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ECEG's Position Paper: Quality Traineeship Initiative

Introduction

In March 2024, the European Commission launched an initiative to improve working conditions for trainees. The initiative includes two proposals: one for a <u>Directive on quality traineeships</u> and one for <u>the revision of the Council Recommendation on a European Quality Framework for Traineeships</u>.

The legislative procedure for these proposals is currently pending in the European Parliament. In the Council, it will advance to the working groups under the Hungarian Presidency, starting on July 1, 2024.

This position paper summarises ECEG's views on the Commission's proposals, providing recommendations and highlighting several national practices in the field of traineeships. It also explores how the EU initiative might impact and challenge these practices.

About ECEG

ECEG, the European Chemical Employers Group, founded in 2002, is a recognised European Sectoral Social Partner, representing the chemicals, pharmaceuticals, rubber and plastics industries in Europe. Our sector provides approximately 3.3 million direct jobs in more than 94.000 enterprises.

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Preliminary remarks

1. ECEG considers that both traineeships and apprenticeships are primarily means to develop skills and competences for working life while gaining experience in a real working environment. In an industrial context, this is an important way to understand the working

environment, safe and sustainable ways of performing tasks, and the demands of the green transition for the process industry.

2. Gaining experience in working life is often an integral part of training, study, or re-/up-skilling programmes. The purpose of a traineeship is to enhance an individual's skills and competencies, thereby contributing positively to the future employment prospects. Traineeships are beneficial not only for trainees but also employers and companies, as they enable the development of a workforce with the specific skills and competencies needed within the company. In the chemical industry, traineeships, along with guidance and mentoring for trainees, are always meticulously planned in collaboration with a company representative.

When analysing the Commission's proposal for a Directive on traineeships, it is crucial to distinguish them from apprenticeships. While practices might vary between different Member States, trainees are typically not considered as employees. In contrast, apprenticeships are often based on a formal apprenticeship contract, which differs from a traineeship contract, as seen in Finland, France, Germany, and Italy, among others.

- 3. This distinction also affects the type and level of remuneration apprentices or trainees receive, with different practices depending also on whether a specific traineeship or apprenticeship is part of a formal study programme or not.
- 4. If the European Commission continues to advocate for a Directive, certain aspects of the proposal need to be reconsidered to avoid complicating the provision of traineeships for employers. Introducing a new level of regulation on traineeships could indeed discourage companies, especially SMEs, from offering traineeships, thus harming the future generation's opportunities to gain valuable experience in the job market. It is important to remember that provisions on traineeships should be primarily determined and negotiated within the national context, through collective bargaining and/or local agreements, depending on different industrial traditions.

ECEG's Position on the proposed Traineeship Directive

Rather than introducing a new Directive at the EU level, ECEG strongly believes that reinforcing the existing Council Recommendation would be a more adequate and accurate solution to tackle the challenges linked to traineeships. ECEG views the current quality framework as relevant and well-functioning and would therefore prefer to refrain from any binding legislative initiative.

It is vital for the ECEG's membership that member states retain their flexibility to implement traineeship provisions within their national context. Otherwise, this could significantly weaken the already existing well-functioning national industrial relations, as well as cooperation between companies and educational institutions.

Additionally, ECEG suggests revising **Recital 17** to explicitly exclude apprenticeships from the scope of the Directive. Since apprenticeships in some countries are subject to an employment contract, it is essential to consider the different existing national practices and regulations without creating an additional employment category at the European level.

It is important that the Directive on traineeships does not exclude the possibility for work-based apprenticeships to be determined and set through national legislation and collective bargaining. In the chemical industry, some sectoral collective agreements explicitly address apprenticeship working conditions, namely:

- In **Germany**, the collective agreement for the chemical industry regulates the main working conditions and applies also to apprentices unless the nature of the VET training relationship dictates otherwise. For example, the apprenticeship allowance, annual leave and weekly working hours are regulated by collective agreements. Both the increase in the collectively agreed pay for employees and the training allowance are established in a collective agreement. This means that the VET training allowance in the chemical industry regularly increases.
- In **Italy**, apprenticeships are regulated as a specific form of employment relationship characterised by the simultaneous presence of employment and training. The law provides for a general framework of different types of apprenticeship contracts, while the final regulation of specific issues such as pay, grading, duration and training is determined by national collective bargaining. In contrast, traineeships are regulated solely by state and regional laws and do not involve work activities equivalent to those of employees. An intervention by the EU legislator would necessitate rewriting of all the contractual rules, posing a problem for existing apprenticeship contracts.

ECEG would also like to clarify certain aspects under **Article 3**, "**Principle of non-discrimination**". Considering that trainees are undergoing a learning experience that brings them closer to the workforce, they cannot be entrusted with the same level of tasks, work intensity, and responsibilities of "ordinary" employees. A broad interpretation of this article is necessary, where the lower level of compensation for trainees is fully justified and should not be identified as "discrimination".

ECEG's position on the proposed revision of the Council Recommendation on a European Quality Framework for Traineeships

ECEG believes that the scope of the proposed revision of the Council Recommendation should be limited, focusing solely on traineeships that are part of active labour market (ALM) policies and open labour market traineeships. Traineeships that are integral parts of formal education and training programmes should be excluded from the scope, as they are already extensively regulated at the national level and considered students, falling outside the scope of EU legislation (Articles 165 (4) and 166 (4) TFEU).

ECEG recommends that the revised Council Recommendation should refer to "adequate compensation" rather than "remuneration" for trainees (**Article 6**), following the example of France where the word "gratification" is used¹. This aspect is similarly regulated in many other countries, such as:

- **Germany**, where the issue is already regulated under §§17,26 Berufsbildungsgesetz (BBiG), and under the law on minimum wage (§§1,22 Mindestlohngesetz, MiLoG).

It states that "Trainees within the meaning of Section 26 of the Vocational Training Act shall be deemed as employees within the meaning of this Act, unless they:

- 1. carry out an internship based on a provision under school law, training regulations, a provision under higher education law, or within the framework of training at a legally regulated university of cooperative education,
- 2. complete an internship of up to three months as an orientation for vocational training or for taking up a course of study or carry out an internship of up to three months accompanying vocational or university training, if there has not previously been such an internship relationship with the same trainer. Alternatively, participate in an entry-level qualification in accordance with § 54a of the Third Book of the Social Code or in vocational training preparation in accordance with §§ 68 to 70 of the Vocational Training Act." (§ 22 Abs. 1 MiLoG).
- In **Finland**, work experience gained during summer holidays counts towards credits in vocational schools and/or universities of applied sciences. Summer employment is compensated according to the collective agreement at the sectoral level. Some young individuals may choose internships at workplaces, while others may opt for internships at educational institutions. In both cases, since these are not considered employment relationships, they are not remunerated.

 Young people developing projects and/or writing final theses in a company/workplace receive time, support, and information from the undertaking. However, no remuneration is provided as these activities are not classified as employment relationship.
- In **Italy**, the legal system provides for economic recognition of traineeships, but since the traineeship is not considered an employment relationship, this economic recognition is defined as the trainee's 'participation allowance' ("indennità di partecipazione"), which is subject to taxation. The minimum monthly value of this allowance is defined at the regional level.

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¹ Information on French legislation about traineeships is available at: https://www.service-public.fr/particuliers/vosdroits/F16734 (last access: June 2024).

ECEG's Recommendations

Against this background, ECEG puts forward the following recommendations for actions at both European and Social Partners' levels:

For the EU:

- Should the Commission go forward with the Directive, a specific role for the social partners needs to be included and promoted, keeping in mind the different national collective bargaining models. This should allow for specifically set joint working groups to discuss details such as working conditions and remuneration prerequisites for trainees.
- Broaden the interpretation of the term "trainee". There needs to be room for social partners to discuss different conditions for various categories of trainees, e.g. tasks, responsibilities, level of training, age, and professional background of the trainee.

For Social Partners:

- **Set sector-specific working groups** to discuss basis on which traineeships and apprenticeships should be framed in the European context and which specificities should be taken into account nationally, locally and/or company levels.
- **Collect intelligence from the Member States** to understand national specificities and best practices, such as existing apprenticeship practices and remuneration policies.
- **Promote the importance of matching skills needs and training** in aligning educational curricula with industry requirements, particularly towards green and digital transitions.
- **Improve collaboration among different industrial sectors**, especially within similar ones.

ECEG calls on European policymakers to consider these recommendations in close collaboration with Member States and responsible national institutions. It is essential to also include educational policymaking, especially vocational education and training policy, in this discussion.

ECEG advocates for strong collaboration between social partners on this matter, as well as collecting intelligence at the national level. This will significantly simplify the process of implementing the revisited Recommendation efficiently. On the proposed Directive, ECEG does not support any form of binding legislation to regulate traineeships and apprenticeships in the European framework.

Conclusions

In line with other employers' associations, ECEG urges European policymakers to consider these recommendations in close collaboration with Member States and responsible national institutions. It is crucial to include educational policymaking, especially vocational education and training policy, in this discussion, while respecting national traditions.

ECEG strongly supports the idea put forward by BusinessEurope to further examine the possibility of remote learning, digital training, and sector-specific needs for national curricula to better respond to the evolving needs of the working life.