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CONSULTATION DOCUMENT

Second-phase consultation of social partners under Article 154 TFEU on a possible action further improving the quality of traineeships

{SWD(2023) 321 final}

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1. Introduction

In its 2023 work programme¹, the Commission announced **an initiative to update the Quality Framework for Traineeships (QFT)**, so as to address such issues as fair remuneration and access to social protection.

On 14 June 2023, the European Parliament adopted a resolution on quality traineeships in the EU², in accordance with Article 225 of the Treaty on the Functioning of the European Union (TFEU). The resolution 'calls on the Commission to update and strengthen the 2014 Council Recommendation and to turn it into a stronger legislative instrument'. While recognising the relevance of the existing principles of the 2014 QFT, it calls on the Commission to include additional principles in an updated QFT. The resolution also contains requests to the Commission to propose a directive on open labour market traineeships (OMT), traineeships in the context of active labour market policies (ALMP) and traineeships that are a mandatory part of professional training (MPT), and a decision of the European Parliament and of the Council on a quality framework for traineeships undertaken with the aim of obtaining educational qualifications (ECT). The resolution contains annexes setting out proposals for both legislative acts.

On 29 June 2023, the Commission welcomed the European Parliament's resolution and highlighted its strong commitment to continuing its actions to combat youth unemployment in the EU. With regard to Parliament's specific requests for legislative action and in line with President von der Leyen's political commitment, the Commission confirmed its intention to follow up with a proposal for a legislative act as part of the initiative on a reinforced QFT that was announced in its 2023 work programme, in full respect of the principles of proportionality, subsidiarity and better law-making.

The Commission further indicated that it would do its utmost to take into account the various elements of the European Parliament's resolution, while **respecting the legal boundaries set** by the Treaties and without undermining the existing social acquis. In addition, the Commission committed to proceed with further gathering of data and evidence in preparing its initiative. Moreover, the Commission noted that, before presenting any proposal for EU action in the social policy field, it would launch the required consultation of social partners in line with Article 154 TFEU.

The initiative is also part of the Commission's follow-up to the Conference on the Future of Europe³ and will contribute to the implementation of the European Pillar of Social Rights

 $^{{}^{1}\,\}underline{\text{https://commission.europa.eu/strategy-documents/commission-work-programme/commission-work-programme/commission-work-programme-2023_en}$

https://www.europarl.europa.eu/doceo/document/TA-9-2023-0239 EN.pdf

³ Conference on the Future of Europe. Report on the final outcome. May 2022.

Action Plan⁴ and the objectives of the European Year of Youth⁵ and the European Year of Skills⁶.

The Commission has carried out the **first phase of the consultation of European social partners** to seek their views on the possible direction of EU action to further improve the quality of traineeships in the EU⁷. The first phase of the consultation was launched on 11 July 2023 and ended on 15 September 2023.

Having considered the views expressed by social partners in that consultation, the Commission has concluded that **there is a need for EU action**.

The present document therefore launches the second phase of the consultation of European social partners, in accordance with Article 154(3) TFEU, on the possible content of EU action. It covers the following:

- the main results of the first phase consultation (Section 2);
- evidence on traineeship prevalence and labour market trends (Section 3);
- analysis of identified challenges (Section 4);
- the need for, and added value of, EU action (Section 5);
- potential avenues for such action (Section 6); and
- seeking views of European social partners on the objectives and possible avenues for EU actions set out in this document, as well as on the willingness of social partners to enter into negotiations with a view to concluding an agreement under Article 155 TFEU (Section 7).

The accompanying analytical document complements this consultation document with additional evidence⁸.

In parallel with this consultation, the Commission is continuing to gather evidence on the identified challenges, which constitute key aspects of the problems that the potential EU initiative could address.

2. Consultation of social partners - first phase

During the first phase of the consultation, 13 recognised social partners contributed with written replies.

Four trade union organisations:

- European Trade Union Confederation (ETUC)
- Confederation of Independent Trade Unions (CESI)
- CEC European Managers
- European Council for Professionals and Managers (Eurocadres)

Nine employer organisations:

⁵ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021PC0634

⁴ COM(2021) 102 final.

⁶ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023D0936

⁷ C/2023/4785 final. https://ec.europa.eu/social/BlobServlet?docId=27013&langId=en

⁸ SWD(2023) 321. The accompanying staff working document provides additional evidence on the problems that EU action should address, identifies impacts of the potential measures under consideration and explores the added value of EU action.

- BusinessEurope
- SGI Europe
- SMEunited
- European Chemical Employers Group (ECEG)
- Council of European Employers of the Metal, Engineering and Technology-Based Industries (CEEMET)
- Hotels, Restaurants and Cafés in Europe (HOTREC)
- EuroCommerce
- European Hospital and Healthcare Employers' Association (HOSPEEM)
- Council of European Municipalities and Regions (CEMR)

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

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

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

Trade unions also state that the directive should set minimum standards for duration and renewal, learning objectives (to be included in vacancy notices), mentoring and supervision (to be clearly distinguished), transparent information and procedures, monitoring and reporting channels, a maximum number of trainees per company/organisation, and access to trade unions and representation. CESI calls for these aspects to be formalised in a written agreement and suggests requiring vacancy notices to be free of biased or discriminatory language.

On the possible **misuse of traineeships**, trade unions underline that trainees who are subject to the same working conditions (equipment, working hours, workload, treatment etc.) as workers employed in the same workplace should also benefit from the same rights and protections and be considered as workers. They state that the EU initiative should convey a strong message that using traineeships as a model to **replace regular working contracts** is **not acceptable**. Trade unions underline that the objective of a directive should be to introduce quality criteria and to **prevent the misuse of traineeships** by setting **minimum and maximum durations** for traineeships and **specific conditions for their renewal or extension**. ETUC suggests that additional measures could entail cooperation between Member States and the European Labour Authority. In this regard, ETUC also stresses the importance of **strengthening labour inspectorates**.

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

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

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

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

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

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

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

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

Employers highlight that the current QFT principle on informing whether an **allowance/compensation** is applicable is still appropriate and sufficient. They also underline the need to uphold the contractual freedom of social partners when it comes to collective

bargaining on pay. Moreover, employers consider it more appropriate to **use the term compensation instead of remuneration**. They also recall that providing in-job training to young people entails **indirect costs for businesses**, for example as regards supervising the trainee. On **social protection**, employers highlight the subsidiarity principle and therefore do not consider that EU action is needed in this area.

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

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

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

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

As to the **scope**, employers do not support enlarging it compared with the current QFT. CEMR suggests instead to limit the current scope, focusing on open market traineeships only. BusinessEurope, SGI Europe, SMEunited and CEMR argue that **traineeships that are part of formal education and training processes** are already subject to structured and regulated governance systems at national level, with established learning outcomes, oversight and well-established quality assurance, and certification systems. HOTREC, ECEG, and HOSPEEM make the same argument for traineeships of which the completion is mandatory to access certain professions. EuroCommerce, CEEMET, ECEG, and CEMR underline the limitations

of Articles 165(4) and 166(4) TFEU. BusinessEurope and SMEunited also mention the **need** to differentiate between traineeships and apprenticeships and to avoid overlaps between different EU instruments. BusinessEurope states that as regards cross-border mobility, it would be better to **prioritise efforts on the cross-border mobility of apprentices**, while SMEunited would be in favour of better support for cross-border traineeships.

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

3. Traineeship prevalence and labour market trends

3.1 Prevalence

Traineeships can be an **important avenue for people to enter the labour market**. They increase the **access of trainees to professional networks**. By offering the opportunity to learn 'on the job', traineeships can help in increasing trainees' **employability** and contribute to addressing the persisting **labour and skills shortages** in the EU.

As explained in the accompanying analytical document, it is possible to establish a rough estimate of the prevalence of paid traineeships in the EU, based on data from the European Labour Force Survey (EU-LFS). The Commission will continue its efforts to obtain an estimate of the number of unpaid trainees. An indication of the size of the population of unpaid trainees can be obtained from the 2023⁹ and 2013¹⁰ Eurobarometers, which have shown that the use of unpaid traineeships is decreasing. 44% of respondents to the 2023 Eurobarometer stated that they did not receive financial compensation for their traineeship, compared to 59% in 2013. Furthermore, 78% of respondents surveyed by the 2023 Eurobarometer replied that they have done at least one traineeship.

On the basis of the EU-LFS data, it can be estimated that the **total number of paid trainees** in the EU increased from around 1.25 million in 2013 to around 1.55 million in 2019. Following the COVID-19 outbreak in early 2020, the number of paid trainees in the EU decreased to around 1.35 million in 2021.

The available data also suggests that in recent years, traineeships that are part of active labour market policies (ALMP)¹¹ represented around one third of the stock of paid trainees in the EU, followed by traineeships that are part of formal education or training programmes (ECT), with a share of around 30%. Open-market traineeships (OMT)¹² represented a share of slightly more than 20% of paid traineeships while traineeships of which the content is regulated under national law and of which the completion is a mandatory requirement to access a specific profession (MPT) represented about 10% of paid traineeships.

https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=87602

⁹ Flash Eurobarometer 523, full report available via

¹⁰ Flash Eurobarometer 378. *The experience of traineeships in the EU*. November 2013. Comparisons of the 2023 data with the 2013 survey enable some trends to be identified, but the results must be interpreted with caution, due to differences in the survey method and questionnaire used. Additionally, the EU averages calculated for 2013 include the UK and exclude Croatia.

¹¹ Traineeships as part of ALMPs are organised by public employment services in cooperation with employers, based on a tripartite agreement, with the aim of helping unemployed or inactive people into employment.

¹² Open-market traineeships are non-mandatory, bilateral agreements agreed between a trainee and a traineeship provider (public/private/non-profit) without the involvement of a third party and without a formal connection to education or training.

The growth in the number of paid trainees results from an increase in the number of trainees in ALMP, ECT and MPT. Between 2013 and 2019, the number of paid ALMP traineeships increased by 56.5% (+200 000), the number of paid ECT by 22% (+86 300) and the number of paid MPT by 28.6% (+37 900) whereas the number of paid OMT decreased by 5.3% (-5 300).

Five Member States represented almost 90% of the total number of paid trainees in the EU (DE, ES, FR, IT, PL) in 2019, approximately 1.4 million. Seven other Member States also each account for more than 10 000 paid trainees on average per year (BE, DK, IE, EL, HR, AT, FI). The number of paid traineeships appears to be low in the remaining Member States.

In terms of the sectoral distribution, data from the EU-LFS (2019) indicates that the largest number of paid trainees across the EU can be found in the manufacturing sector (16.9% of paid trainees in the EU), followed by education (12.3%), wholesale and retail trade (12.2%) and real estate and professional and administrative support services (11.7%). In general, these patterns are aligned with the shares of employment in these sectors relative to employment in the overall economy.

Paid trainees in the EU tend to be young people (85% of them are estimated to be below the age of 30) with medium- and high qualification levels (having completed upper secondary level education or above)¹³, more than it is the case in the general population in employment. In most Member States, the share of trainees with low qualification levels (below upper secondary education) is well below 10%. In terms of the composition of the population of paid trainees in the EU by gender, the share of men was on average 50.4% in the period 2016-2019, while the share of women was 49.6%.

3.2 Labour market trends

The prevalence and quality of traineeships is influenced by the economic cycle and the impact of the green, digital and demographic transitions on labour markets and education systems. In particular, on the basis of LFS data, indications were found that paid OMT tend to be more countercyclical, while paid ALMP tend to follow the economic cycle.

The youth unemployment rate (15-24 years) in the EU has significantly declined since the adoption of the 2014 QFT, from 23.5% in 2014 to 14.2 % in June 2023¹⁴. However, it remains at more than double the general employment rate (15-74 years) of 5.1 % in June 2023¹⁵, with important disparities between and within Member States. Moreover, although their number decreased by around 10% compared to 2021, there were in 2022 still over 8 million people between 15 and 29 years in the EU, who were **not in employment, education** or training $(NEET)^{16}$.

At the same time, the **job vacancy rate in the EU** rose to 2.9% in 2022, the highest rate ever recorded, with labour shortage indicators showing increasing tightness in the labour market. In Q1 2023, labour shortages were reported as a factor limiting production by 28% of employers in manufacturing and 31% in both services and construction in the EU. While many of the current shortages (e.g. in science, technology, engineering and mathematics

¹³ Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023: https://ec.europa.eu/social/BlobServlet?docId=26544&langId=en

¹⁴ Eurostat, Labour Force Survey, online database table <u>UNE_RT_M_custom_7458979</u>.

¹⁶ Eurostat, Labour Force Survey, online database table LFSI_NEET_A.

(STEM), including information and communications technology (ICT), construction, healthcare, hospitality) are long-standing, they are likely to have been further exacerbated by the green and digital transitions¹⁷. Traineeships could contribute to alleviating (future) labour shortages, by providing trainees with the skills needed on the labour market and by easing labour market transitions to the sectors faced by labour and skills shortages.

In the context of **more frequent job changes by younger generations**¹⁸, the costs of a traineeship combined with its inherent temporary nature can further disincentivise an employer from investing in high-quality training of trainees, knowing the trainee may be likely to leave at the end of the traineeship and go to another employer. At the same time, employers may have an increased interest in providing for quality traineeships to secure skilled workforce.

4. The challenges

The Commission's 2023 evaluation of the 2014 QFT (hereinafter 'the 2023 evaluation')¹⁹, the European Parliament's resolution and the positions of EU social partners expressed during the first phase of the consultation have all confirmed the relevance of the 2014 QFT as an EU-level initiative setting out quality principles for traineeships. At the same time, several areas for strengthening and updating the QFT were identified. These can be categorised into **three main challenges**, relating to the **use of traineeships** by traineeship providers, the **quality of traineeships**, and **access to traineeships**.

The following Sections 4.1, 4.2 and 4.3 present an **overview of the challenges identified by the Commission under these three categories**. The problems that have been identified as being present in some instances, and the specific problem drivers, are further detailed in the accompanying analytical document.

The specific problem drivers include a number of **cross-cutting issues**, including the weak monitoring frameworks on traineeships; these are an obstacle to the collection of reliable data that could be used in policy design and assessment. Weak monitoring also creates challenges for the enforcement of existing rules. Also, the insufficient involvement of social partners and other relevant stakeholders, and the lack of sufficient financial and administrative resources, in particular for SMEs, can be identified as cross-cutting problem drivers. The 2023 evaluation underlined some of the specific challenges for SMEs, in particular small and micro enterprises, in offering traineeships, in particular remunerated traineeships²⁰.

Moreover, a cross-cutting question concerns **the scope of the QFT**. The 2014 QFT does not apply to ECT and MPT. The European Parliament has requested to include these types of traineeships in the scope of a reinforced (legislative) initiative on quality traineeships. Sections 4.1, 4.2 and 4.3 therefore take into account all four types of traineeships (OMT, ALMP, ECT and MPT) in the description of the main challenges.

²⁰ Ibid.

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¹⁷ European Commission (2023), Employment and Social Developments in Europe. Addressing labour shortages and skills gaps in the EU.

¹⁸ See for example OECD (2023), *Retaining Talent at All Ages*, Ageing and Employment Policies, OECD Publishing, Paris, https://doi.org/10.1787/00dbdd06-en.

¹⁹ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

As emphasised in the first phase consultation document of EU social partners²¹, **traineeships** are to be distinguished from apprenticeships, which are covered by the provisions of the Council Recommendation on a European Framework for Quality and Effective Apprenticeships (EFQEA)²². The Commission's 2021 assessment of the EFQEA²³ concluded that it remains up to date and relevant. Any EU action should therefore avoid creating an **overlap** in scope between the QFT and the EFQEA, which would risk creating legal uncertainties, negatively affecting implementation and monitoring, and creating an unnecessary burden for companies and other organisations.

4.1 Challenges related to the use of traineeships

A first set of challenges relates to the sometimes problematic use of traineeships by traineeship providers. On the one hand, such practices may occur where traineeship providers misuse traineeships as a substitute for regular employment. On the other hand, traineeships may be non-compliant with the standards required by EU law, national law (including specific regulations), collective agreements or practice.

In both cases, there is a key role for **enforcement authorities**, including labour inspectorates and judicial authorities, to detect unlawful practices and penalise them. However, the 2023 evaluation has shown that enforcement mechanisms of legislation governing traineeships vary significantly across Member States and are often not fit for purpose²⁴.

4.1.1 Misuse of traineeships as disguised employment

The **misuse of a traineeship** occurs when a regular employment relationship between a person and an employer is disguised as traineeship for the purpose of granting lower levels of pay or no pay at all, and applying poorer working conditions or less social protection than to which the person would rightfully be entitled under EU law, national law, collective agreements or practice.

The International Labour Organization (ILO) has repeatedly noted the risk of traineeships being used as a disguised employment relationship²⁵ and the issue has also been raised in other global fora, such as the G20²⁶. A 2016 Eurofound study²⁷ pointed out that in nine Member States, the fraudulent use of traineeships and apprenticeships was significant (EL, FR, IT, CY, NL, AT, PT, RO, SI). The fraudulent use of traineeships was most reported in the tourism and catering sectors. In Italy, stakeholders have highlighted the increasing use of traineeships to disguise precarious forms of employment²⁸. In Germany, cases against

²⁴ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

²¹ C/2023/4785 final, https://ec.europa.eu/social/BlobServlet?docId=27013&langId=en

²² OJ C 153, 2.5.2018, p. 1–6.

²³ SWD(2021) 230 final.

²⁵ See for example ILO (2020) *Promoting Employment and Decent Work in a Changing Landscape*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (B), International Labour Conference, 109th Session, based on evidence collected through an ILO comparative study on the regulation of internships (A. Stewart, R. Owens, A. Hewitt and I. Nikoloudakis: The regulation of internships: A comparative study, Employment Working Paper No. 240, ILO, Geneva, 2018).

²⁶ G20: Labour and Employment Ministerial Declaration: Preventing structural unemployment, creating better jobs and boosting participation. Melbourne, 10–11 September 2014.

²⁷ Eurofound (2016) Exploring the fraudulent contracting of work in the European Union.

²⁸ Jessoula, M., Pavolini, E., Natili, M. and Raitano, M. (2022) ESPN Thematic Report on Access to Social Protection for Young People – Italy.

employers misusing traineeships have been successfully pursued in labour courts²⁹ and Belgium has been found in breach of the European Social Charter by the European Committee of Social Rights as regards the detection and prevention of the misuse of traineeships³⁰.

While traineeships are generally understood to encompass the combination of training and work experience, the categorisations of different types of traineeships and their distinction from other types of work-based learning, such as apprenticeships, vary considerably across Member States³¹. At EU level, the **2014 QFT defines a traineeship** 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"³². This definition sets out some important characteristics that make it possible to distinguish a traineeship from regular employment. These relate to the duration, content and specific purpose of the contractual relationship.

The absence of the above characteristics from a contractual relationship designated as traineeship, whether in contractual terms and/or in practice, may point to the misuse of a traineeship (e.g. in the case of excessive duration, no learning content or consecutive traineeships with the same employer, without transition to a regular job).

The 2014 QFT specifies that **a reasonable duration of a traineeship** should, in principle, not exceed 6 months and it includes specific provisions on learning and training objectives. While the 2014 QFT also includes a provision on transparency concerning the renewal or extension of traineeship agreements, it does not directly address the potential abuse of consecutive traineeships with the same traineeship provider.

The accompanying analytical document points out that almost all Member States have legal requirements on the (**minimum and maximum**) **duration of traineeships**. More specifically, the study supporting the 2023 evaluation³³ pointed out that 10 Member States³⁴ for OMT and 20 Member States³⁵ for ALMP (partially) complied with the 6-month limit set out in the QFT.

The results from the 2023 Eurobarometer³⁶ suggest that traineeships exceeding a duration of 6 months constitute 11% of traineeships in the EU, a result that does not present large variations among the four types of traineeships³⁷. The majority of young people surveyed (55%) replied that their last traineeship lasted for less than 3 months.

https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=87602

²⁹ Waas (2021) *Rights and obligations in the context of internships and traineeships: A German perspective*, in: ILO (2021) Internships, Employability and the Search for Decent Work Experience.

³⁰ 'The decision on the merits in European Youth Forum (YFJ) v. Belgium, Complaint No. 150/2017': https://hudoc.esc.coe.int/fre/?i=cc-150-2017-dmerits-en

³¹ Eurofound (2017) Fraudulent contracting of work: Abusing traineeship status (Austria, Finland, Spain and UK).

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014H0327(01)&rid=3

³³ Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023: https://ec.europa.eu/social/BlobServlet?docId=26544&langId=en

³⁴ BE, CZ, HR, LT, LU, HU, NL, PL, RO, SI.

³⁵ BE, CZ, DK, DE, EE, EL, FR, HR, CY, LV, LT, HU, MT, NL, AT, PT, RO, SI, SK, FI.

³⁶ Flash Eurobarometer 523, full report available via

³⁷ 13% of OMT, 12.5% of MPT, 11% of ECT, 10.5% of ALMP.

According to the results of the same Eurobarometer, 52% of respondents have completed more than one traineeship. 37% of respondents with multiple traineeship experiences reported that they completed **repeated traineeships with the same employer**. Evidence from the ongoing study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU (hereinafter referred to as 'the ongoing study on quality traineeships in the EU') suggests that legal restrictions concerning repeated traineeships exist in at least 6 Member States³⁸ for OMT, in at least 9 Member States³⁹ for ALMP, in at least 4 Member States⁴⁰ for ECT and in at least 5 Member States⁴¹ for MPT.

Further indications for the misuse of a traineeship could stem from **formal aspects**, such as **the absence of a written traineeship agreement**⁴² (the first quality principle of the 2014 QFT), or from **contextual aspects**, such as a particularly **high proportion of trainees within an organisation** which may indicate the substitution of regular employment by traineeships⁴³.

The accompanying analytical document sets out evidence indicating that a legal **cap on the share of trainees in a company** exists in 8 Member States⁴⁴ for OMT, in 5 Member States for ALMP⁴⁵, in 4 Member States⁴⁶ for ECT and in 9 Member States⁴⁷ for MPT. For example, in Romania this cap lies at 5% of the total number of employees for OMT and in Luxembourg at 10% for ECT.

4.1.2 Genuine traineeships that are non-compliant with EU or national law

The problematic use of traineeships also occurs in cases where the conditions of a genuine traineeship are non-compliant with applicable EU law, national law, collective agreements or practice.

The **absence or complexity of legal frameworks governing traineeships** in Member States may contribute to the non-application of relevant labour rights.

Non-compliance can for instance occur in Member States where a trainee is classified as 'worker' under general labour law, (partially) covered by general labour law provisions or covered by specific regulations, but where the contractual conditions offered by the traineeship provider or the actual working conditions of the trainee do not comply with the legal standards required by applicable EU law, national law, collective agreements or practice.

³⁸ ES, LT, LU, RO, SK, SE.

³⁹ ES, HR, IT, LT, LU, HU, PL, PT, SK.

⁴⁰ LT, LU, AT, SI.

⁴¹ ES, LT, LU, SI, SK.

⁴² According to the trainee survey carried out in the context of the 2023 evaluation, 17% of respondents did not sign a written agreement. In addition, the evaluation found that 17 Member States had covered the written agreement requirement in legislation governing OMTs and in 27 Member States for ALMP traineeships. European Commission (2023) *Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final)*.

⁴³ Evidence from the ongoing study on quality traineeships in the EU suggests that 10 Member States have introduced a legal cap on the ratio of OMT in a company. See *Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047), Draft Final Report, August 2023.*

⁴⁴ BG, LT, LU, HU, AT, PL, PT, RO.

⁴⁵ EL, IT, HU, PL, PT.

⁴⁶ LT, LU, HU, SK.

⁴⁷ CZ, IE, IT, LT, PL (medicine), PT (law), RO (medicine), SI, SK (law).

As regards the potential non-compliance of traineeships with the rights conferred to 'workers' by EU law, an important question relates to the interaction between EU and national law. The considerably different regulatory approaches by Member States, including by type of traineeship, result in different legal classifications and corresponding rights of trainees across the EU (see overview below). However, these classifications may not always be in line with the qualification of 'workers' under EU law, as developed by the Court of Justice of the European Union.

For the purpose of EU law, trainees may fall under the concept of 'worker' if they perform genuine and effective activity, for and under the direction of an employer, and are remunerated for the work they provide⁴⁸. If these conditions are met and the trainees can be considered workers, the trainees would be entitled to the rights of workers laid down in EU law. This notably includes the **Fixed-Term Work Directive⁴⁹** and the **Part-time Work Directive⁵⁰**, which ensure that in respect of working conditions, fixed-term workers or part-time workers are not to be treated in a less favourable manner than comparable permanent or full-time workers solely because they have a fixed-term or part-time contract or relation unless different treatment is justified on objective grounds⁵¹.

The **Directive on transparent and predictable working conditions**⁵² guarantees workers the right to receive more complete information on the essential aspects of their work, to be received early and in writing. The **Directive on adequate minimum wages in the EU**⁵³ creates a framework to improve the adequacy of minimum wages in Member States with statutory minimum wages. It also aims to promote collective bargaining in all Member States, while increasing effective access of workers to rights to minimum wage protection, where provided for in national law and/or collective agreements. Its Article 6 allows Member States to provide for different rates of statutory minimum wage for specific groups of workers or for deductions that reduce their remuneration paid to a level below that of the relevant statutory minimum wage, while respecting the principles of non-discrimination and proportionality, the latter including the pursuit of a legitimate aim (e.g. in the case of trainees potentially pertaining to the relation between the training and working components of the traineeship)⁵⁴.

As illustrated in the accompanying analytical document, in many Member States **trainees** are considered workers under the condition that they engage in a traineeship that meets the criteria of an employment relationship under national law⁵⁵. In these cases, they enjoy the full protection of EU and national labour law, and collective agreements. In other Member States⁵⁶ specific regulations⁵⁷ on traineeships exist. Regardless of the applicable legal

⁴⁸ See for instance, CJEU, case C 229/14 ('Balkaya'), paragraph 50, with further references.

⁴⁹ OJ L 175, 10.7.1999, p. 43–48.

⁵⁰ OJ L 14, 20.1.1998, p. 9–14.

⁵¹ Clause 2 of the Fixed-Term Work Directive stipulates that Member States, after consultation with the social partners and/or the social partners may provide that the Directive does not apply to initial vocational training relationships and apprenticeship schemes or employment contracts and relationships which have been concluded within the framework of a specific public or publicly-supported training, integration and vocational retraining programme.

⁵² OJ L 186, 11.7.2019, p. 105–121.

⁵³ OJ L 333, 27.12.2022, p. 164–198.

⁵⁴ Recital 29 of the Directive notes that it is important to avoid variations being used widely, as they risk having a negative impact on the adequacy of minimum wages.

⁵⁵ For OMT: CZ, DK, EE, IE, EL, HR, LV, MT, NL, AT, SK, FI, SE.

⁵⁶ For OMT: BE, BG, DE, ES, CY, LT, LU, HU, PL, PT, RO, SI.

⁵⁷ Such specific regulations may consist of dedicated provisions for trainees in the Labour Code, specific regulatory acts, or the extension of rights stemming from (components of) national labour law.

framework, most of the Member States also allow for the possibility to engage in traineeships that are not regulated and usually unpaid⁵⁸ (for details see Section 4.2.1).

The various approaches described above show the complexity and diversity of the legal frameworks governing the legal status of trainees across the EU, with the large majority of Member States not regulating the status of unpaid trainees. This may also bring challenges in the application and enforcement of the current *acquis* in the field of EU labour law.

4.1.3 Lack of effective enforcement and inspection capacities

The diversity of Member State regulatory approaches explained above is also illustrated by **the diversity of enforcement mechanisms**. The 2023 evaluation has pointed out weaknesses in Member State enforcement mechanisms⁵⁹. This further contributes to a different level of protection enjoyed by trainees across the EU in practice.

At the same time, effective enforcement is all the more relevant as, due to the relatively **weak labour market position** they have, trainees are unlikely to initiate on their own proceedings against unlawful practices.

The weak position of trainees results from different aspects, including the relatively short duration of a traineeship, the need to secure a more stable labour market position, the potential low awareness of rights or the fear of negative repercussions from taking legal action or filing a complaint, and the complexity of regulations in Member States. It may be exacerbated in cases where the trainee is not classified as a worker and may not have access to the support of trade unions and labour inspectorates⁶⁰.

As explained in the accompanying analytical document, several additional factors may explain the weak enforcement of trainees' rights. First, effective enforcement may be hindered by **limited capacities of labour inspectorates or other bodies**, where applicable. Second, **enforcement mechanisms might not always exist for all types of traineeships**. Evidence from the ongoing study on quality traineeships in the EU shows that less than half of Member States⁶¹ have set up **procedures for registering complaints or reporting malpractices** for some or all types of traineeships⁶². Third, the study supporting the 2023 evaluation has highlighted **ambiguities on responsibilities and a lack of cooperation between national and regional enforcement authorities**⁶³.

4.2 Challenges related to the quality of traineeships

A second set of challenges relates to the existence of traineeships with **poor working** conditions, a lack of access to social protection and/or an inadequate training component. In contrast to the misuse of traineeships or the non-compliant traineeships described in Section 4.1, these traineeships do not challenge the application of existing binding EU or national law or collective agreements.

⁶² Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047), Draft Final Report, August 2023.

⁵⁸ For OMT: BE, CZ, DK, EE, IE, EL, ES, HR, IE, IT, LV, LT, LU, HU, MT, NL, AT, SI, SK, FI, SE.

⁵⁹ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

⁶⁰ Eurofound (2022) Fraudulent contracting of work: Abusing traineeship status (Austria, Finland, Spain and UK).

⁶¹ DK, EE, IE, IT, LV, LT, LU, HU, PT, RO, SK.

⁶³ Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023: https://ec.europa.eu/social/BlobServlet?docId=26544&langId=en

Sections 4.1.2 and 4.1.3 already highlighted the regulatory divergence in the EU. Poor quality traineeships may therefore be the result of the absence of or incomplete national regulations on traineeships or the low conformity of national law with the non-binding quality principles set out by the 2014 QFT. As regards the 2014 QFT, it should be stressed that, while it covered a wide array of quality principles, the 2023 evaluation has shown that it does not cover all relevant quality principles, such as **remuneration**⁶⁴ and **access to social protection**. The evaluation identified both as having the potential to further improve the quality of traineeships⁶⁵.

4.2.1 Poor working conditions (including remuneration) and lack of access to social protection

Research has confirmed a positive association between traineeships with adequate working conditions, including remuneration, and access to social protection, and beneficial future labour market outcomes⁶⁶. The **European Parliament resolution** emphasises the principles of remuneration ensuring a decent standard of living and access to social protection in accordance with national law.

Almost 1 in 3 respondents to the 2023 Eurobarometer believed that, without considering the issue of pay, their **working conditions** (including equipment, working hours, workload, treatment etc.) were not equivalent to those of regular employees⁶⁷.

A different treatment of trainees and regular workers in a comparable situation, including as regards remuneration, may be justified due to **objective grounds** related to the characteristics of the traineeship, such as different tasks, a significant learning component and lower responsibilities or intensity. However, if the different treatment is disproportionate or trainees have no access at all to certain rights, such as remuneration, it may result in poor quality traineeships with precarious working conditions. Moreover, for those trainees who are workers under EU law such a situation might also not be compatible with the EU labour law *acquis*, including for example with the Directives on Fixed-Term Work and Part-Time Work.

In the 2023 Eurobarometer survey, 44% of respondents indicated not having received a **financial compensation** for their traineeship, with variations between Member States ranging from 60% who did not in Belgium to only 20% who did not in Croatia. In the trainee survey carried out as part of the study supporting the 2023 evaluation, 62% of paid trainees considered that their compensation was not sufficient to cover basic costs of rent and food⁶⁸.

Paid traineeships have the benefit of reducing the need for family or public support of trainees during their traineeship, facilitating equal opportunities and the accumulation of social protection entitlements.

⁶⁴ Remuneration usually consists of pay or compensation, but may also include benefits in kind (e.g. food vouchers), reimbursement of travel or accommodation costs or special allowances (e.g. for overtime or daily allowance).

⁶⁵ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

⁶⁶ See for example O'Higgins and Penedo Caro (2021). *What makes for a 'good' internship?* in: "Internships, Employability and the Search for Decent Work Experience," Books, Edward Elgar Publishing, number 20653. ⁶⁷ Flash Eurobarometer 523, full report available via

https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=87602

⁶⁸ Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023: https://ec.europa.eu/social/BlobServlet?docId=26544&langId=en

As mentioned, the **2014 QFT does not include provisions addressing (the level of)** remuneration or social protection. It only recommends that Member States ensure that the rights and working conditions of trainees under applicable EU and national law are respected. It recommends transparency on coverage in terms of health and accident insurance and sick leave. It also recommends the conclusion of a written traineeship agreement. This should indicate the educational objectives, the working conditions, the duration of traineeship, whether an allowance or compensation is provided to the trainee by the traineeship provider, and if so, the amount, and the rights and obligations of the parties under applicable EU and national law.

The 2014 QFT also includes principles on **transparency, in particular of vacancy notices and advertisements**. However, the 2023 evaluation revealed that these are among the least implemented principles in Member State legal frameworks⁶⁹. Transparency about the conditions and content of the traineeship allows aspiring trainees to make a well-informed decision on applying, including by taking into account financial considerations and career prospects.

The regulatory situation in Member States, as briefly summarised in Section 4.1.2 and described in detail in the accompanying analytical document, indicates considerable differences within and between Member States in terms of trainees' access to the labour rights, including remuneration, that apply to regular workers.

As explained in the accompanying analytical document, in those Member States where trainees can be considered to be in an employment relationship, they are entitled to full protection under EU and national labour law, including minimum wage provisions, where they exist.

Legal obligations on remuneration also exist in those Member States where **traineeships** are subject to **specific regulations**. For example, such regulations covering remuneration exist in 14 Member States for OMT⁷⁰. In 7 of these Member States⁷¹, trainees are entitled to at least the minimum wage. In Spain and Slovenia, trainees are entitled by law to a specific percentage of the remuneration of a comparable worker⁷². Other Member States set the minimum level of remuneration as a proportion of the minimum wage. For example, in Belgium and Romania, the level is set at at least 50% of the minimum wage, in Luxembourg at 40%-75% of the minimum wage (for unskilled trainees, depending on duration) and in Portugal at 80% of the minimum wage. In Poland, an upper limit is set, which cannot exceed 200% of the minimum wage.

It should be noted that, in most Member States, there are also unregulated traineeships which are not considered employment relationships. These types of traineeships are usually unpaid.

As regards **access to social protection**, 33% of respondents to the 2023 Eurobarometer replied that they enjoyed the same access as regular employees, while 28% of respondents reported access to some aspects of social protection. OMT trainees were less likely to indicate access to social protection (25%) than MPT trainees (39%).

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⁶⁹ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

⁷⁰ BE, BG, CZ, DE, ES, CY, LT, LU, HU, AT, PL, PT, RO, SI.

⁷¹ BG, DE, ES, CY, LT, HU, SI.

⁷² In Spain, the remuneration should be 60%-75% (depending on duration) of the remuneration of a comparable worker as established in the respective collective agreement. In Slovenia, the law states that the trainee has the right to at least 70% of the basic salary of a comparable worker.

Evidence from the ongoing study on quality traineeships in the EU shows that trainees who are not considered workers in Member States are likely to lack formal access to some or all branches of social protection⁷³. According to the data collected, full (or almost full) access to social protection exists in at least 16 Member States⁷⁴ for OMT, in 16 Member States⁷⁵ for ALMP, in 9 Member States⁷⁶ for ECT and in 15 Member States⁷⁷ for MPT. Overall, the largest access gaps tend to come from unemployment benefits.

4.2.2 Inadequate training component

An **adequate learning and training component** of traineeships is essential to facilitate the future labour market integration of trainees. It is also the essential aspect that distinguishes a traineeship from regular employment. Evidence from literature highlights a positive association between traineeships with adequate learning content and transitions to stable employment⁷⁸.

However, 23% of respondents to the 2023 Eurobarometer⁷⁹ do not believe that they have learnt things that are useful professionally during their traineeship, 10 percentage points more than in the 2013 Eurobarometer⁸⁰. Moreover, despite the specific labour-market oriented character of traineeships, this share is not lower than the share of respondents (23%) to a 2014 Eurobarometer⁸¹, who felt that their (general) education or training had not provided them with the skills to find a job in line with their qualifications.

The evaluation of the 2014 QFT indicates that while the conclusion of a written traineeship agreement setting out the educational objectives of the traineeship is among the most commonly implemented principles in Member States legal frameworks⁸², the principle on the alignment of the tasks of the trainee with the educational objectives spelt out in the written traineeship agreement is among the least implemented.

A **mentor** assigned to the trainee can help in strengthening the learning and training component of the traineeship. However, the 2014 QFT only encourages the designation of a supervisor guiding the trainee through the assigned tasks, and monitoring and assessing their progress. The 2023 evaluation suggested the need for a greater focus on mentoring (which needs to be distinguished from the concept of supervision)⁸³⁸⁴.

https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=87602

⁷³ Study exploring the context, challenges and possible solutions in relation to the quality of traineeships in the EU, forthcoming (VT/2022/047), Draft Final Report, August 2023.

⁷⁴ BE, BG, DE, DK, EL, ES, CY, LT, LU, HU, AT, PT, RO, SI, FI, SE.

⁷⁵ BE, BG, DK, EE, EL, ES, LV, LU, MT, AT, PL, PT, RO, FI, SE.

⁷⁶ BG, DK, EL, ES, LT, LU, HU, AT, SE.

⁷⁷ BE, CZ, DK, ES, EL, FR (only medicine), CY, LV, LU, HU, AT, PL, SI, SK, SE.

⁷⁸ Stewart (2021) *The nature and prevalence of internships*, in: ILO (2021) Internships, Employability and the Search for Decent Work Experience.

⁷⁹ Flash Eurobarometer 523, full report available via

⁸⁰ Flash Eurobarometer 378.

⁸¹ Special Eurobarometer 417. European area of skills and qualifications. https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=41235

⁸² European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

⁸³ The concept of mentoring denotes providing help and advice and actively following up on the trainees' progress in conducting their tasks, without necessarily having a subordinate relationship between the mentor and the trainee.

⁸⁴ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

Evidence from the ongoing study on quality traineeships in the EU suggests that legal provisions to ensure that tasks allow trainees to work towards their learning and training objectives exist in 12 Member States⁸⁵ for OMT, in 23 Member States⁸⁶ for ALMP, in 14 Member States⁸⁷ for ECT and in 18 Member States⁸⁸ for MPT.

Moreover, 75% of respondents to the 2023 Eurobarometer could turn to a mentor for support, while 91% of respondents to the 2013 Eurobarometer could do so. According to the evidence from the ongoing study on quality traineeships in the EU, legal provisions on mentoring and/or supervision exist in at least 14 Member States⁸⁹ for OMT, in 21 Member States for ALMP⁹⁰, in 14 Member States⁹¹ for ECT and in 19 Member States⁹² for MPT. Overall, legal provisions are less common on mentoring than on supervision.

4.3. Challenges related to the access to traineeships

A third set of challenges relates to unequal access to traineeships. These include, first, the specific barriers faced by **people in vulnerable situations** apart from the issues of remuneration and access to social protection. Second, they concern the obstacles encountered by **cross-border trainees** in the EU. Third, the increase in the prevalence of **remote and hybrid working arrangements** may create new traineeship opportunities, but may also create new access barriers for potential trainees.

4.3.1 People in vulnerable situations

While acknowledging the negative consequences of unpaid traineeships for people from vulnerable and less favourable backgrounds, the **2014 QFT does not contain specific principles on inclusiveness**.

A large variety of stakeholders, consulted as part of the study supporting the 2023 evaluation, including national authorities, social partners and civil society organisations have raised concerns about access barriers to traineeship opportunities for **people in vulnerable situations**⁹³.

This concerns for example people from rural areas, from remote regions like the EU outermost regions or from vulnerable socio-economic backgrounds, or people with disabilities, with a migrant background, LGBTIQ people, or less-represented ethnic minorities such as Roma people.

As pointed out by the study supporting the 2023 evaluation⁹⁴, the main barriers experienced by these groups include discrimination, insufficient outreach by traineeship providers, the lack of personal networks, financial constraints, educational disparities, and a lack of standards regarding the transparency of recruitment, including advertisement policies.

⁸⁵ BE, BG, CZ, DE, EL, ES, HR, LT, LU, PT, RO, SI.

⁸⁶ BE, BG, CZ, DK, EE, IE, EL, ES, FR, HR, IT, LV, LT, LU, MT, AT, PL, PT, RO, SK, FI, SE.

⁸⁷ BE, DK, EL, IE, ES, IT, LV, LT, LU, HU, AT, PT, RO, SK.

⁸⁸ BE, CZ, DK, EE (medicine), IE, ES, HR, IT, LV, LT, LU, HU, AT, PL, PT, RO, SI, SK.

⁸⁹ BE, BG, CZ, EE, ES, HR, CY, LT, LU, HU, NL, PT, RO, SI.

⁹⁰ CZ, DK, EE, IE, EL, ES, FR, HR, IT, CY, LV, LT, LU, HU, MT, NL, PL, PT, RO, SK, FI.

⁹¹ DK, IE, ES, IT, CY, LT, LU, LV, HU, AT, PT, RO, SI, SK.

⁹² BE, CZ, DK, EE (medicine), IE, ES, HR, IT, CY, LV, LT, LU, HU, AT, PL, PT, RO, SI, SK.

⁹³ Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023: https://ec.europa.eu/social/BlobServlet?docId=26544&langId=en
⁹⁴ Ibid.

While the 2023 Eurobarometer did not provide any indication of the respondent backgrounds, it includes indications as regards the accessibility of traineeships. Only around half of respondents (48%) overall agree that young people from a disadvantaged or migrant background have the same access to traineeship opportunities as others⁹⁵. Moreover, slightly less than half of the respondents (46%) overall agree that young people with disabilities do not have access to the same traineeship opportunities and only half of respondents⁹⁶ considered that people with disabilities received adapted office equipment or a reasonable adjustment to carry out their tasks.

In this regard, an important aspect to improve access to traineeships for people in vulnerable situations concerns the **tailoring of traineeship programmes to specific needs**, for example accessibility requirements in the case of **people with disabilities**. For example, in Latvia, the government provides support for making adjustments to the workplace up to EUR 1,000 for trainees with disabilities. In Ireland, a number of paid traineeships within the civil service are reserved for individuals from underrepresented groups, including those with a disability ⁹⁷.

4.3.2 Cross-border traineeships

The facilitation of the cross-border mobility of trainees in the EU is among the key objectives of the 2014 QFT. For the 2023 Eurobarometer⁹⁸, 21% of the respondents indicated that they had completed at least one traineeship in another Member State, representing a 12 percentage points increase compared with the result from the 2013 Eurobarometer⁹⁹.

However, as confirmed by the 2023 evaluation¹⁰⁰, the **lack of transparent and clear information on the (often very different) rules applicable** in Member States, combined with the lack of financial resources to cover the additional expenses linked to travel and accommodation, continue to be significant barriers for young people to take up a traineeship in another Member State and for traineeship providers to offer cross-border traineeships. The trainee survey held as part of the 2023 evaluations showed that other issues faced by trainees are complex administrative procedures and legal and administrative barriers, such as different taxation systems, social security arrangements tand pension entitlements¹⁰¹.

While the 2014 QFT recommends that Member States examine the possibility to make use of the extended **EURES** network and to exchange information on paid traineeships through the EURES portal, the ongoing absence or the complexity of national regulatory approaches to traineeships appears to hamper the portal's effectiveness¹⁰². Only 13% of respondents to the

https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=87602

⁹⁷ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

 $\underline{https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=87602}$

⁹⁵ Flash Eurobarometer 523, full report available via

⁹⁶ Ibid.

⁹⁸ Flash Eurobarometer 523, full report available via

⁹⁹ Flash Eurobarometer 378. *The experience of traineeships in the EU*. November 2013.

¹⁰⁰ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

¹⁰¹ Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023: https://ec.europa.eu/social/BlobServlet?docId=26544&langId=en

¹⁰² European Commission, Directorate-General for Employment, Social Affairs and Inclusion, Study supporting the ex-post EURES evaluation and the second biennial EURES report, Publications Office, 2021, https://data.europa.eu/doi/10.2767/98807. Under the action Your First Eures Job (YFEJ) and the EURES Targeted Mobility Scheme (TMS) approximately 1075 trainees were financially supported to find a traineeship in another Member State between 2013 and 2022.

trainee survey carried out as part of the study supporting the 2023 evaluation made use of the EURES portal to find cross-border traineeship opportunities¹⁰³.

4.3.3 Remote and hybrid traineeships

Evidence suggests that while the share of persons working exclusively from home has fallen considerably since the height of the COVID-19 pandemic, the **prevalence of hybrid working arrangements is gaining ground**, in particular in certain sectors such as financial services or public administration¹⁰⁴. The accompanying analytical document presents evidence suggesting that most Member States have legal provisions on telework, which also apply to all types of traineeships.

Remote and hybrid traineeships may bring opportunities, such as overcoming distance to the physical workplace and reducing associated costs, for example in the context of cross-border traineeships as well as for vulnerable groups residing in rural and remote areas. However, the 2023 evaluation stated that there may be a need to adjust the QFT to ensure the application of its principles to remote and hybrid traineeships. In particular, enabling conditions need to be in place to seize the opportunities of remote and hybrid traineeships. These could include appropriate equipment, adequate access to remote training and learning opportunities, sufficient network connectivity and network security, arrangements in work organisation that support the tasks to be carried by the trainee (including supervision, guidance and mentoring), as well as a sufficient level of digital skills.

For the 2023 Eurobarometer¹⁰⁶, 54% of respondents agreed that they received adequate guidance and mentoring to carry out their tasks remotely, while half of respondents said that they were provided with the necessary equipment to do so. Addressing these access barriers would in particular benefit the access of trainees from vulnerable groups and could contribute to supporting the uptake of cross-border traineeships.

In addition, remote/hybrid traineeships present a number of risks, including the fact that digital learning may not suit the learning styles of all trainees; lack of socialisation negatively affecting motivation and engagement, and, in turn, trainees' wellbeing; further marginalisation of disadvantaged groups lacking digital skills and/or access to adequate ICT equipment; and increased costs for traineeship providers.

4.4. Consequences of the identified challenges

The identified challenges affect trainees, traineeship providers and society at large.

For trainees, the misuse of traineeships, when it occurs, deprives them of the rights and protection they are entitled to according to EU law, national law and collective agreements or practice. Sub-standard enforcement mechanisms combined with a weak bargaining position may hamper trainees in effectively claiming their rights. Precarious working conditions, in particular as regards pay and access to social protection, may affect the income security of

https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=87602

¹⁰³ Study supporting the evaluation of the Quality Framework for Traineeships (VC/2021/0654), Final Report, January 2023: https://ec.europa.eu/social/BlobServlet?docId=26544&langId=en

¹⁰⁴ Eurofound (2022), Fifth round of the Living, working and COVID-19 e-survey: Living in a new era of uncertainty

https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef22042en.pdf

¹⁰⁵ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

¹⁰⁶ Flash Eurobarometer 523, full report available via

trainees (and their families), contribute to in-work poverty and have an impact on trainees' physical and mental health. They may prevent people from taking up traineeship opportunities. The lack of an adequate training component may jeopardise opportunities for skills and career development. The access barriers described above may have a negative impact on equal opportunities to engage in traineeships, including cross-border and remote or hybrid traineeships.

For traineeship providers, in particular small and medium-sized enterprises (SMEs), the regulatory complexity within Member States and the diversity of regulatory approaches in the EU may make it burdensome to offer quality traineeship opportunities, including in a cross-border context. The 2023 evaluation identified adjustment costs in applying the quality principles, such as costs associated with designing programmes, implementing new legislation, assessing trainees' skills at the start of a traineeship, developing training plans to ensure learning objectives are met, supervising trainees, and certifying trainees' skills at the end of a traineeship. In particular, in view of the limited financial resources that SMEs have, the 2023 evaluation found that implementing costs associated to quality traineeships are relatively higher for SMEs than for larger companies¹⁰⁷. Furthermore, traineeship providers who comply with the (non-binding) QFT might experience unfair competition from non-compliant traineeship providers. Moreover, the poor learning content of traineeships and access barriers to traineeships reduce the talent and skills pool from which employers recruit employees matching their needs, resulting in losses of productivity and competitiveness.

For society at large, the misuse of traineeships, when it occurs, and ongoing access barriers for people in vulnerable situations result in the loss of public revenue and can exacerbate dynamics of social exclusion. Poor quality traineeships with an inadequate training component represent an opportunity cost in view of enduring skills shortages and can lead to sub-optimal labour market outcomes. Traineeships with inadequate working conditions, including remuneration, and little or no access to social protection may also negatively affect intergenerational solidarity, social security systems and public budgets.

5. Need for EU action

The digital, green and demographic transitions exacerbate existing labour shortages, skills gaps and skills mismatches in the EU. At the same time, the youth unemployment rate (15-24 years) in the EU is more than double the general unemployment rate (15-74 years). As part of the required measures to address these structural challenges, it is all the more important to harness, through well-organised action at EU level, the full potential of traineeships to support the labour market integration of (young) people, addressing the skills needs of employers and thereby filling gaps that exist on the labour market.

The challenges as regards the use, quality and accessibility of traineeships outlined in this document affect all Member States, albeit to varying degrees. These challenges also have a negative impact on the effectiveness of relevant instruments at EU-level, in particular the reinforced Youth Guarantee, which is often supported by EU funds.

¹⁰⁷ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

The different regulatory approaches at national level combined with weak monitoring and enforcement mechanisms result in very **different levels of protection** for trainees, depending on the Member State of employment. Moreover, not all trainees who are workers enjoy effective access to the **protection they are entitled to under EU law, national law and collective agreements**.

The complexity of regulatory approaches, the uneven playing field for traineeship providers across the EU single market and the absence of certain minimum rights also constitute an obstacle to the cross-border mobility of trainees and to upward social convergence.

As indicated in the 2023 evaluation¹⁰⁸, there has been moderate progress in implementating the quality principles of the Council Recommendation on the QFT in national regulatory frameworks. In particular, there is considerable room for improvement as regards application of the 2014 QFT principles on the ground, in particular for OMT. In the absence of EU action, the challenges identified are likely to persist, as the existing QFT is not sufficiently equipped to effectively address them.

EU action should trigger **upward social convergence** and increase the consistency of the single market by reducing the **fragmentation of regulatory approaches** across Member States. By updating and strenghtening the QFT, EU action would aim to **combat the opportunities for misusing traineeships, increase the quality of traineeships and improve the access to traineeships**. Such action would tend to **improve the labour market outcomes of traineeships** and thereby also the competitiveness of the European economy. It should moreover support the **application and enforcement of existing social rights**.

The initiative should contribute to achieving the **EU's 2030 headline targets**, i.e. reaching an employment rate of 78% and having at least 60% of all working age adults participating in training every year. In addition, it would contribute to the objective of reducing the rate of young people neither in employment, nor in education or training (NEETs) aged 15-29 from 12.6% (2019) to 9%, namely by improving their employment prospects.

In line with the **proportionality and subsidiarity principles**, a possible EU action should not exceed what is necessary to achieve its objectives and would need to respect the competence of Member States and social partners. By **avoiding unnecessary burden on businesses**, in particular **SMEs**, a possible EU action would also ensure the added value for employers brought by the **level playing field**, the **improved employability of trainees** and a **more consistent minimum level of protection of trainees** across the EU.

6. Possible EU action

6.1. Proposed objectives of an EU initiative

The **general objective** of the initiative would be to respond to the challenges outlined in Section 4 and **improve the use, quality and accessibility of traineeships** across the EU.

To reach the above-mentioned general objective, the **specific objectives** of the EU initiative would be as follows:

 $^{^{108}}$ European Commission (2023) Evaluation of the Council Recommendation on a Quality Framework for Traineeships (SWD(2023) 9 final).

- to support the prevention, detection and combating of the problematic use of traineeships and to support trainees in accessing the rights to which they are entitled;
- to improve the quality of traineeships by supporting fair working conditions, including remuneration and access to social protection, and an adequate learning and training component; and
- to foster the inclusiveness of traineeships and equal access to traineeship opportunities in the EU.

6.2. Avenues for EU action

This section presents the **possible avenues for EU action under consideration**. The avenues and related explanations are organised in accordance with the challenges and corresponding policy objectives outlined above. The Commission's considerations regarding the potential scope of EU action are set out under Section 6.2.4, while its considerations on the choice of EU policy instruments for the purpose of a possible initiative are set out under the subsequent section 6.3.

In this regard, it is to be emphasised that the **procedure under Article 154(2) TFEU is only applicable to EU action under Article 153 TFEU**. It is therefore on a **voluntary basis** that the Commission invites social partners to share their views on the potential measures put forward in Section 6.2.3.

A possible EU initiative would be developed without undermining the existing EU social *acquis* and in accordance with the **legal boundaries set by the Treaties** (see Section 6.3) and the **proportionality, subsidiarity and better law-making principles**. It would also fully take into account the **impact on the supply of traineeships, job creation and competitiveness**, including in particular for **SMEs**. Moreover, any EU action would respect national competences, the diversity of national industrial relations, and the autonomy of social partners.

The possible avenues for EU action below have been set out with due regard to any evidence available at this stage of the policy-making process, the relevant resolution by the European Parliament, and the results of the first-stage consultation of social partners.

6.2.1. Addressing the problematic uses of traineeships

The EU initiative could contribute to developing a common understanding of the main features of the misuse of traineeships, which serve to disguise regular employment.

This common understanding at EU level of the essential features of the misuse of traineeships could facilitate **the detection of such cases** by the responsible national authorities and **support enforcement action**. The EU initiative could notably define a list of elements pointing at the misuse of a traineeship, which could either be exhaustive or non-exhaustive. This list of elements could be indicative or binding and would support responsible enforcement authorities in Member States in their case-by-case assessment of the potential misuse of a traineeship.

The elements could relate to the conditions and content of the traineeship, the profile of the trainee and the organisational context. They could include, without necessarily being limited to, the following aspects:

- an excessively long duration of a traineeship or multiple and/or consecutive renewals of the traineeship with the same traineeship provider;
- lack of a meaningful learning or training component of the traineeship;
- vacancy notices that refer to similar responsibilities and similar (intensity of the) tasks of the trainee compared with those of regular employees;
- vacancy notices that require previous professional experience by the trainee in the field of activity, acquired through previous traineeship(s) or similar jobs; and
- high ratio of traineeships to regular employment contracts in the organisation.

In order to **prevent the misuse of traineeships**, targeted additional measures could be considered affecting some of the elements on the above mentioned list:

- Setting a maximum duration of a traineeship (or of the sum of several traineeships with the same employer) could prevent the replacement of regular jobs by (long-term) traineeships. While the 2014 QFT recommends, in principle, a reasonable traineeship duration of 6 months, this provision is one of the least implemented in Member States' legal frameworks. It could therefore be considered to make this recommendation legally binding. In this regard, some traineeships may, for objective reasons, require a longer time frame, which would need to be taken into account.
- The EU initiative could stipulate that **employers must in principle not require** candidates for traineeship positions to have previous work experience in the field of activity, except in duly justified cases. This would make it more difficult to advertise regular jobs as traineeships and to replace regular employees by trainees.

Moreover, the EU initiative could require Member States to ensure that their **responsible national authorities carry out dedicated checks and inspections** to detect and take enforcement action both against the misuse of traineeships and against traineeships that do not comply with EU law, national law or collective agreements. This could entail providing the necessary human, technical and financial resources and the laying down of specific rules on penalties and procedures for the defence of trainees' rights.

The EU initiative could also set out a number of **supporting measures** (for example avenues to report malpractice or lodge complaints) to ensure that trainees, including those in a situation of disguised employment (misuse of traineeships), can gain effective access to existing labour rights to which they are entitled based on EU law, national law, collective agreements or practice and any possible new material rights conferred by the EU initiative.

6.2.2. Improving the quality of traineeships

Several policy measures could be considered to further improve working conditions, including remuneration, and access to social protection for trainees in the EU.

- With regard to the introduction of a **ban on unpaid traineeships** by means of EU legislation, requested by multiple stakeholders over recent years, it should be noted that **the legal boundaries set by the Treaties will need to be respected (see Section 6.3 for more details)**.
- With a view to the Fixed-Term Work and Part-Time Work Directives, the EU initiative could specify for trainees who are workers that the fact of being a trainee shall not as such constitute an objective ground justifying less favourable treatment by reference to the employment conditions of a comparable permanent or full time worker. While different tasks and lower responsibilities or

- work intensity can constitute grounds for different treatment, the different treatment has to be proportionate to these grounds.
- Specifically as regards remuneration, and while fully respecting Article 153(5) TFEU which excludes any EU action in the determination of the level of pay, the EU initiative could include **the principle of fair remuneration**, which would ensure that the economic value of the work provided by the trainee is remunerated in a proportionate manner, taking into account the learning/training and working components, the level of tasks and responsibilities, and the value and intensity of the work and associated working hours. Any potential unintended effects would have to be thoroughly taken into account when designing such a measure, in particular a possible incentive for employers to turn regular (entry-level) jobs into lower remunerated traineeships or to reduce the supply of traineeships.
- Alternatively or in addition, the initiative could aim at **increasing the transparency of remuneration structures for trainees** (in comparison with regular workers). This option would reduce information asymmetries on pay and would empower trainees in their choices.
- As regards **access to social protection**, the scope of potential EU action is limited, as in particular spelt out by Article 153(4) TFEU, which states that the measures under Article 153 TFEU 'shall not affect the right of Member States to define the fundamental principles of their social security systems and must not significantly affect the financial equilibrium thereof'. Moreover, under Article 153(1)(c) TFEU, the EU can only take measures on trainees who are 'workers' within the meaning of EU law. These trainees are already covered by the 2019 Council Recommendation on access to social protection for workers and the self-employed¹⁰⁹. Its full implementation would ensure access to six branches of social protection, insofar as they are provided in the Member States¹¹⁰.

The EU initiative could also contain measures to support the improvement of traineeships' training component. These could complement existing principles laid down in the 2014 QFT and in EU law (in particular the Directive on transparent and predictable working conditions)¹¹¹.

- The EU initiative could turn the 2014 QFT principles on the conclusion of a written traineeship agreement, including information on educational objectives and working conditions, into a legal obligation applicable to trainees who are workers. Alternatively, in line with the approach of the Directive on transparent and predictable working conditions, the EU initiative could provide for a legal obligation to provide written information on training objectives to trainees who are workers.
- In addition to the aspects already contained in the 2014 QFT, the EU initiative could strengthen the provision of **information on mentoring, supervision and evaluation**.

With respect to **improving transparency about traineeships**, and in line with the 2014 QFT, traineeship providers could be obliged to already provide, **in their vacanccy notices**, information on working conditions, including remuneration, access to social protection, and the expected tasks and envisaged learning content.

¹⁰⁹ OJ C 387, 15.11.2019, p. 1–8.

¹¹⁰ Unemployment, sickness and healthcare, maternity or paternity, accidents at work and occupational diseases, disability and old age.

¹¹¹ OJ L 186, 11.7.2019, p. 105–121.

6.2.3. Supporting inclusive traineeships and equal access to traineeship opportunities

Regarding the improved access to traineeships of people in vulnerable situations, the EU initiative would take into account the existing non-discrimination provisions in EU law and could in particular focus on the active outreach by traineeship providers to people in vulnerable situations.

An important aspect to improve the access to traineeships for people in vulnerable situations concerns the **tailoring of traineeship programmes to specific needs**, for example accessibility requirements, reasonable accommodation and personal support in the case of **people with disabilities**.

Beyond the measures mentioned above, and to further promote particularly the **cross-border mobility of trainees**, the EU initiative could reinforce the existing principles in the 2014 QFT. It could notably call **for better information provision on cross-border traineeship opportunities and national legal frameworks**, together with **simplified administrative procedures**. The **EURES network and portal** have the potential to facilitate the sharing of information on cross-border paid traineeship opportunities.

The EU initiative could also address the absence of principles regarding remote and hybrid traineeships in the 2014 QFT. This includes access to an appropriate working environment including equipment and mentoring and the application of all QFT principles to remote and hybrid traineeships.

6.2.4. The scope of the QFT

As indicated in the first-phase consultation document¹¹², a **wider scope of the QFT** (including also ECT and MPT, which are currently explicitly excluded from the scope of the 2014 Council Recommendation) could help achieve a common set of quality principles covering all types of traineeships.

A potential EU action by means of a **directive** would cover trainees who have an employment contract or employment relationship as defined by law, collective agreements or practice in force in each Member State with consideration to the case law of the Court of Justice of the European Union, regardless of the type of traineeship (see subsequent Section 6.3. for more details). In light of the different regulatory provisions in Member States on ECT and MPT, as outlined in Sections 4.1 and 4.2, an EU directive may therefore, in principle, cover a (significant) share of these trainees provided they are workers under national and/or Union law.

It could also be considered to include ECT and MPT in the scope of a potential EU action by means of a **reinforced Council Recommendation**. However, due consideration should be given to the need to avoid creating overlaps with other non-legislative frameworks, including in particular the Council Recommendation on a **European Framework for Quality and Effective Apprenticeships (EFQEA)**.

6.2.5. Supporting measures

In addition to the measures above, a number of accompanying/supporting measures could be envisaged. These could include improving monitoring and data collection, strengthening awareness raising on the QFT principles, exchanging best practices between Member States

¹¹² C/2023/4785 final. https://ec.europa.eu/social/BlobServlet?docId=27013&langId=en

and stakeholders in the area of high-quality traineeships, and the provision of (financial and non-financial) support (including hiring incentives), guidance and assistance, to employers, in particular small and micro enterprises. Close cooperation between Member States, social partners and other stakeholders could further support the implementation of the initiative.

6.3. Relevant EU policy instruments

Non-binding measures could reflect and recommend most of the avenues of EU action under consideration. Such non-binding measures could take the form of an **update of the existing Council Recommendation on a QFT**, complemented by increased monitoring in the context of the European Semester and the exchange of best practices.

However, it may be more effective to pursue some of the policy measures under consideration by means of a **binding instrument, in the form of a directive under Article 153 TFEU**. A directive based on Article 153 TFEU would provide legal certainty about common minimum standards to be applied by Member States. It would need to take into account Article 153(2)(b) TFEU which states that 'such directives shall avoid imposing administrative, financial and legal constraints in a way which would hold back the creation and development of small and medium-sized undertakings'.

Moreover, as already indicated in the first-phase consultation document¹¹³, **EU action by means of a directive is subject to strict legal limitations**. Under Article 153(1)(b) TFEU, the EU can only take measures on working conditions with regard to trainees (regardless of the type of traineeship) if they are either 'workers' within the meaning of EU law or covered by measures under that provision addressing 'workers' that are extended to trainees in an ancillary way. As the existence of a remuneration is an essential feature of the definition of a 'worker', **unpaid trainees in principle cannot be considered 'workers' under EU law**. Also, Article 153(5) TFEU excludes an EU measure that would directly require that an activity such as a traineeship has to be performed for remuneration.

As regards **social protection**, the EU's legislative competence is limited by Article 153(4) TFEU, which states that the measures under Article 153 TFEU 'shall not affect the right of Member States to define the fundamental principles of their social security systems and must not significantly affect the financial equilibrium thereof'. Moreover, under Article 153(2) TFEU, the Council would have to act unanimously under Article 153(1)(c) TFEU, in accordance with a special legislative procedure.

Lastly, as regards the area of education and vocational training, Articles 165(4) and 166(4) TFEU exclude any harmonisation of the laws and regulations of Member States, for example by means of a directive or a decision. Non-binding recommendations to Member States could, however, be made by means of a Council recommendation.

The Commission is considering a **package combining both the legislative and non-legislative instruments mentioned above**, taking into account the need to respect the principles of subsidiarity, proportionality and better law making, and the legal boundaries set by the Treaty.

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¹¹³ C/2023/4785 final. https://ec.europa.eu/social/BlobServlet?docId=27013&langId=en

7. Next steps

In accordance with Article 154(3) TFEU, the Commission must consult management and labour on the content of the envisaged initiative. This initiative could address the challenges related to the use, quality and accessibility of traineeships in the EU. For this second phase of the consultation, the Commission would welcome the views of social partners on the questions set out below:

- 1. What are your views on the objectives of possible EU action set out in Section 6.1?
- 2. What are your views on the possible avenues for EU action set out in Section 6.2?
- 3. What are your views on the possible EU policy instruments presented in Section 6.3?
- 4. Are the European social partners willing to enter into negotiations with a view to concluding an agreement under Article 155 TFEU with regard to any of the elements set out in Section 6.1?

The Commission will take into account the results of this consultation for its further work on an EU initiative to further improve the quality of traineeships. In particular, if, as provided for under Article 154(4) TFEU, the social partners decide to negotiate between themselves on these matters, the Commission will suspend its work.