Traineeships play a crucial role, not only in providing practical experience to young people but also in fostering the skills required to maintain competitiveness within the business sector. While protecting trainees is imperative, it is crucial to strike a balance with the demands placed on businesses. Complex bureaucratic processes and potential financial burdens could hinder companies from offering traineeships, ultimately hindering opportunities for young people.

The proposals outlined in the Traineeship Directive and Council Recommendation suggest a significant increase in workload for businesses. Therefore, the initiatives should be carefully adjusted to minimise the additional burden on businesses, all while ensuring the quality of traineeships remains uncompromised.

To achieve this goal, policymakers must consider streamlining the proposals and providing support mechanisms for businesses offering traineeships. By doing so, we can create an environment where both trainees and businesses as traineeship providers can thrive, fostering a skilled workforce essential for strengthening economic resilience and sustaining Europe's competitive edge.

1. Executive summary

Providing young people with practical work experience, career orientation, and first insights into the working world is of great importance. This also benefits the economy, as companies can recruit new talent, thereby contributing to combating skills shortages and ultimately enhancing economic resilience and competitiveness.

To sustain the willingness of companies to offer traineeships, the current proposals must be revised. This includes that the determination of traineeship compensation should remain at the discretion of the companies and generally be on a voluntary basis, given the educational purpose of the traineeship.

Moreover, the proposed transparency requirements and information obligations would lead to a significant additional burden for companies. Bureaucratic hurdles, financial burdens, and legal uncertainties could deter businesses from offering traineeships.

Furthermore, companies need flexibility regarding the duration of traineeships to accommodate different situations and make traineeships equally accessible to all young people.

If the proposals are implemented in their current form, it is likely to result in a significant reduction in the number of traineeship positions. This would not only harm companies by limiting their ability to recruit new skilled workers but also disadvantage young people who greatly benefit from such practical work experience.

2. Background

In 2024 the European Commission took action and proposed to improve working conditions for trainees, including pay, inclusiveness and quality of traineeships in the EU. The initiative consists of:

- a <u>proposal for a Directive</u> on improving and enforcing working conditions for trainees and combatting regular employment relationships disguised as traineeships
- a <u>proposal to revise the 2014 Council Recommendation</u> on a Quality Framework for Traineeships to address issues of quality and inclusiveness, such as fair pay and access to social protection

The proposed Directive includes several key elements. The principle of non-discrimination. aims to ensure that trainees are treated equally in terms of working conditions, including pay, compared to regular employees, unless different treatment is justified on objective grounds, such as different tasks, lower responsibilities, work intensity or the weight of the learning and training component. Additionally, the Commission proposes measures ensuring traineeships are not used to disguise regular jobs. Furthermore, Member States should establish channels for trainees to report malpractice and poor working conditions.

The revised Council Recommendation on a Quality Framework for Traineeships recommends fair pay for trainees and ensures access to adequate social protection for trainees. Additionally, the Commission proposes appointing a mentor for trainees, promoting equal access to traineeship opportunities, and increasing employability through additional career guidance. According to the Council Recommendation, companies should be encouraged to publish information about their hiring policies and the duration of traineeships should be appropriate and typically should not exceed 6 months.

3. Summary of Eurochambres' main messages/recommendations

a) Traineeship Directive

• Article 2 – Definitions

Article 2 defines the terms 'traineeship', 'trainee', 'regular employment relationship', and 'regular worker'. The Directive should apply to trainees, i.e. all persons undertaking a traineeship who have a contract of employment or an employment relationship as defined by the law, collective agreements, or practice in force in each Member State. According to this Article, vocational training programmes may fall within the scope of this Directive insofar as trainees are covered by the concept of 'worker'.

It is necessary to clearly define the scope of the directive and the types of traineeships covered to avoid interpretation gaps and thereby prevent misunderstandings and uncertainties among businesses.

We consider the application of the directive to mandatory traineeships, which are part of an academic or vocational education programmes, problematic. Such an extension would exceed the EU's competences in vocational and higher education policy. Decision-making power in education policy lies with the member states, while the EU plays a coordinating and supporting role.

Moreover, it should be explicitly clarified that apprenticeships are not covered by this directive. Apprenticeships differ in essential aspects from traineeships (e.g., duration, alternation between vocational school periods and work in the company). Therefore, there needs to be a clarification that practical work experience as part of an apprenticeship does not fall under the scope of this directive, to clearly distinguish apprenticeships from traineeships.

• Article 3 – Principle of non-discrimination

Article 3 obliges member states to ensure that, in respect of working conditions including pay, trainees are not treated in a less favourable manner than comparable regular employees in the same establishment, unless different treatment is justified on objective grounds, such as different tasks, lower responsibilities, work intensity or the weight of the learning and training component.

We are opposed to including "pay" as a non-discrimination component of working conditions for trainees. This would excessively blur the line between trainees and employees. Instead of "pay," the term "compensation" should be used to better distinguish between employees and trainees.

Furthermore, there should still be an option for certain types of traineeships, such as mandatory traineeships or volunteer programmes, to be completely unpaid, provided that their primary focus is on career orientation and educational purposes. Mandatory traineeships are often part of the educational pathway for young people and primarily aim to provide practical learning experiences in addition to theoretical training and learning in school and university. Thus, the primary purpose of a mandatory traineeship is educational. Compensation is therefore more of an allowance or support for living expenses. The amount of compensation should remain at the discretion of the businesses and generally be voluntary. However, If the work performed outweighs the educational purpose, a trainee should be compensated like an employee.

Specific qualification programmes for university graduates, should also not fall under this directive because these programmes already require a higher level of qualification and are compensated accordingly.

If those suggested changes are not implemented, many companies may no longer be able to offer these types of traineeships.

Article 5 – Assessment of regular employment relationships disguised as traineeships

According to Article 5, competent authorities shall thoroughly assess whether a regular employment relationship is being disguised as a traineeship. This assessment shall take into account various factors, such as the absence of a significant learning or training component, the duration of the traineeship, the equivalent levels of tasks and responsibilities, the requirement for previous work experience, and the ratio of traineeships compared with regular employment with the same employer. Additionally, the proposed directive mandates that employers provide necessary information to assist the competent authorities in their assessment.

We support the establishment of a criteria catalogue that enables national authorities to identify falsely declared traineeships. However, including such a catalogue in the revised

Council recommendation would have been sufficient, making its inclusion in this directive unnecessary. Regarding the employer's obligation to provide information, we suggest using "compensation" instead of "pay" to more clearly distinguish it from regular employment.

Furthermore, Article 5 does not clearly define when a regular employment relationship is considered disguised as a traineeship. It should specify whether meeting one criteria is sufficient or if multiple criteria must be met to determine a regular employment relationship.

Article 6 – implementation and enforcement of relevant Union law

According to Article 6, Member States shall take effective measures to ensure that all relevant Union law applicable to workers is fully implemented and enforced in relation to trainees. In particular, Member States shall develop guidance for employers of trainees regarding the legal framework for traineeships, including relevant law and social protection aspects.

We highlight the contradiction in applying the entire body of labour law to trainees while simultaneously aiming to prevent trainees from replacing regular employees.

Article 9 – protection against adverse treatment and consequences

Article 9 addresses the protection of trainees and their representatives against adverse treatment and consequences, particularly dismissal or its equivalent, on the grounds that they have exercised the rights provided for in this directive. It also outlines the right of trainees, should they believe they were dismissed for exercising their rights under the directive, to request the employer to provide duly substantiated grounds for the dismissal. If a trainee presents evidence from which it may be presumed that there has been such a dismissal or equivalent measures, the burden of proof lies with the employer to demonstrate that the dismissal or equivalent measures were based on other grounds. Those grounds must be provided in writing.

We object to the provision allowing trainees to demand written reasons for dismissal from the employer. According to Article 153(1)(d) TFEU, such a provision requires unanimity in the Council and therefore cannot be included in this directive, which is based on Article 153(1)(b) TFEU.

Additionally, we oppose the provision in paragraph 4, which shifts the burden of proof to the employer upon termination of the employment relationship. This would increase the burden on companies in providing evidence and raise liability risks, potentially reducing their willingness to offer traineeship opportunities.

b) Council Recommendation on a reinforced Quality Framework for Traineeships

Point 5 - learning and working conditions

According to point 5, trainees shall be consulted when setting specific learning and training objectives of the traineeship in order to help trainees acquire practical experience and relevant skills.

While we acknowledge the potential benefits of this proposal in assisting businesses to

maximize the benefits of employing trainees, practical constraints, such as limited time and logistical challenges, often hinder pre-traineeship consultations for companies. Moreover, if learning and training objectives are predetermined by educational institutions, they may not always align with the individual preferences of trainees. Thus, we propose that this approach remains voluntary, allowing flexibility for businesses to decide based on their specific circumstances.

Point 6 – fair pay

The Recommendation proposes that trainees are fairly paid, taking into account elements such as the trainees' tasks and responsibilities, the intensity of the trainees' work and the weight of the learning and training component.

We oppose the concept of 'fair pay' as a quality standard and suggest using the term 'compensation' instead. It is also essential to maintain the option of undertaking certain traineeships unpaid, provided that their primary focus is on career orientation and educational purposes. Without this flexibility, many companies may choose not to offer traineeships in the future. However, these traineeships play a crucial role in providing students with valuable practical experiences, ultimately enhancing their readiness for the job market.

Point 8 and 9 – supervisor and mentor

According to the proposal, traineeship providers should appoint a supervisor to guide the trainee through assigned tasks, oversee the activities carried out by the trainee, and monitor and assess their progress. Additionally, those businesses should appoint a mentor to act as an advisor to the trainee, providing coaching and support, wherever possible considering the organizational needs and size of the traineeship provider.

Especially from the viewpoint of SMEs, it should be feasible for one person to undertake the roles of both a supervisor and a mentor. However, this should not compromise the quality of the traineeship. This potential dual role should be clearly outlined in the text of the Council recommendation.

• Point 11 – reasonable duration of traineeships

Article 11 stipulates that traineeships should have a reasonable duration not exceeding six months, except in cases where a longer duration is justified by objective grounds and takes into account national practices. Moreover, in the event of repeated, including consecutive, traineeships with the same employer, those traineeships cannot exceed six months, except in cases where a longer duration is justified by objective grounds.

This contradicts the directive's proposal, which states that the maximum duration should be regulated at the national level.

Furthermore, traineeships lasting longer than six months can be an important tool for companies to provide young people with more intensive exposure to various areas of their operations, comprehensive career orientation, and a pathway to becoming future professionals. It is essential for companies to retain flexibility regarding the duration of traineeships to match the content to be conveyed and accommodate different situations effectively.

Point 19 – transparency requirements

According to point 19, traineeship providers should provide information on recruitment policies, including the share of trainees recruited in recent years.

Such information requirements seem impractical, as they are time-consuming and labour-intensive for companies while offering little insight into the quality of the traineeship. There are many reasons why a traineeship may not immediately lead to a permanent position within the same company upon completion. Companies must maintain the ability to decide independently whether and under what criteria to offer traineeships and permanent positions, as this depends on their specific circumstances and capabilities.

• Point 24 – inclusive traineeships

According to point 24, member states should ensure that traineeship programmes, including workplaces, training, digital tools, office and work equipment, are adapted to the individual needs of trainees where relevant, particularly for trainees with disabilities, also through the provision of appropriate reasonable accommodation.

The inclusion of groups in vulnerable situations is undoubtedly important. However, to facilitate traineeships for people with disabilities, companies should be provided with the necessary support measures. This includes both financial assistance and adequate guidance to effectively address the special needs of these trainees.

• Point 25 and 28 – cross-border traineeships

According to point 25 and point 28, Member States should facilitate the cross-border mobility of trainees in the Union, including the clarification of the national legal framework applicable to traineeships and the reduction of administrative formalities. Moreover, traineeship providers and education and training institutions should be supported in facilitating cross-border traineeships, making the best use of European initiatives such as the Erasmus+programme.

In today's globally interconnected world, acquiring foreign language and intercultural skills through practical work experience abroad is becoming increasingly important. Traineeships abroad can help future professionals gain these essential skills and prepare for their careers. Therefore, we strongly support the recommendation to facilitate cross-border traineeships in the future. This should include reducing administrative barriers for companies applying for ERASMUS+ funding.

Point 30 – additional traineeship support

The Council Recommendation suggests encouraging traineeship providers as well as intermediary organisations, such as employment services and education and training institutions, to provide career guidance support during the traineeship. This could include career counselling and networking opportunities to facilitate the transition to a regular employment relationship after the traineeship.

Many traineeship providers already voluntarily and informally contribute to the career guidance and orientation of trainees. However, since this is not typically the responsibility of

companies, it should be clearly stated that this recommendation is based on voluntary participation now and in the future.

• Point 35, 36, 37 – support for traineeship providers

The Recommendation proposes to envisage financial and/or non-financial support such as practical guidance to traineeship providers, for reaching out to vulnerable groups and for micro-, small and medium-sized companies. Moreover, Member States are encouraged to offer incentives to traineeship providers for offering trainees a regular employment relationship after the successful completion of a traineeship and to make use of the relevant Union funds and instruments for increasing the number of quality traineeships which follow the guidance outlined in the Recommendation.

We support the recommendation to assist micro, small and medium-sized companies in applying the quality framework. The assistance can enhance the willingness of traineeship providers to offer traineeships.

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Contact:

Eurochambres Policy Advisor for Digitalisation and Skills Ms Kerstin Hubmer, Tel. +32 2 282 08 85, hubmer@eurochambres.eu

Eurochambres Press and Communication Officer
Ms Agatha Latorre, Tel. +32 2 282 08 62, latorre@eurochambres.eu



@Eurochambres www.eurochambres.eu

