

INTERNS REVEALED

A survey on internship quality in Europe



european
youth forum

Editorial team

Editor in Chief — Giuseppe Porcaro

Author — Inger Dyrnes

Editors — Santa Ozolina, Sara Ulfhielm

Copy Editors — James Higgins, Thomas Spragg

Graphic Design — Laurent Doucet

European Youth Forum

120, rue Joseph II

1000, Bruxelles

Belgium – Belgique

with the support of :

the European Commission

the European Youth Foundation of the Council of Europe



Education and Culture DG



COUNCIL
OF EUROPE
CONSEIL
DE L'EUROPE

ISSN : 2032-9938



2011 European Youth Forum

Contents

Abstract	5
1. A general overview of initial findings	7
1.1. Introduction	7
1.1.1. “Interns Revealed” – exploring internship quality	7
1.1.2. Intern Data - Who are the interns?	8
1.2. School credit points, available information and work places	10
1.2.1 Student interns and side-internships	10
1.2.2. Finding an internship – available information channels and work places	12
1.3. Cost, compensation, and intern motivation	15
1.3.1. Internship cost and compensation	15
1.3.2. Intern motivation and the quality of internships	19
1.4. Finding employment after the internship	22
1.4.1. Future prospects	22
2. A closer look at selected findings	23
2.1. Introduction	23
2.2. Repeated or one-off experiences - internship satisfaction and financial means	23
2.2.1 There are no systematic differences in nationality or age	23
2.2.2 Interns with many internships seem more likely to get paid and have a written contract	24
2.2.3. Those with many internships are motivated by lack of available jobs	24
2.2.4. There are no clear links between number of internships and professional sector or level of education	25
2.3. Student interns – when the internship is part of formal studies	26
2.3.1 Students who do an internship as a part of their education	26
2.3.2 Student interns rely more on traditional forms of educational financing	26
2.4. The side-interns – when the internship is not part of formal studies	26
2.4.1 Students who take up an internship next to their education	26
2.4.2 Side-interns are less likely to be hired by their host organisations but more motivated than student interns	27

2.5. The post-studies interns	27
2.5.1 Many continue as interns after completing their studies	27
2.5.2 Post-studies interns as satisfied as other interns and more likely to be hired	28
2.5.3 Un(der)paid post-studies interns rely on parents and savings	29
2.6. Who are the unpaid and insufficiently paid interns?	30
2.6.1 Un(der)paid interns are young and take up short-term internships	30
2.6.2 Un(der)paid interns are as satisfied with their internship as other interns	30
2.6.3 Un(der)paid interns need more external support but have the same motivation	30
2.6.4 Un(der)paid interns most often work in private companies or NGOs, or for public authorities	30
2.7. Intern Mobility	31
2.7.1 Interns are mobile and most of them go to the old member states	31
2.7.2 Mobile interns are better paid and find the experience more relevant for their career interests	32
2.8. The “sticking effect” – who turns their internship into a job?	32
2.8.1 Small variations between countries	32
2.8.2 Interns who are hired often receive sufficient pay and have a written contract during the internship	33
3. Youth transition from education to the labour market	34
3.1 Introduction	34
3.2 Labour market segmentation and its long-term impacts	34
3.2.1. Flexicurity policies and precarious employment	34
3.2.2. The cost of internships and labour market segmentation	35
3.2.3. Country comparison – Germany and the United Kingdom	36
3.2.3. The role of educational institutions	39
4. Conclusion	40
4.1. Key findings and recommendations for further research	40
4.1.1. Key findings	40
4.1.2. Possible topics for further research	41
Reference list	44

Abstract

A successful transition from education to employment is one of the key concerns of the young people in Europe, as they face increasing difficulties in finding a stable, decent job. Employment and the transition from education to the labour market is also one of the core priorities of the European Youth Forum (YFJ). Internships can contribute positively to this transition and are defined by the YFJ as “a form of learning in a real work situation which can either be part of a formal education programme or be done voluntarily outside formal education, with the aim of acquiring competencies through executing ‘real’ work tasks whilst being financially compensated and having access to according social protection.”¹ In conjunction with discussions over the final draft of the European Quality Charter on Internships and Apprenticeships², YFJ recently conducted a survey on internship quality and the results are presented in the following publication.

In this survey interns are divided into three main categories; student interns, who do the internship as an integral part of their studies; “side-interns”, who are students but whose internship is not part of their education; and post-studies interns, who have completed their education.

A number of general observations can be drawn from the survey. Most interns are in their twenties and internships typically last between 4 and 6 months. The majority of respondents have done one or two internships and the most common ways of finding an internship is by applying directly to organisations, searching on the internet, and making use of personal connections. With regards to the motivation for doing an internship, improving their CV and improving future job opportunities were the two most significant factors. Some also wanted to learn more about a particular organisation or field of work, or get first hand experience of working life. A high number of interns also cited a lack of available jobs as a motivation.

1. YFJ Opinion Paper on Internships 2009:3: http://www.youthforum.org/fr/system/files/yfj_public/strategic_priorities/en/0076-09_FINAL.pdf Retrieved 27.08.11

2. http://www.youthforum.org/index.php?option=com_content&view=article&id=1076%3Ainternships-across-europe-revealed&catid=25%3Anews&Itemid=30&lang=en Retrieved 27.08.11

The quality of the internship is a core concern of the intern, and takes precedence over other factors such as remuneration. Although three out of four respondents were insufficiently compensated and had to rely on parental support, savings, or other forms of external financial means, they seem more interested in the potential gains from the internship than its costs. An example is the internship satisfaction rates of the post-studies interns, which did not differ from the average despite the fact that they often received no or low pay and had more potential to be hired in entry-level positions. Some interns managed to turn their internship into a job afterwards, either with their host organisation or with another employer. However, these are still the minority and the data offers no firm conclusions as to whether those who have done internships in an organisation are more likely to find a job there than an external applicant.

In short, the results from this survey suggest that doing internships have become the norm for many young Europeans and that the costs associated with them are accepted as necessary to secure future employment. For this reason it is important to monitor and regulate internships in order to ensure high educational quality, adequate compensation, and the social security benefits that other workers enjoy.

I. A GENERAL OVERVIEW OF INITIAL FINDINGS

1.1. Introduction

Internships and apprenticeships are meant to provide young people with the opportunity to gain work experience or use formally acquired skills in a practical setting. They should have educational value and add to the competencies of the intern or apprentice. Despite this, there is evidence to suggest that young interns are, to an increasing extent, acting as extensions of, or replacements for, regular staff. The lack of a regulatory framework setting clear standards for working hours, remuneration and the educational quality of internships often makes them an uncertain experience. If the educational quality and level of compensation is unregulated and left to personal or organisational digression, the added value of doing an internship cannot be assured. Furthermore, the lack of guidelines can make it challenging for host organisations to streamline and clearly communicate the conditions on which they offer internships.

1.1.1. “Interns Revealed” – exploring internship quality

In order to explore the quality of internships offered in Europe today, the European Youth Forum (YFJ) has conducted research in the form of a survey targeting current and former interns. Respondents were asked to give information on their personal background, the number of internships they have done, their financial means and motivation. They were questioned about how they discovered the internship, which sector they worked in, whether they had a written contract and whether they received remuneration. Respondents were also asked to rate specific aspects of their internship experience and about expected outcomes.

The survey was made available online from April to July 2011. It was distributed to member and partner organisations of the YFJ, relevant educational institutions, trade unions, recipients of YFJ press releases via e-mail, and followers on a variety of social media websites. The survey was also promoted at YFJ events and statutory meetings. Of the 3791 who accessed the survey, 3028 completed it. These 3028 are hereafter referred to as “the respondents”.

Due to limited resources the survey was mainly distributed through youth networks to young people that are involved with youth organisations. This has some implications on how the results should be interpreted. Because those who have a relation to the YFJ or one of its member organisations are more likely to have discovered the survey, the results will have some degree of self-selection bias. For this reason, the general characteristics of the whole population, which in this case is all European interns, cannot be reconstructed.

Still, the survey enables analysis of a considerable number of European interns. Beyond basic comparisons of interns characteristics, which are likely to be skewed, there are interesting patterns to be noted. Moreover, results that are not related to all respondents but based on careful aggregation of selected individual responses are likely to give a more accurate picture of reality³. Hopefully this paper will contribute not only to the development of internship regulations but also inspire further research on the issues raised over the following pages.

1.1.2. Intern Data - Who are the interns?

Of the 3,028 respondents, the majority (66%) are from what is known as the “old” European Union (EU) Member States, i.e. those that were Members prior to the enlargements of 2004 and 2007. Six

countries make up over half the survey population, with Germany (13%), Italy (11%) France (10%) being the largest contributors, followed by United Kingdom (7%), Spain (6,5%) and Romania (6,5%). Although current and former interns from more than 70 countries worldwide took part in the survey, respondents from non-European countries account for less than 5% of the population, making this first and foremost an account of European interns’ experiences.

An overwhelming majority of respondents were below the age of 25 while working as an intern. Just over 50% of the respondents were between 21 and 25 years old and almost 40% were between 16 and 20 when completing their first internship. 35% have done one internship while 28% have done two. 9% of the respondents reported to have completed five or more internships. To obtain responses about a specific internship experience, respondents were asked to answer the rest of the survey using their current or most recent internship as a reference. The illustration below shows the respondents’ age at the time of their current or most recent internship.

Most internships were of short or medium duration; 40% of respondents stated that their internship lasted between four and six months. Only 14% of internships extended beyond six months. Around half of the respondents travelled to another country to do the internship and a large majority

3. Comparison between interns with certain similar characteristics enables analysis that is not affected by the proportion of those interns among all respondents. Although there might still be some self-selection bias, it will be reduced by the fact that intern characteristics that are likely to be over-represented (such as mobility or internships undertaken in Brussels) will be either a prerequisite for being included in the comparison, or lead to exclusion from it.

How old were you at the time of your most recent/current internship?

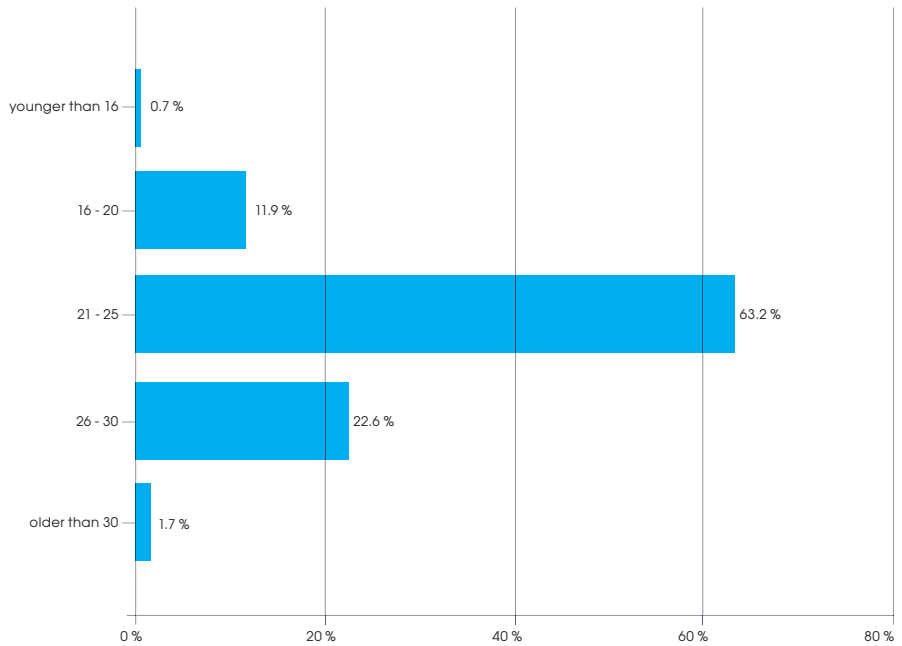


Illustration 1: Intern age during current or most recent internship

(70%) moved to one of the old EU member states. Including those who did not move abroad, 25% of all respondents did their internship in Belgium⁴, while the second and third largest host countries were France (9%) and Germany (8%). Finally, it should be noted that 8% of the internships took place in various non-European countries.

1.2. School credit points, available information and work places

1.2.1 Student interns and side-internships

Many of those who undertake internships do so in order to fulfil criteria for receiving academic degrees. 43% of the respondents did the internship as a part of their studies and about 70% of these received school credit (for example ECTS) for their efforts⁵. In some cases internships are required as a part of an academic degree but give no additional credit. The majority (62%) of the student interns completed the internship while pursuing higher academic education.

As for the respondents whose internship was not part of their studies, most of these (55%) had completed their studies when doing their internship. However, 37% were still enrolled as students and did the internship at the same time as their studies. This indicates that many students and

graduates find internships useful or necessary additions to a formal education, regardless of whether they give school credit. Those who had completed their education when taking up the internship are hereafter referred to as “post-studies interns”. Those who did the internship next to their studies but without it being a part of their education are referred to as “side-interns”.

It is outside the scope of this paper to examine whether being a side-intern has any effect on the study results or prolongs the time spent in education or training. Still, it is a legitimate question to pose, as full or even part-time studies may be difficult to combine with internships. A natural follow-up to this question would be to ask why some students choose to do internships if it is not a part of their studies and they do not receive credit for it. One possible explanation is that they are unable to do an internship without taking up a student loan or using other financial resources they have access to as students⁶. Another possibility is that they find it necessary to complement their education with practical experience. Both explanations raise important issues about who has access to internships, what function internships have, and how they affect the chances of finding employment.

4. Belgium represents a special case as YFJ is based in Brussels and the self-selection bias is assumed to be particularly strong for figures concerning internships in Belgium. This is also likely to influence the share of interns travelling to old member states (70%). In reality, this number is probably lower.

5. Although most countries represented in the survey have introduced the European Credit Transfer System (ECTS), there may still be old or transitional school credit arrangements in place that distort this figure.

6. Many interns are full or part-time students and some may use their educational financing to do an internship. Respondents were not asked to specify this.

% of interns by education level

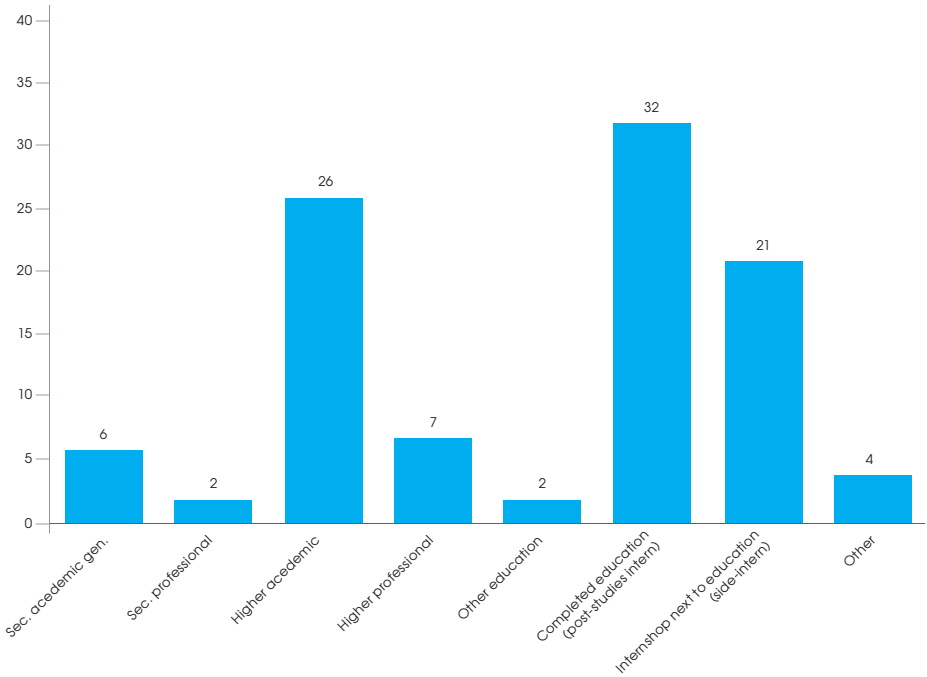


Illustration 2: Level and type of education for all respondents

1.2.2. Finding an internship – available information channels and work places

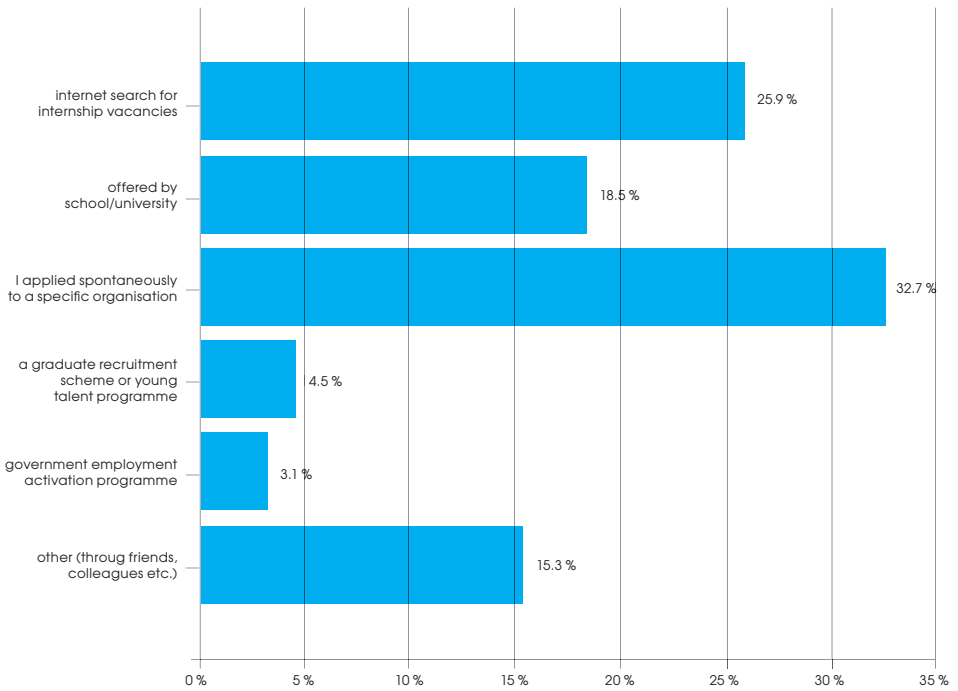
There is no set rule as to how internships can be found and applied for. Respondents were asked about how they found their respective internships and results show at least three approaches frequently used. 33% of the interns applied spontaneously to their host organisation, 26% searched for internships online, and 18% were offered the internship by their schools or universities. Graduate recruitment schemes, young talent programmes and government employment activation programmes accommodated less than 8% of the respondents, while just over 15% stated that they had used other methods. The additional remarks of the latter group reveal that many found internships or at least learned about the opportunity through friends, colleagues, or acquaintances.

With regards to where the internship took place, respondents are evenly spread out over various sectors of the labour market, including private for-profit companies (27%), non-governmental organisations (25%), public authorities on a national, regional or local level (22%), and intergovernmental organisations (21%)⁷. Around 5% stated that none of these categories accurately described their host organisation. The additional comments from this group imply that many of them did internships with international organisations such as the United Nations or in one of the European Union institutions.

With regards to the interns in private for-profit companies, 10% worked in sales or marketing, 9% for business or financial enterprises, 7% with public relations and 6% in journalism. A significant 20% specified their host organisation in writing and many of these did internships with consultancy firms.

7. This figure is an aggregate of the category "intergovernmental organisations" (16%) and a rough headcount of responses in the "other" category (150 respondents, 5%). As these internships in general are quite rare, this figure is likely to be too high to give an accurate picture.

How did you find the internship?



1. A general overview of initial findings

Illustration 3: How internships were found

The sector in which the internship took place

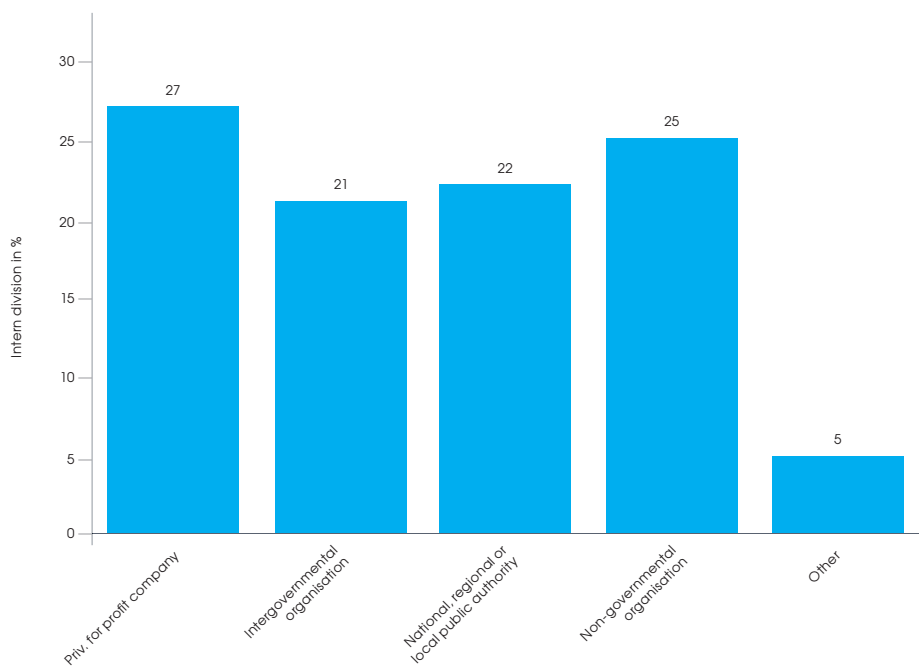


Illustration 4: The sector in which the internship took place

1.3. Cost, compensation, and intern motivation

1.3.1. Internship cost and compensation

A significant amount of internships were unpaid and many interns work without a formal, written contract to protect them. For this reason, it is important to know the rights interns are granted while working for their host organisation, the degree to which they are compensated and how they support themselves financially while the internship takes place. 75% stated that they had a written contract with their employer and just over half (51%) were paid. Of those who received some form of remuneration, 49% had their living costs covered and 6% had some living costs covered. However, the remaining 45% of those who were compensated found the remuneration insufficient to cover day to day expenses.

Respondents who were not compensated were asked whether they had been given a reason for this by their host organisation. Although no thorough content analysis has been undertaken to explore the answers given, a handful of explanations seem more frequent than others. Some worked for non-governmental organisations with limited budgets, while others did the internship as an integrated part of their studies and took up a student loan. In contrast, some worked for large international organisations where internships are unpaid as a general rule. Moreover, a large proportion of respondents were given no specific

reason as to why they were not paid. In general, it seems that host organisations do not take the financial constraints or relevant work experience of each intern into consideration when deciding on levels of compensation. Rules for compensation seem to be set regardless of the personal qualifications of the intern.

In total, about 25% of the interns surveyed were able to make ends meet with the compensation they received from their host organisation. For those who do unpaid internships or are insufficiently compensated, access to some form of external funding is therefore crucial. Illustration 5 shows how unpaid or insufficiently paid interns financed their internship. Although many had personal savings (35%) or a scholarship (20%), it is clear that parental support is very important and an overwhelming majority received financial support from home (65%).

Financial means for insufficiently compensated interns

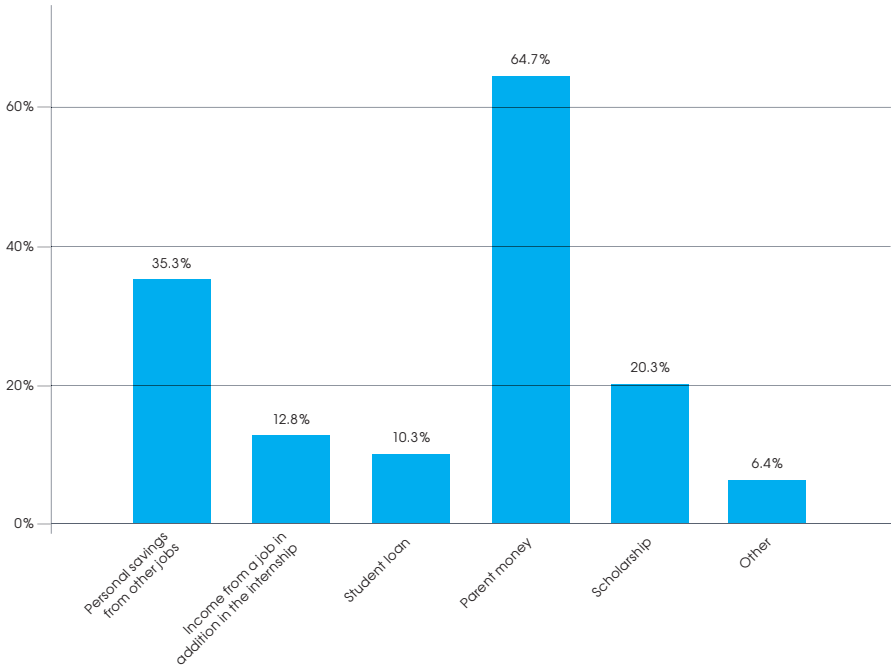


Illustration 4: The sector in which the internship took place

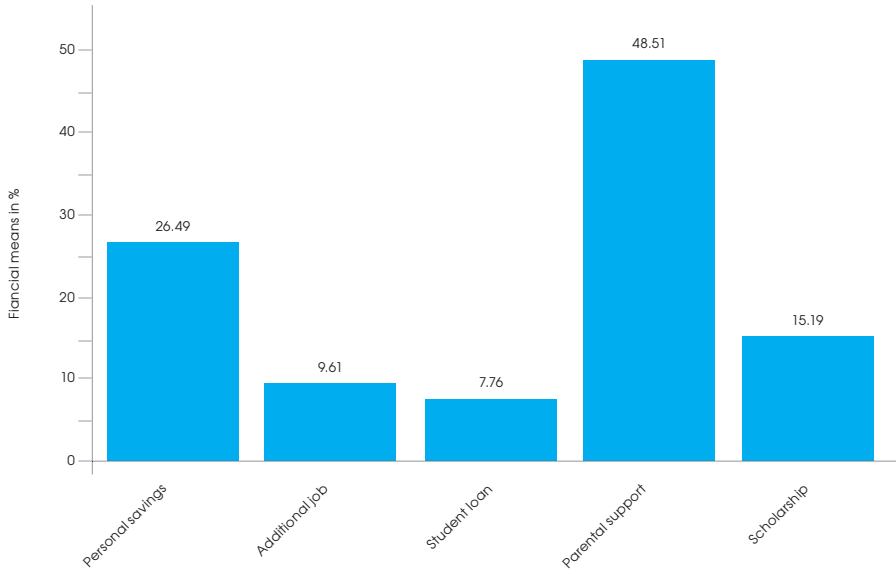
I. A general overview of initial findings

The illustration above shows how interns who were insufficiently compensated made ends meet. However, to give a better picture of the share of interns who rely on external financial support, these figures have

been recalculated to include all respondents, also those who received sufficient compensation⁸. These figures are shown in illustration 6.

8. The relationship between the different sources of financial support is still the same but because interns who did not use or need external financial support are included in ill. 6, these figures are lower than in ill. 5.

All interns financial means



I. A general overview of initial findings

Illustration 6: Financial means for all interns

There are some differences in how interns of different age groups finance their internship. Younger interns (16-25) tend to rely more on parental support and seem more likely to have a scholarship or student loan.

In comparison, the older interns more frequently use personal savings or have an additional job.

Financial means per age group

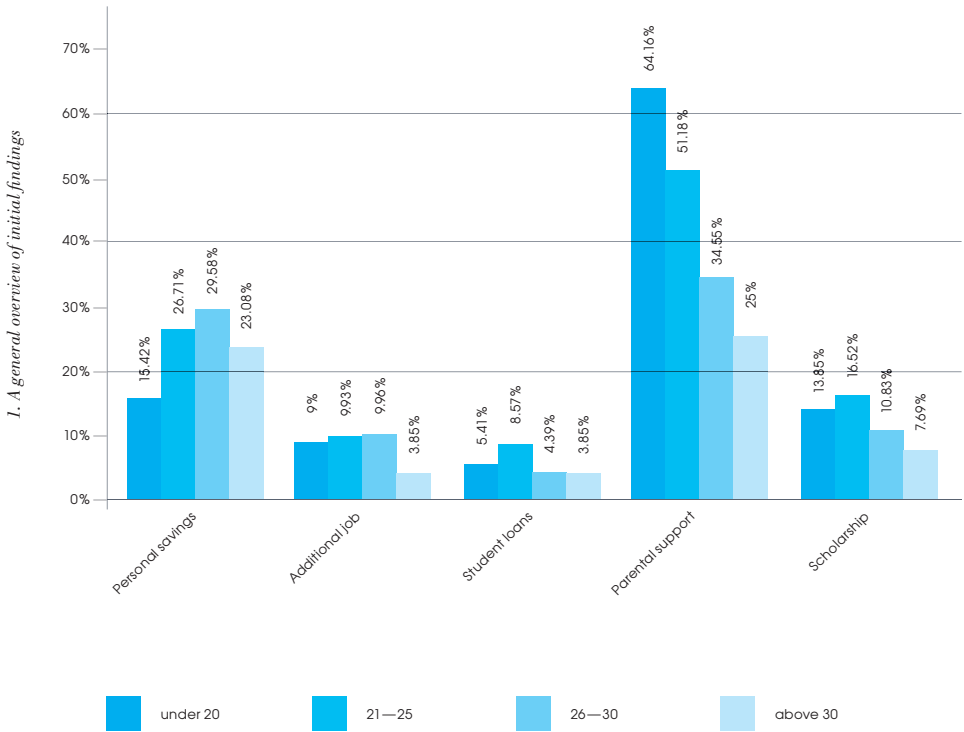


Illustration 7: Financial means per age group

1.3.2. Intern motivation and the quality of internships

“Although not paid, it was a great experience. I got to know a lot of new and interesting things and met wonderful people. I’m sure, this will help me in future if not to find a job than at least to get an idea of what I want and can.”

(Intern in an intergovernmental organisation)

The survey also examines why young people choose to do internships. Respondents were able to select a number of different motivational factors in order that the survey could fully quantify the combination of different factors. 77% of the respondents listed improved CV or job chances as motivation for being an intern, 42% wanted to see if they would like to work in the specific field their host organisation was involved in, 34% were hoping to learn more about their host organisation and 23% wanted to get a first idea of what work life is like. Additionally, 19% chose to do an internship because they could not get a job and 14% did it as a mandatory part of their studies.

Doing an internship is associated with cost, be it actual living costs or the cost of postponing regular employment. From the cost-benefit perspective, it is therefore useful to know how satisfied interns were with their experience. Respondents were asked about their satisfaction with four specific aspects

of the internship; mentor performance, relevance to field of study, relevance to career interests, and level of compensation.

The majority of respondents rated their mentor’s performance as excellent (21%) or good (34%), while only 18% found their mentor to do less than satisfactory or not satisfactory work. As for relevance to respondents’ field of study, more than half found their experience to be good (34%) or excellent (21%) and only 6% found it not satisfactory. Respondents showed largely the same tendencies with regards to relevance for career interests.

“I learned more than I had learned during my 4 years at university.”

(Intern in a design company)

Less than one in four found the level of compensation excellent (7%) or good (16%), and 29% were not satisfied with it. 8% gave no rating of mentor performance and 9% chose not to rate the level of compensation. The lack of response could be due to the fact that not all interns have a mentor. Moreover, some respondents may have chosen not to rate their level of compensation because they did not receive any.

Motivational factors

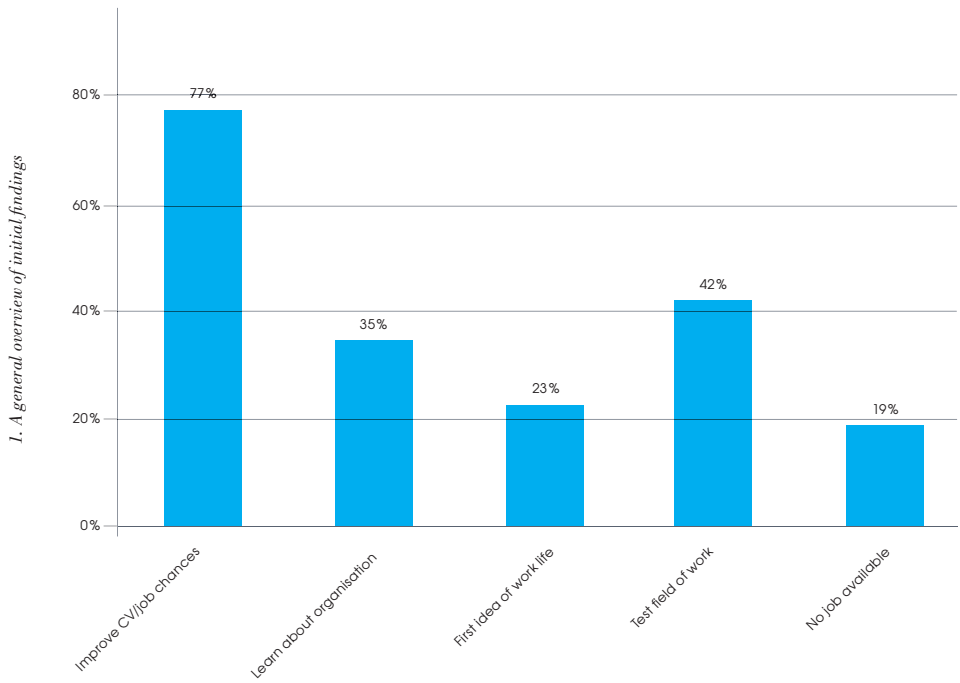


Illustration 8: Motivational factors

Please rate the following aspects of the internship experience :

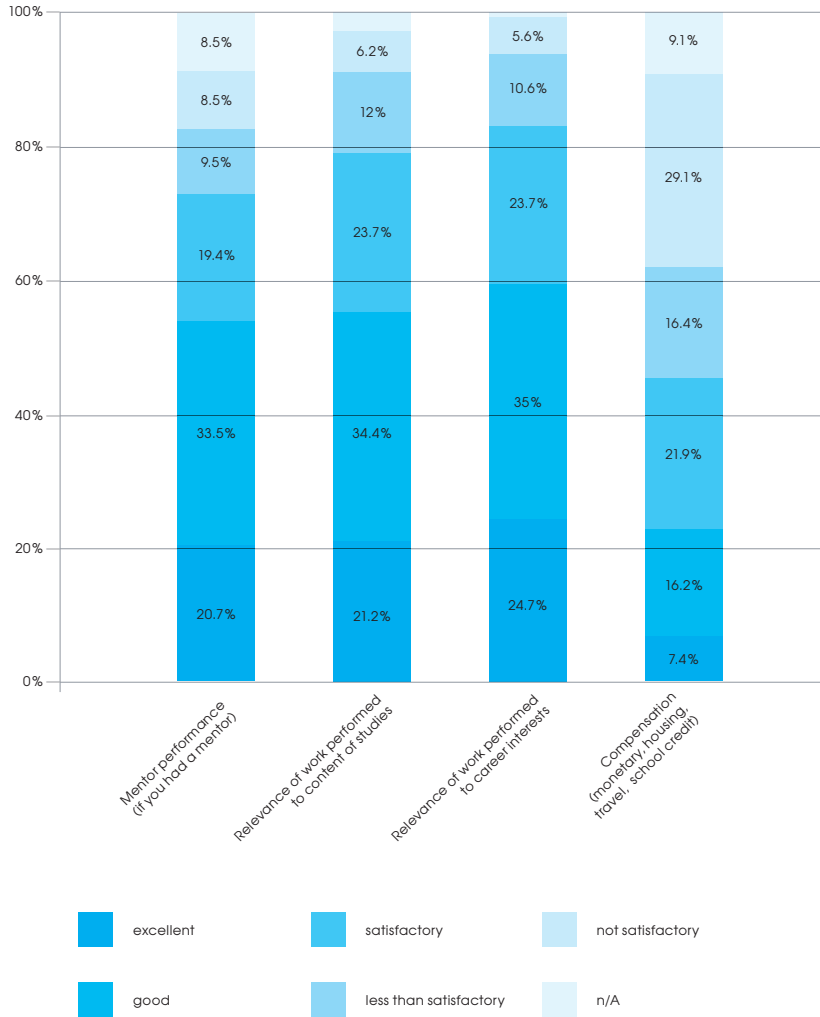


Illustration 9: Ratings of internship satisfaction

1.4. Finding employment after the internship

1.4.1. Future prospects

Finally, respondents were asked about how the internship affected their job chances with the same or another employer. 16% were offered a job with the host organisation as a result of their internship, while 18% were offered a job elsewhere and a significant 30% expect that it will help them find work with another employer. This suggests that far from all internships lead to employment. Still, it should be considered that not all interns are looking for work⁹ and that some respondents probably could not tell because they were still interns when filling out the survey. Taking this into consideration, the prospects of finding employment as a result of an internship are relatively good. Moreover, some employers have regulations which prevent them from hiring interns as regular staff up to six months after the internship has been completed, or state that interns are not allowed to apply for regular positions in the organisation.¹⁰

9. For instance, if they are still students.

10. One example of this practice is the United Nations: <http://www.un.org/Depts/OHRM/sds/internsh/htm/faqs.htm#extension>

2. A CLOSER LOOK AT SELECTED FINDINGS

2.1. Introduction

Placing internships on the political agenda and advocating the need for a regulatory framework around them requires concise knowledge about their function and added value. It also requires an understanding of the costs associated with taking up internships. In this chapter, selected survey findings are examined closely to show how the costs and benefits of internships affect young people's chances in the labour market, who has access to them, and who benefits the most from them. Moreover, to enable analysis of relevant intern characteristics, the interns are broken down into groups, distinguishing the student interns, the side-interns, the post-studies interns, the un(der)paid interns¹¹ and finally, those who found employment as a result of the internship. The figures in this chapter, as in the previous, are descriptive and show patterns rather than establish conclusions.

2.2. Repeated or one-off experiences - internship satisfaction and financial means

2.2.1 There are no systematic differences in nationality or age

63% of respondents did one or two internships¹², while the remaining 37% completed 3 or more¹³. The majority of interns from France (51%), Austria (62%) and particularly Germany¹⁴ (65%) have done many internships, while the share is considerably lower for most other countries, including Italy (39%), Spain (38%), and Romania (22%). Age does not seem to play a significant role and those who did many internships are as expected slightly older. This confirms that doing many internships is a time-consuming exercise.

11. Un(der)paid interns refers to the unpaid or insufficiently paid interns, which together make up 75% of the respondents.

12. Hereafter referred to as "few internships".

13. Hereafter referred to as "many internships".

14. Omitting the largest respondent country Germany would reduce the average figure to 33%, which corresponds better with aggregates of remaining country figures. However, omitting more than 10% of the survey population would create other and more serious bias and Germany is therefore included.

2.2.2 Interns with many internships seem more likely to get paid and have a written contract

Respondents with many internships displayed roughly the same level of satisfaction with mentor performance as those with few. They seem slightly more satisfied with the internship's relevance to field of study and career interests but are less satisfied with the level of compensation. Still, those with many internships are more likely to be paid (56%) than those with few (47%).

“I really enjoyed the internships that I did. Even though many (especially public sector) were unpaid, the experience was worth it. I made enough money in my private sector internships to pay for the other ones. Getting the chance to work in a place for a very short period (3 months) is very valuable and might not be of great benefit for the company. So it's in a way normal that they don't pay much.” (Intern who did more 5 or more internships)

With regards to the compensation of experienced and less experienced interns, there is one important point to note. Although one could expect that the former are more likely to be sufficiently compensated¹⁵, it seems there is no difference between the groups when looking only at the interns who were paid. This result indicates that although being an experienced intern might

make it easier to get a paid internship, the levels of compensation seem to be set regardless of educational status or personal qualifications. Some organisations are in other words able to take on relatively experienced interns and pay them a fixed sum that has little or nothing to do with the competencies of the person in question. Moreover, those with many internships are not more likely to be hired than those with few.

“Being an intern I was not appreciated and it meant that I had less opportunity to do things. I was mentoring someone who was paid full time. The position I took should have been filled by an experienced full time person” (Intern in NGO)

2.2.3. Those with many internships are motivated by lack of available jobs

Those with many internships more often than those with few did an internship because they could not find a job (28% and 13% respectively). The first figure is much higher than the average of 19% and implies that there is a group of experienced interns who continue with internships because they cannot find a job¹⁶. It follows from this that those with many internships on average are less interested of getting a first idea of work life than those with few

15. At first glance it seems that they are. However, figures including all respondents holds a high number of unpaid interns with few internships (33% belong to this category). Therefore, it makes more sense to compare only the paid interns (51% of all respondents).

16. This is also examined in part 2.5.

(28% and 16% respectively). Beyond this, there are no notable differences in motivation between the groups.

“It is frustrating to work for free and basically be doing the same as everybody else. On the one hand you learn a lot - no doubt- but on the other hand it does not support the idea of social equality, as those who cannot afford to do an unpaid internship do not have the same job opportunities.”
(Intern in an intergovernmental organisation)

2.2.4. There are no clear links between number of internships and professional sector or level of education

There is no clear pattern explaining in which sectors those with many and few internships gain their experience and whether there are differences between the groups. Furthermore, as this is a cross-sectional analysis where interns are asked in detail about only their current or most recent internship experience, it is outside the scope of this paper to look for these patterns. Respondents with many internships most frequently reported to be interns in private for-profit companies and non-governmental organisations (both 24%). However, the sector with the highest share of interns with many internships was

intergovernmental organisations, including the European Union and United Nations. This implies that there are relatively few internships available in this sector and that they go to applicants who already completed a high number of internships.

Those with few internships most frequently reported to be interns in private companies (30%), non-governmental organisations (25%), and public authorities (23%). Private companies and public authorities had the highest amount of interns who had not done an internship before or who had only done one or two (68% and 67% respectively). These figures indicate that private companies and public authorities may have more internship opportunities or do not have as fierce competition for internships as intergovernmental organisations. It could also be a sign past internship experiences are not valued as much when applicants are reviewed.

2.3. Student interns – when the internship is part of formal studies

2.3.1 Students who do an internship as a part of their education

43% of the respondents did their internship as a part of their formal studies and about 70% received ECTS or other school credit for it. A clear majority of these (77%) were pursuing higher academic or professional education, while 17% were enrolled in secondary education, either professional or academic¹⁷. The data indicate only small differences between the two groups. Student interns in secondary education seem more likely to do their internship for public authorities or a private company, while those enrolled in tertiary education more frequently travel abroad or do their internship in an intergovernmental organisation¹⁸. Also, the former is more likely to have their internship organised through their school and less frequently receive ECTS or other school credit for it. None of these findings are surprising, as interns enrolled in secondary education are likely to be younger and less mobile than their counterparts in tertiary education.

2.3.2 Student interns rely more on traditional forms of educational financing

Student interns to a higher degree rely on scholarships (22%) and student loans (12%) than the average intern (15% and 8% respectively). Also, student interns more frequently receive parental support (54% compared to 49%). Beyond this, there are no systematic differences in financial means.

2.4. The side-interns – when the internship is not part of formal studies

2.4.1 Students who take up an internship next to their education

One of the main interest points for the YFJ are unpaid internships that take place during academic study but are not a formal part of the educational process. If the internship is a mandatory part of the studies and gives ECTS credit, it can be seen as part of the education. Furthermore, students can be assumed to have access to financial means such as student loans or scholarships to cover their costs, and survey findings indicate that they usually make use of this opportunity.

About 20% of the respondents did the internship next to their studies but without it being a formal part of their education¹⁹.

17. Typically high school/secondary level education aimed at preparing students for further education. Vocational training is listed under the category "secondary professional education". However, only 4% of the student interns fell into this category. This is probably due to the fact that students in vocational training more often take on long-term apprenticeships and not the typical short-term internships.

18. As previously mentioned, the share of those who did their internship for an intergovernmental organisation is likely to be skewed as YFJ is based in Brussels, which also hosts many EU organisations as well as NATO.

19. These interns were not asked to specify the type of education they were enrolled in at the time of the internship.

The majority of these interns (also referred to as side-interns) are in their early twenties (56%) and most have done 1 or 2 internships before. The majority report that their internship was 2-3 months (41%) or shorter (18%), and 42% travelled abroad²⁰. Furthermore, 33% in this group worked for a non-governmental organisation.

2.4.2 Side-interns are less likely to be hired by their host organisations but more motivated than student interns

This group seems slightly less likely to be hired by their host organisation (7% less) or another employer (4% less) than those who did the internship as a part of their studies. They do however record higher motivational factors. They are more interested in improving their resume (83% compared to 72% of student interns), learning about their host organisation (40% compared to 33%), and testing a specific field of work (51% compared to 43%). Side-interns, like student interns, did not list lack of available jobs as a significant motivational factor²¹. Moreover, there are no significant differences between the two groups with regards to levels of satisfaction or reliance on parental support.

“Good internships are very likely almost real jobs. If you really want to learn something, you have to work.”
(Intern who did 4 internships)

2.5. The post-studies interns

2.5.1 Many continue as interns after completing their studies

Of those whose internship was not part of their studies, more than half (55%) had completed their studies when taking up their current or most recent internship²². A significant 45% of these have done 3 or more internships. This figure suggests that 15% of all respondents, while having already done an internship during their studies, actually continue doing internships after their studies²³. Furthermore, despite post-studies interns being more likely to get paid than other interns, 33% were not compensated at all and 40% of those who were compensated had only some living costs covered or received an insufficient stipend. In total, almost half of all post-studies interns (49%) are unable to get by on what they make from their internship.

“There is an extreme competition to get an internship. People are very well prepared, and the requirements to get an internship are equally high as to get a real job.”
(Post-studies intern for public authorities)

20. Some of these internships may have taken place during summer breaks from school, making them even more detached from formal education.

Respondents were not asked to specify this.

21. The figures for student- and side-interns are 7% and 10%, well below the average of 19%. The respondents were not asked to specify the kind of job they could not find and it is possible that some student interns took up an internship instead of a part-time job.

22. Post-studies interns make up 32% of all respondents in this survey.

23. It is possible that these respondents have completed 3 or more internships after their studies. Either way, it is problematic if they go through numerous internships with no or low pay before they achieve regular employment.

2.5.2 Post-studies interns as satisfied as other interns and more likely to be hired

Interestingly, post-studies interns are not less satisfied with their experience than other interns. One could perhaps expect that those who have completed their education would demand more from an internship in terms of compensation. However, except for a slightly higher share of respondents not satisfied with mentor performance, this group does not differ from the average or the student interns. This figure implies just how common it is to take up an internship before moving into regular employment. Young people who finished school have been traditionally viewed as being ready to start their professional life in a paid position. Instead, many seem more concerned about the quality of the internship than its actual cost. It seems that working for no or little pay as an intern for many educated young people has become the norm.

Post-studies interns are not more likely to be hired by their host organisation than the average intern but seem a little more successful in getting a job somewhere else as a result of their internship experience (31% compared to 26% of the average). Furthermore, they are considerably less interested in testing a specific work field or getting a first idea of professional life than the average. This can be seen in connection with the figures above, showing that many post-studies interns have already completed a high number of internships. Also, post-studies interns are older than the average and may already have found the field

they would like to work in. 42% of post-studies interns are above the age of 26, compared to 24% of the total number of respondents.

33% wanted to learn more about their host organisation, while 80% listed improving their CV and future job prospects as a motivation for taking up the internship. The latter figure confirms how important internships are for building a resume and securing employment in the future. However, what is most noteworthy about the motivation of post-studies interns is that 40% did an internship because they could not get a job. Only 19% of all respondents listed this as a factor²⁴.

Based on these figures, it is evident that internships take on multiple functions. On the one hand, they play an important role in providing youth with the practical skills they need to complement their formal education and break into the labour market. On the other hand, internships represent the often unpaid or underpaid middle ground that young people are forced to turn to when real jobs are scarce – in the hope that doing one makes them more attractive to potential employers. Leaving internships unregulated and up to host organisations to define, clearly opens young labour market entrants to exploitation.

24. It should be noted that this figure includes also those who are not in the market for a regular job and could be higher in reality.

2.5.3 Un(der)paid post-studies interns rely on parents and savings

The majority of post-studies interns, although more likely to get paid than the average, are still dependent on external financial resources. They are in general slightly older than the average; 95% of post-studies interns are in their twenties, compared to 86% of the all respondents²⁵. As expected, only a few rely on the traditional ways of educational financing, such as scholarships (6%) and student loans (2%). Furthermore, 37% of post-studies interns have parental support. Post-studies interns are no more or less likely to rely on savings or an additional job than other interns. However this data includes all post-studies interns. Looking only at those who do unpaid or insufficiently paid internships, it is clear that parents and personal savings are very important. 61% of the un(der)paid post-studies interns rely on parental support, while 46% use personal savings to get by. 15% have an additional job.

Although having parental support at this age is not unusual, it should be a societal concern that so many post-studies interns still rely on it. According to these figures, having completed formal education is no guarantee for finding regular employment or even get a sufficiently paid internship²⁶. Over time this can potentially send a strong signal to young people considering whether

to invest time and money in higher education. If it is perceived that third level education will bring limited value in the search for stable, decent employment this will work against the European Commission target in the Europe 2020 strategy for economic growth which aims that 40% of 30-34 years olds will have completed tertiary or equivalent education by the year 2020²⁷. The most concerning factor is that if doing a certain amount of internships after completing education is considered a prerequisite in order to be considered eligible for a first job, the chances for young people to achieve autonomy and lead stable and fulfilling lives is significantly reduced.²⁸

“Employers know they can get away without paying interns a thing because graduates “need” the experience, and as a result employers expect someone starting an entry level job to know everything on their first day. In the past graduates were employed for their POTENTIAL, and their ability to learn quickly, not PROOF on their CV that they can hit the ground running.”
(Intern who did 4 internships)

25. This is not surprising, as 13% of all respondents are below the age of 20. The majority of interns are enrolled in tertiary/higher education and relatively few complete this while still in their teens.

26. Respondents in this survey were only asked about conditions and consequences relating directly to their current or most recent internship. In the long run, those who completed a tertiary education are more likely than others to find secure employment. They also earn higher wages.

27. The current share is 31% (<http://www.youthweek.eu/european-youth-week/future/>) Retrieved 27.08.11

28. YFJ Policy Paper on Youth Autonomy 2004:4

2.6. Who are the unpaid and insufficiently paid interns?

2.6.1 Un(der)paid interns are young and take up short-term internships

Young interns are overrepresented among those who take up internships with little or no pay. In total, 75% of all respondents got no or insufficient compensation, but it affects over 85% of those below the age of 16 and almost 80% of those between 16 and 20. In comparison, 58% of those above 30 receive no or little remuneration. The data does not disclose whether older interns are offered better terms, or if they enjoy better opportunities on the labour market and for that reason can be pickier²⁹. Interns who do their internship in the new Members States are slightly more likely to receive no or insufficient pay than those working in the old member states. Of the countries with high numbers of respondents, Romania hosts the highest share of unpaid or under-paid interns (90%), while Belgium has the lowest (59%)³⁰.

2.6.2 Un(der)paid interns are as satisfied with their internship as other interns

The interns in this group more frequently take on short-term internships and are naturally much less satisfied with the level of compensation than their paid counterparts and the average intern. However, they do not differ significantly from the average when comparing satisfaction levels related

to other aspects of the internship experience. This implies that no or little pay is not clearly correlated with poor quality of other aspects of the internship. Moreover, as 75% of all respondents receive no or little pay, providing insufficient compensation seems to be a systemic flaw rather than the practice of a small number of internship providers. The high incidence of written contracts between interns and host organisations (75%) confirms that this is an accepted practice and does not come under legal scrutiny.

2.6.3 Un(der)paid interns need more external support but have the same motivation

As expected, this group needs more of all the listed external financial resources than the average intern. Doing an internship which does not pay enough to make ends meet does of course make the intern dependent on additional financial means to survive. Still, unpaid or insufficiently paid interns do not differ from others respondents with regards to their motivation.

2.6.4 Un(der)paid interns most often work in private companies or NGOs, or for public authorities

The un(der)paid interns are mostly found in private for-profit companies (28%), NGOs (27%) or with public authorities (23%). These figures do not differ significantly from the average and shows that the culture of paying interns insufficiently (or not at all) is widespread and that even

29. Data presented in part 2.2.2 suggest that interns' personal qualifications have little influence on how levels of compensation are settled, which supports the latter explanation.

30. Belgium represents a special case in this survey as an important host country for interns and the YFJ headquarters. This figure is therefore likely to be skewed.

public authorities take on interns without providing what respondents deem as sufficient compensation. It is indeed problematic if European governments simultaneously commit on EU level to battle social exclusion³¹ and help sustain undesired social patterns by allowing only those who can pay for themselves to gain valuable work experience by doing an internship for a public office or institution. This can make it less appealing for private for-profit companies and other non-governmental organisations to restructure their internship guidelines if law-makers themselves do not set a good example.

“As a leading UK think tank running projects on youth unemployment and employability skills for graduates, it was a bit hypocritical that they did not pay their interns. Because of this supply of free skilled labour, they tend not to offer graduate/entry-level paid positions in the organisation, and focus more on middle and senior-level recruitment.”
(Post-studies intern)

2.7. Intern Mobility

2.7.1 Interns are mobile and most of them go to the old member states

According to a recent Eurobarometer survey, “53% of young people in Europe are willing or keen to work in another European country”³², although the actual number of young workers abroad is much lower due to financial constraints. Still, this implies that young people are more mobile than the labour force as a whole, as less than 3% of European workers are currently living outside their home country. More than half of the interns surveyed travelled abroad to do their internship. Most of them travelled to old member states, in particular Belgium³³ (41%), France (8%), Germany (6%) and the United Kingdom (5%). The new member states, and also small states with low numbers of respondents, had very high rates of transnational mobility. However, in most cases respondent numbers for each country are too low to give any indications of whether this is a trend or not. Of the old member states, Germany (63%), Spain (59%), Italy (58%), and France (53%) had high rates of mobile interns, while in comparison, only 25% of Belgian interns and about 33% of British respondents moved abroad to do their internship. It seems there is no link between hosting many interns and having a mobile intern stock.

31. Reducing the number of people at risk of being poor and socially excluded by 20 million is one of the key targets in the EU 2020 strategy: http://ec.europa.eu/europe2020/targets/eu-targets/index_en.htm Retrieved 27.08.11

32. <http://ec.europa.eu/social/main.jsp?langId=en&catId=956&newsId=1026&furtherNews=yes> Retrieved 27.08.11

33. Belgium is host to many international organisations, including the European Union and NATO. Also, YFJ is based in Belgium, which may cause self-selection bias. For the same reason, the share of interns who travelled abroad is likely to be considerably lower in reality.

“Each internship that I had gave a possibility to understand the work in a particular field. It is a pity that the university makes it much more difficult to apply to internships abroad.” (Intern who did not travel abroad to do the internship)

2.7.2 Mobile interns are better paid and find the experience more relevant for their career interests

Interns who move abroad are less likely to have a job to support them next to the internship, but are more likely to have savings to rely on. They less frequently receive parental support but more often have a scholarship. Those who travel abroad seem considerably more likely to be sufficiently paid than those who stay at home (31% and 19% respectively) but these results could also imply that those who receive sufficient compensation are more willing to go abroad. Finally, those who travel abroad are clearly more satisfied with the level of compensation and with the internship’s relevance to their future career interests.

2.8. The “sticking effect” – who turns their internship into a job?

2.8.1 Small variations between countries

16% of those surveyed were offered a job with their host organisation subsequent to their internship and 18% state that the internship helped them get a job with another employer. There are only small differences among the countries with high numbers of respondents. Between 13 and 15% of interns from Germany, France, Italy, Belgium, and Spain were hired by their host organisation. Notable exceptions are British interns, where 23% were offered to continue with their host organisation after their internship, and Latvia and Finland, where 19% were given the opportunity to progress. In total, 34% of the respondents turned their internship into a job either with their host organisation or with another employer³⁴.

“I was paid 500€ under the table, no declaration. Then I stepped into a secretarial job which had nothing to do with my master in political sciences. The job was paid minimum Belgian wage. I moved on to work for an EU subcontractor.” (Intern who worked for an NGO)

34. This does not take into account that some respondents may have been working as an interns at the time of the survey. These interns are included in the figure yet they are most likely unable to tell if their internship will lead to employment.

2.8.2 Interns who are hired often receive sufficient pay and have a written contract during the internship

Those who have travelled abroad have about the same chance of being offered a job as other interns. It seems that those who have done few internships are more likely to be hired than those with many but it is not clear whether the latter experience a lack of job opportunities and therefore continue to do internships involuntarily. The duration of the internship does not seem to play a role in determining who are hired and neither does the sector in which the internship took place. However, it seems that receiving sufficient compensation and having a written contract during the internship imply somewhat higher chances of being employed afterwards. While only 25% of all respondents were sufficiently compensated, 67% of the employed interns was compensated enough to cover all their living costs. As for those who were not sufficiently paid, parental support was the most widespread source of financial means (60%), followed by personal savings (36%). This finding suggests that parent money in some cases directly enables young people to enter the labour market via internships.

Finally, it must be noted that it is difficult to assess just how successful these interns were in transitioning from education to employment. This is because respondents were not asked to specify the type of contract they were offered, and as youth are over-represented among the temporarily employed, it is not possible to judge the interns' long-term success based on one contract only.

3. YOUTH TRANSITION FROM EDUCATION TO THE LABOUR MARKET

3.1 Introduction

Having conducted a situational analysis of the conditions interns face, it is time to put the figures into a policy context. This chapter attempts to place the survey findings in the context of labour market policies and youth employment rates. Although there are cross-country variations, most European countries have recently seen a sharp increase in youth unemployment. The labour market is becoming increasingly segmented and it is important to establish how internships fit into this picture and what their primary function is. A regulatory framework should ensure that when coupled with formal education, internships serve as a pathway into the labour market rather than constitute another unstable aspect of it.

3.2 Labour market segmentation and its long-term impacts

3.2.1. Flexicurity policies and precarious employment

The concept of “flexicurity”, which is a portmanteau of “flexibility” and “security”, is a set of labour market policies initially used by Nordic countries. Since the mid-2000s, it has been adopted as a strategy by the European Union, which describes it as an attempt to “reconcile employers’ need for a flexible workforce with workers’ need for security”³⁵. The main policy components include active labour market policies, life-long learning strategies, social security safety nets, and increased flexibility in employment contracts. Loosening up employment legislation seems to be the easiest policy to implement and the share of temporary contracts has risen considerably in Europe over the past 10 years³⁶. Ensuring that workers have a steady income even

35. EU definition of flexicurity: <http://ec.europa.eu/social/main.jsp?catId=102&langId=en> Retrieved 27.08.11

36. OECD report: “Rising youth unemployment during the crisis: How to prevent negative long-term consequences on a generation?” 2010: 18 [http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=DELSA/ELSA/WD/SEM\(2010\)6&docLanguage=en](http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=DELSA/ELSA/WD/SEM(2010)6&docLanguage=en) Retrieved 26.08.11

during spells of unemployment does however come with a higher price tag and is less appealing to many governments.

Lowering the bar for hiring and firing has serious implications for some groups of workers. Youth unemployment rates³⁷ were high in many European countries before the global financial crisis and are currently between 2 and 3 times higher than for adult workers in all G20 countries³⁸. Youth are over-represented among those in temporary contracts and more often work under precarious conditions. According to the International Labour Organization (ILO), “the problem is particularly acute in high income countries where it is imperative to prevent the emergence of a ‘lost generation’ of youth whose employment prospects have deteriorated considerably in the wake of the global crisis.”³⁹

3.2.2. The cost of internships and labour market segmentation

Drawing on the points made in 3.2.1, it seems that precarious work arrangements, such as a series of short-term low-pay engagements, to an increasing extent are made possible when governments implement flexicurity policies only in part, or opt for what some call “flexicurity à la carte”. Young people are especially prone to experience the negative aspects of these policies, as they often make the transition

from non-employment to employment in the most precarious parts of the labour market⁴⁰. In fact, as many as 15% of all respondents in this survey have completed their studies and 3 or more internships⁴¹, indicating that they have considerable problems finding long-term, stable employment. In sum, the need for internship regulations is pressing and it seems that the use of flexible job contracts implicitly allows the exploitation of youth.

In addition to the frequent use of short-term contracts, labour markets are becoming increasingly segmented in the G20 countries and earnings inequalities are on the rise⁴². Young people therefore run a higher risk than before of getting stuck with precarious working conditions. As a result, when educated young people involuntarily take up internships because they cannot find work, it is not only a question of short-term income losses but also of potential negative influences on future wages and employability. As they lack work experience and sometimes also the educational qualifications of their older counterparts, young workers are especially vulnerable to economic downturns⁴³ and are often the first not to have their contracts renewed. This implies that the scarring effects from starting professional life in the type of contract so frequently offered to interns can cast long shadows in the form of adverse

37. In the sources used for this chapter, youth is defined as those aged 15 to 24 unless stated otherwise.

38. Joint OECD and ILO report: “Short-term employment and labour market outlook and key challenges in G20 countries” 2011:8 http://www.ilo.org/jobspact/resources/lang-en/docName-WCMS_154347/index.htm Retrieved 27.08.11.

39. http://www.ilo.org/jobspact/news/lang-en/WCMS_154349/index.htm Retrieved 25.08.11

40. EU synthesis report “In-work poverty and labour market segmentation in the EU: Key lessons” 2010: 12

41. 39% of these found employment with their host organisation or another employer after the internship, which is only slightly above the average (34%).

42. Joint OECD and ILO report: “Short-term employment and labour market outlook and key challenges in G20 countries” 2011:16

http://www.ilo.org/jobspact/resources/lang-en/docName-WCMS_154347/index.htm Retrieved 27.08.11

43. OECD report: “Rising youth unemployment during the crisis: How to prevent negative long-term consequences on a generation?” 2010:14 [http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=DELSA/ELSA/WD/SEM\(2010\)6&docLanguage=en](http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=DELSA/ELSA/WD/SEM(2010)6&docLanguage=en) Retrieved 27.08.11

impacts on lifetime earnings and increased risk of future unemployment⁴⁴.

“My parents bought me my internship at conservative party fundraiser. I’m not sure if others have access to this sort of thing, if parents don’t have £2,000 pounds to buy a place and about £10,000 to live off for a few months.”

(Intern who got a job with the host organisation)

3.2.3. Country comparison – Germany and the United Kingdom

Cross-country variation suggests that interns are influenced by the dominating trends in the labour market of their home country⁴⁵. Their motivations, financial means and success in turning the internship into a job seem to be directly affected by national employment rates and labour market outlooks. Germany and the United Kingdom constitute two examples of countries that differ considerably in educational systems, labour market structures, and intern profiles.

Germany has the highest share of respondents with many internships (65%) and compared to the average (32%), many of them had completed their studies (47%). Still, 22% were student interns and a significant 64% of these were enrolled in higher academic education. Compared to British interns, where only 8% were student

interns, this is a high number and implies that internships are considered a part of the education. The most common ways to find the internship was applications to organisations (40%), internet searches (27%), and graduate recruitment schemes (11%). Also 14% listed other ways, with a large amount of these citing personal connections or official programmes⁴⁶.

German respondents were highly motivated compared to the average but place less emphasis on improving their CV or job chances than the average (74% compared to 78%). 60% wanted to test a new field of work and 51% wanted to learn more about a particular organisation. 80% had a written contract but only 22% were sufficiently compensated, which is slightly below the average. This confirms earlier indications that internships are first and foremost a learning experience in Germany.

“It was definitely more than worth it, but it is a pity that state offices in Germany don’t pay their interns at all. Therefore it is not only that you need to get chosen to be an intern but also you need to have enough money!”

(German intern)

Still, some interns had completed their education at the time of their internship. Most of them had a contract (88%) and compared to the average, many were paid enough to support themselves (53%). Parent money constituted the most

44. Eurofound “Foundation Findings: Youth and Work” 2011:7 <http://www.eurofound.europa.eu/pubdocs/2011/40/en/2/EF1140EN.pdf> Retrieved 27.08.11

45. Or country of residence.

46. Business/university partnership programmes, exchange programmes etc.

widespread external source of financial support (56%), together with personal savings (42%) and scholarships (26%). 46% of the post-studies interns did the internship because they could not get a job and 47% of them were hired as a result of their internship, by either the host organisation or another employer. These figures indicate that despite that they make up a bigger share of the overall respondent number, German post-studies interns do not differ much from the average post-studies interns.

The United Kingdom has relatively few interns who did many internships (29%). Most of them did not do the internship as a part of their studies (87%) and the majority had completed their education (71%). Most interns stayed in the United Kingdom (64%) and did internships of medium to short term duration. Only 55% had a written contract with their host organisation⁴⁷, which implies a high incidence of informal arrangements. Still, 26% were sufficiently compensated, which is just above the average. British interns were about as happy with their internship experience as other respondents, except for the internship's relevance for career interests, which was rated as good or excellent by 71%⁴⁸.

Most post-studies interns did their internship with an NGO (41%), a private company (21%) or an intergovernmental organisation (21%). 40% of them listed the lack of job availability as a motivation for doing the internship but 54% of them got a job

afterwards. 29% were sufficiently compensated, 40% used personal savings, and 36% had parental support⁴⁹.

The most common way of obtaining the internship was through internet searches (35%) and applications to the host organisation (25%). Interestingly, a high share of the British interns found their internship through word of mouth, friends, or by knowing somebody in the host organisation. 25% of the British interns specified how they found their internship in the category "other" and the clear majority of these used personal connections. In comparison, 15% of all respondents chose the same category.

"The internship was an excellent way of gaining new skills, contacts and furthering my ambitions. I have since carried on working for the organisation in a voluntary capacity alongside my paid job." (British intern)

It seems that in a weakly regulated British labour market, informal bonds and the ability to work for no or low pay is important to finding employment. It is likely that high youth unemployment rates contribute to sustain this pattern, and that this dramatically impedes social mobility. The high share of British interns looking to improve their resume (92%) and taking up an internship because no job was available (30% compared to the average 19%) can be interpreted as a confirmation of this

47. Compared to 75% of all respondents.

48. Compared to 60% of all respondents.

49. Some had both sufficient compensation and additional financial support.

trend. Also, almost half of the interns managed to get a job as a result of the internship (49%), while 34% of all respondents were hired. This indicates that doing internships has a positive effect on job chances. Although one should be careful to draw very firm conclusions on the basis of this survey, comparing German and British interns suggests that the importance and consequences of doing internships is linked to the general structure of the labour market. In Germany, where workers enjoy better protection⁵⁰ and established channels such as apprenticeships more frequently help youth move from education to employment⁵¹, internships seem less important for finding a job. Internships, in the clear majority of cases, did not lead to employment and German interns less frequently state that they took up the internship because they could not get a job (18%). Therefore, it seems that internships take on a more educational function in Germany than in the United Kingdom. British interns seem to purposefully use internships as stepping stones into employment, drawing more on personal connections and more frequently working without contracts. Almost all of them listed CV improvement as a motivational factor and they were relatively successful in finding employment.

“My first internship was in 1996... so different times...in those days most of the internships were not paid at all even if the people were already really competent!”
(German intern)

These figures must also be interpreted in the context of youth unemployment rates for each of the countries. While youth unemployment has decreased slightly in the United Kingdom in 2011, it is still around 20%⁵². In Germany, the youth unemployment rate fell to 9.1% in June 2011⁵³. It is highly likely that the conditions of, and demand for, internships is affected by this. Therefore, internships need to be pulled out of the unregulated grey area that exists

50. Armour et al. “How Do Legal Rules Evolve? Evidence From a Cross-Country Comparison of Shareholder, Creditor and Worker Protection” 2009:30-32

51. Oecd.org: http://www.oecd.org/document/49/0,3746,en_21571361_44315115_45008113_1_1_1_1.00.html Retrieved 27.08.11

52. The Guardian 18.05.2011: <http://www.guardian.co.uk/business/2011/may/18/unemployment-falls-claimant-count-rises> Retrieved 27.08.11

53. EU statistics: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics Retrieved 27.08.11

between educational institutions and the fringes of the labour market. They need to be addressed and labelled, either as vehicles to bring youth into employment or as an integral part of studies, and treated accordingly.

3.2.4. The role of educational institutions

Survey respondents are firm in their belief that doing internships improves their resume and future job chances, which is also well reflected in the survey results. There are at least two possible interpretations of this finding. It either implies that employers have become reluctant to employing recent graduates with no job experience and that doing an internship therefore is necessary to get into the labour market. However, it could also mean that young people are not ready and equipped for starting their professional life fresh out of school and must try to complement their formal education by gaining some practical experience.

“Whilst in many ways I still see the internship as a fantastic opportunity, the apparent need to work for 2-3 years for free to qualify for paid employment in the international development sector is slowly wearing me down”.
(Intern who did 5 or more internships)

In other words, there are two sides to this story. While it on the one hand seems that employers are taking advantage of high youth unemployment rates across Europe by demanding work experience even for entry-level positions, it is also necessary to ask whether educational institutions are neglecting their responsibility to prepare young students for the labour market. If this is the case, internships, if adequately regulated, could take on a positive role in mending deficiencies in this area.

4. CONCLUSION

4.1. Key findings and recommendations for further research

4.1.1. Key findings

The current generation of young people is the most educated and flexible to date in terms of the needs of the labour market.⁵⁴ However, many find it difficult to find stable employment, a trend that has been intensified by the global financial crisis. Autonomy, together with the ability to find a partner and start a family, is delayed when entering the labour market does not bring financial independence. Therefore, it is important to get a clear idea of what takes place between education and employment and prevent that this becomes an unregulated grey area.

The interns in this survey are generally highly educated and go to great lengths to get work experience, including for little or no pay. They often do more than one internship and are very mobile compared to the average European worker. Most are

in their twenties and internships typically last between 4 and 6 months. Although most interns have contracts, 3 out of 4 receive no or insufficient compensation. This does not vary between sectors and implies that the issue is widespread. Most interns therefore rely on external financial sources. Parental support is the most common way of financing the internship when the compensation offered is not sufficient. Personal savings, additional jobs are also frequently used. Traditional ways of educational financing such as student loans and scholarships seem slightly less common.

Interns are highly motivated and the respondents were happy with most aspects of their internship experience, except with the levels of compensation offered and the need to do multiple internships in order to find work. Improving employability is the most common reason for doing an internship but many also wanted to test a specific field of work or learn more about their host organisation. Unfortunately, a considerable share did the internship because they could not find a job.

Almost half of the respondents did the internship as a part of their studies but not all received credit or points for it. Others did the internship next to their studies and 1 out of 3 had completed their studies at the time of their internship. Despite the fact that they are ready to start their first job, the interns who had completed their education seem surprisingly content with their role as interns, despite insufficient remuneration. This sends a signal that doing internships after having completed an education is becoming the norm, or viewed as necessary to work one's way into employment.

It is in principle not problematic to include internships in academic degree programmes if they are of adequate quality and interns are financially secured while they take place, either through educational financing or remuneration from the host organisation. However, if almost 1 of 5 interns do internships because they are unable to find regular employment, it is time to scrutinise who benefits the most from this arrangement. It raises questions about the value of education and whether there is a need for improved skills matching to better prepare young graduates for the labour market. It also raises the question about what happened to regular entry level positions intended for recent school leavers with a completed education.

Another problematic aspect of internships is the difference in access to them. Young people today become autonomous at a higher age than before⁵⁵, which means that

the financial constraints of parents may very well become the financial constraints of young adults. If internships continue to be treated as an unregulated domain somewhere between education and work, they will be available only to those with access to external financial resources⁵⁶. This means that families and young people already at the margin of society will lose out and as a result, a gap between privileged and non-privileged students and labour market entrants could develop.

4.1.2. Possible topics for further research

This reports presents the insights gained from analysing a survey on internship quality. Still, in order to disclose the root causes and explanatory variables for the current status quo, there are a number of paths to take for further research. As was discussed in part 2.8.2., youth are over-represented among workers with temporary contracts. Not being able to plan for the future with a stable income to rely on is highly likely to have serious consequences for young people ready to start adult life. Therefore, when researching the transition from education to employment, it is absolutely essential to follow up those who found a job and find out what type of contract they were offered and if they managed to stay employed. This will give a much better picture of successful transitions from education to employment than merely checking whether some form of employment had been attained.

Furthermore, educational institutions have

55. YFJ Policy Paper on Youth Autonomy 2004:2

a responsibility to prepare their students for the labour market. If this does not happen, those who can afford to gain additional skills through taking up internships for no or low pay will have an advantage when searching for a job. This can have negative impacts on social mobility and will almost certainly hit the most disadvantaged the hardest, such as youth from poorer families. Therefore, it is important to identify the sectors where formal education is not enough to get an entry-level job. If there is more detailed information available, educational institutions can restructure their programmes to fit labour market needs with higher precision. This information can give a clearer picture of which type of professions require internship or job experience for entry-level positions, thereby helping educators and law-makers to produce flexible yet effective internship regulations.

Reference list

Armour David, and Simon Deakin, Priya Lele, Mathias M. Siems, “*How Do Legal Rules Evolve? Evidence From a Cross-Country Comparison of Shareholder, Creditor and Worker Protection*”, 2009.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1431008 (accessed August 27, 2011)

Eurofound, “*Foundation findings: Youth and Work*”, 2011

<http://www.eurofound.europa.eu/pubdocs/2011/40/en/2/EF1140EN.pdf> (accessed August 27, 2011)

European Commission, “*Europe 2020 - EU-wide headline targets for economic growth*”

http://ec.europa.eu/europe2020/targets/eu-targets/index_en.htm
(accessed August 27, 2011).

European Commission, “*Flexicurity - EU*”

<http://ec.europa.eu/social/main.jsp?catId=102&langId=en> (accessed August 27, 2011).

European Commission, “*Half of young Europeans ready to work abroad*” <http://ec.europa.eu/social/main.jsp?langId=en&catId=956&newsId=1026&furtherNews=yes>

(accessed August 27, 2011).

European Commission, “*In-work poverty and labour market segmentation in the EU: Key lessons*”, 2010.

<http://www.peer-review-social-inclusion.eu/network-of-independent-experts/2010/second-semester-2010> (accessed August 27, 2011)

European Youth Forum, “*Internships Across Europe Revealed*”

http://www.youthforum.org/index.php?option=com_content&view=article&id=1076%3Ainternships-across-europe-revealed&catid=25%3Anews&Itemid=30&lang=en (accessed August 27, 2011).

European Youth Forum, "*Opinion Paper on Internships*", 2009.
www.youthforum.org/fr/system/files/yfj_public/strategic_priorities/en/0076-09_FINAL.pdf (accessed August 27, 2011).

European Youth Forum, "*Policy Paper on Youth Autonomy*", 2004.
(accessed via e-mail from YFJ July 8, 2011)

European Youth Week 2011, "*European Youth Week 2011*"
<http://www.youthweek.eu/european-youth-week/future/>
(accessed August 27, 2011).

Eurostats, "*Labour market statistics explained*"
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics (accessed August 27, 2011).

The Guardian, "*Unemployment falls for second month in a row*", 2011.
<http://www.guardian.co.uk/business/2011/may/18/unemployment-falls-claimant-count-rises> (accessed August 27, 2011)

International Labour Organization, "*G20 employment policy experts meeting examines the consistency between economic and labour market policies*"
http://www.ilo.org/jobspact/news/lang-en/WCMS_154349/index.htm (accessed August 27, 2011).

International Labour Organisation and OECD, "*Short-term employment and labour market outlook and key challenges in G20 countries*", 2011.
http://www.ilo.org/wcmstp5/groups/public/...dgreports/...integration/documents/meetingdocument/wcms_154347.pdf (accessed August 27, 2011)

OECD, "*Governments must tackle rising youth unemployment urgently, says OECD's Guerría*", 2010.
http://www.oecd.org/document/49/0,3746,en_21571361_44315115_45008113_1_1_1_1,00.html (accessed August 27, 2011)

OECD, "*Rising youth unemployment during the crisis: How to prevent negative long-term consequences on a generation?*", 2010
[http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=DELSA/ELSA/WD/SEM\(2010\)6&doclanguage=en](http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=DELSA/ELSA/WD/SEM(2010)6&doclanguage=en) (accessed August 27, 2011)

