



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2013)

Opinion

Title **DG EMPL - Impact Assessment on a Proposal for a Council Recommendation on a Quality Framework for Traineeships**
(draft version of 9 September 2013)*

(A) Context

Traineeships have become an important entry point into the labour market for young people. Although they increasingly represent a standard feature in our labour markets, their spread has been accompanied by growing concerns about their learning content and the working conditions they provide. Traineeships offer high quality learning content, adequate working conditions and should not be a replacement for regular jobs at lower costs.

This Impact Assessment is a follow-up to the Analytical Document presented by the Commission in December 2012 in the context of consulting the social partners.

(B) Overall opinion: NEGATIVE

The report requires a significant amount of further work in a number of important respects. Firstly, it should clarify which of the problems concerning traineeships – lack of quality or lack of sufficient traineeship possibilities – this initiative aims to address. Secondly, the report should better reflect and take into account the wide range of existing regulatory and voluntary initiatives at sectoral, national and EU level. On that basis, it needs to strengthen the subsidiarity analysis substantially, by explaining exactly what problems cannot be addressed at Member State, sectoral or social partner level while taking into account the limited international dimension of traineeships. Thirdly, the report should clarify which policy options are designed to address which problems, and how. For example, it should explain exactly how the introduction of a formal traineeship contract would encourage companies to offer higher quality traineeships, and why this measure is considered proportionate, taking into account that this seems to be already the practice in the large majority of Member States. Fourthly, given the absence of robust evidence and the limitations of the underlying data, the report should more critically assess the validity of the results, particularly as regards the added value of this initiative. It should elaborate on the potential unintended consequences of the measures, which might run counter to the defined objectives, such as an overall reduction in the number of quality traineeships. Finally, the report should better present the views of the different types of stakeholders, including the social partners and Member States.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

Given the nature of these concerns, the IAB requests DG EMPL to submit a revised version of the IA report on which it will issue a new opinion.

(C) Main recommendations for improvements

(1) Better present the problem and its drivers. The report should explain how exactly the identified information asymmetry (that makes it difficult for young people to screen low- from high-quality traineeships) contributes to traineeships being of a low quality, i.e. having an insufficient learning content and/or substandard working conditions. It should clarify if, and how, the lack of incentives for trainees to put forward complaints relates to the fact that businesses/host organisations are unaware of what constitutes a good traineeship. It should better explain why the issue of complaints/remedies has been excluded from the scope of the analysis. Clarification of these causal links should allow the report to make clearer what this initiative concretely tries to address, i.e. the lack of quality of traineeships or the lack of sufficient traineeship possibilities. In addition and as already highlighted in previous IAB opinions, the report should either provide convincing evidence that low levels or the absence of compensation raises quality concerns in practice, or should omit this line of argumentation. It should also discuss the possible causes for which trainees accept (potentially) lower quality traineeships and explain what the available alternative of not taking up such offers would be. Finally, the problem analysis should be supported by stakeholder positions, and particular those of the social partners.

(2) Develop the baseline scenario and the analysis of subsidiarity. The report should develop a baseline scenario that better reflects and takes into account the existing or envisaged regulatory and voluntary initiatives addressing the quality of traineeships at sectoral, national and EU level, including the European Quality Charter on Internships and Apprenticeships. It should substantiate the assessment of the (limited) effectiveness of these actions, by providing at least anecdotal evidence. On this basis it should clarify: (i) what problems precisely Member States are unable to address (for example as regards traineeship contracts); (ii) why these actions need to be coordinated and in what ways Member States fail to take into account the international dimension of traineeships, which seems to be rather limited in practice; (iii) why the acknowledged greater trend towards the adoption of voluntary quality charters is not expected to help applicants to make a more informed choice or to raise awareness of businesses on how to improve their traineeship offers. Consequently, the report should explain why this initiative can be expected to be more effective in addressing the quality of traineeships and buy-in from the businesses/host organisations as compared to the wide range of existing initiatives, and given the broad variety of business environments, traditions, sectors and professions across the EU.

(3) Present the options in concrete terms and demonstrate their proportionality. The report should clarify: (i) which policy options are designed to address which problems and how (e.g. how is the learning content of traineeships expected to improve); (ii) how exactly the identified information asymmetry would be overcome and to what extent this is likely to influence the choice of applicants in accepting/rejecting a particular offer; and (iii) how and by whom the options are expected to be implemented and enforced, particularly the envisaged traineeship contracts. With respect to the proportionality of the measures, the report should show why there is a need to introduce a formal requirement for such contracts from the perspective of both the businesses/host organisation and the trainee, as compared to, for example, information/awareness raising given that this seems already the practice in the large majority of Member States. It should also demonstrate the need to limit the duration and successiveness of traineeships across the board.

(4) Better analyse and substantiate impacts. The report should better assess the options in terms of achieving the objectives and addressing the problems identified, present the underlying assumptions and illustrate the impacts by anecdotal examples. In particular, it should better take into account any unintended consequences running against the objectives of the initiative, such as an overall reduction in the number of quality traineeships (as the underlying consultation of SMEs seems to suggest). Furthermore, the report should clarify why the envisaged "enhanced" transparency measure (i.e. information on pay and share of hired trainees) should actually encourage businesses to offer paid as opposed to unpaid traineeships, or to hire more of its trainees. The report should specifically assess the impacts upon those Member States that are likely to be most affected and elaborate further on how the impacts are likely to differ as regards SMEs and larger companies. Finally, it should more critically assess the results of the analysis by better reflecting the significant limitations associated with the underlying data and statistics, the absence of robust evidence and the uncertainty as regards effective implementation and (unintended) supply side reactions.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report

(D) Procedure and presentation

The report should further develop the monitoring and evaluation arrangements by indicating how and by whom data will be collected, and by outlining a plan for future evaluation. The views of the different categories of stakeholders, including the social partners and Member States, should be reported throughout the text, while providing a more detailed summary in an annex.

(E) IAB scrutiny process

Reference number	2013/EMPL/006
External expertise used	No
Date of IAB meeting	2 October 2013 Two versions of the Analytical Document accompanying the proposal on the second stage consultation of the social partners on a Quality Framework for Traineeship were submitted to the IAB. The first in September 2012 and the second in October 2012, for which the Board issued its opinions on 10 October 2012 and 26 October 2012, respectively