Opinion of the European Economic and Social Committee on the 'Proposal for a Council recommendation on a Quality Framework for Traineeships'

COM(2013) 857 final

(2014/C 214/07)

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On 4 December 2013, the Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Council recommendation on a Quality Framework for Traineeships

COM(2013) 857 final.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 6 February 2014.

At its 496th plenary session, held on 26 and 27 February 2014 (meeting of 27 February 2014), the European Economic and Social Committee adopted the following opinion by 196 votes to 7 with 6 abstentions.

1. **Conclusions and recommendations**

1.1 Over the past two decades, traineeships have become an important gateway through which young people enter the labour market. However, although traineeships have become standard in European labour markets, and many companies have started contributing actively to this process, their spread has been accompanied by growing concerns as to learning content and working conditions. 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.

1.2 Traineeships are an important means of tackling unemployment and the skills mismatch and securing the transition from education to the labour market, but they should not be perceived as the only means of doing so. To resolve these problems successfully requires complex and interrelated policies at both European and national levels. Appropriate measures, particularly at the national level, can increase provision of traineeship opportunities for young people.

1.3 Together with the specific recommendations made throughout the text, the key conditions for better and more accessible traineeship schemes are:

1.3.1 The recommendation should include traineeships linked to educational programmes and traineeships linked to ALMPs (active labour market policies, designed for unemployed young people, typically with no or with a low level of skills), as they are the most effective forms of traineeship in the EU.

1.3.2 There should be more support for including traineeships in study curricula, and, where possible, traineeships should take place during the course and not after graduation.

1.3.3 A concerted effort should be made at both European and national levels to increase the availability of traineeships, especially in SMEs.

1.3.4 In the case of 'open-market' traineeships, a basic social security package (health and accident insurance and, in the case of paid traineeships, sick leave) should be provided.

1.3.5 Trainees should be provided with the necessary financial support.

1.3.6 There is a need for accompanying guidelines, which would help Member States and host businesses/organisations understand possible ways of supporting training schemes via the EU and national funding sources already available and set up flexible traineeships systems with shared financial responsibility.

1.3.7 Greater provision of cross-border traineeship opportunities is needed to increase the intra-EU mobility of young people. While the extension of EURES services to traineeships is to be welcomed, further steps should be foreseen to encourage open and transparent offering processes for taking on trainees.

1.3.8 There is a need for more robust data on, and evaluation of all types of, traineeship at both national and European levels. This includes both quantitative and qualitative data, which can be used for assessing the quantity, quality, impact and effectiveness of traineeships.

1.3.9 It is crucial to ensure that persons with disabilities are able to participate in traineeships, by taking appropriate measures to increase awareness and accessibility.

1.3.10 It is important to involve all relevant players (social partners, civil society organisations and, especially, youth organisations) in formulating guidelines and monitoring and evaluating implementation of the framework.

2. **General remarks**

2.1 In December 2012 the European Commission launched the Youth Employment Package introducing three key proposals: the Youth Guarantee, the Quality Framework for Traineeships and the Alliance for Apprenticeships; and extending EURES. The EESC is actively following the implementation process for all these instruments.

2.2 The Committee welcomes the Council Recommendation on a Quality Framework for Traineeships both as a measure to ensure the quality of learning content and adequate working conditions during traineeships, and as a tool to avoid them being used as a substitute for regular jobs or a precondition for a job.

2.3 The EESC recognises that high quality traineeships are essential for the successful implementation of the Youth Guarantee ([1]) (which aims to *ensure* 'that all young people up to the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education') and for reaching the Europe 2020 headline target of having 75 % of 20-64 year-olds employed by 2020. It is important to note that proper use of traineeship schemes can contribute to addressing the skills mismatch, while also serving as a bridge for the transition from education to the labour market.

2.4 Despite welcome progress in many Member States, the Committee supports the conclusion that the main obstacles currently affecting traineeships in the EU are insufficient learning content and inadequate working conditions. This is supported by a recent Eurobarometer survey ([2]), which shows that more than 28 % of trainees think that their experience had not been or would not be useful in helping them find a regular job.

2.5 The EESC believes that traineeships are just one of the tools that can be used to tackle unemployment and the skills mismatch. In order to solve these problems, complex and interrelated policies should be implemented at both European and national levels.

2.6 Furthermore, the Committee notes that the recommendation covers only 'open-market' and transnational traineeships and pays no particular attention to other more common and effective forms of traineeship across the European Union ([3]) — traineeships linked to educational programmes and traineeships linked with ALMPs for unemployed young people, typically with no or a low level of skills.

2.7 The framework should be flexible enough to reflect the Member States' different starting points and their national legislation and practices, while upholding the principle of subsidiarity.

2.8 Broader inclusion of traineeships linked to educational programmes within the Quality Framework for Traineeships would allow a more systematic approach in the field of 'open-market' traineeships, especially given the quality assurance methods that already exist in the educational sector, which could provide the model for an effective quality control mechanism for all traineeship schemes. The establishment of a single quality assurance instrument for all types of traineeship would increase understanding and transparency regarding quality prerequisites, while also helping to gear traineeships towards learning outcomes. However, it is important to ensure that such instrument would not conflict with the related legislation in the Member States.

([1]) Council Recommendation on Establishing a Youth guarantee, OJ C 120, 26.4.2013, p. 1.

([2]) The experience of traineeships in the EU, Eurobarometer, 2013.

([3]) Study on a comprehensive overview on traineeship arrangements in Member States, European Union, 2012.

2.9 Nonetheless, the EESC emphasises that the adoption of a legislative and regulatory framework cannot guarantee the quality of traineeships by default. It is the implementation of regulations and the robust monitoring of the entire process that will play the key role in securing high-quality traineeships. Member States must be able to decide how best to approach traineeships with a view to ensuring quality and preventing abuse.

2.10 Greater provision of cross-border traineeship opportunities is needed to increase the intra-EU mobility of young people. The extension of EURES services to traineeships is very welcome, especially taking into account the added benefits of promoting transnational traineeships (currently, just 9 % of traineeships are taken abroad[2]). However, further steps should be taken to foster open and transparent offering processes for taking on trainees by information-related and institutional means. Guidelines for possible host organisations could define the principles of open and transparent recruitment processes and quality criteria for traineeships. Furthermore, target audiences should be better informed about existing traineeship programmes and opportunities, especially via the social media and internet.

3. **The role of investment in training**

3.1 The EESC is confident that trainees in the workplace can contribute to the output of businesses and the economy as a whole, while gaining the experience they need, providing the learning environment in the workplace is structured well enough to facilitate this.

3.2 Although a traineeship is a learning opportunity, it is important to acknowledge the benefits for all parties concerned — the trainee, the employer, the economy as a whole and thus society. Securing high quality, accessible traineeship systems should therefore be a shared responsibility.

3.3 The Committee believes that the recommendation should be more active in promoting investment in traineeships. Important attention should be paid to SMEs, as they often do not have the capital available to invest in trainees unless specific support is provided to assist them.

3.4 The reasons why smaller companies may not invest sufficiently in traineeships lie in SME specific characteristics: short-termism, an inability to accrue the benefits from trainees in the short term, and the differing costs and benefits of training. A traineeship is an investment where the returns do not accrue immediately to the business. Another problem for small companies considering the possibility of offering traineeships is that the trainee may not remain with the firm for a sufficient period for the outlay on training costs to be recouped.

3.5 The EESC believes that the presence of a highly skilled and trained labour force provides competitive benefits over and above those accruing to the individual worker or enterprise. It is therefore justifiable for the State to intervene in the market by supplementing private provision. As SMEs are large net job creators and drivers of economic growth, investing in traineeships in small firms can be justified on the basis of correcting a market failure stemming from externalities and public goods (such as the skills mismatch from education): this way small firms could contribute more to overall economic growth and the well-being of society as a whole ([4]).

3.6 The Committee therefore recommends drafting accompanying guidelines for both Member States and host enterprises/organisations on possible ways to support training schemes via European and national funding sources already available. Such guidelines should also include examples of good practice on how training systems can be implemented in companies and organisations.

3.7 The EESC believes that it is important to ensure that employers know what they can expect to obtain in net benefits from providing training places. By demonstrating the real economic returns, studies on the full spectrum of costs and benefits can encourage employers to take on trainees. At the same time it is necessary to raise awareness about the fact that companies need to set up traineeships of quality.

4. **Compensation and social security**

4.1 Given that only 62 % ([5]) of young people with traineeship experience had their traineeship based on a written traineeship agreement or contract with the host organisation or company, the Committee supports the call for mandatory written traineeship agreements. Common legal standards for traineeship agreements should be defined. It should be noted that legal written agreements or contracts benefit both the supplier of the traineeship and the trainee, as they enhance the responsibilities and rights of both parties.

([4]) Management Training in SMEs, OECD, 2002.

([5]) The experience of traineeships in the EU, Eurobarometer, 2013.

4.2 The Committee recommends, however, that in the case of 'open-market' traineeships, the basic social security package (health and accident insurance and, in the case of paid traineeships, sick leave) should be provided by the host and included in the traineeship agreement by default. If the traineeship is regarded as an employment relationship, in line with national law and practice, all labour law, social law and collective agreement' provisions (including salary requirements) of the Member State must apply. In the event of a dispute, the Committee recommends considering trainees as the weaker party and providing them with the support they need.

4.3 Across the Member States the most common methods of financing the various types of traineeship include European and national/regional funds, institutional assistance, (e.g. university grants), self-financing and company resources. Where public funding is available, this often involves considerable support from European funds, notably the European Social Fund (ESF). In open market traineeships, however, self- financing is particularly common as, in many cases, trainees receive no or insufficient compensation. The fact is that 59 %[5] of all trainees receive no financial compensation and have to rely on other funding sources such as their own savings and family support.

4.4 The Committee emphasises that, whilst preparing their future careers by increasing their employability, trainees must not be at risk of poverty. Traineeships should be equally accessible to all, thus providing no financial compensation limits the traineeship scheme's accessibility (across the EU, only 46 % of respondents had completed a traineeship[5]) This amounts to discrimination against certain categories of young people on the basis of their financial background.

4.5 With regard to the shared responsibility approach, the Committee encourages Member States to search for a flexible solution to the question of compensation for trainees. Such an approach should ensure that traineeships are of a high quality and offer decent conditions, yet without discouraging companies from providing them. Compensation for the traineeship should not be considered merely as earnings, but also as a measure securing equal opportunities for all young people to take part in traineeship schemes.

4.6 The EESC recommends reviewing and discussing all the options with the social partners: tax relief schemes for host enterprises, the use of European and national funds, discounts for social security packages, etc. in order not to place the burden of compensation on the host companies and organisations alone.

4.7 The EESC would encourage the European Commission to launch best practice guidelines for the Member States and companies as soon as possible.

4.8 Good practices for traineeships, established in the Recommendation on Quality Framework for Traineeships, should apply not only to the 'open market' traineeships, but also to the traineeships at the public sector and EU institutions.

5. **Other aspects**

5.1 The EESC endorses the recommendation of a six-month maximum duration for traineeships and the restriction on repeating traineeships in order to ensure that trainees do not become substitutes for employees and that traineeships are not used wrongly as alternatives to permanent employment. However, it might be appropriate for cross-border traineeships to be longer than those taking place in the trainee's country of origin.

5.2 The EESC believes it crucial to ensure that persons with disabilities are able to participate in traineeship schemes on equal terms and recommends taking appropriate measures to increase accessibility and awareness on this issue.

5.3 The EESC calls upon the social partners to continue working on the recognition of skills and competencies acquired through traineeships and elsewhere (for example, through voluntary activities). In this context, the recently-discussed European Area of Skills and Qualifications could secure additional transparency.

5.4 The Committee would encourage the issue of traineeship certificates, yet recommends ensuring that such certificates be of a common standard; and proposes considering the possibilities of linking them with the Youth Pass and the European Qualifications Framework in order for them to be widely recognisable and beneficial to young people and their future employers.

5.5 The Committee calls for the dialogue at both EU and national levels to be bolstered by involving all relevant players (social partners, civil society organisations and, especially, youth organisations) in formulating guidelines, and monitoring and evaluating implementation of the framework.

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The President
of the European Economic and Social Committee
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