Opinion of the European Economic and Social Committee on the equal treatment of young people in the labour market

(own-initiative opinion)

(2023/C 293/08)

Rapporteur: **Michael McLOUGHLIN**

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	Own-initiative opinion
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Outcome of vote	
(for/against/abstentions)	217/0/6

1. **Conclusions and recommendations**

1.1. The recent Directive on the adequacy of minimum wages in the EU did not consider substantially the issue of 'youth minimum wages'. It is not a one-size-fits-all approach. On the contrary, as a horizontal framework it catered for different traditions and starting points, and strengthened the role of the social partners and collective bargaining. Thus, 'youth minimum wages' are treated differently in different Member States, a matter which needs consideration. The European Economic and Social Committee (EESC) recommends that the European Commission, Member States and the social partners consider this issue in line with the Directive and in the spirit of the proposed Council recommendation on the strengthening of the social dialogue in the EU. The EESC calls on the Member States and social partners to exercise their discretion in a non-discriminatory manner.

1.2. In the EESC's opinion, the European Year of Youth 2022 offered an opportunity to look at significant issues that impact on young people and to take significant policy initiatives that benefit or seek to influence their position in society. Given the importance of young people's fruitful participation in the labour market, their first participation should be a positive one and measures that treat them less favourably solely on the basis of their age are counterproductive. In this respect the EESC welcomes the EU Year of Skills, launched officially on 9 May 2023, as a political impetus for lifelong learning creating a new momentum to reach EU 2030 social targets.

1.3. Differential rules for young people regarding unemployment benefits and assistance payments have the potential to shape young people's labour market situation and impact on their ability to exercise their rights to free movement in the EU. The Member States have the competence to decide on the structure and content of their social security systems. The EESC calls on them to respect the principle of non-discrimination when doing this, particularly in the case of free movement. The EESC recommends that the Commission work closely with the Member States and social partners to collect the data and national practices, also in light of the newly proposed Council Recommendation on the strengthening of the social dialogue in the EU in further examining this matter.

1.4. Internships in a professional environment offered to young people are often a decisive step for professional integration. Unpaid or not compensated internships can have a very negative impact on young people's experience of the labour market. We note the resolution passed by the Committee at its December 2022 plenary session and that of the European Parliament, and recommend that the other EU institutions and bodies, including the Commission, take a greater interest in this matter as a tangible symbol of their commitment to young people following the European Year of Youth. Periods of very short work experience and officially recognised and agreed education placements may sometimes not be

paid. However, longer term internships, analogous to work done by paid employees, should be paid. The Eurobarometer survey says that the majority of trainees were remunerated and had access to social protection ([1]).

1.5. Following on from the European Year of Youth and other initiatives, more focus has been placed on youth issues recently. One proposal has been the idea of a European Youth Test that would mainstream the assessment of the impact on young people of all new policy. The idea has been promoted by the European Youth Forum and was the subject of an EESC opinion in 2022. The EESC strongly supports this approach to policy-making as set out in our 2022 opinion ([2]).

1.6. The COVID-19 crisis and the war in Ukraine have significantly undermined the European economy. Even if the companies did their best to maintain employment, it has had consequences on European citizens and particularly on young people.

1.7. Traineeships have become an important gateway through which young people enter the labour market. To facilitate access to employment, 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 current situation suggests that there are growing concerns, especially among young people, that the health crisis and the consequences of the war in Ukraine could lead to deteriorating conditions for trainees. The aim of the Commission is to review whether the quality framework for traineeships (QFT) is being properly implemented.

2. **Introduction**

2.1. 2022 was designated the European Year of Youth, and in the EESC opinon on the Year the Committee expressed its desire for the Year to focus on key policy areas for young people and to go beyond events and publicity opportunities. Young people have expressed similar feelings and views, particularly given the rather rushed fashion in which the Year was introduced. Young people's experience with entry into and particiption in the labour market is clearly one of the critical policy issues for that generation, both at national and at European level.

2.2. In the post-COVID-19 world, there is a new emphasis on the changing needs of the labour market, new forms of work, new skills, the challenge of returning to the workplace, and the potential hybrid environment, with all the opportunities and risks this entails. More importantly, we know that young people suffered greatly during the COVID-19 pandemic and this was one of the reasons why 2022 was named the European Year of Youth. Young people missed out on some critical milestones in their personal and social development during the pandemic. However, the pandemic also had a major impact on young people's education and their participation in the labour market.

2.3. The European Union has several relevant policies concerning young people and ensuring they are included as fully as possible in society and benefit from the same opportunities as all other parts of society. In the Bratislava Declaration of 2016, EU leaders called for the creation of a promising economic future for all, safeguards for our way of life, and the provision of better opportunities for young people. Similarly, the preamble to the Pillar of Social Rights stated that 'challenges, such as significant inequality, long-term and youth unemployment or intergenerational solidarity, are often similar across Member States, although in varying degrees'.

2.4. The key policy in relation to young people in the European Union is the EU Youth Strategy. The main aim of the strategy is to empower young people and build their resilience by focusing on three areas of action under the headings of 'Engage, Connect and Empower'. The strategy recognises that providing pathways of engagement for young people in democratic life is vital for a functioning democracy and for society at large. Under the 'Engage' heading, the EU Youth Strategy aims to support the meaningful civic, economic, social, cultural, and political participation of young people. The strategy sees the mobility of young people as an opportunity for them to:

— develop and strengthen personal, social and civic competencies;

— develop critical thinking and creativity;

— enhance their employability;

([1]) A recent Eurobarometer survey *Integration of young people into the labour market with particular focus on traineeships,* April 2023, Eurobarometer survey (europa.eu).

([2]) Opinion on the European Economic and Social Committee on The EU Youth Test (own-initiative opinion) (OJ C 486, 21.12.2022, p. 46).

— become active European citizens.

2.5. The European Youth Strategy particularly recognises the role of youth work as a 'catalyst for empowerment' of young people, stating that youth work brings unique benefits to young people in their transition to adulthood by providing a safe environment for them to gain self-confidence and learn in a non-formal way ([3]).

2.6. The EESC expressed its view that the Strategy should focus on the cross-sectoral approach, taking a holistic view of young people and their needs and rights across policy areas, and that the new EU Youth Coordinator should primarily lead on cross-sectoral work and expressed a wish that the EU youth policy be included in the European semester process to focus more on delivery, particularly in cross-sectoral areas ([4]).

2.7. The EESC recommended that the Strategy have high-level aspirations for cross-sectoral work regarding other relevant EU policy areas, including employment, education, health, migration and equality. The Committee further advocated that the Strategy pay more attention to employment and education issues affecting young people, particularly in terms of the discussion on the future of work, as well as to skills development and to other social issues such as mental health and equality.

3. **Young people, the labour market and skills**

3.1. Young people and their employment prospects are usually given a lot of attention when looking at the labour market. Principally, this is because the early experiences that people face in relation to their labour market participation can have a long-term impact in later years. This has particularly been seen to be the case with early school leaving. Dropping out of school also affects almost 20 % of people with disabilities, which is more than double the rate for other young people aged 18 to 24 ([5]). We have also seen with COVID-19 and the previous financial crash that young people are more vulnerable to economic shocks and downturns, that they are often the first to lose their jobs and, in both instances, work in sectors such as services, and that they are overrepresented in insecure employment. The ILO has found that the majority of workers in online work platforms and localised work are under 35 years old and that young workers have greater work insecurity. Greece's tourism sector employs the largest share of young workers, who were massively hit by the pandemic. In Spain, Italy and Portugal, we find an extremely high share of temporary contracts among young people (over 60 %), which may lead to rapid unemployment in the event of a crisis.

3.2. Our current priority must be to restore the European economy through the consistent implementation of the National Recovery Plan ([6]) and the creation of conditions that enable companies to grow again and create quality jobs. At a time when companies are suffering from labour shortages, cannot find skills, and are facing serious hiring difficulties, it is in their interest to harness the potential of all people, including young people.

3.3. One of the greatest sources of life security and prospects for most people, but especially for young people, are job opportunities and the corresponding skills. The consequences of the COVID-19 pandemic and the effects of the war in Ukraine have affected not only citizens but also businesses, undermining their ability to create value and jobs and ensure an effective job-to-job transition.

3.4. We can see that young people who do not make the transition from school or college to the workplace may struggle in later years. While unemployment presents challenges to anybody experiencing it, these challenges can be far greater for young people, who may not possess the same networks needed to make progress in a rapidly changing labour market. Similarly, having a disproportionate amount of one segment of a society out of work impacts on social cohesion and our democratic values and, in extreme circumstances, could lead to potential social disorder, which has been the case in parts of the developing world.

([3]) Opinion of the European Economic and Social Committee on 'Proposal for a decision of the European Parliament and of the Council on a European Year of Youth 2022' (COM(2021) 634 final — 2021/0328(COD)) (OJ C 152, 6.4.2022, p. 122).

([4]) Opinion of the European Economic and Social Committee on 'Proposal for a decision of the European Parliament and of the Council on a European Year of Youth 2022' (COM(2021) 634 final — 2021/0328(COD)) (OJ C 152, 6.4.2022, p. 122).

([5]) https://www.disability-europe.net/downloads/1046-ede-task-2-1-statistical-indicators-tables-eu-silc-2018

([6]) Opinion of the European Economic and Social Committee on 'How to guarantee decent work for young people and ensure the inclusion of NEETs through the proper elaboration of National Recovery Plans' (own-initiative opinion) (OJ C 152, 6.4.2022, p. 27), NEETs and NRRPs.

3.5. It is therefore important to see equal treatment of young people in the labour market as part of a broader need for civic and democratic participation. In the same way as we see the need for young people to be part of the community and to participate in sporting activity as active citizens, their ability to understand their role and place in the labour market, and indeed advocate for themselves, is an important element of citizenship. Similarly, the labour market should be a place of intergenerational solidarity where there is proper work-life balance and people can feel they are contributing to society. While youth unemployment is a structural problem in many countries, in countries like Spain, aid is being given for late retirement (up to EUR 12 000) to make the pension system sustainable. In this way, the economy runs the risk of not absorbing the greater productivity that young people can generate, as stated in the opinion. In addition, there are jobs in which it is very difficult to work beyond the age of 65.

3.6. At an economic level, high youth unemployment and an absence of effective intergenerational approaches at company level can result in lower productivity as there are fewer young workers introducing new skills and innovation into production processes. There is also the economic cost to the state of large numbers of unemployed people, in terms of lost tax income, welfare payments, and the costs of related schemes. Eurofound has found that the economic costs of young people not being in employment, education or training (NEET) was in the region of EUR 153 billion in 2011. These concerns have been reflected in EESC opinions on *Precarious work and mental health* ([7]), and on *Democracy at work* ([8]). Finally, the unemployment rate of young people with disabilities aged 25 to 34 is almost twice as high as that of people without disabilities (18 % versus 9,7 %) ([9]).

3.7. At the individual level, the impacts of youth unemployment can include poor mental health and wellbeing as well as lower rates of happiness, and can potentially result in increased demand for public health services. Additionally, there is a greater risk of a fragmented society resulting from the various forms of social exclusion which young unemployed people can experience. Being unemployed when young increases the chances of being unemployed in later life, and impacts negatively on the amount of money earned later in life if and when employment is secured. Young unemployed people are also more likely to experience de-skilling or social exclusion across a number of dimensions. The impact of COVID-19 on young people's mental health has been well documented.

3.8. It is also important to address the situation of 'discouraged' young workers and young people in great difficulty of professional integration. Early school leaving and changes in schooling are challenging. As a result, young people can lose contact with the reality of the labour market.

3.9. One of the ways to increase the economic activity of young people is to motivate them to become entrepreneurs by supporting their entrepreneurial mind-set, creativity and innovative approaches. Activities in the European Year of Skills can mainstream education on entrepreneurship and build on some models of good practice like young entrepreneur programmes and competitions.

3.10. The EU has taken the challenge of youth employment seriously, with its main policy response being the 'reinforced' Youth Guarantee. Originally, the purpose of the Youth Guarantee was to ensure an offer to young people aged 18 to 24 of a job, work experience, an apprenticeship, training, or combined work and training, within a defined period of time after leaving school or becoming unemployed. It was recommended by the European Commission that the Youth Guarantee should be offered to young people within four months of becoming unemployed. The reinforced Youth Guarantee is a commitment by all Member States to ensuring that all young people under the age of 30 receive a good quality offer of employment, continued education, an apprenticeship, or a traineeship.

3.11. To ensure an effective job-to-job transition it is necessary to progress in education reform, addressing skills mismatches and focusing on lifelong learning, adult education, reskilling and upskilling. The EESC notes the Commission's progress in creating a European education area, fostering the framework for European cooperation on VET and progressing in the application of the Digital Education Action Plan.

3.12. The EESC also notes the new Commission initiative on individual learning accounts (ILAs), particularly microcredits and the new Universities package. There is new momentum aimed at equipping young people with adequate skills and supporting the mobility of young students, apprentices and entrepreneurs.

([7]) Opinion of the European Economic and Social Committee on Precarious work and mental health (exploratory opinion requested by the Spanish Presidency) (OJ C 228, 29.6.2023, p. 28)

([8]) Opinion of the European Economic and Social Committee on democracy at work (exploratory opinion requested by the Spanish Presidency) (OJ C 228, 29.6.2023, p. 43).

([9]) https://www.disability-europe.net/downloads/1046-ede-task-2-1-statistical-indicators-tables-eu-silc-2018

4. **Impact of COVID-19**

4.1. According to Eurostat, young people have been more heavily impacted by the COVID-19 pandemic than older people. The employment rate in the EU among young people (aged 15-29) in the third quarter of 2020 was - 2,8 percentage points compared with the pre-pandemic third quarter of 2019. However, the third quarter of 2021 saw a recovery, with an employment rate down 0,1 percentage points compared with the third quarter of 2019. Comparing the third quarter of 2020 with the third quarter of 2019, all countries recorded a drop in the employment rate of young people.

4.2. Eurostat also found a difference within the EU in these trends. In the third quarter of 2021, a majority of EU Member States (16 out of 27) did not yet show full recovery, as the employment rate for young people was still below the rate recorded in the third quarter of 2019. The largest decreases were recorded in Portugal, Bulgaria, Latvia, Czechia and Poland (all at least 3 percentage points down in Q3 2021 compared with Q3 2019). In contrast, the largest increases in the share of employed people aged 15-29 in the third quarter of 2021, compared with the pre-COVID-19 situation, were seen in Ireland, France and Slovenia (all at least 2 percentage points up in Q3 2021 compared with Q3 2019).

4.3. Eurofound has reported that, despite EU and Member State policy efforts to support young people in the wake of the 2008 financial crisis, young people were also hardest hit by job losses during the COVID-19 crisis. They were overrepresented in the sectors most impacted by pandemic restrictions and more likely to work part-time or on temporary contracts, with 12 % of 18-to-29-year-olds who responded to at least two rounds of the Living, Working and COVID-19 e-survey reporting that they had lost their job, and 12 % of students also facing unemployment. Similar impacts were reported with respect to savings, mental health, and poverty.

4.4. According to the Insee survey ([10]), the first lockdown associated with the COVID-19 epidemic in spring 2020 already resulted in an unprecedented drop in activity: 73 % of companies reported that their sales fell by over 10 %, and 35 % by over 50 % during this period. One third of companies closed for an average period of 57 days, most often as a result of administrative restrictions on admitting the public (65 %), but also due to issues relating to supply (8 %) or opportunities (7 %). This suspension of activity primarily affected activities involving the closest contact with the public: food and beverage service activities, accommodation, personal services, cultural and recreational activities, and air transport. By September 2020, 1 % of companies were still closed.

4.5. To cope with the sudden fall in activity, over 4 in 5 companies applied for the support put in place by the public authorities: short-time working (70 % of companies), deferred payment of social security contributions (53 %) and State-guaranteed loans (41 %). The food and beverage service activities sector (97 %), motor trade and repair sector (96 %) and accommodation sector (95 %) relied on these measures particularly frequently.

4.6. Another wave of the pandemic followed in 2021, and in February 2022 the European economy was hit by the military conflict in Ukraine and the associated high energy prices, limited access to raw materials and supply chain shortages, and the associated high rate of inflation.

4.7. Despite these facts, the companies operating in the EU single market did their best to maintain jobs and create new ones.

4.8. On education, the European Youth Forum reported that the quality of remote education during the pandemic was variable, with nearly one in 10 young students not getting any courses, teaching or testing. Around two-thirds of students believed they were learning 'slightly less' or 'significantly less'. Three-quarters of marginalised young people believe they were learning 'slightly less' or 'significantly less'. However, individual circumstances may have varied considerably. Educational uncertainty and the challenges of online learning were a source of stress and wellbeing issues for young people. Although the scale of the impact is not clear, the educational disruption is likely to lead to long-term negative effects in employment, educational outcomes, and health and wellbeing. There is a possibility that this situation also has positive side effects, opening the door to a combined education system using different forms of learning and technological tools accessible to all young people, including young people with disabilities and those in remote regions.

([10]) Institut national de la statistique et des études économiques, https://www.insee.fr/en/statistiques/5018508

4.9. Some of the most dramatic impacts of the COVID-19 pandemic, however, have been on young people's mental health. Depressive symptoms, such as anxiety, exhaustion, isolation, and suicidal thoughts, are on the increase. Worrying about the future is a concern. Research in Austria shows that most of those young people have not received any assistance. This is due to a lack of knowledge about such opportunities, but it is also a matter of regional and economic inequalities. Suicide has become the leading cause of death among the youngest in Spain. The pandemic has uncovered psychological suffering, with 3 941 suicides in 2020, of which 300 were between 14 and 29 years old. Public health systems do not have the resources to help young people with mental health issues. The latest instalment of a longitudinal study of young people and children in Ireland has shown an effective doubling of depression and mental illness among young people.

4.10. Similarly, those young people in the labour market that have disabilities, whether intellectual or physical, should clearly not be subject to less favourable treatment based on their age in addition to, or separately from, their disability. Similarly, attention must be paid to those from remote rural areas and those subjected to gender discrimination.

4.11. Statistical data on the employment of young people with disabilities are also patchy: quantitative indicators such as the unemployment rate should be supplemented by other indicators such as the level of training, the nature of the contracts offered (fixed-term, open-ended, temporary), the rate of employment in a mainstream environment, the rate of supported employment or the rate of long-term unemployment, combined with the social and financial situation of these young people.

5. **Equal treatment of young people in the labour market**

5.1. Equality is one of the key principles and rights of the EU based on the Treaty and the Charter of Fundamental Rights of the EU and underpinned by secondary EU legislation. A general framework for equal treatment in employment and occupation is given by Council Directive 2000/78/EC ([11]), which is still fit for purpose.

5.2. We can see then that young people's future is a key concern of the EU and that young people's labour market prospects are a very important part of their development. The EU has a range of policies and instruments targeting young people and their labour market position. In line with the TFEU and the principle of subsidiarity, the Member States have competences regarding many of these issues and thus their policies are are a key focus of this report.

5.3. Young people suffered more than other groups in a variety of ways during the pandemic. Given the importance attached to this topic, it would therefore be fair to examine any specific aspects of labour market policy and, on the basis of this evidence, to determine whether young people are treated in any way less favourably than others based solely on their age. Given the potential breadth of the topic, it is important to be clear as to what is examined in this opinion. The focus here is the more obvious and direct less favourable treatment of young people in laws or policies based solely upon their age. Inevitably, there is more focus on the areas where most information and clarity is available. These are as follows: minimum wages, social security and social assistance rules and, to a lesser extent (due to work already done), unpaid internships.

6. **Minimum wages**

6.1. In line with the TFEU ([12]) and the subsidiarity principle, minimum wages are a Member State competence, but the European Union may adopt measures designed to encourage cooperation among Member States incl. directives. In preparation for the already adopted Directive (EU) 2022/2041 of the European Parliament and of the Council ([13]) on adequate minimum wages in the European Union, the Commission has said that, in the majority of Member States, the adequacy of the minimum wage is insufficient and/or there are gaps in the coverage of minimum wage protection, even though minimum wage protection exists in all EU Member States, either through legislative provisions ('statutory minimum wages') and/or through collective agreements. The proposal arises from the European Pillar of Social Rights.

6.2. The Directive aims to ensure that workers in the EU are protected by adequate minimum wages that allow for a decent living, regardless of where they work. In order to reach this general objective, the proposal establishes a framework

([11]) Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ L 303, 2.12.2000, p. 16).
([12]) TFEU 153/points 2a, 2b.
([13]) Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union (OJ L 275, 25.10.2022, p. 33).

to improve the adequacy of minimum wages and to increase the access of workers to minimum wage protection. These objectives are relevant both for statutory minimum wage systems and for those relying on collective bargaining. The Directive is designed to achieve these objectives while taking into account and fully respecting the specificities of national systems, national competencies, the autonomy of the social partners, and contractual freedom.

6.3. Minimum wages are one of the areas where there is a considerable amount of unequal treatment of young people in the EU Member States. Young people are particularly dependent on the minimum wage, with more than 1 in 4 being minimum wage earners, compared to 1 in 10 adults, according to the European Youth Forum. A number of Member States set specific 'youth minimum wages', which are in all cases lower than the general minimum wage for particular age groups, while others exclude under 18s from minimum wage legislation. This is the case in Belgium, France, Ireland, Luxembourg, Germany, Malta, and the Netherlands. France's provisions may not be overly age dependent, but by implication impact on many young people. There are other reduced rates for apprenticeships, but these are not the subject of this report and are usually determined by agreement between the social partners. The UK also has sub-minimum wages for young people. Full details are available in the Annex.

6.4. These youth minimum wages disregard young people's right to equal pay for equal work, whilst ILO research has repeatedly shown that they are also ineffective at boosting youth employment rates. The core issue is equal pay for equal work. Indeed, youth organisations have been informed by young people that, after a period of employment, they may supervise or train colleagues older than them at the same job, but receive lower pay, or are even asked to take supervisory roles for lower pay than their colleagues due to these regulations.

6.5. As such, whilst in these Member States young people are allowed to drive, vote, and join the army, and are treated as adults in all other senses, they are not entitled to receive the full adult minimum wage. Youth minimum wages are set as low as 30 % of the adult minimum wage rate for the youngest age group in the Netherlands, which presents a serious barrier for their ability to lead an independent life and enjoy a decent standard of living. Despite the EU declaring 2022 to be the Year of Youth, the agreed political position in the legislative process reported did not substantially consider the differential issues for young people.

6.6. A recent meta-analysis by the ILO on the impact of youth minimum wages, examining 43 scientific papers published since 1990, found that, in the overwhelming majority of cases, the effects of minimum wages on youth employment are either zero or very small. In some cases, raising the minimum wage rate for young people even increased the employment rate of young people. In its impact assessment for the Directive, the European Commission described research findings from Portugal, Belgium and The Netherlands showing that youth minimum wages have no significant effects on youth employment rates.

7. **Unemployment payments**

7.1. Another area where there can be differential treatment of young people is during periods of unemployment. Once again, these are largely Member State competences, particularly when it comes to payment rates, payout periods, and criteria. There is a high level of diversity and complexity among the national systems across Europe. However, we can imagine instances where these differentials will impact on issues such as employment and free movement within the EU. Young people may also be disadvantaged by unemployment benefit systems, as they may not have completed the required qualifying period of 'paying in' to the relevant systems.

7.2. Beyond these schemes, the Member States provide social assistance payments, which vary considerably, with social assistance systems also being a national competence. Some are subject to means testing and some are not. Then there is a rather complex picture when it comes to age, and these payments and this report cannot do the topic justice. There are inevitably variations in qualifying periods and duration, as well as several other factors. There is certainly a need for better and clearer data to enable more research to be done. A few brief observations can be made:

— In some systems, special arrangements are made for the over 45s or for other age groups. A limited number of countries provide shorter qualifying periods for the under 25s.

— In Sweden, young unemployed persons (18-24) participating in labour market policy programmes receiving an 'activity grant' (*aktivitetsstöd* in Swedish), with an underlying entitlement to unemployment benefits, will be subject to a steeper decline in the amount of benefits payable, according to the provisions of the unemployment benefits scheme.

— In Luxembourg, an allowance amounting to 70 % and 40 % of the social minimum wage (*salaire social minimum* in French) for young people aged 18 and aged 16/17, respectively, is granted after a waiting period of 36 weeks, which can be reduced to 26 weeks if the applicant is studying.

— Ireland's Job Seekers Allowance (an assistance payment) is approximately 60 % of the adult allowance for those age 18-24 who are not 'living independently'. The full rate is paid for those who follow relevant courses and training.

8. **Unpaid internships**

8.1. The European Parliament has called for a ban on unpaid internships and the Council of Europe's Committee of Social Rights has determined that gaps in Belgium's legislation allow young people to be exploited as free labour through unpaid internships. The Committee's ruling, which came as the result of a collective complaint submitted by the European Youth Forum, found that current labour inspection systems in Belgium fail to offer enough protection to vulnerable and disadvantaged young workers.

Member States' regulatory frameworks in general and the strictness of the regulation in particular varies widely both among the different types of traineeships and across Member States. In some Member States, no legal definition of traineeships exists.

8.2. The Council Recommendation on QFT, adopted in 2013, seeks to ensure that traineeships efficiently ease education-to-work transitions and thus increase young people's employability. The proposal sets out guidelines that can ensure high-quality learning content and adequate working conditions.

8.3. Unpaid internships can be defined as periods of work, similar to those carried out by paid employees, that are not linked to a formalised and explicit process of education, training, volunteering or placement.

8.4. While work experience and learning through experience are vital to young people starting out in the labour market, those calling for action on unpaid internships believe that too many young people are on a roundabout of unpaid intershsips and low quality work experience, which creates considerable disillusionment about the labour market in this age group.

8.5. The European Youth Forum examined a selection of countries and their policies on unpaid internships. In France, internships are strictly regulated and can only take place within formal education curricula. Internships lasting two months or less as part of education can be unpaid. In Romania, internships are highly regulated with specific legislation. Interns are entitled to 50 % of the minimum wage. Unpaid internships on the open labour market are illegal, although the laws are often circumvented.

8.6. Open labour market internships are not defined or regulated by law and are also not common in Croatia, but other forms of internships exist and are subject to regulation. In Bulgaria, unpaid internships taking place outside the framework of the dedicated internship laws are legal and a common occurrence. For open labour market internships that follow the internship laws, interns are entitled to at least the national minimum wage.

8.7. In Austria, internships on the open labour market should in theory be remunerated according to sector-specific collective bargaining agreements. However, internships on the open labour market can be legally unpaid if categorised as an educational relationship and this is a common occurrence. Unpaid work is illegal in Ireland; however, the law is often not enforced when it comes to internships, with unpaid internships a common practice and often advertised publicly.

Brussels, 15 June 2023.

The President
of the European Economic and Social Committee
Oliver RÖPKE

ANNEX ([1])

Table

Sub-minimum rates for selected EU Member States and the UK as of January 2021

Country	Groups of workers	% of full rate	Minimum wage level in 2021 (EUR unless otherwise stated)
Belgium	Workers aged 16 or younger (without student contract)	70	1 138/month
	Workers aged 17 (without student contract)	76	1 236/month
	Workers aged 18 (with student contract)	82	1 333/month
	Workers aged 19 (with student contract)	88	1 431/month
	Workers aged 20 (with student contract)	94	1 528/month
France	Workers with fewer than six months of experience in the sector aged 15 and 16; workers under 16 working during summer holidays	80	1 244/month
	Workers with fewer than six months of experience in the sector aged 17	90	1 399/month
	Young people on alternating professional contracts ([1]), depending on age and previous qualifications	55 to 100	855 to 1 555/month
	Apprentices, depending on age, seniority and the applicable sectoral agreement	27 to 78	420 to 1 213/month
	Trainees ([2])	n/a	3,70/hour
	Workers with disabilities employed in specific centres dedicated to the inclusion of such workers	55 to 100	855 to 1 555/month
Germany	Minimum wage not applicable to under 18s.	n/a	550/month
Ireland	Workers aged under 18	70	7,14/hour
	Workers aged 18	80	8,16/hour
	Workers aged 19	90	9,18/hour
Latvia	Convicted people (serving sentence in a prison)	50	250/month

([1]) Adapted from: https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef21015en.pdf

Country	Groups of workers	% of full rate	Minimum wage level in 2021 (EUR unless otherwise stated)
Luxembourg	Workers aged 15 to less than 17	75	1 651/month; 9,55/hour
	Workers aged 17 to less than 18	80	1 762/month; 10,18/hour
	Non-qualified workers aged 18+	100	2 202/month; 12,73/hour
Malta	Workers aged under 17	95	171/week
	Workers aged 17	96	174/week
Netherlands	Workers aged 15	30	505/month
	Workers aged 16	34,5	581/month
	Workers aged 17	39,5	666/month
	Workers aged 18	50	842/month
	Workers aged 19	60	1 011/month
	Workers aged 20	80	1 348/month
	Workers aged 21	100	1 685/month
Portugal	Workers in apprenticeships and internships	80	621/month
	Workers with disabilities	50	388/month
UK	Workers aged under 18	47,6	GBP 4,15 (EUR 4,62)/hour
	Workers aged 18 to 20	52,2	GBP 4,55 (EUR 5,06)/hour
	Workers aged 21 to 24	74	GBP 6,45 (EUR 7,17)/hour
	Apprentices aged under 19, or aged 19 or over in the first year of their apprenticeship	94	GBP 8,20 (EUR 9,12)/hour

([1]) *In France, these contracts allow young employees to acquire a professional qualification and promote their professional integration or reintegration.*
([2]) *May be unpaid, if less than two months.*

Notes: Germany has not included hourly rates or their comparison with minimum wage levels. This is because the minimum amount is calculated per month, not per hour. Apprenticeship payments are not considered wages in Germany. Apprenticeships include school time. In legal terms, apprenticeship payments are comparable to stipends for university students. n/a = not applicable.
Source: Network of Eurofound Correspondents, based on national official sources.