareness-raising of the benefits that traineeships can bring. Indeed, three accompanying measures under the preferred policy option (i.e. effective involvement of social partners and other relevant stakeholders the implementation and monitoring of the rights and obligation arising from this initiative; strengthening awareness raising, and the exchange of best practices; financial and/or practical guidance to support employers and in particular SMEs, to provide high quality traineeships) are designed to meet this need.	See sections 6, 7 and 8; Annexes 2 and 4.

ANNEX 15. ADDITIONAL INFORMATION ON MONITORING AND EVALUATION

A15.1. Proposal of indications to monitor the progress towards achieving the objectives of the initiative

The initiative could be evaluated some years after it enters into force (e.g., in 5 or 7 years) in line with the Better Regulation Guidelines. This would take into account a two-year period of transposition by Member States, allowing enough time to evaluate effects on traineeships and traineeships providers, which may need time to adapt to the new rules, but also to gather data in line with the new requirements. To avoid additional administrative burden due to the collection of data/ information for the purpose of monitoring, the system should rely on established data sources to the extent possible. This could rely on surveys such as the EU-LFS, the Eurobarometer, the Working Conditions Survey or the European Company Survey can be exploited to collect data on the proposed indicators. Other input from agencies such as Eurofound or CEDEFOP could also be considered.

Table 43: Indications to monitor the progress towards achieving the objectives of the initiative

Specific objective	**Operational objective**	**Indicator**
Determine, prevent and combat the problematic use of traineeships	Limit the number of potential cases of problematic use of traineeships	Duration of traineeships
	Facilitate enforcement of legislation	Number of MS with channels to report malpractice
Improve working conditions and the learning component of traineeships	Ensure fair and transparent working conditions	Share of paid trainees
		Share of trainees with access to social protection
	Improve learning component	Learning content
		Share of trainees declaring access to a mentor
		% of those who report they learned professionally useful things
	Create transparency in traineeship vacancies	Transparency in tasks and conditions of vacancy notices
Improve inclusiveness and access to high-quality traineeships	Improve inclusiveness and access to traineeships	Socio-economic composition: gender, degree of urbanisation, education, age, disability, (migrant) background
	Enhance uptake of cross-border traineeships	Number of cross-border traineeships
General monitoring data	Improve evidence on traineeship prevalence	Traineeship composition: traineeship type, sector, firm size

A15.2. Possible data sources for monitoring and evaluations

- **EU-LFS**

  The approach used under the supporting study to estimate the prevalence of traineeships offers a promising starting point for collection of reliable data. Limitations still hold, but the set up and the implementation of a monitoring system based on such an approach would entail very limited overall costs.

- **Eurobarometer-based**

  The flash Eurobarometer 2023 is repeated every (few) year. This is likely to be easy to implement, as the questionnaire should not to change significantly in order to ensure comparability. The costs, which depend on the length of the questionnaire and the method of its distribution, are non-negligible but well within reason for obtaining statistically representative results. It would offer information about the quality of traineeship. The main limitation will be the representativeness of the sample across types and Member States.

A15.3. Possible evaluation methods

The impact of the initiative can be evaluated by using a counterfactual impact evaluation (CIE) approach. Counterfactual analyses would allow to attribute cause and effect between the initiative and result indicators (e.g. the number of young Europeans who were hired after the traineeship with a permanent contract / in quality jobs / in job matching personal education and skills) disentangling the effect of a specific program from other effects and variations in outcomes that would have occurred regardless, even without the initiative. These methods involve comparing the result indicators of those having benefitted from the programme ("treated group" – i.e. those who received traineeship) with those of a group similar in all respects to the treatment group ("comparison/control group" – those who did not receive the traineeships). In contrast to other types of evaluations such as monitoring, progress evaluation and pure descriptive analyses, CIEs aim at isolating the causal effect of a policy on its recipients. To conduct a proper counterfactual analysis, which allows the quantification of causal impacts, the availability of suitable and high quality representative data is necessary.

- **Difference in Difference Approach**

The impact of intervention can be evaluated, for instance, by comparing those who received traineeship (treated group) with those who did not (control group) before and after the implementation of the initiative on quality traineeships with a standard difference-in-differences (Diff-in-Diff) regression model (Angrist & Pischke, 2009).

In the empirical model the main independent variables will capture, first, whether (young) Europeans are in the "traineeship" group (treatment group) vs. "non-traineeship" group (control group); second, the period the implementation of the initiative on quality traineeships. The interactions between these two independent variables (the dummy variable for "traineeship" vs "non-traineeship" and the dummy variable for the period "after" vs "before" the implementation of the initiative on quality traineeships) captures the classical Diff-in-Diff estimator that allows to estimate the impact of the initiative on quality traineeships.

To be implemented Diff-in-Diff requires data that provide at least two time points (panel/longitudinal data), since Diff-in-Diff relies on the assumption that without treatment the

average change between both groups (treated group and control group) would be parallel (i.e. parallel trend assumption). Although there is no statistical test for this assumption, visual inspection is useful so it would be advisable to have observations over many time points (i.e., longer longitudinal dimension).

- **Propensity Score Matching**

The impact of intervention can be also evaluated by using a Propensity Score Matching (PSM) approach. For each untreated individual, PSM explicitly looks at a similar treated individual to evaluate the counterfactual, i.e. what would have happened to the treatment group without the treatment (Rosenbaum and Rubin, 1983; Caliendo & Kopeinig, 2008). The PSM technique produces two balanced groups: one of (young) Europeans who received traineeship (treated group) and one who did not (control group). The propensity score (PS) substitutes a collection of confounding variables with a single variable that is a function of all the control variables. The PS can be considered as a balancing score, meaning that amongst subjects with the same propensity to be exposed, treatment is conditionally independent of the covariates. By summarising the intrinsic characteristics that could generate distortions, the PS uses a matching procedure to allow for comparisons between the treated and control groups. PSM has a drawback: the identification of the average treatment effects (ATTs) on the outcome variables relies on the validity of the Conditional Independence Assumption (CIA) that implies that selection into the traineeship is solely based on observable variables included in the propensity score model. Thus, it would be crucial to cover all relevant factors that may have influenced the probability of being "selected" into the traineeship and the outcome variables over the period of observation.

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