

▶ Internships and Employability

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Overview

- Some basic issues concerning internships
- Which factors influence their effectiveness as a labour market integration mechanism
- Summary of key points and their implications

▶ **What is an internship?**

▶ No internationally agreed definition

Working description:

“an internship is an arrangement for the performance of work within a business or organisation, a primary purpose of which is to gain experience, skills and/or contacts that will assist the worker to gain employment or other work opportunities in the future, but which does not seek in a structured way to provide all the skills needed for a particular occupation,” (Stewart et al. 2021).

▶ 3 main types of Internship:

1. Internships which are linked to a course of **academic study**;
2. Work experience undertaken as part of an **Active Labour Market Programme**;
3. **Open Market internships**: work experience in firms or organisations which do not fall under either of the previous criteria.

Internships (traineeships) increasingly an integral part of the school-to-work transition

USA:

- 60% or more of students in each graduating class since 2013 participated in an internship
- c. 300,000 internships per year (USA)
- **40%** of internships are **unpaid** (60% paid)
- Around half of those doing internships do more than one



► **What makes for a good internship?**

Which factors determine positive post-internship outcomes?

► Some issues dealt with

- Internship programmes are sometimes – but not always - associated with an improvement of post-programme employment prospects as broadly understood – **which are better?**
- Paid internship programmes are clearly associated with better post-programme outcomes than unpaid ones: **Why?**
- Access to ‘better’ internships is also an issue: **To what extent do internships drive inequalities?**
- Scale: If everyone does an internship, **will the benefits of internship be reduced?**

▶ New evidence: Paid vs. Unpaid internships

- Confirms that **paid internships are associated with better post-internship labour market outcomes than unpaid ones**
 - It is the **fact of being paid**, rather than the size of payment, which matters
 - **Unpaid** internships often lead to outcomes which are worse than not participating on an internship – negative impact on wages & (more weakly) on chances of finding employment

▶ **& other characteristics of internships (beyond payment) are also associated with greater impact**

- **Internship duration** - need to last at least 3 months
- **Mentorship** during the internship is important
- **Insurance coverage**
- **Certification**

▶ The impact of internships also varies with a variety of other factors

- **Geographical/Institutional Context:** e.g. educational internships in the UK seem to be more effective than similar programmes in Italy
- **Individual Characteristics:** e.g. On average, young women seem to benefit more than young men from internships
- **Internships in large firms** seem to be (slightly) more effective

Other issues: Access & Scale

Access:

- Socio-economic background is an important determinant of access to better quality (paid) internships
 - Paying interns does not, in itself, guarantee access
 - Internships may lead to increased inequalities in youth labour markets

Scale

- Internships becoming increasingly ubiquitous
 - the competitive advantage accruing to interns is falling
 - Qualification inflation - e.g. half of US interns do more than one internship



Summary and implications



▶ **Main Point(s): Regulation is needed to ensure internships impart decent work experience**

- Internships effective when they impart and/or signal the possession of competencies
- **Formal, Structured Internships** are associated with much better outcomes:
 - Payment, mentorship, certification etc lead to greater positive impacts
- Issues of **Access** – more advantaged young people can more easily access better (paid) internships – inequality?
- **Scale** – as internships become (ever more) ubiquitous, there are dangers of qualification inflation
 - Relative advantage is reduced
 - Internship quality and associated competence acquisition becomes all the more important