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Developing quality traineeships for young people

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Preface

The practice of traineeship (also known as internship or *stage*) has gained in importance over the past three decades as a means for young people to acquire workplace-based experience, which is highly valued by employers, and ease the transition to work. Periods of workplace-based practice may help young people to overcome the “experience trap” and increase their employment prospects. In some cases, however, trainees gain little additional learning, are asked to carry out menial tasks unrelated to their career interests, and receive no social protection entitlements. The surge in the number of traineeships over recent years has heightened debate about the conditions under which they take place, particularly “open market” traineeships, which in some countries have been the subject of scrutiny for their alleged use as a means of obtaining cheap labour and replacing existing workers or entry-level jobs.

In this context, this tool aims to provide some guidance for the development of quality traineeships, including their design, monitoring and evaluation. Its content is drawn from existing literature, national regulatory frameworks and country practices on various types of traineeships, and the dimensions that are key to ensuring that they provide a valuable learning experience for young people.

This publication is a deliverable of the joint action of the International Labour Organization (ILO) and the European Commission that supports implementation of the European Union Youth Guarantee (YG). It has been prepared by Gianni Rosas, Senior Employment Specialist of the ILO, and Valli Corbanese, Senior Youth Employment Expert. Ms. Milagros Lazo Castro assisted in the design and layout of the guide. Gratitude is expressed to the members of the national YG coordination teams of Latvia, Portugal and Spain for their useful comments and for their support in the validation of the drafts of the guide.

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¹ For further information please consult: <http://ec.europa.eu/social/easi>

Introduction

Traineeships (also known as internships or *stages*) are short-term periods of work practice in a firm, public body or non-profit organization, during which a person receives training and acquires experience in a specific field or career area, prior to taking up regular employment.² Traineeships are deemed particularly useful for improving young people's employability and easing their transition to work.³

The practice of traineeships originated in the United States in the 19th Century. Until the 1930s, traineeships had only existed in the medical profession. They were then extended to other liberal professions (such as law, journalism and engineering) as well as white-collar occupations in public administration and political organizations.⁴ Since the 1970s, the practice has spread across most advanced economies and has increasingly become a feature of their education and labour market systems. Traineeship arrangements can now be found in several industries and occupations, both in for-profit- and not-for-profit organizations, in the public and private sectors alike.

The number of young people participating in traineeships has increased exponentially over the past three decades. In the 1980s, around 10 per cent of college students in the United States took part in a traineeship before graduation. By the mid-2000s, this share had increased to over 80 per cent.⁵ Anecdotal evidence suggests that 1 to 2 million traineeship places are filled in the United States every year, half of which are unpaid. In Germany, 80 per cent of university graduates go

² International Labour Office (ILO): *Glossary of key terms of learning and training for work* (2016, Geneva); European Commission: *Towards a quality framework on traineeships. Analytical document. Second-stage consultation of the social partners at European level under Article 154 TFEU* (Brussels, 2012).

³ See Council Recommendation on a Quality Framework for Traineeship (2014/C 88/01).

⁴ For the history of traineeships in the United States see R. Perlin: *Intern nation: How to earn nothing and learn little in the brave new economy* (Verso Books, London and New York, 2012).

⁵ For more information see: The Washington Post "Five myths about interns" (2011, 9 May) https://www.washingtonpost.com/opinions/five-myths-about-interns/2011/05/09/AFbWmT2G_story.html?utm_term=.93cf96dc4ee2.

through a traineeship before graduation.⁶ In countries of the European Union (EU), 4–5 million students and graduates undertake traineeships each year, around 60 per cent of which are unpaid.⁷

For young people, traineeships provide on-the-job experience, boost their human capital, signal their ability to potential employers and help them connect to professional networks. For employers, traineeships are a means to screen potential job candidates, a process that has become more complex and costly as jobs increasingly involve fewer routine tasks and more varied responsibilities.⁸ Given the above, at the aggregate level traineeships should result in shorter job search duration, lower probability of unemployment, more job stability, better job matches, greater job satisfaction and higher earnings.

The rapid increase in the number of traineeships over recent years has raised concerns about the conditions under which they take place, particularly when they are unpaid. National and international institutions, youth organizations, researchers and the media have raised questions about the learning content of traineeships, their use as a way to obtain cheap labour and replace existing workers or entry-level jobs, and their effect on social mobility.⁹

Against this backdrop, this guide aims to provide a practical approach to determining the dimensions that make quality traineeships and the mechanisms that can be put in place to ensure that traineeships provide a valuable learning experience and that young people's rights and entitlements are respected. It also offers suggestions for the design, monitoring and evaluation of traineeships.

⁶ N. Saniter and T. Siedler: *Door opener or waste of time? The effects of student internships on labor market outcomes*, IZA Discussion Paper (2014, No. 8141).

⁷ European Commission: *Towards a Quality Framework on Traineeships. Analytical document*. (2012, Brussels), op. cit. This research estimates that about 20 per cent of all traineeship (and 50 per cent of unpaid ones) have poor quality learning content. See also The Economist: "Generation internship" (2014, 12 September).

⁸ In the United Kingdom, about two thirds of employers use traineeships to test potential employees, see Chartered Institute of Personnel and Development: *Learning and talent development: Annual survey report*, (CIPD, London, 2010).

⁹ A. Holford: *Access to and returns from unpaid graduate internships*, IZA Discussion Paper (2017, No. 10845).

The guide is divided into three sections. The first reviews the features of the various types of traineeships and the findings of research into their effectiveness in improving young people's transition to work. The second section, based on regulatory frameworks, research and country practice, explores the dimensions that may be considered to determine the quality of traineeships. This is of particular relevance for the design of traineeship programmes and for appraising *ex-ante* the quality of traineeship offers made within national Youth Guarantee plans in European Union (EU) countries. The third and final section offers insights to policy-makers, practitioners and host organizations on how these quality dimensions may be applied to appraise the quality of traineeship offers and in their monitoring and evaluation. Appendix 1 provides a checklist that can be used to measure traineeship quality at the time when an offer is made to a young person.

1 Types of traineeship

There are various types of traineeship: those that form part of academic or vocational curricula; those that are organized through the national youth employment policy, and those that take place in the open market. The features of all three types is analysed in the following paragraphs to establish what constitutes a good quality traineeship.

The most tightly regulated traineeships, which have clearly specified learning content and quality assurance procedures, are related to specific professions and are mandatory in the health (medicine, nursing, pharmacy, dentistry, veterinary medicine), law (lawyers, barristers, judges) and construction (architecture and engineering) sectors. These types of traineeship are not dealt with in this guide.

1.1. *Traineeships linked to educational programmes*

These traineeships are part of the education curriculum in either higher vocational or academic education. Young people alternate their time between study in an education institution and learning practical, work-related skills in a workplace, for which they may receive learning credits. Traineeships linked to education typically last between two and nine months and are undertaken towards the end of a study programme.¹⁰

This type of traineeship is closely regulated, especially in terms of learning content, hours of work, social protection entitlements, supervision and validation. In France, for instance, traineeships are an integral part of learning activities associated with educational programmes. A negotiated agreement (*Convention de Stage*) is signed by the sending educational institution and by the host organization. This

¹⁰ European Commission: *Study on a comprehensive overview on traineeship arrangements in Member States. Final synthesis report* (Publications Office of the European Union, Luxembourg, 2012).

agreement includes a work plan, the start and end dates of the traineeship, hours of work, the traineeship stipend, social protection entitlements, and supervision arrangements.¹¹ The presence of educational institutions in the negotiation of these traineeships ensures that a balance is struck between the bargaining powers of the education institution and the host organization (usually a private enterprise).

Monitoring data indicates that traineeships organized within educational programmes in European Union (EU) countries increase a graduate's likelihood of finding a job immediately on graduation, lessen the probability of over-qualification, and reduce skills mismatch.¹²

Traineeships as part of higher education have increased enormously in the past few years, both in the EU and in North America. Universities have increasingly been called on to deliver competencies that are relevant to the labour market and prepare their graduates more effectively for the transition to work. Traineeships are considered to help higher education students build work-relevant skills, gain specific knowledge of their future occupation, and confirm or revise individual career goals. Many universities therefore encourage students to complete periods of work experience, by granting academic credits for traineeships, or even embedding traineeships in the curriculum.

Traineeships during university studies pay off in terms of future employment and earnings, as long as they are in a field related to the area of study.¹³ In Germany, for example, research into the effects of traineeships among university graduates showed that the work experience gained increases wages by approximately 6 per cent. The findings also suggest that graduates who complete a traineeship during their course of study face a lower risk of unemployment at the beginning of their careers. Studies with a weak labour market orientation (such as history, philosophy and languages) benefit the most from this experience.

¹¹ Article L. 412-8 of the French *Code de la sécurité sociale*.

¹² European Commission: *Apprenticeship and traineeships schemes in EU27: Key success factors. A guidebook for policy planners and practitioners* (Publications Office of the European Union, Luxembourg, 2013).

¹³ R. Geel. and U. Backes-Gellner: *Earning while learning: Labor market returns to student employment during tertiary education*, University of Zurich Swiss Leading House working paper (2010, No.49).

This is in line with the assumption that traineeships can be a tool for career exploration. The study, however, found little evidence that traineeships improved job matching (in terms of occupational status and level of tasks).¹⁴

In the United States, a traineeship experience while completing a university degree was found to increase the interview request rate by about 14 per cent. Similarly to the findings of Germany, the returns to traineeship experience were larger for non-business majors than business majors (the focus of research), pointing to the value of traineeship as a tool for career exploration.¹⁵

1.2. Traineeships linked to youth employment policy

Employment policy and programmes increasingly include measures that promote traineeship as a way for young people to gain practical experience. The degree of regulation for these kinds of traineeships varies from country to country.¹⁶ In some EU countries (Poland, Portugal and Spain), they are regulated by broader legal acts that also cover open market traineeships. Most countries of the EU have specific legislative acts or labour law provisions that govern the organization of traineeships as part of active labour market policies (ALMPs) and determine their content, duration, compensation levels and entitlement to social protection (this is the case in, among others, Bulgaria, Finland, Germany, Italy and Romania).

In Portugal, for example, the traineeship programme (*Estágio Emprego*) organized by the Public Employment Service (PES) provides for a traineeship contract (*contrato de estágio*) that sets out content, duration, hours of work, daily and weekly rest periods, remuneration levels and social protection entitlements for young trainees. In Spain, the

¹⁴ N. Saniter and T. Siedler: *Door opener or waste of time? The effects of student internships on labor market outcomes*, IZA Discussion Paper (2014, No. 8141).

¹⁵ J. M. Nunley: *College major, internship experience, and employment opportunities: Estimates from a résumé audit*, Auburn University, Department of Economics, working paper (2014, No. 3).

¹⁶ European Commission: *Study on comprehensive overview on traineeship arrangements in Member States* (Publications Office of the European Union, Luxembourg, 2012).

traineeships that are organized as part of the youth employment policy (*prácticas no laborales en empresas*) are based on a written agreement that specifies the content, duration, allowance and social protection entitlements.

Like many youth employment interventions, these traineeship programmes are usually monitored by the institutions that govern the labour market (public employment services and labour inspectorates), which can also write off host organizations for failure to respect the terms of the agreements.

The employment returns of traineeship programmes organized under the youth employment policy in EU countries range from 13 per cent (Greece) to 90 per cent (Cyprus) with schemes aimed at university graduates securing the best employment outcomes (for example in Belgium, Ireland, Portugal, Romania and Spain). These figures, however, need to take into consideration that there are often financial incentives for host organizations to recruit young trainees at the end of the programme.

Despite their extended use as a tool to promote young people's labour market integration, there is little evidence of the actual employment and earnings impact of traineeships organized as part of the national employment policy. An impact evaluation carried out on the national traineeship scheme in Ireland (JobBridge) showed that this scheme increased the employment probability of participants by 32 per cent.¹⁷ This evaluation was accompanied by a qualitative survey conducted among participants and host organizations. The survey revealed that more than a third of participants thought that without the programme, the host organization would have recruited paid employees, whereas only 11 per cent of host organizations admitted that they would have recruited regular workers in those circumstances.¹⁸

¹⁷ This programme targets unemployed individuals aged between 15 and 55 years, see Indecon: *Evaluation of JobBridge Activation Programme* (2016). Information on this evaluation is available from the following website: https://www.welfare.ie/en/downloads/LabourMarketCouncil/Indecon_JobBridge_Evaluation_Report.pdf.

¹⁸ Indecon, *Evaluation of JobBridge Activation Programme*, (2016) op. cit.

1.3. Traineeships in the open market

Over recent years there has been an expansion of traineeships (often unpaid) that young people undertake in the open market after graduation. For many, these traineeships are a means to overcome the work experience trap and increase the chances of getting a paid job. For some, they are a gateway to careers in highly competitive sectors (politics, creative industries, media and the sciences).¹⁹ For others they are a means to avoid open unemployment spells.

These types of traineeship are advertised by profit-making and not-for-profit organizations, and the terms and conditions are negotiated directly between the young person and the host organization. The former usually has little bargaining power in negotiating learning content, tasks, compensation and other conditions of the traineeship. These traineeships are less regulated and more difficult to monitor than those organized by education or labour market institutions.²⁰

The increasing prevalence of unpaid traineeships has given rise to concerns about how beneficial these experiences really are for young people and the impact they have on the social mobility of those who cannot afford to undertake them. Evidence shows that, unlike traineeships linked to education and youth employment policies, open market (unpaid) traineeships have negative effects on employment, earnings and work satisfaction in the short term (three to five years). These negative effects are considerably less for young people with a high socio-economic background (Box 1).

¹⁹ A. Holford: *Access to and returns from unpaid graduate internships*, IZA Discussion Paper (2017, No. 10845)

²⁰ European Commission, *Study on comprehensive overview on traineeship arrangements in Member States* (Luxembourg, 2012).

Box 1: Impact of unpaid traineeships in selected EU countries

In **Italy** and **Germany**, a considerable proportion of young graduates undertake an unpaid traineeship after their studies (25 and 11 per cent, respectively). Research conducted on longitudinal data shows that these traineeships have a negative impact on the probability of finding employment and on earnings and work satisfaction. In both countries trainees are less likely to be employed within one year of graduation and when they find paid work, they earn significantly lower wages. Earnings penalties in the first year are 12–21 per cent in Germany and 2.7 per cent in Italy. These effects decrease with work experience and are eliminated within five years. The effects on work and life satisfaction, although less pronounced, remain negative, with trainees dissatisfied with job security and working hours.

There are two possible explanations for these negative results: asymmetric information and negative signalling. Employers may believe that young people have undertaken a traineeship because they were unable to find a paid job, and hence offer them lower rates of pay. Young people accept these contracts if they are unaware of their actual value to the employer. Search behaviour and liquidity constraints may further encourage suboptimal contracts. As experience and tenure grow, workers and employers become more aware of unobserved skills and higher wage matches are made. The differences between the two countries with regard to earnings penalties are due to the functioning of the respective labour markets. In Germany, graduates can find paid work immediately after graduation relatively easily and signalling effects are stronger, while in Italy, negative signalling is partly offset by traineeships acting as a screening device for employers who can test potential workers and make initial savings on social security payments before hiring them on paid contracts.

In **England** and **Wales** unpaid traineeships have negative returns in terms of salary, occupation, contract type and career satisfaction. Three years after graduation, former trainees still face a salary penalty of approximately £3,500 per year compared with those who went straight into paid work, and £1,500 compared with those who went into further education. Trainees only benefit significantly in comparison with those doing "something else" (including travelling or remaining unemployed) and are on average 6.4 percentage points more likely to be satisfied with their career. Furthermore, graduates from higher socio-economic status backgrounds have an advantage in accessing traineeships, while being significantly insulated from their negative effects. These results are attributed to the substantial costs involved in taking an unpaid traineeship (estimated at around £5,000 for six months) and to the importance of social networks in accessing "good" traineeships that enable the trainee to capitalize on the experience.

Source: A. Harms: *Generation internship: The impact of internships on early labour market performance* (University of Lausanne, 2015); A. Holford: *Access to and returns from unpaid graduate internships*, IZA Discussion Paper (2017, No. 10845).

1.4. Regulatory frameworks for traineeships

The rapid increase in traineeships, especially unpaid ones, has led several countries to enact legislation or issue guidelines to regulate their content and implementation. The purpose of this is to protect young people's rights, ensure that traineeships lead to productivity gains, provide career opportunities for all, and avoid the displacement of regular employment in entry-level positions.²¹

In 2011, France introduced legislation to tighten the regulatory framework for traineeship and strengthen trainees' rights (known as *la Loi Cherpion*).²² This law limits the duration of traineeships, prescribes a break period between engaging two trainees in the same role, obliges host organizations to provide a minimum compensation for trainees for traineeships longer than two months, and recognises traineeship as part of the probation period if the trainee is subsequently recruited within three months of its completion.

In Romania comprehensive legislation on traineeships was introduced in 2013 to cover all types of traineeship, except those within academic curricula (which are governed separately by legislation on education and training). The regulatory framework provides for the conclusion of a written agreement between the beneficiary and the host organization, which details the content, duration, allowance and social protection entitlements of the traineeship. In the same year, Italy adopted a set of minimum quality standards for traineeships, which, among other measures, make remuneration compulsory (minimum €300 per month)

²¹ European Commission: *Towards a Quality Framework on Traineeships. Analytical document* (Brussels, 2012), op. cit.

²² See Loi n° 2011-893 pour le Développement de l'Alternance et de la Sécurisation des Parcours Professionnels (28 July 2011) and Loi n°2014-788 tendant au développement, à l'encadrement des stages et à l'amélioration du statut des stagiaires (10 July 2014). The French Ministry of Education has developed a standardized traineeship agreement, which contains all rights and obligations of the parties involved, see Ministère de l'Éducation Nationale, de l'Enseignement et de la Recherche, Arrêté du 29 décembre 2014 relatif aux conventions de stage dans l'enseignement supérieur.

and set a maximum ratio of trainees to permanent employees (10 per cent).²³

The United Kingdom has a *Common Best Practice Code for High Quality Internships*, which has been in place since 2011 and is promoted by the Government, the Institute of Chartered Accountants, the Royal Academy of Engineering and the Bar Council, among others. The key principles of this Code include learning content, supervision and mentoring, remuneration (aligned to legislation on the national minimum wage), working conditions (hours of work, paid holiday, insurance, occupational safety and health), transparency in recruitment procedures and certification.²⁴ The legal position on unpaid traineeships in the United Kingdom is very clear: if somebody works set hours, does set tasks and contributes value to an organization, he or she is an employee, who is entitled to the minimum wage and social protection.²⁵

In 2014 the Council of the European Union adopted a recommendation on a quality framework for traineeships.²⁶ This recommendation covers traineeships that are part of the youth employment policy, and those in the open market. It sets forth various quality criteria that EU countries should comply with to ensure that traineeship schemes increase youth employability and ease the transition to regular employment. The aim is to address two broad quality issues affecting traineeship schemes: lack of solid learning content, with trainees simply asked to do menial tasks; and poor traineeship conditions

²³ "Linee guida in materia di tirocini" in Accordo tra Stato e Regioni (24 January 2013). These guidelines also served as a model for the European Commission's original proposal for a Council Recommendation on a Quality Framework for Traineeships.

²⁴ Gateways to the Professions Collaborative Forum: *Common best practice code for high-quality internships* (London, updated September 2013).

²⁵ See Department for Business, Energy and Industrial Strategy: *Guidance on the National Minimum Wage and National Living Wage for organisations who offer work experience, including placements and internships* (2013) <https://www.gov.uk/guidance/national-minimum-wage-work-experience-and-internships>

²⁶ Council of the European Union: *Council recommendation on a quality framework for traineeships* (Brussels, 10 March 2014). This quality framework only covers traineeships available in the open market and those organized as part of ALMPs. It does not cover traineeships that are part of formal education curricula or those that are mandatory to access a specific profession. The latter two types of traineeship are subject to the quality assurance mechanisms of the educational institutions or professional organizations involved.

(long hours, lack of social security coverage, health and safety risks, little or no compensation and long duration). Some EU countries (including Bulgaria, Germany and Lithuania) have either adopted new legislation or amended existing laws to align national frameworks to the 2014 Council Recommendation principles. These legislative changes mostly relate to the duration of traineeship, compensation, renewal and supervision (see Box 2).

Box 2: Legal framework governing open market traineeships in EU countries

In **Belgium**, Federal legislation provides a national framework governing all types of traineeships (*Conventions d'immersion professionnelle*). Traineeships are based on a written agreement that details the content, allowance, working conditions and duration, as well as social protection entitlements for young participants.

Bulgaria amended its Labour Code in 2014 and introduced a "traineeship employment contract", available to young people aged up to 29 years, who are not employed and without professional experience. This traineeship contract is a fixed-term employment contract (lasting minimum six and maximum 12 months), which entitles trainees to all the rights of regular workers (occupational safety, trade union membership and collective bargaining) as well as remuneration in line with minimum wage legislation and the right to be assigned a mentor to supervise learning.

In **Germany**, minimum wage legislation enacted in 2015 includes young people over the age of 18 years who participate in traineeships of more than three months' duration.

Lithuania also adopted new legislation in 2014 to allow traineeships for young people below the age of 29 years. A bilateral agreement of voluntary practice for the performance of unpaid traineeships may be concluded between young people and private enterprises or non-profit organizations for a maximum of six months. Trainees are covered by compulsory health, accidents at work and occupational disease insurance with government insurance funds.

In **France** and **Latvia** the legislation specifically prohibits traineeships outside formal education curricula. In Latvia, open market traineeships are considered undeclared work.

Source: European Commission: *Applying the Quality Framework for Traineeship*, Commission Staff Working Document, COM (2016) 646, (Publications Office of the European Union, Luxembourg, 2016).

In the United States, the courts and institutions governing the labour market have been called on repeatedly, both by individuals and through class action, to clarify the purpose of traineeships. In 2010, the Department of Labor issued a set of criteria (based on the 1947 Supreme Court ruling *Walling v. Portland Terminal Co*) to help employers determine whether individuals participating in “for-profit” private sector traineeships are trainees or employees (Box 3).

The Department of Labor's six-point test has been upheld by district courts throughout the United States until 2015, when a New York appeal court introduced the “primary beneficiary test”, to be applied to individual claims on a case by case basis. The court also proposed a non-exhaustive list of factors to determine the extent to which a traineeship is structured to promote individual learning. In addition to the points already listed in the Department of Labor guidelines, the court added that traineeships need to be tied to the trainee's formal education, accommodate the trainee's academic commitments by being in line with the academic calendar, and be limited to a period in which they can provide the trainee with beneficial learning.

Box 3: Six-point test for unpaid trainees in the United States

In the United States, the Fair Labor Standards Act of 1938 (FLSA) determines workers' rights to fair compensation. In 2010, the Department of Labor developed a six-point test, based on a 1947 Supreme Court ruling (*Walling v. Portland Terminal Co*) for employers to determine whether an individual qualifies as a trainee or as an employee:

1. The traineeship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment;
2. The traineeship experience is for the benefit of the trainee;
3. The trainee does not displace regular employees, but works under close supervision of existing staff;
4. The employer that provides the training derives no immediate advantage from the activities of the trainee, and on occasion its operations may actually be impeded;
5. The trainee is not necessarily entitled to a job at the conclusion of the traineeship; and
6. The employer and the trainee understand that the trainee is not entitled to wages for the time spent in the traineeship.

The United States' courts are finding that many traineeships fail this test. In 2012, a district court ruled that Fox Searchlight Pictures was violating Federal and New York State minimum wage laws by not paying trainees (*Glatt v. Fox Searchlight Pictures, Inc.*). Since the trainees carried out clerical and administrative tasks (answering the telephone, booking travel, responding to queries), the court found that they provided an immediate advantage to the employer and were to be considered as employees entitled to the minimum wage. Since this ruling, similar lawsuits and class actions have been brought against a number of firms. Many of these lawsuits have been settled out of court with the payment of minimum wages in arrears.

On appeal, this ruling was set aside on the grounds that the proper way to determine a worker's status was to apply a "primary beneficiary test", whereby an employment relation is created when the tangible and intangible benefits provided to the trainee are less than the trainee's contribution to the employer's operation.

Source: G. Rosas, *In search of benchmarks for quality internships*, in United Nations Department of Economic and Social Affairs (UNDESA), *World Youth Report: Civic engagement* (New York, 2016).

2 Dimensions of quality traineeships

The review of regulatory frameworks and country practices in the previous section has shown that there are various key features for ensuring that traineeship experiences yield positive results both for young people and for society as a whole.

These are encompassed in the Council of the European Union recommendation on the Quality Framework for Traineeships as quality dimensions and elements that are directly transposable at national level.²⁷ The Framework is particularly relevant for determining the quality of traineeship offers made under Youth Guarantee (YG) implementation plans to young people under the age of 25 years who are neither in employment nor in education or training (NEET).

The EU framework includes six quality dimensions: written agreement, learning and training content, duration, conditions of traineeship, validation and recognition, and transparency requirements in hiring practices. The following paragraphs explore these quality dimensions with a view to distilling objective measures that can be used as benchmarks to appraise the quality of traineeships and guide in the design, and implementation monitoring of these schemes.

2.1 Written agreement

Although the situation varies considerably between countries, there has been an increasing trend towards formalizing traineeships through written agreements between educational institutions, labour offices and young people on the one side, and host organizations on the other.

²⁷ European Commission: *Applying the Quality Framework for Traineeship*, Commission Staff Working Document, COM (2016) 646, op. cit., pp.18.

The EU Framework specifically envisages written agreements concluded between the trainee and the host organization (with or without a third party intermediary such as the labour offices or education institutions). The written form is required to ensure the certainty of the conditions governing the traineeship and of the obligations of both parties.²⁸ This agreement must specify, in particular, the learning content of the traineeship, its duration and conditions for renewal, the level of compensation (if applicable) and social protection entitlements.

In all EU countries there is some form of written agreement for traineeships that are organized as part of education curricula or under the youth employment policy. This is not, however, always the case for open market traineeships. In Denmark, Estonia, Finland and Ireland, for example, a written agreement is not required when the traineeship is arranged directly between the trainee and the host organization.²⁹ Even in countries where a written traineeship agreement is a formal requirement for open market traineeships, these often fail to cover learning objectives or allowance.³⁰

²⁸ In other words, the written agreement simplifies the legal resolution of disputes between the parties.

²⁹ In Denmark, open market traineeships are not regulated, but employers have a legal obligation to cover all employees, paid and unpaid, with an insurance towards work related accidents. In Finland, open market traineeships are based on an employment relationship and the relevant provisions of the labour law and collective agreements are applicable. In Ireland, the only relevant legislation for open market traineeships is the National Minimum Wage Act, according to which the minimum rates of pay range from 75 to 90 per cent of the national minimum wage, depending on the time spent in the traineeship. In Estonia, legislation requires the registration of any person working (or doing any activities, including as a trainee) on the premises of an employer with the Tax and Customs Board. This applies also when there is no compensation provided (defined as volunteering). See European Commission: *Applying the Quality Framework for Traineeship*, Commission Staff Working Document, COM (2016) 646, op.cit.

³⁰ European Commission: *Applying the Quality Framework for Traineeship*, Commission Staff Working Document, COM (2016) 646, op. cit.

Box 4: Traineeship agreements in France

In **France**, the Ministry of Education has developed a standard agreement to be used for traineeships undertaken as part of school curricula. This agreement requires the parties to specify the tasks to be carried out and the competencies to be developed (art. 2). It stipulates weekly hours of work, including work during unsocial hours (art. 3) and the calculation methods for the minimum compensation to be granted to trainees, excluding travel, food and lodging expenditures, which are to be calculated separately on the basis of the provisions that the host organization makes for regular employees. Social security entitlements are clearly defined (accident at work, health insurance, recognition of traineeship period for retirement purposes) and there are specific coverage rules for trainees who travel abroad as part of their traineeship tasks. Trainees are entitled to take days of leave for pregnancy, paternity and adoption in the same way as regular workers (art. 9). The agreement also contains clauses on trainees' responsibility of confidentiality (during and after the traineeship, art. 10) and intellectual property (art 11).

During the traineeship the young beneficiary is bound by the internal regulations of the host organizations, especially those relating to health and safety (art.8). In the event of serious violations, the host organization may terminate the traineeship. A renewal of the traineeship can be arranged at the request of the trainee and the host organization (in writing), provided that the overall duration of the traineeship does not exceed six months (art. 9). The host organization is responsible for evaluating the performance of its trainees (art. 12) and issuing a certificate of attendance. All parties (host organizations, sending institutions and trainees) are invited to assess the quality of the traineeship at its end.

Source: see Ministère de l'Éducation Nationale, de l'Enseignement et de la Recherche, Arrêté du 29 décembre 2014 relatif aux conventions de stage dans l'enseignement supérieur, accessible at https://www.legifrance.gouv.fr/jo_pdf.do?numJO=0&dateJO=20150210&numTexte=7&pageDebut=02350&pageFin=02355.

The fact that traineeship programmes are less systematic and structured than other forms of education and training, and require the trainee to "learn by doing" in a real workplace situation, can blur the boundaries between learning and work, particularly when the conditions are not clearly set out. The lack of a written agreement may raise uncertainties about the type of relationship (traineeship or employment)

as well as the legal responsibility assumed by the various parties in the traineeships (for example, for injuries sustained while working in the host organization or injuries caused to others while performing traineeship tasks).

There are two elements on which this dimension of traineeship quality depends: the existence of a written agreement concluded between the parties involved in the traineeship, and its content (Table1). At a minimum, the written agreement should contain all the dimensions that relate to quality traineeship: learning objectives, duration, renewal and early termination, supervision arrangements, conditions (remuneration, hours of work, social protection entitlements, insurance and liabilities), and validation and recognition. Clauses related to the trainee's legal status in the host organization, confidentiality (copyright and intellectual property) and complaints procedures could also add value to the traineeship both for trainees and for host organizations.

Table 1: Traineeship agreements: quality elements and appraisal methods

Quality domain	Traineeship agreement
Quality element(s)	<ol style="list-style-type: none"> 1. Written traineeship agreement 2. Content of the traineeship agreement
Appraisal method	<p>The traineeship satisfies the quality criteria of this dimension if the following two elements are satisfied simultaneously:</p> <ul style="list-style-type: none"> • A written agreement is in place, detailing the rights and obligations of all parties involved in the traineeship (young person, host organization, labour office, education institution); <li style="text-align: center;">and • The agreement specifies learning objectives, duration, renewal and early termination conditions, remuneration (if applicable), conditions of traineeship and entitlements to social protection, supervision, and validation and certification arrangements.

The development of a sample agreement that reflects the main legal provisions in force in the country and the rights and responsibilities of the parties involved in a traineeship could help ensure a valuable experience for both young people and host organizations. This sample could be modelled on the ones used by education institutions and labour offices at country level (as these comply with national legislation, see the example of Box 4). Box 5 provides an example of traineeship agreement content developed on the basis of the standardized agreements used by EU countries universities.

Box 5: Sample of traineeship agreement

- **Basic information** about the trainee (name, address, telephone, stream of studies, latest qualification achieved); and of the host organization (location, department hosting the trainees, name and contact of host organization supervisor).
- **Scope of the traineeship:** enrichment of academic preparation, to be considered as a period of learning and not as an employment relationship.
- **General terms and conditions:** duration of the traineeship and conditions of renewal (in writing and with the agreement of the trainee and the host organization).
- **Objective and content of the traineeship:** the professional and career development goals the trainee will achieve. This part includes general learning objectives (e.g. understanding of retail, banking, hotel industry) and specific ones (e.g. observing merchandising techniques, strengthening interviewing skills). It includes a detailed programme of the traineeship and knowledge, skills and competencies to be acquired.
- **Traineeship description:** location of the traineeship; number of employees; number of hosted trainees; name and contact detail of supervisor; start and end date, full or part-time position and hours of work; compensation (allowance, travel expenses, ticket restaurant, company canteen).
- **Hosting and supervision:** induction to the host organization and industry; monitoring is assigned to a professional expert of the host organization responsible to: (i) guide the trainees in the exploration of the various departments, (ii) issue a certificate listing the duration and content of the traineeship and (iii) complete the evaluation form.

Box 5: Sample traineeship agreement (cont.)

- **Rights and duties of the trainee:** performance of activities listed in the traineeship description, compliance with internal rules of the host organization; respect of working hours; following of supervisor's instructions; respect of workplace security and health rules; non-disclosure of data and information of the host organization. The trainee has the right to leave of absence, the right to be supervised by a professional and receive training as specified in the agreement.
- **Welfare and civil liability:** the trainee is entitled to insurance against accidents at work, sickness and civil liability for the entire duration of the traineeship. Other entitlements may need to be included according to national legislation (e.g. minimum statutory days of leave, maternity and parental leave).
- **Temporary interruption, renewal and termination:** renewal and temporary interruption need to be agreed in writing by the parties involved. This part of the agreement also includes the instances in which the agreement may be terminated early (if the trainee is not following the host organization rules or for violation of non-disclosure requirements; in case of bankruptcy of the host organization, or for failure of the host organization to provide training, supervision or violation of the general terms (allowance, hours of work, social protection entitlements)).
- **Disciplinary rules and grievance/complaint procedures:** Usually the trainee needs to comply with the host organization disciplinary rules. This part of the agreement needs to specify the complaint/grievance procedures available to the trainee (if any).

Source: Adapted from Università Bocconi: "Internship agreement"; University of Kent: *Student voluntary service agreement*; Nuffic University: *Standard internship agreement for non-EU/EEA-students as defined in Article 1f of the Foreign Nationals (Employment) Act Implementation Decree (BuWav)*; and University of Economics, Prague: Field internship agreement.

2.2 Learning and training content

Since the purpose of traineeships is to gain occupational knowledge, skills and experience, learning must be primary and should outweigh job performance (this is also to avoid trainees displacing regular workers).³¹

Insufficient learning content is one of the most recurrent problems of traineeships. Learning content tends to be most deficient in open market traineeships where there is no well-structured written agreement between the trainee and the host organization. In traineeships where education institutions or labour offices are involved, problems are less common because these institutions usually ensure minimum standards through the host organization's application of guidelines and selection methods ahead of the traineeship, and, *ex post*, through performance monitoring and satisfaction questionnaires.

Insufficient learning content might refer to the lack of relevance of the tasks assigned to trainees' qualifications and career aspirations, insufficient mentoring during the traineeship or to the lack of induction about the specific industry and the operations of the host organization.

In order to ensure traineeship quality, its learning content should be specific and state the level of (measurable) performance expected by the trainee at the end of the experience. It should be related to the trainee's field of study or qualification and should match the learning activities with the work tasks the trainee will undertake to acquire the expected skills and practical experience. This will avoid trainees being asked to carry out menial, repetitive tasks with little learning content.

Learning and training objectives may be developed on the basis of national learning outcome standards (normally embedded in adult education and training legislation or national qualification framework regulations). The objectives should state the industry-related knowledge and skills that the trainee will use and develop during the traineeship, the transferable skills that will be enhanced (problem solving, teamwork,

³¹ G. Rosas: "In search of benchmarks for quality internships", in United Nations Department of Economic and Social Affairs (UNDESA), *World Youth Report: Civic engagement* (New York, 2016).

communication), and what the trainee is expected to have achieved by the end of the traineeship.

Evidence suggests that the mismatch between skills and jobs has several negative effects on individuals and on the economy, leading to lower employment and earnings prospects at the individual level, and lower labour productivity at the aggregate level, owing to inefficient resource allocation.³² The negative effects of skills mismatch also extend to traineeships (see Box 1 in the previous chapter). When a traineeship is not aligned to the trainee's career field or qualification level, it loses its positive signalling effect for employers and may compromise future employment and earnings prospects.

There are two measures for skills matching. “Vertical” skills matching indicates that the level of education of the young person matches the job tasks, and that the traineeship does not lead to over- or under-qualification. The matching of the content of the traineeship with the qualifications that the young trainee has (or is pursuing) can be done by using a vertical matching matrix that relates educational qualifications (expressed in line with the International Standard Classification of Education) with the task of the traineeship post (expressed in the one-digit occupational codes of the International Standard Classification of Occupations), as shown in table 2. The shaded areas highlight where over-qualification (dark grey) and under-qualification (light grey) occur. In practice, occupational group and educational attainment are plotted in the matrix to check whether they fall in or out of the shaded areas. For example, a traineeship offer including mainly administrative and clerical tasks made to a young person that has achieved (or is pursuing) a university degree leads to over-qualification and cannot be considered a quality offer. Similarly, an offer for a traineeship position as professional made to a young person with upper secondary educational attainment leads to under-qualification.

³² This negative earnings effect has been estimated at around 9 per cent, declining over 10 years. See P. Oreopoulos, T. von Wachter and A. Heisz: “The short- and long-term career effects of graduating in a recession”, *American Economic Journal: Applied Economics* (2012, Vol. 4, No. 1), pp.1–29; M. A. McGowan and A. Andrews: *Skills mismatch and public policy in OECD countries*, OECD Economic Department working paper (2015, No. 1210).

Table 2: Vertical education and occupation mismatch as a function of ISCO and ISCED

ISCO-08 Major Groups		ISCED-97 Educational attainment								
		0	1	2	3	4	5	6		
1	Managers	Under-qualification						Over-qualification		
2	Professionals									
3	Technicians and associate professionals									
4	Clerical support workers									
5	Service and sales workers									
6	Skilled agricultural and forestry workers									
7	Craft and related trades workers									
8	Plant and machine operators									
9	Elementary occupations									

"Horizontal" skills matching (whether the type or field of education or skills is appropriate for the job tasks envisaged in the traineeship) would be the most accurate indicator of traineeship quality. Most studies on horizontal skills mismatch use a combination of subjective and objective measures.³³ This means that the determination of skills mismatch is partly derived by individual perceptions (and therefore can only be measured *ex post*, once the young person is actually doing the traineeship). One way to assess the horizontal matching is to use a correspondence table that maps the ISCO-08 major occupational groups and their four skill levels to ISCED-97 levels of education, as shown in table 3.

³³ See P. Domadenik, D. Farčnik and F. Pastore: *Horizontal mismatch in the labour market of graduates: The role of signalling*, IZA Discussion Paper (2013, No. 7527).

Table 3: Horizontal education and occupation match as a function of ISCO-08 and ISCED-97³⁴

ISCO-08 Major Groups		ISCO skill levels	ISCED-97 groups		
1	Managers	3 and 4			
2	Professionals	4	6	Second stage of tertiary education	
			5a	First stage of tertiary education, first degree (medium duration)	
3	Technicians and associate professionals	3	5b	First stage of tertiary education (short or medium duration)	
4	Clerical support workers	2	4	Post-secondary, non-tertiary education	
5	Service and sales workers		3	Upper secondary level of education	
6	Skilled agricultural and forestry workers		2	2	Lower secondary level of education
7	Craft and related trades workers				
8	Plant and machine operators				
9	Elementary occupations	1	1	Primary level of education	

Traineeship programmes are typically less structured than other forms of education and training. Workplace-related skills and experience are transmitted through the observation of experienced workers and through learning by doing. This requires that trainees be assigned a supervisor to guide them in the acquisition of skills to perform a task or activity, supervise the trial of work-related tasks, review their performance and give feedback for improvement. While the assignment of a supervisor is common practice in traineeships that are part of the

³⁴ There are correspondence tables between ISCED 2011 and ISCED 1997 levels that can be used to assign educational levels exactly to the ISCO-08 skills levels of occupational groups. See, for example, Eurostat: *ISCED Classification. Correspondence between ISCED 2011 and ISCED 1997 levels*, http://ec.europa.eu/eurostat/documents/1978984/6037342/Comparability_ISCED_2011_ISCED_1997.pdf.

education and youth employment policies, it is not always the case for open market traineeships.³⁵

The most common approach used to ensure that trainees receive quality supervision is to specify the maximum number of trainees for whom a supervisor should be responsible at any given time. In Italy and Portugal, for example, each supervisor can mentor a maximum of three and five trainees, respectively.³⁶ An additional criterion would be to specify the competencies of the host organization's supervisor or, alternatively, use years of work experience as a proxy. National legislation on work-based learning or apprenticeship may help to identify the competencies and experience that traineeship supervisors should have. In the United States, for example, supervisors in host organizations are required to have a bachelor's degree or higher in a specific career area, or have a minimum number of years' work experience, or be certified as adult trainers.³⁷ In Sweden, the employer is directly responsible for ensuring that trainees are under the direction, supervision and support of a person who is adequately trained for traineeship-related assignments and has enough time to accomplish the task.

In sum, a quality traineeship is one that has learning objectives aligned to available learning outcome standards, envisages tasks that are vertically and horizontally matched to the young trainee's education or qualification, and assigns an experienced/qualified worker to mentor and supervise participants (Table 4).

³⁵ European Commission: *Applying the Quality Framework for Traineeship*, Commission Staff Working Document, COM (2016) 646, op. cit.

³⁶ For Italy, see "Linee guida in materia di tirocini" in *Accordo tra Stato e Regioni* (24 January 2013); for Portugal, see Decree No 66 of 2011, *Diario da Republica*, (1) (106).

³⁷ See for instance, the requirements of Oregon State University, accessible at <http://health.oregonstate.edu/internships/hdfs/field-mentors>.

Table 4: Traineeship content: quality elements and appraisal methods

Quality domain	Traineeship content
Quality element(s)	<ol style="list-style-type: none"> 1. Learning outcomes; 2. Match between qualifications and job/learning tasks; 3. Supervision and mentoring.
Appraisal method	<p>The traineeship complies with the quality criteria on learning content when all the items listed below are satisfied.</p> <ol style="list-style-type: none"> 1. The content of traineeship is in line with approved learning outcomes; 2. The traineeship position is vertically and horizontally aligned to the qualifications the young person has (or is pursuing); 3. Trainees are assigned a supervisor who is an experienced worker (which can be proxied in terms of years of work experience) and is assigned a limited number of trainees at any given time.

Box 6 provides some broad guidelines for the design of learning outcomes and traineeship content. It also contains some suggestions on supervision requirements.

Box 6: Design of learning outcomes, content and supervision requirements

Learning outcomes: these need to be tailored to the qualifications the trainees has or is achieving and his/her career aspirations. As already mentioned, the learning outcomes need to specify general and specific outcomes. General learning outcomes revolve around acquiring knowledge about the industry (e.g. retail, tourism, banking, health) and the operations of the host organization (e.g. internal organization, policies and procedures, products and services, client base, suppliers and contractors). Specific learning outcomes are typically designed around the two broad tasks of a traineeship, i.e. learning through observation (e.g. attending occupational or physical therapy sessions; observing trading online operators, reviewing advertisement procedures) and learning by doing (e.g. drafting tourism advertisements; preparing a summary note about the trends in world stock exchange, preparing the tools and materials for welding aluminium frames). Learning outcomes should be phrased with action verbs (conduct, analyse, explain, manage, organize, compile, write) and specify the vocational and core employability skills to be acquired (team work, critical thinking, time management).

Traineeship content: the content should reflect the learning outcomes of the traineeship. It should include orientation (e.g. information about the industry, structure and operations of the host organization); the acquisition of specific skills related to the industry/host organization; and the performance of certain tasks (e.g. preparation of tax claim, facilitation of group counselling, completion of research, writing reports).

Supervision: As already mentioned, the choice of supervisor is key to ensure a valuable traineeship experience. He or she should have sufficient competence and work experience in a specific career area or profession as well as have sufficient time to dedicate to trainees. The host organization supervisor has a number of responsibilities. First, he or she has to guide the trainee through the orientation period and the exploration of the structure of the host organization. Second, the supervisor is responsible to assign the specific tasks the trainee will do to achieve the traineeship learning outcomes, as well as continuously monitor performance and provide feedback. In this regard the supervisor is responsible to provide resources, equipment, and facilities that support learning objectives/goals. Third, the supervisor should evaluate the overall performance of the trainee at the end of his or her experience. Finally, the supervisor issues a certificate listing the learning, duration and content of the traineeship. Given the extent of above mentioned responsibilities, each supervisor should be assigned a limited number of trainees to mentor.

Source: Community College of Philadelphia, *Learning objectives for internship*, accessible at https://www.cpp.edu/~cba/management-and-human-resources/documents/01149_MHR_Internship_Learning_Objective_Guidelines.pdf; Penn State College of Education: *Internship content and structure*, accessible at <https://ed.psu.edu/epcse/rhs/rhs-supv-intern-manual/intern-content-structure>; and Department of Welfare, Ireland: *JobBridge national internship scheme*, accessible at <https://www.welfare.ie/en/downloads/JobBridge/Mentoring.pdf>.

2.3 Duration and renewal

Duration and conditions of renewal are key quality elements of traineeships. The duration of a traineeship should be determined on the basis of the time required to fulfil the learning function. The set duration and the explicit mention of the start and end date are essential to avoid the substitution of regular workers.

The EU Quality Framework clearly specifies that traineeships should not, in principle, exceed six months. Traineeships of longer duration are acceptable only where this can be justified in terms of learning content. While in most EU countries this quality criterion is satisfied for traineeships organized within youth employment policy, it is not the case for open market traineeships. Only the regulatory frameworks of Belgium, Lithuania, Poland and Romania specifically prohibit traineeships exceeding six months. Most EU countries either have no legal limit on duration or provide for a duration ranging from nine (Slovakia and Spain) to 12 months (Italy and Portugal).³⁸

Another element relating to quality is the specification of the conditions under which a traineeship agreement can be renewed. This principle is established in the EU Framework to avoid the succession (also known as "carousel") of traineeships that unduly protracts the learning period and postpones young people's access to employment. One way to avoid repeated periods of traineeship is to limit the number of traineeships a young person can undertake with the same employer or within a certain period of time. In France, for example, the regulatory framework specifies that young people cannot undertake more than one traineeship per year.³⁹

It is particularly difficult to ensure that trainees do not replace regular workers. The practice of requiring host organizations not to have dismissed any worker in the period prior to traineeship (normally required for employment subsidies) may work for traineeships that are part of the

³⁸ European Commission: *Applying the Quality Framework for Traineeship*, Commission Staff Working Document, COM (2016) 646, op. cit.

³⁹ Loi n° 2011-893 pour le Développement de l'Alternance et de la Sécurisation des Parcours Professionnels (28 July 2011).

youth employment policy. Another strategy is to use follow-up surveys to ask trainees and host organizations specific questions on workers' substitutions. This was done during the impact evaluation of Ireland's JobBridge; the evaluation team suggested that host organizations be required to co-finance the traineeship scheme to reduce the probability of trainees replacing entry-level workers.

The EU Framework also encourages giving advance, written notice in case of early termination of the traineeship (by either the host organization or the trainee). National employment protection legislation may be used as a reference for setting the length of notice period and establishing the procedures for early termination. In France, for example, a traineeship may be terminated at the written request of any of the parties involved (host organization, sending institutions or trainee), although there is no established length of notice period.⁴⁰ The final decision on early termination, however, may be taken only after the reasons have been discussed thoroughly among the parties.

Table 5: Traineeship duration: quality elements and appraisal methods

Quality domain	Duration, renewal and termination
Quality element(s)	<ol style="list-style-type: none"> 1. Traineeship duration; 2. Renewal conditions; 3. Early termination procedures.
Appraisal method	<p>The offer satisfies the quality criterion on traineeship duration if the elements below are satisfied.</p> <ol style="list-style-type: none"> 1. The duration of the traineeship is equal to or less than the maximum specified in national legislation (and no longer than 6 months); 2. Renewal conditions are clearly specified; 3. Notice period and other early termination procedures are clearly stated and are in line with the provisions of the labour code or collective agreements (whichever is most favourable for the trainee).

⁴⁰ The length of notice period in France is one month (four weeks) for workers with tenure between six months and two years. A reasonable notice period for early termination of a traineeship could be between two and four weeks.

2.4 Conditions of traineeships

Traineeships should comply with minimum standards on working conditions applicable at national level (hours of work and rest periods). They should provide health, accident and sickness insurance (either covered by the host organization or by a third party), and should specify whether an allowance or compensation is applicable and, if granted, its amount and deductions.

- **Hours of work and rest periods.** If national regulations do not envisage specific rules for traineeships, the definition of maximum weekly hours of work and rest periods are those specified under labour legislation or collective agreements, whichever is more favourable to the trainee (usually 40 working hours per week for full-time placements).⁴¹ Since learning should be the predominant function of a traineeship, one would expect hours of work to be less, and periods of rest more than those applicable to regular workers, especially when the traineeship involves young people aged 15– 17 years.
- **Social protection.** Lack of social protection is the most serious issue reported by young trainees in many EU countries.⁴² The Quality Framework therefore requires that host organizations clearly specify whether the traineeship offer covers health, accident and sick leave insurance.⁴³ This is particularly relevant for open market

⁴¹ There are examples of traineeship agreements that specify a maximum number of hours of work (e.g. 45 hours per week, over five days), but also examples in which the trainee may be required to work at night or Saturdays and Sundays. The model traineeship agreement of the French Ministry of Education, for example, allows work during unsocial hours provided these hours are clearly stated in the agreement itself. See Ministère de l'Éducation Nationale, de l'Enseignement et de la Recherche, Arrêté du 29 décembre 2014 relatif aux conventions de stage dans l'enseignement supérieur.

⁴² See European Commission, *The experience of traineeships in the EU*, Flash Eurobarometer 378 (Brussels, 2013).

⁴³ Many open market traineeships clearly state that in order to participate trainees should underwrite insurance (accident, sickness and civil responsibility or personal liability) on their own.

traineeships, since in the programmes organized within youth employment policy or education curricula this is normally assured by the labour offices and education institutions. Aside the above mentioned risks, the insurance for trainees should also cover civil/personal liability (damages caused to third parties during the execution of traineeship tasks).

- **Allowance or compensation.** Traineeships can be either unpaid or paid. The traineeship agreement should clearly state any form of compensation offered to the trainee (monthly lump-sum remuneration, travel and living expenses). It is generally recognized that the trainee should be offered compensation or a stipend to cover living expenses (costs for transportation, meals, accommodation). This is almost always provided for traineeships under youth employment policy, particularly when they target disadvantaged young people who have limited financial resources. Appropriate compensation makes traineeship positions accessible to all young people, particularly those with an unfavourable socioeconomic background. The issue of compensation is often linked to the purpose of the traineeship and the basic requirement that learning should outweigh job performance. This is why, in countries with a regulatory framework governing open market traineeships, compensation is expressed as a percentage of the minimum wage or social assistance, or on the basis of an index used in social protection programmes. In Spain, for example, the traineeship allowance should be at least 80 per cent of the monthly multiplier for the Public Income Index (IPREM, which was approximately €538 per month in 2017). In Portugal, the minimum compensation for trainees is equal to the amount of the social support index (IAS, which was €421 in 2017). In countries without specific legislation on open market traineeships, labour law provisions and minimum wage legislation apply (Austria, Germany, Ireland and Latvia). Although the quality indicators normally used in job quality frameworks (minimum and average wage) may not be suitable to benchmark the compensation provided for traineeship positions, the international principle of “equal remuneration for work

of equal value” should apply when trainees perform the same duties as regular employees.⁴⁴

Table 6 highlights the quality elements and appraisal methods for checking the quality of a traineeship offer from the perspective of traineeship conditions.

Table 6: Traineeship conditions: quality elements and appraisal methods

Quality domain	Traineeship conditions
Quality element(s)	<ol style="list-style-type: none"> 1. Hours of work and rest periods; 2. Social protection entitlements (sick leave, health and accident insurance); 3. Traineeship allowance or compensation.
Appraisal methods	<ol style="list-style-type: none"> 1. Average weekly hours of work are equal to or less than the average weekly hours of work set in labour legislation and/or collective agreements in the occupation of traineeship; 2. The trainee is covered by the minimum social protection entitlements set by national labour legislation and/or collective agreements on sick leave, health and accident insurance (either financed by the host organization, the trainee or a third party) 3. For paid traineeships (and depending on national legislation): <ul style="list-style-type: none"> • the allowance or compensation is equal to the level envisaged by national legislation or regulations on traineeships; <li style="text-align: center;">or • the allowance or compensation is equal to the amount envisaged by minimum wage legislation or collective bargaining (whichever is most favourable to the trainee).

⁴⁴ This principle is enshrined in the Constitution of the International Labour Organization. See also ILO: *Assessing the quality dimensions of youth employment offers* (Geneva, 2017).

2.5 Validation and recognition

The Quality Framework for Traineeships states that occupational knowledge, skills and experience acquired during a traineeship should be validated (through an assessment conducted by the supervisor assigned to the trainee) and recognized through the issuance of a certificate detailing the duration of the traineeship, tasks undertaken and competences acquired. This will help the trainee to demonstrate what he or she has achieved when applying for prospective jobs. Traineeship certificates, however, do not constitute a recognized qualification for the purposes of the National Qualification Framework.

For traineeships linked to education, sending institutions normally provide validation forms to be completed by host organization supervisors. These forms typically require supervisors to list the duties and activities that trainees have performed, appraise the technical skills, specific industry knowledge and core employability skills (communication, planning, working with others, leadership) the trainee has or has not developed.⁴⁵

The content and validation of traineeships under youth employment policy are usually left to the discretion of supervisors in host organizations. The most common requirement is that the certificate provided at the end of the traineeship clearly states the activities (or projects) completed during the traineeship with some indication of the individual level of performance (very good, good, reasonable or poor).

This quality dimension is satisfied when the trainee's learning experience is validated through an assessment, and a certificate is awarded. In most EU countries, this quality criterion is satisfied for traineeships linked to the education curricula and youth employment policy, but not for open market traineeships, which usually only provide trainees with a generic reference letter.⁴⁶

⁴⁵ For an example of validation see University of Cambridge, Department of Engineering, *Internship report template*, <http://www.placements.eng.cam.ac.uk/Employers/reports>.

⁴⁶ Only open market traineeships in Belgium, Denmark, Lithuania, Poland, Portugal and Slovenia provide a certificate for young trainees. See European Commission: *Applying the Quality Framework for Traineeship*, Commission Staff Working Document, COM (2016) 646, op. cit.

Table 7: Validation and certification: quality elements and appraisal methods

Quality domain	Validation and certification
Quality element(s)	<ol style="list-style-type: none"> 1. Validation of the occupational knowledge and experience gained; 2. Issuance of a traineeship certificate.
Appraisal method	<p>The traineeship complies with the quality criterion on validation if the following two elements are satisfied simultaneously:</p> <ul style="list-style-type: none"> • the learning is validated through an assessment (carried out by mentors/trainers) <p style="text-align: center;">and</p> <ul style="list-style-type: none"> • a certificate is awarded listing the learning acquired and the duration of the traineeship.

There are a number of examples developed by education institutions that can be adapted for the assessment of traineeships, also open market ones. Their key features are summarized in Box 7.

Box 7: Validation of traineeships

The validation process of a traineeship should include a skill-based assessment carried out by the supervisor and an appraisal of the trainee. This latter is designed to help host organizations, labour offices and education institutions to improve their traineeship programmes and, if necessary, write off those host organizations that are not providing quality experiences.

- **Assessment of the supervisor:** This assessment should include an appraisal of the performance of the trainee and include specific items such as level of technical skills achieved; capacity to plan and organize; quality of work (accuracy, attention to detail); level of performance in communication, analytical and team work skills; and degree of accountability. This part is complemented by an overall assessment that critically appraises the areas the trainee was able to master and those in need of more attention.
- **Appraisal of the trainee:** These types of appraisal are aimed at detecting whether the traineeship experience was valuable for young people. They usually cover areas such as relevance of the experience for career goals, refinement of theoretical knowledge and practical application of skills; quality of supervision (frequency of meetings, feedback received); the opportunity to deal with challenging tasks; whether or not the trainee would recommend the host organization and/or a similar experience to other young people.

Source: Adapted from University of Nottingham: Internship performance evaluation form, accessible at <http://www.nottingham.edu.my/Social-Sciences/documents/Internship-Performance-Evaluation-Form-01.pdf>; Steinhardt School of Culture, Education and Human Development: *Student evaluation of internship*, (http://steinhardt.nyu.edu/scmsAdmin/uploads/004/440/student_internship_evaluation.pdf); UC Denver, Experiential Learning Center: *Sample employer evaluation*, accessible at <http://www.ucdenver.edu/life/services/ExperientialLearning/foremployers/Documents/Sample%20Employer%20Evaluation.pdf>.

2.6 Transparency in recruitment processes

Transparency requirements are considered an innovative element of the EU Quality Framework (especially regarding the requirement to disclose recruitment policies and the number of trainees recruited in recent years). The objective of this quality dimension is to enable young people to make well-informed decisions about traineeship offers.

The recruitment process should be conducted in a transparent manner. The advertisement should indicate the main requirements, tasks and other conditions under which the traineeship takes place (duration, supervision, compensation, expected learning outcomes). EU countries have various recruitment channels, including educational establishments, labour offices, employers and professional associations, social networks, websites and intermediary organizations. In Italy for instance, traineeships linked to educational programmes are managed by placement offices that advertise the positions and manage the matching process.⁴⁷ In the United Kingdom, the *Common Best Practice Code for High Quality Internships* suggests that traineeship recruitment processes should be the same as those for the recruitment of employees. Specifically, the Code encourages host organizations to advertise traineeship positions in an open, fair and transparent manner and to treat all applications on an equal basis and in compliance with equality and diversity legislation. A similar voluntary commitment to transparency in recruitment has been made by several enterprises in respect of the quality elements included in the European Quality Charter on Internships and Apprenticeships developed by the European Youth Forum.⁴⁸

Among the countries of the EU, only Bulgaria and Slovenia require the inclusion of hiring practices in vacancy notices for open market traineeships. This means that in most countries these types of traineeships have less accountable application processes, which increase the relative importance of personal contacts over academic ability or suitability for the position. These practices may put young people from less affluent backgrounds with limited social networks at a disadvantage.

⁴⁷ Council of the European Union, *Council recommendation on a quality framework for traineeships*, op. cit.

⁴⁸ The Charter of the European Youth Forum, which is the largest youth organization that represents the interests of young people in Europe, can be accessed at http://qualityinternships.eu/wp-content/uploads/2012/01/internship_charter_EN.pdf. The Forum has also published an employers guide to quality internships, <http://www.youthforum.org/assets/2015/03/Employers-Guide-Quality-internships1.pdf>.

In light of the above, a benchmark that may be used to verify the quality of a traineeship with regard to transparency is the compliance of the application process with the recruitment rules established through national labour, equality and diversity legislation.

Table 8: Transparency: quality elements and appraisal methods

Quality domain	Transparency
Quality element(s)	1. Transparency in the recruitment process.
Appraisal method	<p>The offer satisfies the quality criterion on transparency if the following three elements are satisfied simultaneously:</p> <ul style="list-style-type: none"> • the traineeship is advertised through a variety of formal and informal channels • the vacancy notice specifies the conditions of traineeship (learning content, duration, compensation, social protection entitlements and validation) <p style="text-align: center;">and</p> <ul style="list-style-type: none"> • the screening of applications is aligned to the provisions of labour, equality and diversity legislation

3 Practical application of the quality framework

The previous section highlighted the key dimensions that may be taken into consideration to define what constitutes a quality traineeship. The list is non-exhaustive and additional dimensions may be agreed by policy-makers, practitioners, the social partners and organizations representing the interests of young people.

In terms of practical application, this framework has four main uses. First the various quality dimensions outlined above can be used for the design of quality traineeship programmes, as already outlined in Chapter 2. Second, it provides an approach to assess the quality of traineeships that are offered to young people within youth employment policy frameworks (ex-ante appraisal), like for example the Youth Guarantee in EU countries. Third, it can be used as a tool to guide on-the-spot monitoring or inspection activities to ensure the regular conduct of traineeships and their compliance with employment and equality opportunity legislation. Finally, it can be used to develop quality indicators to monitor and evaluate traineeship outcomes in the short and longer-term.

3.1 *Ex ante quality appraisal*

The dimensions outlined in the previous section can be used to assess the quality of the traineeship offers, which are part of the employment policy, at the time these are made to young people. This is the case of the Youth Guarantee in EU countries, where the specification that young people be provided with a “quality offer” calls for the establishment of criteria to determine *ex-ante* the quality of traineeship offer. The quality framework can be transformed into a checklist, modelled on the one in Appendix 1. The checklist can be unweighted

(each dimension has the same importance within the framework) or it can have a set of weights assigning different importance to each dimension. The decision as to whether to use a weighted or unweighted checklist and the minimum score that an offer needs to achieve in order to be considered of quality has to be taken in a participatory manner with the involvement of the social partners and youth organizations.⁴⁹

Table 9 provides an example of unweighted checklist for a traineeship offer. In this example, the offer does not comply with the benchmarks set for content of the traineeship agreement, renewal and notification procedures or the content of the traineeship vacancy notice (indicated by the value “No”), while all other benchmarks are satisfied (indicated with “Yes”).

⁴⁹ In a weighted checklist, each dimension is assigned a numerical value that represents the importance of the indicator in the framework (the sum of the weights should be equal to 100). The final weighted score is derived by multiplying the raw score (1 for benchmark achieved and 0 for not achieved) by the weight assigned to each benchmark.

Table 9: Unweighted checklist for quality of traineeship offers

Dimension	Benchmark	Yes/No
Traineeship agreement	1. Written agreement	
	2. Content of the agreement	
Learning content	3. Learning objectives	
	4. Vertical and horizontal skills match	
	5. Supervision	
Duration	6. Duration	
	7. Renewal conditions	
	8. Notification procedures	
Conditions of traineeship	9. Hours of work and rest periods	
	10. Social protection entitlements	
	11. Compensation	
Validation and certification	12. Validation of learning	
	13. Certificate	
Transparency	14. Advertisement channels	
	15. Content of vacancy notice	
	16. Procedures to screen applications	

3.2 On-the-spot monitoring and labour inspection

One of the main challenges of an *ex-ante* approach is that it applies to the face value of the offer: it relies on what is stated in the traineeship agreement. The experience of a young beneficiary once he or she begins the traineeship may differ substantially from what was envisaged at the time the offer was made. In order to ensure compliance with the terms set in the offer, the institutions responsible for implementing youth employment programmes normally carry out on-the-spot monitoring visits, while the labour inspectorate is responsible for ensuring that labour law is applied equally to all employers and workers.

The checklist in Appendix 1 can serve as an additional tool for the staff of institutions responsible for monitoring youth employment policy implementation and for labour inspectors who, during an enterprise inspection visit, need to verify that the conditions applied to young workers or trainees comply with traineeship and/or labour legislation. Lack of compliance with the benchmarks set when the offer was made would trigger sanctions provided for in national legislation.

One of the issues often raised by young trainees and organizations representing the interest of young people is the lack of clear and effective complaint/grievance procedures for young people whose rights are been violated during a traineeship. This applies in particular to open market positions. For traineeships organized as part of the youth employment and education and training policy, the traineeship agreement normally envisages the possibility for the young person to submit a compliant (in writing). This normally leads to an early termination of the traineeship. For open market traineeship, it could be envisaged the possibility for young trainees to access the complaint procedures available through the ombudspersons office (or public advocate).

3.3 Quality indicators for performance monitoring and evaluation

The effectiveness of a traineeship is usually measured in terms of rate of employment and levels of earnings at follow up. The most commonly used indicators to determine the quality of outcomes of a training programme relate to contract type (fixed term or permanent contract, full and part-time work), whether the employment relation is with the same organization that provided the traineeship, average monthly earnings and other conditions of work (hours of work, entitlement to social protections, health and safety in the workplace). The ILO has developed a comprehensive framework for assessing the quality of youth employment offers, both at the time they are made and *ex-post*, which

way be used to gauge the quality of jobs that trainees get after their experience.⁵⁰

There are two aspects of traineeship that would warrant special consideration in monitoring and evaluation frameworks, namely the possibility that employers use trainees to substitute paid employees in entry level positions, and the negative effects that unpaid traineeship may have on the social mobility of disadvantaged groups of young people. Information on these two items can be gathered only through individual questionnaires administered to a representative sample of young participants. Individual questionnaires (primary data collection) can be a useful means to gather additional information about the traineeship experience, such as degree of job satisfaction and relevance to the current job of the learning acquired during the traineeship.

⁵⁰ See ILO: *Guidelines to assess the quality of youth employment offers* (Geneva, forthcoming), op.cit.

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Annex: Checklist to assess the quality of traineeships

Domain		Quality criterion	Yes/No
AGREEMENT	1	There is a written agreement that details the rights and obligations of all parties involved	
	2	The agreement clearly specifies: learning objectives; duration, renewal and early termination conditions; remuneration (if applicable); conditions of traineeships and entitlements to social protection; supervision; validation and certification arrangements	
LEARNING CONTENT	3	The learning content of the traineeship clearly specifies the learning outcomes to be achieved	
	4	The learning content of the apprenticeship offer is vertically and horizontally aligned to the young person's education or qualifications	
	5	The trainee is assigned an experienced worker (proxied by years of work experience) as supervisor. He or she supervises a limited number of trainees at any given time.	
DURATION	6	The duration of the traineeship is equal to or shorter than the maximum specified by national traineeship legislation (and no longer than six months).	
	7	The renewal conditions of the traineeship are clearly specified	
	8	Early termination procedures (notice form and length of notice period) are in line with the provision of the labour code or collective agreements (whichever is most favourable for the trainee).	
CONDITIONS OF TRAINEESHIP	9	The trainee's average weekly hours of work are equal to or less than the average weekly hours of work set out in labour legislation or collective agreements (in the occupation/economic sector).	
	10	The trainee is covered by the minimum social protection entitlements set by national labour legislation and/or collective agreements on sick leave, health and accident insurance	
	11	The traineeship allowance or compensation (when envisaged) is equal to or higher than the level envisaged by national traineeship legislation (or regulations on apprenticeships or work-based learning) OR	

Annex 1: Checklist to assess the quality of traineeships (cont.)

	11	The allowance or compensation is equal to the amount envisaged by minimum wage legislation or collective bargaining agreements (whichever is most favourable to the trainee).	
VALIDATION	12	The learning is to be validated through an assessment (carried out by supervisors)	
	13	A certificate is to be awarded listing the learning acquired and the duration of the traineeship	
TRANSPARENCY	14	The traineeship is advertised through a variety of formal and informal channels.	
	15	The vacancy notice specifies the conditions of traineeship (learning content, duration, compensation, social protection entitlements and validation)	
	16	The screening of applications is aligned to the provisions of labour, equality and diversity legislation	

