



# Evaluation of Training Contracts for Young People in Spain, Germany, and France

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## Abstract

Youth unemployment is one of the greatest concerns to labour authorities. To try to reduce its intensity and to improve the labour market insertion rates of the youngest working-age population, most European Union (EU) countries have opted, among other measures, for job training. This is an action that seeks to combine work with training. Spain is one of the countries with the greatest problems of labour market integration for young people, in contrast to other countries such as Germany or France. The Spanish case is also characterised by the application of a set of actions that have not always had the desired success, despite being framed within the EU Youth Guarantee Programme. The results from this research indicate that improvements can be made in the application of training contracts in Spain, based on the approach used in other countries.

**Keywords** Training Contract · Labour Market Integration · Young People · Active Policies

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## Introduction<sup>1</sup>

European countries with high levels of unemployment – as is the case in Spain – tend to implement public policies that attempt to integrate quality training with the performance of a job. Typically, this exercise pivots on a training contract, while at the same time guaranteeing temporary employment with some degree of practical in-company training. For many young people, it is the first access to the labour market.

In Spain, legislative changes in training contracts have been only moderately successful for the younger working-age population. Even Germany, with an alternance contract, or France, with its training contract, which have been a reference for other countries, have also had to reform their regulations.

This article aims to evaluate the results in these three countries. To this end, six sections are established: after the introduction, an analysis is made of the employment situation of young people as a starting point for understanding the reality faced by this group; thirdly, the Youth Guarantee Programmes in the EU are described, to continue with an exhaustive study of the different programmes to combat youth unemployment in the three countries. Finally, a series of recommendations and conclusions are made.

## The Employment Situation of Young People

People of working age under 30 years old have been one of the population groups with the greatest problems in terms of labour market insertion (Úbeda et al., 2020). This situation has been the catalyst for the search for professional integration plans and the promotion of youth employment to improve their employment situation. To this end, measures have been applied to boost their employability and reduce their precarious employment situation, to promote their recruitment, while at the same time guaranteeing them a certain level of training.

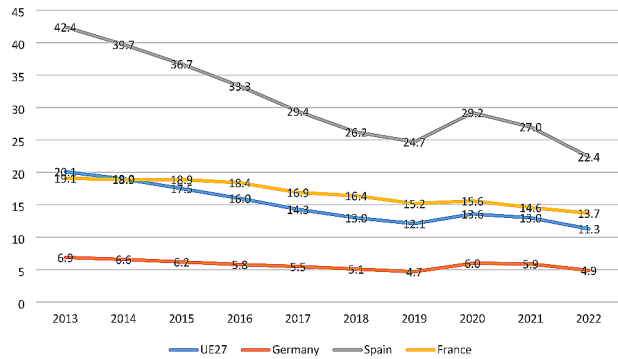
Although the situation of young people having worse employment opportunities is a problem in all European Union (EU) countries, it is more intense in some, such as Spain. In November 2022, according to Eurostat, the unemployment rate among under-25s in Spain was 32.3% (535,000 young people out of work). This contrasts with the 15.1% youth unemployment rate in the EU-27. Figure 1 shows the evolution of youth unemployment for the three countries analysed and the EU-27 average, illustrating its different evolution.

However, in most EU countries, including Spain, a very large proportion of young people tend to have a university education, so there seems to be a lack of connection between education and job opportunities. Moreover, given the high level of human capital of young people, it is paradoxical that the labour market is not able to adequately place people with a high level of education, resulting in a low labour market insertion rate. Therefore, there may be a failure in the employability process.

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**Fig. 1** Evolution of youth unemployment, 15–29 years old in Spain, Germany, France and the EU27 (2013–2022)  
Source: Eurostat (2022)



## The Youth Guarantee Programme in the European Union

However, in most EU countries, including the EU, the International Labour Organisation (ILO) (2016) is pursuing three objectives in youth employment: improving the services of the job search system; establishing stricter rules for receiving unemployment benefits; and stimulating labour demand through tax cuts and greater regulated labour market flexibility. Consequently, there is an interest in improving the insertion rates of the younger population.

The European response to this challenge has been the Youth Guarantee Scheme (YGS), which began to be implemented at the end of the 20th century. In 2010, the Youth Guarantee concept was established through the Youth on the Move plan. In 2012, several actions for the recruitment of young people were implemented with the financial support of the European Social Fund (ESF), creating the Youth Guarantee System (YGS), approving the mechanisms for its implementation: financing; good practices; monitoring of measures; and support for dissemination and awareness-raising activities.<sup>2</sup>

In the 2013 EU Council Recommendation on the implementation of the YGS an ambitious plan was set out, articulated in three pillars: facilitating the transition of the youngest working age population from school to the labour market; supporting their integration into the labour market; and ensuring that no young person under 25 is excluded from job opportunities.

The YGS was targeted at countries with unemployment rates above 25%. Unlike other actions, the YGS can be understood as an active employment measure that differs from others essentially in two aspects (Escudero & López, 2014). On the one hand, the state's commitment, and involvement with unemployed young people seeks to improve their employment and training opportunities; on the other, the temporary four-month commitment attempts to employ an active unemployed young person (Rodríguez & Miquel, 2018). The ESF considered 14 countries within this characterisation.

In 2020, the European Commission adopted a new package of measures to combat high youth unemployment, calling on Member States to ensure that all young people under 30 years of age registered as job seekers can access at least one of the following services: a suitable job offer; further education; apprenticeships or traineeships within four months of

<sup>2</sup> This type of programme is carried out based on a very negative employment situation for young people. The unemployment rate in the EU ranged from 23 to 50% during the first decade of the 20th century and in some countries, such as Spain, it reached 54.8%.

becoming unemployed or upon completion of formal education. All these actions are based on principle 4 of the European Pillar of Social Rights (Active Support for Employment).

Although the YGS has been applied in different ways in different countries, there are many points in common: labour intermediation; active policies to increase youth employability; and vocational guidance and training for employment. It is precisely the latter on which this study will be based, the assessment through the different training contracts to enhance the labour activity of young people.

Spain, France, and Germany, which are the countries to be analysed in this study, have been applying the YGS through multiple measures. Spain, which has one of the highest youth unemployment rates in the EU, has a series of aids for hiring young people under training contracts.<sup>3</sup> In addition, since April 2022, new contractual formulas have been implemented for the integration of young people into the labour market.

Germany, where youth unemployment is one of the lowest in the EU, has one of the best examples of how to integrate young people into the labour market in the form of dual training. It is a successful model that combines in-company and on-the-job training. More recently, in 2020, the federal programme “Secure training places” was set up by the German Federal Employment Agency to support dual training and the integration of young people into the labour market.

France is committed to a series of programmes and policies in favour of the employment and training and apprenticeship of young people through financial aid and exemptions from social charges or tax benefits for certain types of employment contracts (apprenticeship and professionalisation). In addition, in 2020 the Youth Plan “1 young person, 1 solution”, was created which includes, among other measures, the Youth Employment Initiative contract, *Parcours Emploi Compétences* and the “Green” Territorial Volunteering Programme. Since 1 March 2022, France has been implementing the Youth Commitment Contract, which is the continuation of the “1 young person, 1 solution” plan.

## Training Contracts in Spain, Germany, and France

### Training Contracts in Spain

Spain has boosted its training and education systems, especially by combining training with work, through apprenticeship and training contracts. In 2007, actions were taken to reform the labour market, encouraging the hiring of young people through the training and apprenticeship contract, aimed at young people who had not received adequate training, which was used as a combination of paid employment and theoretical and practical training, and the work experience contract, both of which were in operation until March 2022.

These contracts were open to people between 16 and 30 years of age, although there was no age limit for vulnerable groups. Their duration ranged from 6 months to 3 years, with a 100% reduction in contributions for companies with fewer than 250 workers and 75% for those with 250 or more. If the contract is converted into an open-ended contract, a reduction

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<sup>3</sup> For example, there is a 100% reduction in contributions for companies with fewer than 250 employees and a 75% reduction for companies with 250 or more employees in the case of training and apprenticeship contracts and traineeship contracts.

**Table 1** Basic characteristics of the apprenticeship and training contract in Spain

Addressed to	Young people between 16 and 25 years old without a vocational qualification recognised by the Vocational Training System for Employment or the education system.
Subject of the contract	Acquire the theoretical and practical training necessary for the proper performance of a trade or job
Duration	Between 6 months and 3 years. Working time may not exceed 75% of the maximum annual working time in the first year and 85% in the second and third year.
Training activity	Leading to the award of an intermediate or higher-level Vocational Training qualification, Certificates of Professionalism at levels 1, 2 and 3 of Qualification and complementary training included in the Catalogue of Training Specialities.
Salary	Not less than the Professional Minimum Wage (PMW) proportional to the effective working time on the basis of the labour agreement.
Financial benefits	100% reduction of company contributions for companies with fewer than 250 employees, 75% if the company has more than 250 employees. Possibility of financing the training and training time through bonuses on company contributions, additional bonus for company tutoring costs. Additional bonuses of €1,500 and/or €1,800 if the person hired is a woman, for three years if the contract is converted into a permanent contract.

Source: Ministry of Labour and Social Economy of the Government of Spain (2023) and Ministry of Employment and Social Security of the Government of Spain (2018)

**Table 2** Basic characteristics of internship contracts in Spain

Addressed to	Young people with a university degree/vocational training of intermediate or higher level/officially recognised equivalent qualification.
Subject of the contract	Attainment of professional practice commensurate with the studies or training undertaken.
Duration	Between 6 months and 2 years
Training activity	Not included
Salary	It shall not be less than 60% of the remuneration established according to the labour agreement of the sector during the first year and 75% in the second year and may not be less than the minimum wage.
Financial benefits	50% reduction in social security contributions. Bonus of €500 per year, or €700 in the case of women, for converting the employment contract into an indefinite-term contract.

Source: Ministry of Labour and Social Economy of the Government of Spain (2023) and Ministry of Employment and Social Security of the Government of Spain (2018)

in social security contributions of €1,500 was envisaged for the first three years, extendable to €1,800 for women (Table 1) (Government of Spain, 2013, 2019, 2021).

The traineeship contract aimed to provide the necessary training and experience to qualified young people to access a first job linked to their degree. The duration of this contract ranged from 6 months to 2 years. For young people registered in the National Youth Guarantee System, a 100% rebate on contributions for common contingencies was established. If the contract was turned into an open-ended contract, there was a rebate on employers' social security contributions of €500 per year, extendable to €700 for women for three years (Table 2).

There was/has been a very high reduction in both training and apprenticeship contracts specially in training and apprenticeship contracts, derived from the need for training to be certifiable, the existence of other more viable contracting modalities, such as those for the promotion of first employment, or the malpractice with the so-called "scholarship holders".

Regarding the internship contracts, there has also been a reduction since 2018, although due to their characteristics they have begun to recover, and in fact a similar type of contract has been maintained after the labour reform of 2022.

The Labour Reform has made it possible to reformulate this type of contract, establishing new training contracts,<sup>4</sup> which came into force on 31 March 2022. From that point, two types of training contracts were included: alternating work–training contracts and contracts for professional practice. In addition, internship, training and apprenticeship and dual university training contracts are eliminated.

The training contract for work–training alternation aims to promote the hiring of workers between 16 and 30 years of age, combining employment and training linked to the Catalogue of Training Specialities of the National Employment System, and its duration have been a minimum of 3 months and a maximum of 2 years. In addition, a maximum rebate of up to 100% of social security contributions and a saving of up to 60% of labour costs is possible. This type of contract replaces the previous training and apprenticeship contract. To this end, a contract will be established between the company and the student-worker that will include a training programme. As a novelty, this type of contract, which was previously only valid for combining employment with vocational training, will, from the reform onwards, be a way of making work compatible for those people who are studying at university or other regulated training (Table 3).

For its part, the contract for obtaining professional practice seeks to ensure that the worker obtains, during the time he or she is working, the experience appropriate to the level of studies or training that is the object of the contract. The aim of this type of contract is to develop the necessary professional skills and abilities. It is aimed at people with a university degree, higher technical qualifications, or intermediate vocational training qualifications. This type of contract must be signed during the 3 years following the completion of studies, extendable to 5 years in the case of people with disabilities (Table 4).

**Table 3** Basic characteristics of work-linked training contracts in Spain

Addressed to	Unemployed people over 16 and under 30 years of age. No age limit for people with disabilities and for socially excluded groups.
Objective	To promote the recruitment of workers between 16 and 30 years of age by combining employment and training linked to the Catalogue of Training Specialities of the National Employment System.
Duration	Between 3 months and 2 years. The duration of the working day may not exceed 65% in the first year and 85% in the second year.
Training activity and salary	Training in distance-learning mode (35% and 15% at least in the first and second year). The professional qualification will be accredited by the State Public Employment Service (SPES).
Salary	Never less than the PMW (€1,080 in 2023).
Financial benefits	Up to 100% of the worker's social security contributions and employer's contributions if the workforce is less than 250 people (75% if it is equal to or more than 250 workers). Reduction of up to 60% of labour costs through bonuses. The conversion into an indefinite-term contract will entail a reduction in social security contributions of €1,500 (during the first 3 years) or €1,800 if the worker is a woman.

Source: Ministry of Labour and Social Economy of the Government of Spain (2023)

<sup>4</sup> For some authors (Mercader & Moreno, 2022), rather than new contract models, these are a series of modifications of the previous modalities.

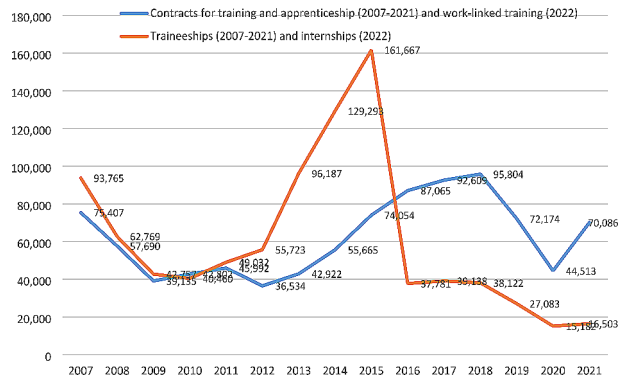
**Table 4** Basic characteristics of the contract for obtaining professional practice in Spain

Addressed to	Unemployed persons with a university degree or an intermediate or higher degree, specialist, professional master's degree or certificate from the vocational training system or an equivalent qualification in artistic or sporting education from the education system, which enables or qualifies them for the exercise of the work activity
Objective	To ensure practice appropriate to the level of studies covered by the contract in order for the worker to develop the skills and abilities of the training received.
Duration	Between 6 months and 3 years
Training activity and salary	The performance of professional internships, both specific training actions aimed at digitalisation, innovation or sustainability, and micro-accreditations of vocational or university training systems.
Salary	The amount established in the collective agreement for these contracts or that of the professional group and pay level corresponding to the functions performed. Remuneration is never less than the minimum amount established for this type of contract, nor less than the minimum wage based on the time worked in the company.
Financial benefits	Companies with disabled workers will benefit from a 50% reduction in the company's social security contribution for common contingencies. The conversion into an indefinite-term contract gives the right to a rebate in the employer's social security contributions of €500 year, for three years, extendable to €700 year if the beneficiary is a woman.

Source: Ministry of Labour and Social Economy of the Government of Spain (2023)

**Fig. 2** Evolution of Training Contracts in Spain, 16–29 years olds (2007–2021)

Source: Ministry of Labour and Social Economy of the Government of Spain (2023)

**Table 5** Basic features of the training contract in the dual system in Germany

Addressed to	Young people who have completed their basic level of education
Subject of the contract	On-the-job training
Duration	Between 2 and 3 years
Training activity	12% of the working time
Salary	Minimum of €585 per month
Financial benefits	Exemptions from social charges and tax benefits

Source: Ministry of Employment of the Government of Germany (2023)

During the period 2007–2021, there has been a significant relaxation of the flexibility of training contracting, which sought to expand its use, but has had the undesirable side effect of making the regulations increasingly complex and difficult to implement (Fig. 2).

After the entry into force of the latest labour reform, sandwich training contracts have become a very interesting option for companies. The strong restriction on temporary

employment has been the catalyst for many companies to opt for other forms of contracting, increasing the number of new hires through this type of contract.

Regulatory changes make it possible to formalise this type of contract, eliminating extensions, to avoid an undesirable increase in temporary contracts. Moreover, the training and apprenticeship contract is much more flexible to the specific circumstances of a company or sector. With the reduction of the maximum duration from 3 to 2 years, the aim is to reduce the high temporary nature of these contracts, avoiding extensions that seek to extend this contractual modality beyond what is necessary (Cervilla, 2022).

An important change has been established in the hiring age, which was previously limited to those under 25 years of age, or up to 30 years old if there was some type of disability. After the reform, this has increased to 30 years of age and no limit if the workers have special needs or are on alternating training contracts in the case of university studies (SPES, 2022). With the alternance contract, a system has been set up to process the registration of workers in real time, which will speed up the processing of contracts, as it will no longer be necessary to wait for the resolution of the prior application for authorisation to start the training activity.

Training also gains with the alternating contract, as it will now be done online, which allows for many more possibilities and reduces the dependence on having the necessary means and personnel at the centre to be able to carry it out. The contract in alternance will allow the recovery of occupations that were neglected at the labour level – specifically, in the SPES there are more than 3700.<sup>5</sup>

It also introduces the novelty that companies under an Employment Regulation Plan (ERTE) may enter this contract when they are not replacing functions performed by people affected by suspension or contract reduction measures, which allows greater flexibility for this type of contract.

Therefore, all these changes have allowed a greater connection between the training objective and the increase in the worker's qualifications. Although there has not yet been a clear evaluation, as the contract for work-linked training only expired in 2022 it seems that the changes may make it possible to reduce the still high youth employment rate.

Nevertheless, high youth unemployment rates remain in Spain. Considering Eurostat's seasonally adjusted unemployment rate for the population aged 15–29, there has been a significant reduction from 42.2% in 2013 to 22.4% in 2022, but this is still almost twice as high as the EU-27 rate (11.3%). Consequently, while these measures seem to have helped, they cannot be the only solution to reducing the endemically high youth unemployment rate in Spain.

## Training Contracts in Germany

In Germany, the main pillar of young people's entry into the labour market is the dual training programme. This system of vocational training for young people takes place both in the company and in the school (Bundesagentur für Arbeit, 2012).

Dual training is a system that has been in place since the 1960s, with a strong public–private partnership, involving not only the education system and companies, but also the Chambers of Commerce and Industry and the social partners. All play a key role in the

<sup>5</sup> See Order TMS/283/2019, of 12 March, which regulates the Catalogue of Training Specialities in the framework of the vocational training system for employment in the labour field.



implementation of dual training, in particular the definition, supervision, and control of the training content in companies and the negotiation of training remuneration.

By 2021, dual vocational training accounted for 70–80% of all vocational training in Germany. It operates with a high degree of flexibility, closely linked to economic and labour market developments. This makes it possible for employers to identify fields requiring new vocational qualifications; the social partners and the federal administration set the new vocational training standards, resulting in the development, and updating of training plans in vocational schools that are up to date and consistent with labour needs.

In 2021 the dual vocational training offer in companies and vocational schools included 350 professions, covering almost all economic sectors. Funding is shared between the public sector (state administration, *länder* and municipalities) and the companies offering dual training, which bear the cost of on-the-job training and pay the trainee-worker a salary. This remuneration, which is compulsory, varies according to the professional sector and is proportional to the number of working hours in the company. On average, it is €650 per month, which is one-third of the initial salary received by a qualified worker and increases annually as the worker's qualifications improve.

The duration of the contract is between 2 and 3½ years. During this period, the student-worker must work in the company between 3 and 4 days a week, the training being part-time (12 h a week), the educational offer is subject to a continuous process of revision and adaptation, tending to improve its levels of quality and flexibility.

The German dual vocational training model creates a close relationship between student/apprentice and company, resulting in favourable solutions for the labour market and the education system. Students are trained at the same time as they begin their integration process in the business world, guaranteeing a smooth transition to the labour market, while also receiving financial compensation for the work they do.

Thus, young people who have completed the *Hauptschule* (basic level of studies from 11 to 15 years of age with a duration of 5 or 6 years) can simultaneously access theoretical training in vocational training centres (1 or 2 days a week) and practical training in the company (3 or 4 days a week), obtaining a certificate, which will enable them to continue in the company with a higher level of qualification.

The companies involved are required to offer apprenticeships by means of a training contract (*Ausbildungsvertrag*). Young people become apprentices and receive a minimum wage of €585 (2021) for the first year of training (*Ausbildung*), which is an alternative to university. The duration of the contracts is between 2 and 3 years in which they combine theoretical classes with paid work experience.

German dual training has become the way to get young people into the labour market, avoiding high youth unemployment rates and providing qualified personnel, and is also considered a successful model in other countries (Bundesagentur für Arbeit, 2022).

Consequently, the German system of vocational training is a training system that has long been accepted by German society as an ideal instrument for improving the employability of young people. It is mainly developed in the industrial sector, where the German economy has a clear competitive advantage, and with a close link to real production processes, which solves some of the shortcomings of traditional classroom training. It enables a better and quicker transition from the classroom to the company, especially in those companies where the student has done his or her practical training. Furthermore, the training received is

closely linked to the local labour market, which significantly increases the job opportunities for students, with a strong involvement of all participating agents, both public and private.

The results of dual vocational training in Germany are positive. This success is related, first, to a balanced educational design, with around 60% of young Germans completing basic education going on to some form of vocational training. In 2012, 1.4 million apprentices were trained and about 80% of the students who completed dual vocational training got a job as a skilled worker in the same organisation as where they had their first work experience. The second key to this success is the strong public–private commitment to dual vocational training.

In 2020, 19.7% of German companies invested in and delivered dual vocational training programmes, most of them small and medium enterprises (SMEs), which annually train more than 500,000 new apprentices. Some 71% of the participating companies took on apprentices after the end of their training period in the academic year 2017–2018. In 2020, 578,200 business apprenticeships were offered. In the same year, there were 1.33 million apprentices from 324 recognised professions, with an average age of 20 years. The satisfaction rate of the trainee-workers is very high at around 72%, and 93% of them consider their training to be successful. These good results are accompanied by a low youth unemployment rate (15–29 years old), which in 2022 was 4.9%, after having reached 6.9% in 2013 (seasonally adjusted).

However, the German model is not problem-free. For example, the selection process for apprentices is not always transparent, as it depends on the criteria set by the company. In addition, there is no regulation of the training offer, as the places offered in dual vocational training depend on the availability of the companies. Part of the regulation is outside the administration as it depends on the validation of the companies and the Chambers of Commerce and Industry, the training offer is not stable and has a certain dependence on the economic cycle – in periods of recession, the companies reduce it considerably, while they increase it in times of economic growth.

Finally, as it has specific training content, training can limit the mobility of workers and/or their incorporation into other productive sectors. Thus, in 2020, there were 53,100 training jobs that remained vacant, 9.4% of the total supply, while 73,700 candidates were without a training position in 2019 and 151,664 contracts were terminated prematurely.

### **Training Contracts in France**

In France, the apprenticeship and training contract is a contractual formula in which the employer undertakes to provide vocational training to a young worker, provided between the company and a training centre for apprentices. The minimum age is set at 16 and the maximum at 25, although, exceptionally, a young person may start his or her apprenticeship at the age of 15, allowing for an extension up to the age of 25 in certain cases.<sup>6</sup> This type of contract has a long tradition in France, dating from 1971 where it became a particular type

<sup>6</sup> When the proposed contract is a continuation of a previously concluded apprenticeship contract and leads to the acquisition of a qualification of a higher level than that obtained under the previous contract; when the contract is terminated for reasons beyond the apprentice's control; when the apprenticeship contract must be concluded within a maximum period of one year after the termination of the previous contract; when the apprenticeship contract is signed by a disabled worker; and when the contract is signed by a person who is planning to set up or take over a company and the completion of this project is conditional on obtaining a diploma or qualification at the end of his or her training.

of employment contract with its own framework. In 2002 and 2018 the established regime was renewed, modernising its operation (Direction de l'information légale et administrative, 2021, 2022a, 2022b).

The apprenticeship is based on the principle of alternating between teaching in an apprenticeship training centre (CFA) or in a CFA<sup>7</sup> and the company. The duration of the contract is from 1 to 3 years, extendable to 4 years if the apprentice is a disabled person. The apprentice receives a wage based on the SMI, between 27% and 78%.<sup>8</sup> The probationary period is 2 months. The employer undertakes, in addition to the payment of a salary, to provide the apprentice with full vocational training, partly in a company and partly in a CFA or apprenticeship section. The apprentice undertakes to work for this employer and to train for the duration of the contract.

This contract allows the contracting company to benefit from financial aid, exemptions from social security contributions, etc.<sup>9</sup> and tax benefits. In principle, the financial aid applies only to companies with up to 250 employees, and up to a maximum of €1,000; if the company has hired an apprentice for the first time, this amount is doubled. Under this type of contract, employers with fewer than 11 employees are entitled to exemption from social security contributions for common contingencies. In addition, companies can benefit from a tax credit of €1,600 for each apprentice, extended to 2,200 if the apprentice is a person with a disability (Table 5).

In 2020, 495,000 apprenticeship contracts were signed in France, essentially in companies with fewer than 50 employees, where 330,000 contracts were signed. The main sectors using this type of contract are retail trade, construction, food industry, and hotel and catering, with one in three apprenticeship contracts being signed in these sectors. This type of contract is widely used at all levels of qualification, especially in vocational training (26%),<sup>10</sup> 2 years of university studies (22%) and 5 years or more (18%) (Table 6).

**Table 6** Basic characteristics of the apprenticeship and training contract in France

Addressed to	Young people between 16 and 25 years of age. Exceptionally, apprenticeships can start at 15 and go beyond 25 years of age.
Subject of the contract	On-the-job training
Duration	From 1 to 3 years, extendable to 4 years
Training activity	Between 15% and 25% of the duration of the contract
Salary	Between 25% and 78% of the SMI
Financial benefits	Financial aid, exemptions from social charges and tax benefits

Source: Ministry of Employment, Government of France (2023)

<sup>7</sup> These are collective centres or inter-company centres, which guarantee the collective aspect of the organisation of apprenticeships. The role of the CFAs is to offer young workers with an apprenticeship contract technological and practical training. The CFAs will accompany people through the apprenticeship, support them in their search for an employer, promote national and international mobility of apprentices, and evaluate the apprentices' competences.

<sup>8</sup> The wage payment depends on the age of the worker. Thus, for workers under 18 years of age it will be 27%, 39% and 55% for the first, second and third year, respectively. For workers between 18 and 20 years of age the percentages would be 43%, 51% and 67% of the SMI. For those between 21 and 25 years of age they would be 53%, 61% and 79%, respectively. From 26 years of age onwards, they would receive 100% of the SMI (€1,554 in 2021).

<sup>9</sup> From 2019, exemptions from employer's contributions will be abolished, but exemptions from salary contributions will be maintained, limited to 79% of the minimum wage.

<sup>10</sup> Certificat d'Aptitude Professionnelle (CAP) and Brevet d'Etudes Professionnelles (BEP).

The recipients of the professionalisation contract are young people between 16 and 25 years of age, unemployed people aged 26 or over and beneficiaries of certain subsidies or insertion contracts. The aim is to offer a professional qualification and to promote professional insertion or reintegration. The wage cannot be less than 55% of the SMI for beneficiaries under 21 years of age and 70% of the SMI for beneficiaries aged between 21 and 26. The remuneration may not be less than 65% and 80%, respectively, when the beneficiary has at least a baccalaureate or equivalent vocational qualification. For employees aged 26 or over, the remuneration may not be less than 85% of the minimum provided for by the applicable collective agreement, nor less than 100% of the minimum wage (Direction de l'information légale et administrative, 2021, 2022a, 2022b).

This contract can be either fixed-term or open-ended. Its minimum duration is between 6 and 12 months, although it can be extended to 24 months. The duration of the training is between 15% and 25% of the total duration of the fixed-term contract, but never less than 150 h, or of the professionalisation action in the case of an open-ended contract. In addition, this type of contract allows for some exemption from employers' social security contributions (Table 7).

The results of this type of contract seem positive. The youth unemployment rate in France (15–29 years old) went from 19.1% in 2013 to 13.7% in 2022 (seasonally adjusted data). Without reaching the results of Germany, we can say that in France the reduction of youth unemployment is much higher than in Spain.

Since 1 March 2022, France has had the Youth Commitment Contract, which replaces the “1 youth, 1 solution” plan, which has provided a first training, internship, or job opportunity for almost three million young people. It is a contract for young people under 26 who are unemployed, undertrained, and undereducated, and can be extended to people with disabilities under 30.

The labour authorities estimate that half a million young people will benefit from this new employment integration programme. Under this contractual modality, a training support programme of between 15 and 20 h of vocational training per week is established, for which they will receive up to €500 per month. This payment will be linked to the level of family income, participation in the training programme and acceptance of job offers. The duration of the contract of up to 12 months can be extended up to 18 months in certain cases.

**Table 7** Basic characteristics of the professionalisation contract in France

Addressed to	Young people between 16 and 25 years of age. Exceptionally, they may be over 25.
Subject of the contract	To offer a professional qualification and promote professional insertion or reintegration.
Duration	Between 6 and 12 months, extendable to 4 months.
Training activity	The duration of the training is between 15% and 25% of the total duration of the fixed-term contract, but not less than 150 h, or of the professionalisation action in the case of an open-ended contract.
Salary	This may not be less than 55% of the SMI for beneficiaries under 21 years of age and 70% of the SMI for beneficiaries aged between 21 and 26. The remuneration may not be less than 65% and 80%, respectively, if the beneficiary has at least a baccalaureate or equivalent professional qualification.
Financial benefits	Exemptions from social security contributions.

Source: Ministry of Employment, Government of France (2023)

## Recommendations

Young people have been one of the hardest hit groups by the economic crises. The precariousness and high temporary nature of employment, inherent elements in many European countries, especially in the Spanish labour market, have a particular impact on those under 30 years of age.

Throughout this study we have analysed the actions implemented in three countries to combat high unemployment routes. From the results obtained, it seems that hiring incentives are not enough assets for the labour market.

As we have seen, for Spain, such measures are not sufficient and may even have negative side effects. It would be necessary to have other instruments to improve labour market indicators, as is the case with dual training in Germany. France has opted for a system quite like the Spanish one, but with better results than in Spain as it has lower unemployment rates. What seems clear is the need to link incentives with training programmes to improve the employability of vulnerable groups, as has been pointed out by the Independent Authority for Fiscal Responsibility (2019) in Spain.

However, there is still a long way to go in Spain, with both training contracts and internships for young people having been underused tools. In 2018, only 1.4% of young people eligible for a training contract signed one. Training is very important as it reduces the vulnerability of young people, and although its effect on employment is limited, its greatest achievement is the redistributive effect of reallocating employment opportunities, hence its importance (Escudero, 2018).

Moreover, there is a danger of turning these contracts into a way of obtaining less expensive labour, and not only cheaper but also more flexible because they are subsidised (Cueto & López, 2019).

The few econometric studies for Spain indicate that as the duration of contracts is extended, the possibility of success increases and the probability of getting a permanent job increases (De la Rica et al., 2019). Based on this same study, it seems that internship contracts are used by young people as a bridge while they look for a better job and companies see them as a method to reduce their labour costs.

Thus, the approach we recommend is to maintain training contracts, but without such an age limit, as has been done in other countries such as France and Germany. We are of the opinion that, although training usually comes within a younger age range, it is necessary that this commitment is made over a much longer period and not concentrated in a few years.

## Conclusions

Looking for a job is a complicated activity for any young worker, and it is particularly difficult in some countries, such as Spain, where there is an endemic rate of youth unemployment.

To mitigate this serious problem, European countries have been committed to implementing actions focused on offering young people a first job opportunity, with varying degrees of success. Undoubtedly, one of the most successful is Germany, with its dual training system, which has become a benchmark for many other states, although not with the same results as in Germany. However, the German model is not problem-free either, as has previously been stated. Moreover, the German model is immersed in an education system that does not

resemble the Spanish one, so that rather than thinking of the German model as a replacement, a complementary way of improving training for employment should be considered.

In other countries, such as Spain, the implementation and results of training contracts have been very modest, partly because of the high rates of youth unemployment and the shorter duration of contracts, which reduce their effectiveness. However, it is to be expected that the changes introduced after the last labour reform in March 2022 will allow for a significant change in the labour indicators for young people in Spain. By way of example, the first results show that in 2022 alone, the alternating training contract has increased by 35%. We will have to keep an eye on its evolution in the coming years to find out how good (or not) its application is.

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## Declarations

**Conflicts of Interest** The first-signing author of the referenced manuscript, on behalf of himself and all signing authors, declares that there is no potential conflict of interest related to the article.

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