



# Traineeships under the Youth Guarantee

Experience from the ground



#### **EUROPEAN COMMISSION**

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Written by Lukasz Sienkiewicz October, 2018

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#### 1 Introduction

A smooth transition from education to employment is thought to improve the chances of young people on the labour market. For this reason, the 2013 Council Recommendation on establishing a Youth Guarantee (YG)<sup>1</sup> called on Member States to ensure that all young people under the age of 25 receive a good-quality offer of employment, continued education, an apprenticeship or traineeship within four months of becoming unemployed or leaving formal education. The principle of the Youth Guarantee has been reaffirmed by the European Pillar of Social Rights.<sup>2</sup>

This report focuses on traineeships, which, over the past three decades, have become an important entry point into the labour market for young people<sup>3</sup>. They are prevalent for example in the creative industries, media/journalism and in the tourism and hospitality industry<sup>4</sup>. 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 the transition to regular employment<sup>5</sup>. They can help to make the transition to the world of work smoother, by allowing trainees to gain valuable on-the-job work experience.

Employers also benefit. Amongst other aspects, traineeships are a way of screening potential job candidates, a process that has become more complex and costly as jobs increasingly involve fewer routine tasks and more varied responsibilities<sup>6</sup>. They also allow access to an extended talent pool and can help to create a positive employer image on the labour market.

There is empirical evidence suggesting that certain forms of traineeship, notably those associated with educational programmes and well-structured active labour market policies (ALMPs), can be effective in facilitating school-to-work transition? Many examples of successful traineeship schemes can be found in Europe. Yet there have been concerns about traineeships which potentially replace jobs or open doors for misuse. There is evidence of traineeships with little or no learning content, in which trainees are asked to carry out menial tasks unrelated to their career interests, with inadequate social protection or little or no remuneration or compensation. National authorities are in a central position to design and implement traineeship schemes that prevent such misuse.

In response to growing concerns regarding the quality of traineeships, the Council adopted the Recommendation on the Quality Framework for Traineeships (QFT)<sup>10</sup> in March 2014. The aim of this framework is to ensure that young people can, in safe conditions, acquire high quality work experience which increases their employability. The QFT should form the quality basis for traineeship offers under the Youth Guarantee<sup>11</sup>, although Member States still have a large degree of freedom in regulating national traineeship conditions, since the Recommendation is not legally binding.

Little is known about traineeship practices and challenges in their implementation. This report aims to fill this gap and to provide insights into how traineeships are implemented in the context of the Youth Guarantee. The first Sections of this report focus on the role of traineeships in the society and present the Quality Framework for Traineeships as well as other initiatives aiming to ensure the quality of traineeships and to tackle their misuse. Sector 5 outlines key considerations to take into account when developing and implementing traineeships, based on academic evidence, existing evaluations as well as examples of traineeship measures under the Youth Guarantee.



### 2 Key messages

- The importance of traineeships in school-to-work transitions has been confirmed by several studies.
   Traineeships allow young people to gain a first work-related experience and learn how to apply knowledge in practical tasks. They also enhance the employability of young people by developing skills which are relevant to employers.
- Traineeships bring a number of benefits to employers; they allow access to a wider talent pool, better
  matching of young people to jobs, and an opportunity to create a positive employer image on the
  labour market.
- Traineeships constitute an important part of Youth Guarantee offers; their importance in labour market transitions is growing. At the same time, expectations of the quality of traineeships is rising.
- The level of adherence to the Quality Framework for Traineeships varies between the Member States; however, there is a growing body of evidence on positive developments in its application. This report provides examples of practices developed by Member States under the Youth Guarantee that are in line with all or some elements of the Quality Framework for Traineeships.
- The level of regulation of traineeships varies across Member States, and even between different types of traineeships within individual Member States. The regulatory frameworks for different types of traineeships is, in many countries unclear/uncertain, especially as regards open-market traineeships, which sometimes makes it difficult to make a distinction between traineeships and regular work.
- Some employers tend to misuse traineeships; therefore, close monitoring preferably a mix of monitoring, support and dissemination of good practices is needed.
- Successful traineeship programmes tend to involve strong partnerships between all relevant stakeholders, most commonly employers, social partners, and labour market and/or educational institutions.
- A well-structured approach to organising and providing traineeships increases likelihood of success.
   This includes:
  - Close monitoring of traineeships by both sending (e.g. Public Employment Services) and host organisations, so that the quality and learning content of the traineeship can be guaranteed;
  - Clearly defined roles & responsibilities of all parties involved, including those of employers;
  - Appropriate matching between the trainee and the host organisation;
  - Supervision and mentoring of trainees in the form of personalised guidance and support of trainee both prior and during the traineeship;
  - The existence of a traineeship agreement which clearly specifies the focus of traineeship, duration, the terms and conditions of the traineeship as well as how the evaluation is carried out.

## **3** Traineeships in the EU

#### 3.1 Key features of traineeships

At European level, the Quality Framework for Traineeships defines traineeships 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". At national level, most Member States have a legal definition of traineeships or, at least, a common national understanding of this concept. In general, in almost all countries where a common definition of traineeship exists, there is a strong link between education and work experience<sup>12</sup>. Indeed, traineeships embrace both the 'work-first' and 'train-first' approaches to activation, since they bring together training and work experience in one package<sup>13</sup>.

Due to this somewhat blurred situation, traineeships are often confused with other forms of 'work practice' – most notably with apprenticeships. There are different interpretations of apprenticeships, but in general these can be summarised as follows:

- formal vocational education and training schemes, which
- · bring together company-based training with learning in an education or training institution, and
- lead to a nationally recognised qualification<sup>14</sup>.

As both apprenticeships and traineeships are two possible types of offer under the Youth Guarantee, differences between the two should be carefully considered. Most notable are the differences outlined in Table 1, below.

Table 1. Distinction between apprenticeships and traineeships

|                      | Apprenticeships   | Traineeships   |
|----------------------|---|--|
| Goal                 | Aim at achieving a certain level of (usually certified or validated) qualification. | Focus on documented practical experience   |
| Length               | Can extend to four years of work and practice.                                      | Considerably shorter than apprenticeships – from a few weeks to generally a maximum of a year.                                 |
| Employment<br>status | Apprentices usually have employee status.   | Trainees do not usually have employee status and are mostly contracted via educational or tri-partite agreements with the PES. |
| Compensation         | Typically remunerated.  | Varying practices.   |
| Governance           | Usually strongly regulated.   | Tend to be unregulated (especially in relation to open-market traineeships)  |

#### 3.2 Four main types of traineeships

Traineeships are not only different from apprenticeships or other forms of practical learning; there are also different types of traineeships. Generally, a distinction is made between the following four types of traineeships:

- Traineeships within educational curricula,
- 2. Traineeships as a mandatory part of professional training,
- 3. Traineeships as part of active labour market policies (ALMPs),
- 4. Open-market traineeships<sup>15</sup>.

Traineeships within educational curricula and those that form a mandatory part of professional training are not as such a specific type of offer under the Youth Guarantee and are not covered by the Quality Framework for Traineeships, and hence they are also not covered by this report. As for the two other forms of traineeships, the Quality Framework for Traineeship applies to them, and they form the main object of this report. These two traineeship types are briefly described in the following sub-sections.

#### Traineeships as part of ALMPs

Traineeships form a significant part of ALMPs for young unemployed people, and in the EU countries they are most commonly delivered through the Public Employment Services (PES). The explicit aim is to facilitate a transition to the labour market<sup>16</sup>. For this reason, the scope of use of this type of traineeship increased greatly in the context of the global economic crisis, as the numbers of young people registered as unemployed surged. Traineeship programmes linked to ALMPs are commonly targeted at the following sub-groups of young people:

- (i) unemployed young people;
- (ii) early school leavers and low skilled or unqualified young people who face considerable difficulties in entering the labour market;
- (iii) disadvantaged young people at risk of social exclusion (e.g. young people from migrant and/or ethnic minority backgrounds, from socially and economically disadvantaged backgrounds, living in deprived and/or remote areas, with physical and/or learning disabilities, etc.);
- (iv) young graduates who have also been hit particularly hard by the crisis<sup>17</sup>.

The degree of regulation for this kind of traineeship varies from country to country<sup>18</sup>. In some EU countries, they are regulated by broader legal acts that also cover open-market traineeships<sup>19</sup>. Most countries of the EU have specific legislative acts or labour law provisions that govern the organisation of traineeships as part of ALMPs and determine their content, duration, compensation levels and entitlement to social protection. As these traineeships are usually subsidised, they are also closely monitored by the governing and supervising bodies (PES and labour inspectorates). These traineeships form a significant part of YG programmes.

#### Open-market traineeships

It is worth noting the expansion of the use of open-market traineeships in recent years. These are organised by employers themselves and are attractive to young people – especially after graduation – because they offer a chance to gain a foothold in the labour market. For many these traineeships are a means to overcome the work experience trap and increase the chances of getting a paid job, in particularly in highly competitive sectors (e.g. politics, the creative industries, media and the sciences)<sup>20</sup>. However, these traineeships are also the subject of criticism because they are less (or not at all) regulated and can be associated with questionable employer practices (low quality, no or inadequate learning content, poor working conditions, no social coverage, no or low pay, etc.). Some of these traineeships have been criticised for exploiting trainees by using them as cheap or even free labour to replace regular staff<sup>21</sup>.

Table 2 below summarises the key features of and differences between these two types of traineeship.

Table 2. Main differences between open market and ALMP-type traineeships

| Aspect   | Open-market traineeships   | ALMP-type traineeships   |
|--|--|--|
| Responsibility<br>for organising<br>traineeships | Employers (public / private / non-profit)  | Public Employment Services (PES) in cooperation with employers   |
| Type of agreement                                | Agreement between trainee and employer   | Tripartite trainee-employer-PES agreement  |
| Contract   | Usually with a form of work contract   | With or without work contract  |
| Remuneration                                     | Paid by employer (basic wage) or unpaid  | Trainees <i>may</i> receive allowance or compensation and/or other benefits (i.e. as unemployed)           |
| Subsidies  | No state subsidies to employers  | Employers may receive wage subsidies from state or EU funds to cover the labour costs incurred by trainees |
| Aim  | Preparing for regular employment   | Easing transition from school to work or from inactivity to activity                                       |
| Beneficiaries                                    | Students, graduates or new employees in need of specific practical training on the job | Unemployed and inactive young people/<br>adults  |

Source: European Commission, Commission staff working document, Applying the Quality Framework for Traineeships, SWD (2016) 324.

#### 3.3 Regulatory frameworks for traineeships

Across the EU, there are different regulatory frameworks in place governing the functioning of traineeship schemes. This legislative/regulatory diversity exists not only between Member States, but also between the different types of traineeships<sup>22</sup>. According to the Commission report on the state of implementation of the Quality Framework for Traineeships in EU countries<sup>23</sup>, all 28 Member States have some form of regulation for ALMP-type traineeships, while in the majority of countries, open-market traineeships — based on a direct agreement between employer and trainee — are either not regulated, or are subject to general labour law provisions. In some Member States such traineeships are not allowed by law<sup>24</sup>. The aforementioned Commission report from 2016 distinguishes three main categories of countries within the EU as regards the regulatory/ legislative frameworks:

- MS with regulatory frameworks (overarching laws or specific legal acts) concerning both types of traineeships (BE, BG, DE, ES, LT, PL, PT, RO, SI).
- · MS with a regulatory framework on one type of traineeship (DK, EE, HR, IT, MT, SK, FI, SE).
- MS with partial regulatory frameworks relating to only specific ALMP programmes or some general provisions in labour law (AT, CZ, IE, EL, FR, CY, LV, LU, HU, NL, UK).

#### 3.4 Traineeships under the Youth Guarantee

Traineeships are a substantial element of programmes delivered in the context of the Youth Guarantee. According to the Youth Guarantee monitoring data<sup>25</sup> traineeships are the second most used measure under the Youth Guarantee, after employment. In 2016, of the 2.1 million young people (15-24) that took up an offer within four months of registering in a Youth Guarantee scheme, 1.4 million (or 67.2%) took up an employment opportunity. The remaining 0.7 million mostly took up offers of a traineeship or continued education (13.9% and 12.0% of all timely offers respectively). 6.9% took up an apprenticeship offer.

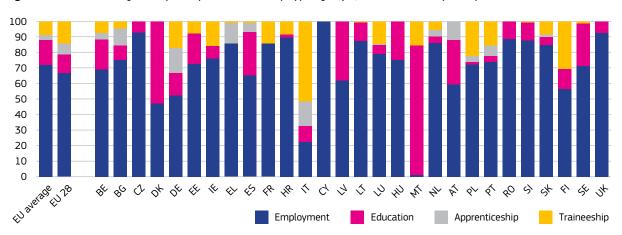


Figure 1. Distribution of timely and positive exits by type of offer, 2016 (% timely and positive exits)

Source: DG EMPL (2018), Data collection for monitoring of Youth Guarantee schemes: 2016

Over a quarter (556 000 or 25.9%) of all known offers taken up within four months of registration were fully or partly subsidised with public money<sup>26</sup>. This includes the majority of traineeships (76.8%)<sup>27</sup>, half of continued education offers (50.4%) and two fifths of apprenticeships (37.7%), but only one in ten employment offers (9.8%). This shows that while the significance of traineeships for school-to-work transitions cannot be debated, the majority of traineeship offers require some level of public support. Traineeships require substantial investment from employers, for which they often expect to be supported by public funds.

#### Box 1: EU financial support for the implementation of the Youth Guarantee

The **Youth Employment Initiative (YEI)** is one of the main EU financial resources to support the implementation of the Youth Guarantee. It exclusively supports young people who are not in employment, education or training (NEETs), ensuring that in parts of Europe where the challenges are most acute, young people can receive targeted support.

The total budget of the YEI is EUR 8.8 billion for the period 2014-2020. This funding is being used for a variety of measures that underpin the Youth Guarantee, ranging from outreach to vulnerable groups and activation, to hiring subsidies for employment of young NEETs.

By September 2017, preliminary information from Member States to the Commission shows that the YEI had supported approximately 1.7 million young NEETs. The impact of these interventions is positive with around half of the operations financed by the YEI leading to a positive outcome - that is, a qualification or a move into education/training, or employment (including self-employment). The assessment of many Member States, therefore, is that the YEI is having a significant impact on the coverage and design of employment policy in their country.

The YEI is complementary not only to other actions undertaken at national level, but also to actions financed by the **European Social Fund (ESF)**. The ESF can reach out beyond individuals, helping reform employment, education and training institutes and services – reforms that are often crucial for effective implementation of the Youth Guarantee.

Over the 2014-2020 programming period, the ESF — in addition to the YEI — directly invests at least EUR 6.3 billion to support the integration of young people into the labour market across Europe. Many successful projects under the Youth Guarantee have been financed by this investment. Furthermore, the ESF also supports young people in other ways through a total of EUR 26 billion to tackle early school leaving and invest in vocational education and training.

As the use of traineeships is becoming increasingly widespread – also under the Youth Guarantee – and, as noted above, are mostly subsidised with public money, it is crucial to assure the quality of these programmes. The aspects that can help improve the quality of traineeship programmes are discussed in the following sections.

#### 3.5 Benefits of taking part in traineeships

Traineeships are considered highly effective in supporting school-to-work transitions, which is why they have become an important entry point into the labour market. The following evidence from EU countries shows the impact of traineeships on the labour market integration of youth:

- In **Bulgaria** an assessment of the individual net effect carried out in 2017 indicated that the traineeship measure was highly effective in exiting unemployment with the net effect of 17.7 p.p.<sup>28</sup>
- In **Cyprus** the effectiveness of the *Scheme for Job Placement of Unemployed Young Tertiary Education Graduates for the Acquisition of Work Experience in Enterprises* was evaluated by external experts in 2015 and indicated that half of the participants (50.2%) were employed eight months after the completion of traineeship.<sup>29</sup>
- In Italy Quarterly Monitoring Reports (September 2017) prepared by ANPAL indicate that approximately 45% of young NEETs who started and concluded a traineeship measure under the YG are employed at the end of the reference quarter and 70.4% of employment relationships are of a stable nature (open-end and apprenticeships).<sup>30</sup>
- In Lithuania the results of the counterfactual impact evaluation show that the annual income of the people who participated in support for the acquisition of professional skills was EUR 1,348 higher than if they had not participated in the project.<sup>31</sup>
- In Latvia the evaluation of YG training programmes carried out in 2017 by the European Commission's Joint Research Centre showed that on average 50% of all young participants enter employment relations within six months after finishing training programmes.<sup>32</sup>

Traineeships are believed to help young people build work-relevant skills, gain specific knowledge of their future occupations, develop a clearer self-concept and confirm or redirect individual career goals<sup>33</sup>. Most of the skills acquired during traineeships are general and transferable<sup>34</sup>. These benefits may then translate into various favourable outcomes for the transition into the labour market and early career success, for example, shorter length of job search, lower likelihood of unemployment, more stable job positions, better job match, greater job satisfaction and increased earnings<sup>35</sup>.

Quality traineeships can also bring numerous benefits for employers. They give companies access to a growing number of skilled and experienced young workers (the so-called talent pool), reduce recruitment costs, and improve matching of young people to jobs. Employers can also benefit from the new ideas and fresh thinking that young people bring to their organisation; this can help change the training culture in companies by developing the willingness of employers to invest in training<sup>36</sup>. Traineeships can also contribute to a positive employer image on the labour market (employer branding).

#### 3.6 Limitations of traineeships and concerns regarding quality

Traineeships have also limitations. Since they are primarily focused on the acquisition of practical skills and experience, they are less suitable for providing certain transversal / generic skills than for example further education and apprenticeships – i.e. the other educational measures under the Youth Guarantee – which allow young people to develop such skills. The short duration of traineeships (some traineeships last only around 4-6 weeks) as well as the often limited pedagogical expertise of employers and/or trainers restrict their potential for learning. Also, traineeships are usually not aimed at the acquisition of qualifications.

Furthermore, in particular open market traineeships<sup>37</sup> tend to involve a limited opportunity for direct supervision from external parties, such as educational institutions or public employment services (PES). Therefore, it is difficult to link them to other forms of support, that unemployed young people facing more complex problems might need (relating to their economic situation, background, learning difficulties, etc.). However, traineeships can be an excellent opportunity for young people who have dropped out of the labour market, to test their potential on the labour market.

For these reasons, traineeships are usually best suited to young people with a certain level of education (either at secondary or higher education level), whose primary objective is to complement (rather than substitute) their educational achievements.

The suitability of each Youth Guarantee educational offer to the different target groups of young people is summarised in Table 3.

Table 3. Suitability of YG educational offers to different target groups of youth

| Perspectives                           |  | Continued<br>education<br>offer | Apprenticeship<br>offer | Traineeship<br>offer |
|--|--|---------------------------------|-------------------------|----------------------|
|  | Acquisition of transversal /<br>general skills             | High                            | Medium                  | Low                  |
| Type of<br>skills / work<br>experience | Acquisition of practical skills                            | Low                             | High/medium             | High                 |
|  | Acquisition of practical (work) experience                 | Low                             | Medium                  | High                 |
|  | Young people seeking<br>practical (work-based)<br>learning | Low                             | High/medium             | High                 |
| Group of<br>young people<br>targeted   | Drop-outs  | High                            | Medium                  | Medium               |
|  | Young people with complex problems                         | Medium                          | Medium                  | Low                  |
|  | Higher education students /<br>graduates                   | Low                             | Low                     | High                 |
| Education<br>level                     | General secondary education students                       | High                            | Medium                  | Low/<br>Medium       |
|  | Vocational training students<br>/ graduates                | Medium                          | High                    | Medium/<br>high      |

Source: Author's own development

Traineeships also involve (potential) costs to the young person, due to the investment of time, effort and sometimes even money. Trainees have to accept educational opportunity costs and often enter the labour market later than non-interns<sup>38</sup>. If the traineeship is of high quality, this time cost can bring future benefits related to the increase of individual human capital. But there is a risk of lost opportunity, if the quality of the traineeship is low. Based on economic human capital theory<sup>39</sup>, student traineeships are anticipated to have positive wage returns<sup>40</sup>. However, existing evidence shows that there is a certain pay penalty linked to undertaking unpaid internships. For example A. Holford<sup>41</sup> shows that, on average, former interns face a salary penalty of approximately GBP 3,500 per year compared with those who went straight into paid work, and GBP 1,500 compared with those who went into further study. However, former students who have undertaken a traineeship after completing their studies have a higher level of job satisfaction than peers who did not find any work or study six months after completing their degree, but are less satisfied than peers who went from their degree to employment or further study.

Traineeships are sometimes criticised for their poor terms and conditions, e.g. lack of social security and/or health/medical insurance coverage, no entitlement to holidays, no sick or holiday pay, etc<sup>42</sup>. In some cases heavy workloads and long working hours are imposed on trainees<sup>43</sup>. Prolonged periods of traineeships – having to take up several traineeships in a row, prior to accessing more permanent positions – might have significant negative social security consequences for young people, in particular in terms of pension right accumulation.

Table 4. Lack of formal social security coverage for people in apprenticeships, traineeships and vocational training

| Social policy area/types<br>of employment | Apprentices               | Trainees                          | Vocational trainees |
|---|---------------------------|-----------------------------------|---------------------|
| Unemployment benefits                     | BE, EL, HR, MT, NL,<br>PL | EL, FR, IT, LT, MT, NL,<br>PL, RO |                     |
| Sickness benefit                          | BE, HU, NL, PL            | DK, FR, HU, LT, NL, PL            | DK, EL, FR, HU, PL  |
| Maternity benefit                         | BE, MT                    | FR, HU, IT, LT                    | EL, FR, HU, IT      |
| Accident and occupational injuries        |                           |                                   |                     |
| Old age/survivors'<br>pensions            | BE, HR, MT                | EL, FR, HU, IT, LT, MT            |                     |
| Invalidity                                |                           |                                   |                     |

Source: European Commission Staff Working Document - Accompanying the document: Proposal for a Council recommendation on access to social protection for workers and the self-employed (SWD(2018)70 final)

There are also concerns about employers using traineeships as a form of unpaid employment, i.e. trainees being used for entry level jobs and/or other job vacancies without any learning content, instead of regular staff. In a recent Eurofound report<sup>44</sup> four ALMP schemes were discussed, in which regular work is performed on the basis of a traineeship agreement, without most of the rights associated with employee status (in terms of pay, working time, working conditions, learning content, etc.).

The practices that misuse the general aims of the traineeship system consist of employers taking advantage of their dominant position on the labour market, especially in times of high youth unemployment. In such cases young people – who often have no alternatives (either a sound traineeship or job offer) – agree to inferior traineeship conditions. Most of the 'fraudulent' uses of traineeships are motivated by the desire to reduce costs (on the employer's part) and the hope of gaining future opportunities (on the trainee's part).

According to the mentioned Eurofound report, institutional features appear to be decisive in enabling fraudulent traineeships, including:

- legal uncertainty in many countries the unclear definition of a 'traineeship' makes it almost impossible to distinguish between traineeships and regular work;
- socioeconomic factors the economic situation may lead young people to accept inferior traineeship conditions in the hope of gaining experience and stable job in the future;
- challenges of trade union representation due to low youth membership rates and inadequate presence at company level, the influence of trade unions on such practices is limited.

Practices that allow misuse of traineeships are constantly being fought against, as these can have a negative impact on businesses (by creating conditions for unfair competition), workers' rights (worsening working conditions, income and labour rights) and wider society (in terms of tax and social protection regulations, labour laws and social cohesion)<sup>46</sup>. Well-developed quality assurance systems and correct application of the Quality Framework for Traineeships<sup>47</sup> provide at least partial protection towards questionable practices. However, there might be a need to implement further measures to strengthen the impact.



Strong measures are needed to make sure that traineeships are not misused, and remain a tool to smoothen school-to-work transitions. Such measures include preventive awareness-raising campaigns, promotion of high standards, as well as direct support to employers in the setting-up of traineeship schemes. Examples of further such measures are<sup>48</sup>:

- ensure that labour inspectorates and trade unions have the competences and power to enforce the rights of these specific 'non-labour' relationships;
- clarify existing regulation, in order to make sure that traineeships are well defined and regulated with a view to establishing clear boundaries with respect to regular employment relationships;
- provide financial support and social security coverage to prevent social inequalities or trainees taking poor-quality jobs;
- set up reporting websites that allow interns to share any fraudulent practices they have encountered (e.g. in Austria);
- run campaigns for a minimum wage (e.g. in the UK arts sector);
- provide company and trade union guidance to employers setting up traineeship schemes to comply with binding legislation (e.g. UK, PL).

As an example, in **Belgium** VDAB provides extensive support to employers in planning traineeships. This 'preventive' approach can possibly lead to better outcomes for young people. In **Slovenia**, the Ministry of Labour, Family, Social Affairs and Equal Opportunities, in cooperation with other ministries, prepared an action plan to improve the quality of traineeships under two ALMP programmes *On the job training and Work trial*. This action plan aims to provide a legal framework for proper implementation of the two ALMP measures in question. Both programmes have special mechanisms which prevent the programmes from being exploited by employers, such as the requirement for training to be implemented under the supervision of a trained coach. In addition, employers are obliged to employ a minimum of 50 % of all people who are included in the specific training programme.

Despite the limitations discussed above, traineeships play an important role as a support measure for young people entering the labour market. In recognition of this, the Quality Framework for Traineeships sets out to address some of the concerns raised above by setting out a reference point for quality traineeships under the Youth Guarantee.

# 4 Assuring the quality of traineeships: Existing frameworks

The quality of traineeships is a major concern, both within the Youth Guarantee and outside. Several attempts have been made, both at EU and at national level, to strengthen the quality of traineeships through various quality assurance mechanisms. This section takes a look at some of these initiatives.

#### Box 2: Quality of traineeship offers under the Youth Guarantee

The Youth Guarantee (YG) legal basis (Council Recommendation of 22 April 2013) recommends that young people receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving education. However, it does not include a common definition of a 'good-quality offer' that would apply to all four types of offers.

The European Commission has been applying an **outcome-based approach on quality**, whereby an offer can be considered of good quality if it matches the participant's profile, labour market demand and if the person who benefits from it is integrated into the labour market in a sustainable way (i.e. does not return to unemployment or inactivity afterwards). This last aspect is partly measured in the context of the data collection on Youth Guarantee schemes, where quality aspects of YG offers are indirectly captured by the follow-up indicators, showing the situation of young people 6, 12 and 18 months after leaving the YG registry.

Besides, the Council Recommendation of 10 March 2014 on a **Quality Framework for Traineeships** provides the main quality guidelines to be applied to traineeship offers under the Youth Guarantee. The aim of this Framework is to provide guidelines which make it possible for trainees to acquire high-quality work experience under safe conditions.

Moreover, in 2018, the Employment Committee decided to exclude traineeship (as well as employment) offers of short duration (of less than 28 days) from the data on the Youth Guarantee implementation reported by Member States. This means that **any traineeship offer of less than 28 days is by definition not considered a quality offer** and not counted as an offer taken-up by young people. This, however, does not imply that offers of longer duration are by default considered quality offers.

#### 4.1 The Quality Framework for Traineeships

The Recommendation on the Quality Framework for Traineeships (QFT), adopted in March 2014, sets the standards for determining what can be considered a quality traineeship offer. It presents the quality elements in the form of principles to be followed when designing and implementing traineeship schemes.

The QFT is applicable to two main types of traineeship: those available on the open market and traineeships which are part of ALMP programmes<sup>49</sup>. Therefore, the framework applied also to traineeships within the Youth Guarantee.

Legal frameworks covering traineeships differ across the EU Member States, and so does the level of their compliance with the QFT. The Commission report on the state of implementation of the QFT<sup>50</sup> provides a comprehensive overview of changes introduced by the Member States in their legal frameworks between 2014 and 2016; half of the Member States had undertaken legal changes that strengthen the alignment of national legal frameworks with the Council Recommendation on the QFT, or reported plans to do so. The Table below explains some key observations concerning these developments.

Table 5. Level of implementation of the Quality Framework for Traineeships

| QFT Recommendation   | Key observations   |
|--|--|
| Traineeships are based on a written traineeship agreement indicating educational objectives and working conditions <sup>51</sup> .     | Generally it is a well-established and well developed practice that is routinely implemented and integrated into the overall YG delivery and/or services to young people. In many countries this principle has been fully implemented in relation to traineeships.   |
| A mentor/supervisor is assigned to the trainee, guiding him/her through the assigned tasks, monitoring and assessing his/her progress. | This has been reported as a rather well-developed practice. Especially in ALMP-based traineeships it is a requirement of the programme. However some countries report some or significant room for improvement here.   |
| The duration of traineeships is limited and justified by the learning content.   | Durations of the traineeships are usually well regulated in the MS. This is due to existing regulatory frameworks that prevent the extended use of traineeships.   |
| Knowledge, skills and competences acquired during a traineeship are assessed and validated through a certificate.                      | Although the level of implementation of this principle in some countries is high, many report rather medium progress in this respect. For these countries, it is more than just a basic implementation but also offering significant room for improvement. The reason for this is the prevalence of openmarket traineeships that do not provide certification of the knowledge, skills and competences acquired. |

Source: Author's own development based on Data collection for monitoring of Youth Guarantee schemes: 2016 Country Fiches, European Commission 2017 and European Commission, Commission staff working document, Applying the Quality Framework for Traineeships, SWD (2016) 324.

Although there have been positive developments at national level in regard to the QFT, a number of challenges remain, notably<sup>52</sup>:

- (i) The low level of regulation of open market traineeships, compared to ALMP-type traineeships;
- (ii) gaps in traineeship regulations (relating to: insufficient learning content, lack of transparency on hiring practices, possibility of traineeships longer than six months, and lack of rules on proper recognition of traineeships),
- (iii) inadequate cooperation with social partners.

#### 4.2 Other EU-level initiatives on the quality of traineeships

In addition to the Council Recommendation, some other stakeholders operating at EU level have developed quality guidance for traineeships. The European Youth Forum has prepared An Employers' Guide to Quality Internships, in which it calls for the stepping up of measures to increase the quality of traineeships. The Employers' Guide is linked to the European Youth Forum's European Quality Charter for Internships and Apprenticeships, which "is an outline of what it takes to make sure that an internship, whether it is undertaken within education or outside, is useful and fair for young people" According to the Charter, quality consists of three main principles:

- **Learning** Internships should primarily be an educational experience where young people can develop the skills and competences they need to enter the labour market.
- **Rights** In order for this experience to be a safe and fair one, the employer should inform the intern of their social and labour rights, their responsibilities towards the organisation and any health and safety risks in the work place.
- **Remuneration** for internships to be accessible to all young people, an intern should be fairly reimbursed or remunerated for the work they carry out.

In 2017, building on the Quality Framework for Traineeships, the **International Labour Organisation (ILO)** developed guidance for the development of quality traineeships<sup>54</sup>, focussing on the design, monitoring and evaluation of traineeship programmes offered to young people. This guidance is accompanied by a checklist of quality criteria, consisting of 16 quality elements.



# 5 Practical insights into developing and implementing traineeships

This section outlines some learning from experience on the ground in relation to developing, implementing and monitoring traineeships. Examples from Member States are included where available.

#### 5.1 Developing traineeships

#### 5.1.1 Institutional and regulatory framework

According to the European Commission report detailing key success factors of apprenticeship and traineeship schemes<sup>55</sup>, a robust institutional and regulatory framework should be in place for traineeships. The Quality Framework for Traineeships (QFT) calls on the Member States to improve their institutional and regulatory frameworks, as follows:

- Point 6 of the QFT calls on Member States to ensure that the rights and working conditions of trainees are respected with regard to applicable EU and national law, including 'limits to maximum weekly working time, minimum daily and weekly rest periods and, where applicable, minimum holiday entitlements';
- Point 7 invites Member States to encourage traineeship providers to clarify whether they provide coverage in terms of health and accident insurance as well as sick leave.
- Point 8 of the QFT states that the traineeship agreement should clarify whether an allowance or compensation is applicable, as well as its amount.

As mentioned above, half of the EU Member States had by 2016 undertaken legal changes that strengthen the alignment of national legal frameworks with the Council Recommendation on the QFT, or reported plans to do so. While open-market traineeships comply with individual QFT criteria in just a few Member States, ALMP-type traineeships are fully or mostly compliant with the individual QFT criteria in most Member States.

Examples of improved contractual arrangements between trainees and companies can be found in Bulgaria and France. One of the first changes in **Bulgaria**<sup>56</sup> resulting from the implementation of the Youth Guarantee was the amendment to the Labour Code in 2014, introducing a traineeship contract.

In France<sup>57</sup> the government has harmonised the legal conditions and the functioning of traineeships that are part of a curriculum. An improved legislative framework of quality for traineeships is covered in the Bill of 10 July 2014 on the 'development and regulation of traineeships and improvement of trainee status'.

#### 5.1.2 Duration of traineeships

Point 10 of the QFT indicates that Member States should 'ensure a reasonable duration of traineeships that, in principle, does not exceed six months, except in cases where a longer duration is justified, taking into account national practices'. Member States respect this principle more in the case of ALMP-type traineeships – allowing sometimes some traineeships targeted to certain disadvantaged groups to be longer. For open-market traineeships, only four Member States set the maximum legal duration of a traineeship to six months, while in the majority of Member States there is either no legal limitation of duration, or the maximum duration can be longer than six months<sup>58</sup>.

**Portugal** is one of the countries where the duration of traineeships is limited. The duration can vary but always needs to be justified by time needed for learning in a given business context (considered as the minimum period of adjustment at a new company plus time needed for acquisition of new skills and competences, usually nine months). In **Germany**<sup>59</sup> *in-company introductory training* (Einstiegsqualifizierung or EQ) can be funded for between six and a maximum of 12 months. In **Croatia**<sup>60</sup>, the contract for occupational training can be concluded for a period of up to 12/24 months, depending on the necessary experience stated in the bylaws that regulate the specific occupation.

#### 5.1.3 Financial support for traineeships and trainees

Funding provided for traineeships can take the form of employer subsidies or compensation (allowances) for trainees. As indicated above (Section 3.4), the majority of traineeships (76.8%) under the YG were subsidised in 2016. It should be noted that there are many open-market traineeships that offer remuneration without any public financial support. However, in many countries there is no compensation/ allowance for trainees (especially in open-market traineeships) or allowances are rather low and insufficient to cover living expenses in full.

While the Quality Framework for Traineeships does not recommend that traineeships are paid under all circumstances, Point 14 says that Member States should "encourage traineeship providers to include in their vacancy notices information on the terms and conditions of the traineeship, in particular on whether an allowance and/or compensations and health/accident insurance are applicable as well as information on recruitment policies, including the share of trainees recruited in recent years". The objective is to allow trainee candidates the possibility to make a well-informed decision about accepting or refusing a traineeship offer, based on information regarding financial conditions and hiring chances. The QFT also states that Member States should make use of European Structural and Investment Funds, where applicable, to increase the number and quality of traineeships, including through effective partnerships (see also Box 1, Section 3.4).

The following examples from Bulgaria, Cyprus, Croatia and Germany show how financial subsidies can be used within traineeship schemes.

In **Bulgaria**, the initiative *New opportunity for youth employment*<sup>61</sup> provides incentives to employers to hire young people aged up to 29. The measure requires the employer to appoint a supervisor for each trainee, whose extra functions are remunerated by the operation with 50% of the minimum wage. This initiative covers transport costs and remuneration of the interns/trainees, who receive a minimum salary, in the case of internships, and 90% of the minimum salary, in the case of in-house training. The measure also includes the exemption of various social security contributions if the employer signs a permanent contract with a (former) intern/trainee.

**Cyprus**<sup>62</sup> implements *The Employment Subsidy Programme for secondary and post-secondary graduates* programme under the Youth Guarantee. The programme aims to provide unemployed young people (under the age of 25) with limited work experience and minimal tertiary education with a placement in order to improve their skills and give them greater experience of the workplace. All types of organisation (public, private, not-for-profit) are eligible to take people on who qualify for the subsidy, provided they have a suitable instructor who can supervise/train the subsidised employee.

In **Croatia**<sup>63</sup>, the PES reimburses employers through mandatory pension insurance contributions, calculated on a monthly basis for the national average salary. The PES pays financial assistance to trainees which amounts to the non-taxable portion of a student scholarship. The total funds amount to a minimum wage. The PES paid previously also the trainees' travel expenses but since 2017 these expenses were transferred to the employer. In **Germany**<sup>64</sup> employers who take on young people for in-company introductory training receive a subsidy for the traineeship pay. They also receive a lump sum towards the trainees' total social insurance contributions.

# 5.1.4 Partnerships between employers, social partners, labour market and educational institutions

Successful traineeship programmes tend to have strong stakeholder engagement in both design and delivery. Some benefits of involving employers are listed below.

- Because traineeships require significant 'hands-on' experience of a real working environment, employers'
  will and engagement in the provision of challenging opportunities (without lowering the cost of regular
  employment) is crucial.
- An exchange of knowledge between public institutions (labour market and educational) and employers, notably on employers' skills needs and requirements, can help to ensure that traineeships offer young people relevant experience in occupations that are in demand on the labour market another success factor for traineeships<sup>65</sup>. Cooperation of employers with other institutions involved in the design and implementation of traineeship schemes can help to increase the overall quality of traineeships.

For example, in **Ireland** Solas<sup>66</sup> training programmes offered to young people under the YG are subject to regular review at national and local level to ensure continual improvement in their relevance to the needs of trainees and of local labour markets. It is also the responsibility of the Intreo<sup>67</sup> Case Officer to ensure that training offers are appropriate to the needs of the individual young person, and to refer him/her to the relevant course through the integrated software platform.

However, the level of engagement of employers in traineeships varies significantly. There are a number of challenges that employers face in the set-up and delivery of effective traineeship programmes.



Table 6. Challenges faced by employers setting up traineeship programmes

#### Challenge How to tackle it Limited knowledge of Supporting employers with the set-up by providing information on the design of traineeship the traineeship set-up steps (websites, guidebooks, etc.) schemes (e.g. design of Initiating cooperation between public institutions (labour market curricula, quality assurance and educational) and employers resulting in co-design of mechanisms) - especially programmes (curricula, quality assurance, mechanisms to support for employers setting up trainees, etc.) programmes for the first time Employers are not sufficiently Providing guidance on the requirements of the traineeship prepared to take on trainees, programmes, based on the QFT, and dissemination of good connected to a lack of practices (e.g. through contacts with 'successful' companies) organisational knowledge. Initiating and supporting train-the-trainer programmes, to prepare most notably in relation to employees for the role of mentors mentoring young people Regulations and procedures Providing easy-access and simple information on the design and operation of traineeships (websites, leaflets, guidebooks, of traineeship schemes (especially in relation to etc.) as well as direct support of dedicated and trained staff ALMP-based traineeships) (e.g. of PES) deemed complicated and burdensome Cost of traineeships (including Incentivising employers by providing funds for the initial the trainees wages/stipend, design and set-up of the programme, as well as subsidies social security contributions, for the coverage of wage/social security contributions of the learning materials and costs trainees of mentors' time) too high for the employers Non-existent or inadequate Promoting and publishing evaluation studies and research (e.g. evidence and data on benefits cost-benefit analyses) that provide evidence on the effectiveness to employers of initiating and benefits of traineeship programmes (not only to trainees but and running traineeship also to employers) programmes Dissemination of 'good practices', with testimonies from companies and trainees

Source: Author's own development

It is recommended in the Quality Framework for Traineeships that Member States should promote the active involvement of social partners during the design and implementation phase of a traineeship. Yet only a few Member States report having significantly involved social partners during both of these phases of traineeship programmes. An interesting example of active social partner involvement in the creation of traineeship schemes can be found in the Czech Republic. 'Employed Graduates' (Zaměstnaný absolvent)<sup>68</sup> project. One of the key success factors of this project is cooperation under a partnership within the so-called 'Territorial Employment Pact', bringing together regional labour offices, chambers of commerce, municipalities and trade unions (and also other key players like secondary schools, companies etc.). The partnership-based approach allows a consensus to be reached among all parties involved in regard to the objectives and priorities of the project. Cooperation and networking also helps to better match the expectations of employers with those of graduates, which has resulted in higher effectiveness of the project.

Social partners can also take an active role in promoting quality issues in traineeships. For example, to increase awareness and transparency of traineeship programmes, the **Polish** Association of Human Resources Management (*Polskie Stowarzyszenie Zarządzania Kadrami* – PSZK) developed the *Framework for High-Quality Traineeships and Internships*<sup>69</sup>, which provides the rules for conducting high-quality traineeships, as well as examples and testimonies of participating companies and trainees. The framework is supported by accompanying documents (including an implementation guide)<sup>70</sup> and a viral (mainly social media) campaign called 'Internship - Check before you go' (*Staż – Sprawdź zanim pójdziesz*). PSZK also launched a programme of certification of high-quality traineeships. What is interesting is that the Framework has been further recognised and endorsed by the Ministry of Science and Higher Education, the Polish Agency for Enterprise Development, and the Ministry of Labour and Social Policy. Although not a formal document, it was advised as a reference framework for ESF-funded projects covering traineeship components.

Another example of partnerships offering opportunities for developing quality guidance on traineeships is the **UK** *Common Best Practice Code for High-Quality Internships*, provided in box 3 below.

#### Box 3: UK Common Best Practice Code For High-Quality Internships

In the **UK**, the July 2009 Final Report of the Panel on Fair Access to the Professions concluded that a significant proportion of internships did not provide high-quality work experience. The Panel recommended that the professions, government, trade unions and the third sector work together to produce a *Common Best Practice Code for High-Quality Internships*. The Code describes the core elements required in order to obtain maximum benefit from internships for both interns and employers, as follows:

- **Definition** A clear definition of what constitutes an internship is provided (as well as what is considered not to be an internship).
- **Preparation** Employers should consider how they expect to benefit from employing an intem, alongside the professional skills and insight that the intern will gain.
- Recruitment Employers should recruit interns in broadly the same way as their regular employees. They
  need to convey how the interns' skills, qualifications and experience will dovetail with the tasks they will be
  expected to fulfil.
- Induction Interns should receive a proper induction at the beginning of the internship, to introduce an intern to their colleagues and explain the organisation's values to enable them to become a fully integrated team member.
- **Treatment** Interns should be treated with exactly the same degree of professionalism and duty of care as regular employees, including access to disciplinary and grievance procedures.
- **Supervision and mentoring** Employers should ensure that there is a dedicated person(s) with ring-fenced time in their work schedule to act as a supervisor and mentor.
- Certification, reference and feedback On completion of the internship, the employer should provide the intern with a certificate/reference letter detailing the work they have undertaken, the skills and experience acquired, and the content of the formal performance review conducted at the end of the internship.

Source: http://www.bis.gov.uk/assets/BISCore/higher-education/docs/C/11-1068-common-best-practice-code-for-quality-internships.pdf

Public Employment Services (PES) and educational institutions also have a role to play in the provision of traineeships, as outlined in the box below.

#### Box 4: The role of PES and educational institutions in providing traineeships

The role of PES includes:

- · Initiation of traineeship programmes,
- Disseminating information on traineeship offers and their advantages,
- · Facilitating contacts between employers and potential trainees,
- Coordination of traineeships and ongoing monitoring,
- · Consulting on issues regarding setting up traineeships (both for ALMPs and open-market traineeships),
- Evaluation of effectiveness and sanctioning (in case of ALMPs).

It is important to note that in most cases the role of PES is limited to supporting the traineeship schemes provided under ALMPs. However, there are some areas, such as support in setting up traineeships – both in terms of formal requirements as well as the content – where the expertise of PES might prove useful in increasing the quality of open-market traineeships.

The role of educational institutions includes:

- · Providing expertise on programme development and preparation,
- Training and support of mentors (especially in training-the-trainer programmes),
- Disseminating information on traineeship offers and their advantages.

Although in most cases educational institutions are not directly involved in the design and implementation of traineeship programmes, they might be able to provide valuable input into this process.

There are also other institutions that might provide valuable insights and help in setting up effective traineeship programmes.

- Sectoral labour market and skills councils supporting institutions setting up traineeship schemes by providing expertise on current and future skills needs (at national, regional and sectoral levels).
- Social partners facilitating the cooperation between business, education and labour market institutions.
- Academic and research institutions providing expertise on specific subjects covered by traineeships, and supporting traineeship programme facilitation with expertise on cutting-edge issues related to learning curricula.

Source: Author's own development

#### 5.2 Implementing traineeships

#### 5.2.1 Conclusion of a written traineeship agreement

At the heart of the Quality Framework for Traineeships is a written agreement for traineeships. First of all, according to Points 2 and 3 of the QFT, traineeships should be based on a written agreement which indicates e.g. the educational objectives, the working conditions and whether an allowance or compensation is provided. Furthermore, the QFT indicates (Points 4 and 5) that this written agreement should also clarify learning objectives. It encourages Member States to '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' (Point 4).

Whilst in all countries some form of written agreement exists for ALMP-type traineeships, this is not always the case for traineeships in the open market. Even in Member States where a written traineeship agreement is a formal requirement, the agreement often does not cover all elements required by the QFT.

In **Portugal**<sup>71</sup>, according to national legislation on traineeships, grants will only be issued to companies which establish a written agreement with trainees, who are entitled to receive an allowance during the traineeship period as well as workplace accident insurance and sick leave. In **Croatia**<sup>72</sup>, employers must submit a training programme to the PES, including learning objectives and in the Brussels region of **Belgium**, under the *Traineeship First*<sup>73</sup> programme, the employer prepares an action plan that has to be validated by the Brussels Employment Office Actiris. In **Germany**<sup>74</sup> as part of the *in-company introductory training* (Einstiegsqualifizierung or EQ), the employer and EQ trainees sign a special EQ contract setting out their rights and obligations. The contract is reported to the competent body under the Vocational Training Act, the Trades and Crafts Code, the Maritime Labour Act or the Act on the Care of the Elderly.

#### 5.2.2 Appropriate matching of trainee to host organisation

For traineeships to work well, it is important to find a suitable match between the trainee and the host organisation. This involves taking into account the skills and interests of the trainee, as well as the needs of the employer.

In the **Czech Republic**, under the scheme *Professional Traineeships for Young People under 30*<sup>75</sup> (Odborné praxe pro mladé do 30 let), the regional PES collaborated with employers to identify labour market gaps where there was a lack of adequately trained graduates. The PES also sought to identify skills shortages in individual localities and then contacted relevant employers to enquire about training and employment opportunities. The PES and individual employers worked together to select appropriate candidates for specific traineeships. Young people for whom there were no suitable traineeship vacancies, were guided to the education system to gain qualifications, in order for them to qualify for a greater number of vacancies in the future.

In **Greece** the *Entry Voucher to the Labour Market*<sup>76</sup> (EVLM) programme aims to provide job placements to young people to enable them to have a structured entry into the labour market that will eventually result in their permanent employment. Using online databases, the EVLM aims to match young people with the available placements that best suit their interests and skillsets. Prospective participants, training providers, and organisations willing to offer internships can apply to the programme. Participants choose their training providers (from the register of providers) who match them with a shortlist of suitable openings. Participants first complete an 80-hout theoretical training, and then move on to an internship to learn on-the-job skills, which typically lasts for five months. Training providers have more responsibility in supervising the internships as well as monitoring, guiding and supporting participants before, during and after the internships.

The **Estonian** Unemployment Insurance Fund (i.e. the Estonian PES) offers wage subsidies to employers under the *My First Job*<sup>77</sup> scheme who recruit young unemployed people. Employers can also receive a subsidy to cover the full cost of training which is part of this scheme. The careful matching of trainees to companies is considered one of the key success factors of this scheme.

#### 5.2.3 Combining theoretical training with practical work-related experience

Effective traineeships provide a good combination of theoretical training with practical work-related experience. This can be achieved in a number of ways, but strongly draws on the experiences of the dual learning system.

The **German** *Alliance for Initial and Further Training* (Allianz für Aus- und Weiterbildung)<sup>78</sup> is aimed at developing and promoting dual vocational training through a stakeholder alliance to provide each person interested in training with a 'path' - in the context of the training guarantee - which can lead him or her to a dual vocational qualification as quickly as possible. Each year, employers offer 500 000 internships for school students as part of their career orientation.

In **Luxemburg** the *Fit 4 Green Jobs – training for young people who are NEET in the building sector*<sup>79</sup> programme offers nine different training courses related to the building sector for young NEETs or those at risk of social exclusion. The training is composed of basic theoretical knowledge and of practical exercises on the training site. For example the training for Greentech-jobs lasts eight weeks (336 hours) of which one third would be theoretical background and two thirds practical work on real installations. All practical aspects are taught by experts from the field. During the training, the basic rules of a working environment are applied in order to influence the behaviour of the trainees: punctuality, motivation, hard work.

#### 5.2.4 Guidance, support and mentoring of trainees

Guidance, coaching and support are important for trainees throughout their traineeship. It is suggested that this support should be based on a personal plan for the trainee which also sets out the requirements placed on the employer<sup>80</sup>. As noted previously (see Table 5), the allocation of a mentor / supervisor for trainees is a relatively well-established practice, in particular for ALMP-based traineeships, where it tends to be a requirement. Nevertheless, it seems that there is still room for improvement in some countries.

In the Brussels region of **Belgium**, personal coaching and support from the PES is said to be one of the success factors of the *Traineeship First*<sup>81</sup> programme. This coaching improves the young person's confidence and also provides assurance to the employers. In **Croatia**<sup>82</sup>, employers assign an employee to take on the mentoring role, which is not remunerated. Finally, in **Cyprus**, a condition for the *Employment Subsidy Programme for secondary and post-secondary graduates* is that the young person will be supervised by a mentor (an employee at the host organisation); the mentor may supervise a maximum of ten people.

In Romania the Law on traineeships for higher education graduates<sup>83</sup> requires the assignment of a mentor - an employee with at least two years of professional experience in the field - who supervises the trainee throughout his or her traineeship. In addition, mentors are members of the evaluation committee. This body, members of which are appointed by the employer, assesses the trainee's performance at the end of the traineeship and how well they acquired the skills and competences required for the occupation in question. Mentoring and evaluation of trainees is also in the core of the recent traineeship law in Romania<sup>84</sup>, with a larger scope of implementation.

In the Estonian programme My First  $Job^{85}$ , the young persons receive on-the-job training to develop their skills and increase their competitiveness in the labour market. The trainees are supervised also through a monitoring system involving different channels, including self-reporting by trainees.

#### 5.2.5 Certification of acquired knowledge, skills and competences

The certification of acquired knowledge, skills and competences is another important success factor of traineeships. The Quality Framework for Traineeships recommends that Member States should 'promote the recognition and validation of the knowledge, skills and competences acquired during traineeships and encourage providers to attest them, on the basis of assessment, through a certificate'.

As indicated in Table 5, although the level of implementation of this principle in some countries is high, in others there is significant room for improvement, in particular due to the prevalence of open-market traineeships that do not provide validation of the knowledge, skills and competences acquired. They might, however provide certification in the form of letter of recognition documenting the skills and experience gained.

In **Germany**<sup>86</sup> employers issue trainees following *in-company introductory training* (Einstiegsqualifizierung or EQ) a certificate on successful completion of the introductory training, whilst in **Portugal**, at the end of each traineeship, the trainees have their skills and competences validated through a certificate. In **Croatia**, under the *Occupational training without commencing employment* traineeship scheme<sup>87</sup> young people take a state/professional exam<sup>88</sup> after their traineeship programme ends. These exams are verified and certified.

In Romania the Law on traineeships for higher education graduates<sup>89</sup> foresees an evaluation of the trainee's performance, based on: the analysis of the achievement of the established objectives and performance indicators; the assessment of the acquired competences and practical skills necessary for pursuing an occupation in the field in which the trainee has completed the traineeship; and the traineeship report prepared by the trainee. If the assessment conducted by the evaluation committee is positive, the trainee receives a certificate signed by the employer and the traineeship period is recognised as professional work experience. However, if the evaluation shows unsatisfactory performance, the trainee receives only a certificate confirming the completion of the traineeship.

#### 5.2.6 Monitoring and evaluation of traineeships

A monitoring and evaluation mechanism can help to ensure that the quality criteria outlined in Section 4 can be met. It can also help to detect schemes that are of low quality, or which open doors to traineeship misuse. Without close monitoring and control of traineeships it will not be possible for public bodies (including PES and labour inspectorates) to introduce a suitable response to questionable practices.

In order to design a monitoring and evaluation mechanism, a good understanding of the impact that traineeships can have on young people and businesses is needed. There are different monitoring practices in use that cover:

- 1. monitoring based on administrative data, including:
  - short-term monitoring of the take-up of traineeships by young people (by the scheme, and socio-demographic characteristics),
  - evaluation of long-term labour market outcomes (simple analysis of administrative data, but also using counterfactual methods, where possible).
- 2. direct data gathering through surveys:
  - · satisfaction surveys for trainees,
  - satisfaction surveys for employers (accepting trainees)
- 3. qualitative research and measurement:
  - monitoring of the traineeship content on the basis of document analysis (with the application of the quality framework elements),
  - direct follow-up of a trainee by a responsible person (usually the case manager at PES),
  - other information gathered throughout the process (including direct information from trainees, reporting website monitoring, etc.)

**Finland** has a complex monitoring system, in which the Ministry of Economic affairs and Employment assesses regularly, through statistical data, the participation rates of young unemployed in the ALMPs, including training such as work trials, through:

- Satisfaction surveys for young jobseekers and for employers,
- · Monitoring how many young people receive an offer within the four-month target,
- Follow-up of young clients once they have entered employment or training,
- Follow-up of young clients once they have been referred to education and training providers,
- Education and youth work statistics.

In **Greece** the mechanism in place to monitor the entrants to traineeships is the *ERGANI Information System*<sup>90</sup>. The system was established to record paid employment flows in the private sector of the economy and was further developed towards monitoring the implementation of co-financed programmes such as apprenticeship and traineeship programmes, as well as public employment schemes. It is compulsory for the beneficiaries of the programmes to record the statistical data related to the common output and result indicators established in Regulation (EU) No 1304/2013 for actions funded under ESF and the YEI. Together with annual implementation reports, each managing authority has to transmit electronically structured data for each priority axis broken down by investment priority, for monitoring and evaluation purposes.

Also observations made as part of external (independent) evaluations of traineeship measures can reveal the necessity to change traineeship measures. These changes can relate to the target groups (in terms of age, socio-economic status, etc.), criteria for joining the programme, or the programme content of the traineeships.

For example in **Estonia** at the beginning of 2017 an independent assessment<sup>91</sup> of a YG measure *My first job*<sup>92</sup> revealed that it was necessary to adapt the measure to increase its effectiveness. As a result the criteria and target groups were modified from 1 September 2017. Initially, the service was offered to young people aged 17-29, but the evaluation pointed out that since young people are free to register as unemployed from the age of 16 and as the school education in Estonia is compulsory until acquiring basic education or becoming 16, the age limit on the service should be lowered to 16. Secondly, as there was a rising number of NEET youth who had obtained vocational qualifications, the evaluation suggested not to exclude this group from participating in the measure. Therefore, the service is now offered to young people who have obtained a primary, basic or general secondary education or a vocational qualification and who lack or

have little work experience (have not been occupied for the last three months, or are temporarily occupied). Lastly, the criteria of an employment contract were changed, as the evaluation showed that young people prefer to have a contract for an unspecified term or for a shorter period than two years. New criteria state that the employer must enter into an employment contract with a young person for an unspecified term or for a specified term of at least one year.

Similarly, in 2015 **Croatia** conducted an Evaluation of ALMP measures in the period 2010-2013. An evaluation of the Youth Guarantee traineeship measure *Occupational training without commencing employment* showed that employment effectiveness was only between 12% and 16%, depending on the observed year<sup>93</sup>. As a result this measure was modified after 2014, in order to better align it with the needs of young people and employers. Another external evaluation<sup>94</sup> was conducted to assess the clients' (young persons' and employers') satisfaction with this measure. The evaluation found that the overall experience of both client groups was positive. However, one of the main reasons for dissatisfaction for young people was that there is no obligation to keep a young person in employment when exiting this measure. As a result, this measure was phased out and replaced by another type of traineeship measure.

In **Croatia** the PES monitors the results of all measures, alongside the analytical results and client satisfaction survey. Offers and their effectiveness are also monitored by the *Council for the implementation of the YG* through yearly reports on YG implementation.

Monitoring systems can also help to combat the replacement of entry-level jobs, including the short-term substitution effect. For example, in **Belgium**, Actiris (PES, Brussels region), through the Brussels Employment Observatory, calculates the employment exits from the *Traineeship First*<sup>95</sup> programme 6 and 12 months after leaving the measure. Employment exits are only counted if lasting longer than 28 consecutive days<sup>96</sup>, in order to eliminate short temporary contracts (which are nevertheless numerous among the young public). The latest data available (on the 2015 leavers from the traineeships programme) shows that the exit rate to employment/exit from unemployment at the end of the period is greater than 75%<sup>97</sup>.

In Malta, monitoring and evaluation are carried out on a regular basis by Jobsplus (Malta's PES) to ensure that the traineeships offered are quality placements which meet the required standards, allow individuals to benefit from the placement and that they adhere to rules and specifications under Maltese law. Furthermore, this evaluation looks at the employability of the individual and/or prospects of returning to education or training, whilst taking stock of the employers' perceptions of the scheme. Malta ensures that all traineeships adhere to the Quality Framework for Traineeships, in order to combat the issue of substandard traineeships, particularly as a replacement for entry level jobs.

#### 5.2.7 Checklist for policy makers for establishing a successful traineeship programme

Based on the considerations on the development and the implementation of traineeships earlier in this section, the following checklist could help establishing traineeship programmes that benefit both young people and companies that are involved in them:

| Things to remember when establishing a successful traineeship programme   |  |  |  |
|---|--|--|--|
| Design phase:   |  |  |  |
| ☐ Carefully select the target group of the traineeship programme to define the intervention methods that can have the most impact   |  |  |  |
| $\square$ Define the key aims of the programme – both for the trainees as well as for the company   |  |  |  |
| ☐ Prepare the necessary documents (traineeship agreement, learning curricula, etc.) that form the basis for the high-quality traineeship offer  |  |  |  |
| <ul> <li>Secure support from external parties (e.g. educational institutions) if lacking knowledge or resources,<br/>by establishing partnerships</li> </ul>                              |  |  |  |
| ☐ Prepare persons responsible for mentoring the trainees ('train-the-trainers') and/or support them by providing information on practices   |  |  |  |
| Implementation phase:   |  |  |  |
| ☐ Where possible, implement the programme on a smaller scale first, to identify challenges and avoid problems of large scale implementation   |  |  |  |
| ☐ Make sure all parties involved know and understand the regulations and requirements of the programme, stemming from different sources of law (national, regional, internal regulations) |  |  |  |
| ☐ Make sure the information on the traineeship offers is adequately disseminated to interested parties (mainly to trainees and employers)   |  |  |  |
| ☐ Disseminate good practices and existing quality assurance frameworks (QFT, national level quality frameworks, codes of conduct, etc.)   |  |  |  |
| ☐ Support mentors and other involved employees so that they do not feel left alone in case of problems  |  |  |  |
| Monitoring and evaluation phase:  |  |  |  |
| ☐ Prepare a monitoring framework and sanctioning procedures in a comprehensive way, to minimise possible fraudulent practices   |  |  |  |
| ☐ Gather data on a regular basis – preferably from different sources - and make necessary corrections to the programme  |  |  |  |
| ☐ Aim for providing independent evaluations, preferably with the use of counterfactual analysis, where applicable   |  |  |  |
| ☐ Gather the testimonies of trainees and companies, as they might be useful for future dissemination of traineeship offers  |  |  |  |

Source: Author's own development.

### 6 Challenges and Success Factors

The collection of practices relating to the provision of traineeships as part of the Youth Guarantee presented in this report have highlighted a number of challenges and success factors that are likely to enhance their effectiveness.

The following challenges and success factors have been identified for traineeships.

#### Challenges

#### Unclear regulatory framework for different types of traineeships can lower the quality and may also open doors to misuse of traineeships.

- In the majority of countries, open-market traineeships are either not regulated, or are subject to general labour law provisions. These traineeships comply with individual QFT criteria in just a few Member States. E.g. they are often not based on a written agreement.
- Some employers see traineeships as an opportunity for 'cheap labour', instead of hiring trainees as regular employees.
- In some cases, the social security coverage of traineeships is incomplete, which weakens the social protection of trainees, in particular for people having done multiple traineeships.
- Poor quality traineeships do not provide sufficient learning content for the trainees to benefit.
- Social partners are in general insufficiently involved in traineeship development and provision as well as quality assurance.
- National context may have an impact on the extent to which different quality criteria for traineeships can be achieved, e.g. social partner involvement will be easier in some countries than in others.
- Employers may be deterred by the regulations and procedures of traineeship schemes (especially in relation to ALMPbased traineeships) which they may consider complicated, cumbersome and time-consuming
- Renewal of successive traineeship contracts with no offer of a more permanent job once traineeship is completed entails the danger of young people being trapped in an endless series of such precarious placements.

#### **Success factors**

- Traineeships support young people in their transition into the labour market by allowing them to gain practical experience in a real-life workplace.
- Cooperation of stakeholders, including employers, social partners, educational institutions and the Public Employment Services, allows traineeships to be aligned to the labour market needs.
- Relevant quality assurance measures, including awareness-raising and the promotion of good practices increase the quality of traineeships.
- The Quality Framework for Traineeships has inspired the EU Member States; half of them have undertaken legal changes to align national legal frameworks with this Framework, or plan to do so; ALMP-type traineeships are fully or mostly compliant with the individual QFT criteria in most Member States.
- Clearly defined roles and responsibilities for all parties involved, set out in a written traineeship agreement, help ensure terms of the traineeship, the learning objectives, as well as other elements that contribute to good quality of the traineeship.
- Appropriate matching of trainee to host organisation tends to increase likelihood of successful completion of the placement.
- Personalised guidance and support throughout the traineeship is essential.
- Proper recognition of traineeships by, for example, the employer/host organisation certifying the acquired knowledge, skills and competences, enhances the young person's employability.

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| 95 | Traineeship First, Practice Fiche, Belgium (Actiris), European Commission, October 2017, database of promising practices (http://ec.europa.eu/social/main.jsp?catId=1327&langId=en)  | Page 25 |
| 96 | The Employment Committee's Indicators' Group has recently decided to implement a filter of for the duration of the Quality of YG offers (minimum 28 days for employment and traineeship offers).   | Page 25 |
| 97 | This means that at least three quarters of the young people having exited this Belgian traineeship programme in 2015 either had a job for at least 28 days during the 12 month analysis period and/or are no longer registered as unoccupied jobseekers at the end of the 12 month period. | Page 25 |

Since its launch in 2013, the **Youth Guarantee** has supported millions of young people across the European Union to find a job, a traineeship, an apprenticeship or to continue in education. Yet despite this, too many young Europeans are still without work. Across the EU, more effort is needed so that all young people can benefit from quality offers under the Youth Guarantee.

This report is one in a series of **five reports** on Youth Guarantee delivery, presenting existing practices from the ground from the first five years of its implementation. It outlines lessons learnt, challenges and success factors, aiming to inspire and help all actors involved in delivering the Youth Guarantee.

The report on **Traineeships under the Youth Guarantee** looks at how traineeship schemes can be successful learning experiences for young people, in supporting them to acquire essential skills for the labour market. It also takes a look at different measures that contribute to the quality of traineeships and prevent their misuse.

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