

# ***Intern culture***

***Short reports on the literature***

May 2012

Commissioned by

**ART?QUEST**

Authors:

Dr. Sophie Hope, Lecturer, Department of Media and Cultural Studies at Birkbeck, University of London

Joanna Figiel, PhD candidate at Centre for Cultural and Policy Management, City University London

# Abbreviations

ACE	Arts Council England
BECTU	Broadcasting, Entertainment, Cinematograph and Theatre Union
BIS	Department of Business, Innovation and Skills
CCS	Creative & Cultural Skills
CIPD	Chartered Institute of Personnel and Development
ECU	Equality Challenge Unit
GLA	Greater London Authority
GPCF	Gateway to the Professions Collaborative Forum
HMRC	Her Majesty's Revenue and Customs
IPPR	Institute for Public Policy Research
LCACE	London Centre for Arts and Cultural Exchange
LLW	London Living Wage
LPC	Low Pay Commission
NCWE	National Council for Work Experience
NIKS	National Internship Kitemark Scheme
NMW	National Minimum Wage
NUJ	National Union of Journalists
NUS	National Union of Students
SMF	Social Market Foundation
SROI	Social Return on Investment
UCU	University College Union

This section consists of short reports on each of the 23 documents reviewed as part of 'Intern Culture'.

It is divided into 4 sections based on the authors of the reports:

- **Literature by government bodies** (1.1 – 1.10)
- **Literature by think tanks / industry** (2.1 – 2.6)
- **Literature by self-organised/activist groups** (3.1 – 3.3)
- **Literature by education-related organisations** (4.1 – 4.4).

# Contents

- 4 1.1 Unleashing Aspiration: Final Report of the Panel on Fair Access to the Professions (HM Government July 2009)
- 6 1.2 Unleashing Aspiration: The Government Response to the Final Report of the Panel on Fair Access to the Professions (HM Government Jan 2010)
- 8 1.3 National Minimum Wage Compliance Strategy (BIS March 2010)
- 10 1.4 Policy on HM Revenue & Customs enforcement, prosecutions and naming employers who flout national minimum wage law (BIS, January 2011)
- 11 1.5 A Fairer London: The 2011 Living Wage in London (GLA May 2011 a)
- 13 1.6 Culture and Volunteering. An introduction to volunteering across the arts and cultural sector in London (GLA June 2011 b)
- 15 1.7 Guidelines for Employers offering Work Placement Schemes in the Creative Industries (Skillset March 2010)
- 18 1.8 Creative Apprenticeships: Assessing the return on investment, evaluation and impact (Creative and Cultural Skills October 2011)
- 21 1.8 Internships in the arts: A guide for arts organisations (ACE 2011 b)
- 23 1.10 National Minimum Wage. Low Pay Commission Report 2011 (Low Pay Commission 2011)
  
- 25 2.1 Internship Charter (CIPD September 2009a) and
- 25 2.2 Internships that work: A guide for employers (CIPD December 2009b)
- 27 2.3 Internships: to pay or not to pay? Policy analysis and recommendations (CIPD June 2010)
- 28 2.4 Why Interns Need a Fair Wage (IPPR July 2010)
- 32 2.5 Disconnected: Social mobility and the Creative Industries (SMF 2010)
- 35 2.6 Common Best Practice Code for High-Quality Internships (GPCF July 2011)
  
- 37 3.1 Are you Free? (Intern Aware 2009)
- 39 3.2 Surviving Internships: A Counter Guide to Free Labour in the Arts (Carrot Workers Collective 2011)
- 42 3.3 Emerging Workers: a fair future for entering the creative industries (The Arts Group 2010)
  
- 44 4.1 Work Placement Toolkit (LCACE February 2008)
- 46 4.2 Creative Graduate Internship Programme Report (University of the Arts London 2011)
- 48 4.3 Work Placements in the arts and cultural sector: Diversity, equality and access (Equality Challenge Unit 2010)
- 51 4.4 Internships: Advice to students unions and UCU members (NUS/UCU 2011)

# Literature by government bodies

## **1.1 Unleashing Aspiration: Final Report of the Panel on Fair Access to the Professions (HM Government July 2009)**

The Panel on Fair Access to the Professions was established in January 2009 by the then Labour Prime Minister, Gordon Brown, and chaired by the MP Alan Milburn to ‘advise on how we can make a professional career genuinely open to as wide a pool of talent as possible’.<sup>1</sup> The Panel was set up to address the growth in the ‘professional’ rather than manufacturing sectors. In his foreword, Milburn reminds readers that during the recession, we should not forget to ‘take advantage of a huge global growth in middle class employment’<sup>2</sup> and that ‘the UK’s future success in a global competitive economy will rely on using all of our country’s talent, not just some of it’.<sup>3</sup> The report is clear to state that the Panel is independent of HM Government and that the report is not a statement of Government policy.

Milburn refers to how “poor people are unfairly handicapped in the race for success”<sup>4</sup> and that an unskilled workforce as well as “more and more middle class children, not just working class ones” will be “left stranded economically and divorced from the mainstream socially” as demand for unskilled labour falls and ‘employment segregation’ increases. Social mobility is cited as the answer to this problem, “not just beating poverty”.<sup>5</sup> Social mobility, Milburn states, is not something that can be given to people<sup>6</sup>, it is based on an individual’s ‘effort and endeavour’ and ‘drive and ambition’ to unleash the ‘pent-up’ aspirations people have to better themselves.

In the chapter ‘Internships: new opportunities to get onto the professional career ladder’, the focus is on how to enable anyone with “intellect, talent and potential”, regardless of

1. HM Government. July 2009. *Unleashing Aspiration: Final Report of the Panel on Fair Access to the Professions*.

London: HM Government. p.5

2. *ibid.*

3. *ibid.*, p.8.

4. *ibid.*

5. *ibid.*, p.6–7.

6. *ibid.*, p.8.

7. *ibid.*, p.104.

8. *ibid.*, p.101.

9. *ibid.*, p.100.

economic background or connection to social networks, to get an internship.<sup>7</sup> The report draws on evidence that suggests that students are unlikely to progress into a profession without having done some work experience.<sup>8</sup> The report starts from the position that ‘internships are an essential part of the career ladder’ and a ‘rung on the ladder to success’ as this is a sign that an individual is able to ‘demonstrate their commitment’, ‘develop important skills and behaviours’, ‘understand the type of candidate that the profession is looking for’ and ‘build a network of contacts’.<sup>9</sup> They use the metaphor of the ladder for career progression and social mobility and state how one of the barriers to climbing that ladder is not being able to get an internship either before, during or after university. They identify this as being a problem for employers because it means they are relying on ‘a limited pool of talent’.

10. *ibid.*, p.104.

The report acknowledges that the barriers to undertaking internships include not being able to work for free (as internships are often low-paid or not paid at all), lacking the means to travel or not living near the internship and coming from a background in which internships were not considered an option. The Panel recommend that the ‘professions take the lead’ by volunteering to implement the suggestions in the report in terms of a code of good practice. They suggest the government should review the effectiveness of the uptake of these recommendations by the end of 2012.<sup>10</sup> They suggest a set of minimum standards which include making the recruitment process more transparent by having ‘openly advertised positions’ (for example, they think the Government’s Talent Pool Internship Portal is an ideal vehicle for this), commitment from the employer to run a ‘quality internship’ (for example, they suggest an independently awarded kitemark for quality internship programmes), a comprehensive introduction and induction to the organisation and evaluation, monitoring and review of the internship.

While the Panel ‘believes that there should, in general, be a fair recognition of the value an intern brings to the organisation in remuneration levels’ and that guidance on NMW and ‘other legal obligations’ should be made available

11. *ibid.*, p.111.

to employers, the report does not insist or recommend organisations pay their interns. Indeed, one of their highlighted case studies is the London School of Economics' Parliamentary Internships scheme which gives graduate students the opportunity to apply for an unpaid Parliamentary Internship at Westminster and cites 'typical assignments include writing briefings and speeches, working on specific projects and assisting with constituency work'.<sup>11</sup> The report does not refer to this case study, nor state whether it is included as good or bad practice in relation to their 'code'.

12. *ibid.*, p.109.

Rather than recommend organisations pay their interns, the Panel suggests 'micro-loans' should be made available for interns from lower socio-economic backgrounds through the Student Loans Company 'that are sufficient to cover, at a minimum, a short internship of one or two months' duration'.<sup>12</sup> At the time of this report student loans and Professional and Career Development Loans were not available for internships but the report suggests loans should become available. It goes on to suggest that because employers benefit from internship schemes, they should perhaps be given the option to "pay a small part of their tax contribution directly to the Student Loans Company to cover the cost of the internship loans and administrative costs".<sup>13</sup> But they later suggest that the government "should recognise the efforts of those employers that provide such support for interns by granting tax relief on money that is provided for grants and loans". It seems that the second recommendation cancels out the first if the organisation makes a tax contribution and is then granted tax relief for doing so.

13. *ibid.*, p.110.

## **1.2 Unleashing Aspiration: The Government Response to the Final Report of the Panel on Fair Access to the Professions (HM Government Jan 2010)**

This document is a response by HM Government to the recommendations laid out in 'Unleashing Aspiration: Final Report of the Panel on Fair access to the Professions'

14. HM Government 2009, *op.cit.*

15. HM Government. January 2010. *Unleashing Aspiration: The Government Response to the Final Report of the Panel on Fair Access to the Professions*. London: HM Government. p.50.

16. *ibid.*, p.2.

17. *ibid.*

18. *ibid.*, p.3.

19. *ibid.*, p.2.

20. Graduate Talent Pool website. See [graduatetalentpool.bis.gov.uk/cms/ShowPage/Home\\_page/What\\_are\\_my\\_responsibilities/pleFiimek](http://graduatetalentpool.bis.gov.uk/cms/ShowPage/Home_page/What_are_my_responsibilities/pleFiimek)

published six months previously.<sup>14</sup> Bearing in mind this HM Government response was published 5 months prior to the general election and subsequent change in Government, it details which of the 88 recommendations the Labour Government accepted, accepted in principle or rejected and includes a timeline until December 2010 for delivering the agreed recommendations.<sup>15</sup>

Pat McFadden, the Minister of State for Business, Innovation and Skills at the time, wrote the foreword to this paper. He responds to Milburn's previous report, focusing on social mobility as "removing barriers that stop people from fulfilling their true potential" and how "we must do more to nurture, encourage and realise" that potential.<sup>16</sup> Reiterating Milburn, he states how in the context of economic recovery it is important to "make sure all available talent is used"<sup>17</sup> and that our future depends on not "wasting the potential of anyone in Britain".<sup>18</sup>

McFadden proudly remarks on the Government's plans to set up a Social Mobility Commission to report annually on progress towards a 'fairer more mobile society', their re-launch of the Gateways to the Professions Collaborative Forum and £8 million of financial support for undergraduate internships. In this report, the government also stresses its commitment to its Graduate Talent Pool website, which advertises internships, and their plans to further develop the Pool and turn it into a National Internship Service, as McFadden claims, internships 'are vital in accessing powerful networks'.<sup>19</sup> It is interesting to note the current advice for employers on the Graduate Talent Pool website:

"...in some limited circumstances, employers may wish to offer unpaid internships. Before you decide to offer an unpaid opportunity, make sure you have taken account of the guidance on minimum wages. It will then be for graduates to decide whether the benefits of taking up the internship outweigh the fact that it is unpaid"<sup>20</sup>

The responsibility is placed on the individual intern for taking on unpaid work rather than encouraging or insisting employers pay them accordingly. The majority of

recommendations on internships made by the Panel were accepted or accepted in principle, including the suggestion to establish an Internship Quality Kitemark by July 2010 (as yet still not established). The report identifies the Department for Business, Innovation and Skills (BIS) as the lead for most of this work, with advice from the Gateways to the Professions Collaborative Forum. The Government rejected only 2 of the 19 recommendations dealing with internships.

The recommendation that students draw on their student loan to cover additional costs of undertaking an internship was rejected due to the additional delivery costs involved, stating they will 'consider the issues further' following the (then) forthcoming Browne Review of Higher Education Funding and Student Finance. They did, however, accept the recommendation that loans for internships could be made available through Professional and Career Development Loans. They accepted in principle the introduction of means tested micro-loans to interns and introduced their scheme of offering financial support for up to 10,000 undergraduates from low-income backgrounds to take up internships by giving £8 million in bursaries equivalent to the minimum wage with match funding from employers.<sup>21</sup> This scheme, they state, will be put in place instead of the Panel's recommendation to give companies the opportunity to pay a small part of their tax contribution directly to the Student Loans Company which they rejected because "tax measures are often not the most effective way to deliver assistance of this kind to businesses".<sup>22</sup>

21. *ibid.*, p.38.

22. *ibid.*

### **1.3 National Minimum Wage Compliance Strategy (BIS March 2010)**

The Department for Business, Innovation and Skills (BIS) published their plans for implementing the NMW Compliance Strategy in March 2010, shortly after the HM Government's response to 'Unleashing Aspiration'. It states that the government's vision is clear: "everyone who is entitled to the NMW should receive it".<sup>23</sup> The NMW Act was passed

23. *Business, Innovation and*



Skills, Department of (BIS).  
2010b. *National Minimum Wage  
Compliance Strategy*. London:  
BIS. p.6.

24. *ibid.*, p.4.

25. *ibid.*, p.10.

26. *HM Government 2009, op. cit.*,  
p.106.

27. *HM Government 2010, op. cit.*,  
p.38.

28. *BIS 2010b, op. cit.*, p.6.

29. *ibid.*, p.4.

30. *ibid.*, p.8.

in 1998 during the Labour Government and in 2009 a new enforcement regime was introduced through the Employment Act of 2008 which made it an offence for organisations not to comply with NMW legislation. Cases could now be brought to the Crown Court by the enforcement body (HMRC) without having to rely on the testimony of vulnerable workers.<sup>24</sup> This change also means that employers who do not pay NMW are now liable to an automatic penalty of £5,000 and compensation for workers who have had to wait for their wages by insisting that arrears are repaid at current rates.<sup>25</sup> It is interesting that 'Unleashing Aspiration' (2010) relies on the voluntary uptake of a code of practice by employers and yet this document explains the ways in which the HMRC, appointed by the Secretary of State to enforce the NMW, will reclaim unpaid wages on the behalf of workers. There is no mention of 'Unleashing Aspiration' in this BIS document and only two mentions of NMW in each of the 'Unleashing Aspiration' reports (for example, in the 2009 report they suggest "guidance on possible approaches to remuneration or reward making clear reference to the National Minimum Wage and other legal obligations"<sup>26</sup> and in the 2010 document they reference the £8 million funding they are allocating for internships, 'to pay a bursary equivalent to the minimum wage'<sup>27</sup>). In this BIS report, however, they state that they will 'continue to prosecute the most serious offenders' who flout NMW legislation.<sup>28</sup>

BIS state how they reserve the right to prioritise enforcement work carried out by HMRC on its behalf.<sup>29</sup> Their priorities at the time, for example, included the hospitality and hotel sectors<sup>30</sup> and have recently shifted onto the fashion industries. The document also outlines BIS's introduction of the Pay and Work Rights Helpline launched in September 2009 (which is also used by workers to make anonymous complaints) and their work on raising "vulnerable worker awareness of basic employment rights". They also mention the online tool they developed which is hosted on Business Link directed at employers who can use it to find out if an individual is entitled to the NMW and to calculate arrears if there has been an underpayment.

31. *ibid.*

The document outlines how HMRC collect intelligence from workers, former workers, third party complaints such as unions and research from, for example, the Low Pay Commission. Interestingly, the HMRC can check compliance across the employers' workforce so that many workers in an organisation can receive arrears as the result of one complainant.<sup>31</sup> The document states how BIS will be exploring ways to measure their progress in collaboration with the Low Pay Commission, as they believe the data compiled by the Office for National Statistics on those paid under the NMW is unsuitable as there are "a number of circumstances where the NMW does not apply...for example, some apprenticeships".

### **1.4 Policy on HM Revenue & Customs enforcement, prosecutions and naming employers who flout national minimum wage law (BIS, January 2011 a)**

This policy by BIS follows on from their previous NMW Compliance Strategy and details HMRC's enforcement process. It is perhaps worth noting that there was a change of government in the interim. In the introduction, the policy stresses how the government (this time led by a Conservative-Liberal Democrat Coalition) is committed to increasing support for "lower and middle income earners and improving the rewards to work" and that the NMW helps business "by ensuring that competition is based on the quality of goods and services provided and not on low prices based on low rates of pay".<sup>32</sup>

32. *Business, Innovation and Skills, Department of (BIS). January 2011 a. Policy on HM Revenue & Customs enforcement, prosecutions and naming employers who flout national minimum wage law. London: BIS. p.2.*

Following on from the previous strategy, BIS introduced a scheme to name employers who flout NMW law, which came into effect in January 2011. The document goes into some detail on their policy on civil enforcement through issuing single Notices of Underpayment and criminal enforcement under section 31 of the 1998 NMW Act which prosecutes persistent offenders (e.g. refusing to or wilfully neglecting to pay NMW on a number of counts and/or refusing to cooperate with compliance officers).<sup>33</sup> It also details the process of

33. *ibid.*, p.8-9.

34. *ibid.*, p.11.

35. *ibid.*

naming employers who flout NMW law which they state is to 'raise awareness of NMW enforcement and deter employers who would otherwise be tempted to flout NMW law'.<sup>34</sup> They hope this will enable people to have access to information that will help them make choices about who they work for or do business with and may also encourage more workers to make claims.<sup>35</sup> The policy goes on to explain in detail how this naming process will work (although we cannot find any evidence of this 'naming and shaming' to date).

## **1.5 A Fairer London: The 2011 Living Wage in London (GLA May 2011 a)**

This document published by the Living Wage Unit of the Great London Authority (GLA) is the seventh annual report to announce the London Living Wage (LLW). For 2011 it increased to £8.30 per hour, a 5.7% increase on the 2010 LLW figure and a 24% increase since it was introduced in 2005 following Ken Livingstone's election pledge.

The document explains how the calculation is made and illustrates the fact that a wage earner living in London who is paid less than £7.25 an hour will be living in poverty (bearing in mind the NMW is £6.08 in 2011). The LLW is implemented by the GLA Group 'as contracts allow'. The GLA Group consists of Transport for London, London Development Agency, London Fire and Emergency Planning Authority and Metropolitan Police Authority. Beyond this, the GLA are trying to encourage private sector employers, London boroughs and Higher Education institutions to commit to pay their employees the LLW.<sup>36</sup>

36. Greater London Authority (GLA). *May 2011 a. A Fairer London: The 2011 Living Wage in London*. London: GLA. p.5.

37. *ibid.*, p.32.

38. See, [www.bbc.co.uk/news/uk-england-london-13266095](http://www.bbc.co.uk/news/uk-england-london-13266095)

However, despite having been introduced six years previously, at the time 'A Fairer London: The 2011 Living Wage in London' was published, only 14 of the approximately 40 Higher Education institutions in London were either paying the LLW or are committed to implementing it when relevant contracts are up for renewal<sup>27</sup> and only 5 of the 32 London borough councils were paying LLW for sub-contracted workers.<sup>38</sup>

Following the lobbying of the Olympic Delivery Authority (ODA) from 2007, the ODA wrote into their Procurement Policy that they supported the LLW and asked contractors to adopt it. The report also highlights that 12 private sector 'major London employers' signed up in 2010 to pay the LLW rate of £7.85 an hour. It is not clear if these companies raise their wages in accordance with the annual increase suggested by the GLA and how many companies overall follow this policy. The lack of take-up for the LLW could be because the scheme is voluntary.

39. GLA 2011 a, op. cit., p.5.

40. *ibid.*, p.7.

According to Mayor Boris Johnson's foreword, 10% of full-time workers and 41% of part time workers earn less than the LLW.<sup>39</sup> According to the Annual Survey of Hours and Earnings, 90% of full time PAYE employees earn more than the LLW and 6% below the poverty threshold.<sup>40</sup> 60% of PAYE part time workers earn more than the LLW and 29% earn below the poverty threshold. It is worth noting, however, that this survey only takes into account PAYE employees and therefore excludes casual, unpaid and self-employed workers.

41. *ibid.*, p.31.

Johnson echoes the words of Guy Stallard, Head of Facilities at KPMG, who have been paying the LLW since 2006<sup>41</sup>, by highlighting the business case for adopting the LLW: "I believe that paying decent wages reduces staff turnover and produces a more motivated and productive workforce".<sup>42</sup>

42. *ibid.*, p.5.

The document outlines the process of working out the 'poverty threshold wage' in London. This is based on 2 calculations: The 'Basic Living Costs' is calculated by working out the 'Low Cost but Acceptable' budget for a selection of households and the wage required to meet these costs - which they work out to be £6.85 per hour. The 'Income Distribution' calculation is based on 60% of the median income for London, which works out at £7.25 per hour. The average of these is taken as the 'poverty threshold wage': £7.25. They then add a 15% margin to this which gives the LLW of £8.30. This figure deducts means-tested benefits (such as tax credit, housing benefit, council tax benefits), which would take the figure to £10.40 per hour.

There is also a Living Wage Campaign (not mentioned in this document) launched by London Citizens in 2001 which “calls for every worker in the country to earn enough to provide their family with the essentials of life”. They cite that outside of London the current rate for a Living Wage is £7.20.

## **1.6 Culture and Volunteering. An introduction to volunteering across the arts and cultural sector in London (GLA June 2011 b)**

This guide commissioned by the GLA in association with London Cultural Strategy Group is researched and written by representatives of one of the five Cultural Quarters, Southbank and Bankside. The London Cultural Strategy Group is ‘a high-level’ advocacy group chaired by Iwona Blazwick, Director of the Whitechapel Art Gallery, consisting of up to 25 members from the cultural sectors. The role of the group is to advise the Mayor on the “promotion of London as a world-class city of culture” (<http://www.london.gov.uk/lcsg>). The Cultural Quarters are geographically based strategic partnerships involving cultural organisations, businesses and local authorities. The Quarters are: Central, East, Exhibition Road, Kings Cross and Bloomsbury and South Bank and Bankside.<sup>43</sup>

43. Greater London Authority (GLA). June 2011 b. *Culture and Volunteering. An introduction to volunteering across the arts and cultural sector in London*. London: GLA. p.60.

44. *ibid.*, p.3.

The report begins with a foreword by Munira Mirza, advisor to the Mayor, Boris Johnson, on arts and culture. She refers to the Mayor’s project Team London, aimed at increasing volunteering in ‘big charitable projects’. This document is aimed at non-profit cultural organisations, advising them on how they can ‘draw on volunteers’, offering ‘top tips’ on how to “tap into the wealth of knowledge and enthusiasm Londoners have to offer”.<sup>44</sup> Based on 18 case studies, the document is centred on three themes relating to the impact of volunteering on organisations: Challenging and enhancing the organisation, developing and expanding the volunteer experience and encouraging and sustaining volunteering.

45. *ibid.*, p.7.

46. *ibid.*, p.8.

47. *ibid.*

The guide does not offer a definition of volunteering but in the 'challenging and enhancing organisations' chapter, Blazwick states that it can include being a tour guide, experienced curator or board member and that volunteers bring 'a wealth of experience and skills'.<sup>45</sup> Moira Sinclair, Executive Director of Arts Council England (ACE), adds to this list of roles carried out by volunteers to include fundraisers, leaflet distributors and events stewards.<sup>46</sup> She thinks we should do more to recognise the benefits that volunteering in the cultural sector bring.<sup>47</sup>

48. *ibid.*, p.20.

49. *ibid.*, p.15.

50. *ibid.*, p.51.

Each chapter consists of six or seven short, approx. 200-word examples of the ways in which organisations are using volunteers from different sectors, such as visual arts, theatre, museums, and arts centres. Some of the examples are based on specific projects involving volunteer participants, such as Theatre Royal Stratford East's 'Open Stage' programme in which 25 volunteers of different ages acted as researchers and consultants advising the theatre on their programming and marketing which led to a season in 2012 "suggested by the public and programmed by volunteers".<sup>48</sup> The Natural History Museum's 'Behind the Seen' project involved over 450 volunteers carrying out "specialist science work and research" and "interacting with the public" with over 65% helping to 'conserve and protect the museum's collections'.<sup>49</sup> The write up of this example states how these volunteers "proved critical in addressing the museum's collection backlog and running curatorial and research projects". The CREATE festival organised by the Host Boroughs Unit involved training 26 volunteers to carry out evaluations of the events in Summer 2010.<sup>50</sup>

51. *ibid.*, p.25.

52. *ibid.*, p.43.

Based on these case studies, it seems obvious that much of this activity should be considered 'work'. Indeed, Diane Lees, CEO of the Imperial War Museum, is quoted as saying "without them [volunteers] we wouldn't be able to do what we do" and that they are "as much part of the family as any paid employee".<sup>51</sup> Neil Constable, CEO of Shakespeare's Globe also says "The Globe could not operate without the wonderful support of over 600 volunteer theatre stewards".<sup>52</sup> Typically, as workers who are contributing to the

core business of the organisation, they should be eligible for NMW and yet because the organisations are charities they are able to get around minimum wage legislation by hiring 'volunteer workers'. The report does not make a clear distinction between volunteers and volunteer workers, nor does it reflect on the difficulties and issues raised by hosting unpaid volunteer workers. The use of the term 'volunteer' in many of the cases they refer to is misleading, as volunteers by definition are free to come and go as they please. Rather, the document explicitly suggests organisations use unpaid workers to carry out core work, such as programming, marketing, conservation, evaluation and research. In their 'top tips' they recommend organisations "link volunteering to your organisation's core purpose" and "help you achieve your vision"<sup>53</sup> and suggest establishing an attitude of "we can't do it without you - you can't do it without us".<sup>54</sup> The 'volunteers' are often expected to be advocates of the organisations they work for.

53. *ibid.*, p.22.

54. *ibid.*, p.40.

Nowhere in the document is the NMW or LLW mentioned. Although the 'top tips' suggest a senior member of staff is given responsibility for overseeing and supervising volunteering<sup>55</sup> and that the resources 'staff, budget time etc.' are in place before you start recruiting, they do not detail the amount of paid labour needed to run some of these volunteer programmes in terms of recruitment, support, training and management. The report ends with a checklist for organisations setting up a volunteering project or programme.<sup>56</sup>

55. *ibid.*, p.22.

56. *ibid.*, p.56 and see Appendix A in full report.

## **1.7 Guidelines for Employers offering Work Placement Schemes in the Creative Industries (Skillset March 2010)**

These guidelines were produced by Skillset, the Sector Skills Council which supports skills and training for the UK creative industries (which, according to their website comprises TV, film, radio, interactive media, animation, computer games, facilities, photo imaging, publishing, advertising and fashion



and textiles), in collaboration with Creative and Cultural Skills (the Sector Skills Council established in 2004 for craft, cultural heritage, design, literature, music and visual arts) and Arts Council England. The 22 Sector Skills Councils were licensed by the Secretary of State for Education and Skills in 2008 as independent, employer-led organisations to address skills gaps and shortages, improve productivity, business and public service performance and reform learning supply, making courses and qualifications relevant to industry.<sup>57</sup>

57. See, [www.sscalliance.org/Home-Public/AbouttheAlliance/About\\_the\\_Alliance.aspx](http://www.sscalliance.org/Home-Public/AbouttheAlliance/About_the_Alliance.aspx) and <http://www.ccskills.org.uk/Aboutus/AboutSSCs/tabid/72/Default.aspx>

Skillset's guidelines are aimed at employers offering 'work-based learning programmes' (which they list as Volunteering, Work Experience Placements, Internships and Apprenticeships) to people over 19 years old. They recognise that placements are "a useful way for those wishing to enter the creative industries" but that an 'over supply' of people wanting to enter the industry has led to increasing competition and a "culture of low or unpaid entry positions" for those with the right connections.<sup>58</sup> They suggest provisions should be put in place for promoting 'fair and equitable access' to all entry routes and provide best practice guidelines for employers illustrated by case studies.

58. Skillset. March 2010. *Guidelines for Employers offering Work Placement Schemes in the Creative Industries*. London: Skillset. p.l.

The guidelines describe a worker as someone who 'works under a contract of employment (written or implied) whereby there is an obligation on the individual to perform the work and an obligation on the employer to provide the work'.<sup>59</sup> The exceptions to this is if the work experience placement is part of a further or higher education course and does not exceed one year.

59. *ibid.*, p.7.

Significantly, the report highlights the exemption from NMW legislation for 'voluntary workers' as those volunteers who work for a charity, voluntary organisation, or an associated fundraising body of a statutory body.<sup>60</sup> This is designed to allow people who "genuinely wish to work without profit for good causes to continue to do so without fear of qualifying for the NMW".<sup>61</sup> They mention how under this legislation voluntary workers (which the cases in the GLA Culture and Volunteering guide would come under), must not receive any monetary payments, nor any benefits only reimbursement of

60. *ibid.*

61. *ibid.*



expenses.

62. *ibid.*, p.2.

63. *ibid.*, p.7.

64. *ibid.*

Volunteering: They use the Home Office definition of volunteering as “an activity that involves spending time, unpaid, doing something that aims to benefit the environment or individuals or groups other than (or in addition to) close relatives. Volunteers must not be bound to any particular shift rota or set number of working hours per week, though these can be suggested if appropriate; their help must remain at all time fully optional activity”.<sup>62</sup> They state that volunteers do not qualify for the minimum wage because they are not workers and they are not under obligation to perform work and are free to come and go as they please.<sup>63</sup> They suggest organisations should provide volunteers with training, be assigned a trained mentor or manager and have their progress monitored.<sup>64</sup>

65. *ibid.*, p.2.

Work Experience Placements: They describe these as usually involving students as part of their further or higher education “to try various tasks and develop skills that will make them more attractive to prospective employers”. They should not be relied upon to fulfil roles that are necessary for the organisation and would otherwise be undertaken by a member of staff. They can be unpaid provided the individual is not a worker, in which case NMW would apply. They should be time limited (i.e. not exceed 160 hours) and be carried out either full-time, over a four week period or part-time over three months. Reasonable and pre-agreed expenses should be reimbursed.<sup>65</sup>

Internships: With regards to internships, Skillset describe interns as being the next level up from someone on a placement as they have a “duty to perform meaningful and valuable work for the organisation” and are expected to “apply the skills they have obtained in the working environment”. They suggest internships are less structured and shorter than traineeships. They identify two types of internship: student internships and general internships. Student internships can be unpaid, even if the individual is a worker as they are carrying out the work as part of their full-time studies (as in a work experience placement). They suggest the student

66. *ibid.*, p.3-4.

intern is paid a 'basic wage' (they don't say how much, or if this should be NMW), "in recognition of the value the intern brings to the organisation".<sup>66</sup> Their definition is based on full-time students who, they say, can continue to benefit from university accommodation and student loans. They define general internships as not being part of a course of full-time education and should be categorised as 'work' and therefore employers should pay NMW. They suggest this reflects the fact that while the NMW is "generally less than the average starting salary", internships are a learning process and there is also 'real business gain'. They suggest these types of internship would be between 3-6 months (no more than 40 hours per week) and there should be a contract and opportunity for full-time employment after internships.

67. *ibid.*, p.4-5.

They go on to define traineeships and apprenticeships. Traineeships should provide high quality focused training full or part time (max 40 hours per week) over approx. 12 months and should be paid a starting salary commensurate with their role.<sup>67</sup> Apprenticeships are a more formal, nationally recognised form of work-based training and accreditation lasting between 12 and 36 months, and are organised by Sector Skills Councils in collaboration with industry. They are waged at the national apprentice minimum rate of £2.50 per hour (at the time the guidelines were written). If the apprentice is 19 or over they receive at least the NMW after their first year of the apprenticeship. Apprenticeships are also set up by big companies as work-based training schemes for new recruits but these do not have to comply with Sector Skills Council guidelines on pay and conditions.<sup>68</sup>

68. *ibid.*, p.6.

## **1.8 Creative Apprenticeships: Assessing the return on investment, evaluation and impact (Creative and Cultural Skills October 2011)**

This evaluation was written by accountancy and business advice company Baker Tilly and the Educations and Employers Taskforce for Creative and Cultural Skills (the Sector Skills

Council for craft, cultural heritage, design, literature, music and visual arts). It focuses on the Creative Apprenticeships programme from 2008, when the scheme was launched, to June 2011 using the Social Return on Investment (SROI) methodology. The Creative Apprenticeship (CA) scheme was delivered by the National Skills Academy for Creative and Cultural Skills. Since 2008 there have been c.700 apprenticeships in areas such as Community Arts, Design, Cultural and Heritage Venue Operations and Live Events and Promotion. The apprenticeships consisted of a vocational qualification at levels 2 and/or 3 and were targeted at 16-24 year olds who did not have a degree. The apprenticeships were typically one-year full time (per level of qualification) and the apprentice would receive at least the Apprenticeship NMW of £2.50 per hour (there are variations in wages for CA's, for example, Birmingham Hippodrome offered £22742 per week and The Junction £111 per week). The Apprenticeships, Skills, Children and Learning Act of 2009 introduced new requirements for apprenticeships, including making it mandatory that all apprentices are employed, under a formal contract of employment.<sup>69</sup>

69. *Creative and Cultural Skills*. October 2011. *Creative Apprenticeships: Assessing the return on investment, evaluation and impact*. London: Creative and Cultural Skills. p.55.

70. *ibid.*, p.11.

71. *ibid.*, p.14.

The evaluation tries to measure the broader social and financial benefits of the CAs and found that the latest cohort of CAs (of which there 210) is expected to deliver a net gain of £2.4 million to the UK economy over the coming decade, with forecast net gains of c. £16.4 million for the next five cohorts of learners.<sup>70</sup> There is a detailed breakdown of how they applied SROI to come to these statistics, but generally they were calculated based on three aspects: the gain in productivity associated with improved training and skills among CAs, the gain to employers from reduced induction costs compared to other entrants and recruitment cost savings to employers.<sup>71</sup> The SROI figures are used to demonstrate that there are financial and social rewards for investing in the CA programme. They are keen to point out that the financial gains of this programme for the UK economy are far more than the cost of funding the Creative and Cultural Skills, of which this programme only forms a part. SROI calculations can be used to justify and explain in economic terms the benefits of investing in social/

educational/charitable projects.

Because of their focus on the economic benefits for employers, the research focuses on a survey, focus groups and interviews with employers rather than apprentices. They found that 79% of employers felt that the CAs had made a significant contribution to their business and 57% of CAs remained with their employer after finishing the apprenticeship. Interestingly, however, the report notes that “in a number of cases the individuals taking the apprenticeship were already employed by the provider”.<sup>72</sup> They do not say how many of the 700+ cases this applied to. They also point out that, while the scheme was open to ages 16 and over, most CAs were about 22 years old, with very few in the 16-18 bracket.<sup>73</sup> This was perhaps surprising as apprentices in the 16-18 age bracket would have received funding to cover the full cost of their wages. Those over 18 had to be paid directly by the organisation. The authors of the report are concerned that the emphasis on older apprentices, can lead to an apparent gap in vocational provision for those in the younger age group wanting to work in the sector. One of the reasons given for organisations not employing younger apprentices was a general concern from employers about a lack of maturity in dealing with members of the public and other professionals.<sup>74</sup> The report highlights that from 2011-12 employers have to pay both the apprentices salary plus half their course costs if they are over 18 years old and from 2013, they predict that all level 3 and above provision, including apprenticeships, for those aged 24+ will be funded through loans.<sup>75</sup> This might mean employers look to work with 16-18 year olds as they will still receive government funding.

The report refers to barriers for employers taking on CAs. The creative and cultural industries are predominantly made up of smaller organisations (94% employ ten people or fewer), and the report found that the cost of employing an apprentice too high for these smaller organisations.<sup>76</sup> There was also issue for those who did work with CAs in terms of the administrative burden and amount of bureaucracy that the scheme involved.<sup>77</sup> They also point out that there is a culture in much of the sector of taking on unpaid interns, generally educated

72. *ibid.*, p.50.

73. *ibid.*, p.54.

74. *ibid.*

75. *ibid.*, p.55.

76. *ibid.*, p.4 and 16.

77. *ibid.*, p.16.

78. *ibid.*, p.50.

to higher levels. The survey notes that “it is challenging to convince employers why they should recruit an apprentice instead of an intern”.<sup>78</sup> Furthermore, the requirement for apprentices to be in employment “does not sit well in a sector where many employees are self-employed or very small employers”.<sup>79</sup>

79. *ibid.*, p.54.

## **1.9 Internships in the arts: A guide for arts organisations (ACE 2011 b)**

80. HM Government 2009 and 2010, *op. cit.*

Arts Council England’s (ACE) ‘Internships in the arts: A guide for arts organisations’ document was published at the end of November 2011. It follows on from the numerous reports discussed above such as the ‘Unleashing Aspiration’ reports<sup>80</sup>, as well as the criticism directed at ACE itself in regards to its weekly email job bulletin when it was revealed that most of the advertised positions – many of which were with ACE funded arts organisations, did not fulfil the national minimum wage criteria (the newsletter was promptly withdrawn, and came back a short time later having undergone a revamp).

This report, addressed to employers in the art and cultural sector, with no direct tips/advice for interns themselves, distinguishes an internship from volunteering, voluntary work, student placement, an apprenticeship, a traineeship or work experience. What the ACE report appears to be attempting here is to clarify this legal and semantic ambiguity by stating in clear terms that ‘worker’ status is applicable in the given circumstances listed, no matter which particular terminology is used in order to exactly describe the role undertaken. The National Minimum Wage and the London Living Wage are explained in detail. Also included is a very clear, five-point internship checklist showing which interns must be paid:

“There is no formal, legal definition of an internship. However, for the purposes of these guidelines, we define an internship in the following ways:

- it is short term (ideally between two weeks and six

months)

- where the intern fulfils 'worker status' through the activities they undertake and their contractual relationship with their employer, it is a paid position
- while many interns have knowledge or skills in a relevant area, the internship should be either their first experience of a particular sector or role, or the 'next step' on from, for example, a volunteering role
- the intern is expected to contribute to the work of the organisation, rather than taking on a purely shadowing role
- an intern should be provided with a defined role and job title"

They also point out that, "asking your intern (or anyone else) to become self-employed workers, with you as their client, to avoid paying NMW will not make them exempt from the legislation if they fulfil their conditions of 'worker' status".<sup>81</sup> ACE go on to flag up that there is one major exception to the above rule: along with interns that only engage in shadowing, and those who are employed as part of a certain government training scheme or European programme, employers do not have to pay wages in a situation:

"where students currently in further or higher education undertake an internship as a required part of their course, as long as it does not last more than one year. However, students undertaking internships outside of their course (for example, in their holidays) are entitled to the national minimum wage if they fulfil 'worker' status, just as with any other individual."

The report includes quotes from the likes of Sir Nicholas Serota of the Tate ("Tate galleries said they regularly employ 120 unpaid interns annually") and Alan Bishop of the Southbank Centre, both of which institutions are known for having a long history of 'employing' unpaid interns.<sup>82</sup>

Finally, the report also warns that employers flouting the NMW wage legislation face an employment tribunal or an HMRC inspection that can result in order for repayment of the wages in arrears, backdated taxes, National Insurance

81. Arts Council England (ACE). November 2011 b. *Internships in the arts: A guide for arts organisations*. London: ACE. p.7.

82. Stratton, A. 2011. 'Nick Clegg's social mobility scheme targets unpaid internships' *Guardian Online* 5 April 2011.

contributions and a penalty. The Department for Business, Innovation and Skills (BIS) could also name offenders in a press release.

## **1.10 National Minimum Wage. Low Pay Commission Report 2011 (Low Pay Commission 2011)**

The Low Pay Commission is an independent body established as a result of the National Minimum Wage Act 1998 to advise the Government about the National Minimum Wage. In 2011 they were given the remit by Government to include information and recommendations on internships as part of their reporting on the labour market position of young people.<sup>83</sup> They refer to research carried out by the Higher Education Statistics Agency which found (the latest figures are from 2008/9) that there has been a rise in the small proportion of all graduates undertaking voluntary or unpaid work six months after graduation (increasing from 1.1% to 1.6% from 2007/8).<sup>84</sup> The Commission also quote Intern Anonymous's survey of 235 ex-interns which found that 82% of internships did not lead to employment with the organisation they interned for, and 83% said their employer did not help them with their search for jobs. Over 40% of interns surveyed were unemployed and 37% had undertaken 3 or more internships.<sup>85</sup>

83. Low Pay Commission. 2011. *National Minimum Wage. Low Pay Commission Report 2011*. London: LPC. p.81.

84. *ibid.*, p.81.

85. *ibid.*, p.82.

This report also flags up that unpaid internships are particularly common in cultural, media and political sectors. They cite BECTU's concerns that young people who could not afford to work for no income were 'regularly lost' to these sectors and refer to the Young Women's Christian Association's (YWCA) concern that unpaid internships "further exacerbate the skills gap".<sup>86</sup> They also refer to evidence from the National Council for Work Experience (NCWE) who told the commission that there is a growing practice of auctioning off prestigious internships<sup>87</sup> and to Interns Anonymous's claim that there are agencies charging businesses for supplying interns who then pay the intern a nominal wage and take a percentage of the interns future

86. *ibid.*

87. *ibid.*



88. *ibid.*, p.98.

salary arising from subsequent employment with that business.<sup>88</sup>

89. *ibid.*, p.97.

The report reiterates the minimum wage law, pointing out the exemptions of voluntary workers, for example, which allows volunteers to work for charities without minimum wage liability.<sup>89</sup> They state that ‘intern’ and ‘internship’ do not exist in NMW legislation and that unpaid internships can be advertised, but if ‘actual working arrangements are such that the person is a worker then, by law, they are entitled to be paid at least the NMW’.<sup>90</sup> They go on to state that they have received evidence of situations where the terms internship, volunteering and work experience have been used in cases that were clearly work.<sup>91</sup> However, there have been few complaints to HMRC from interns, indeed, relying on interns themselves to report abuse, is, according to the report, ‘useless as the interns were ‘afraid to complain’.<sup>92</sup>

90. *ibid.*

91. *ibid.*, p.98.

92. *ibid.*, p.99.

They outline how the views from stakeholders broadly fell into two groups: the first (e.g. TUC and Interns Anonymous) calls for better enforcement of NMW and improved guidance “to ensure existing exceptions were not abused”.<sup>93</sup> The group who attended an LPC ‘oral evidence session’ (NCWE, Interns Anonymous, NUJ and BECTU) agreed that intervention by HMRC should be at the point of job advertisement. Evidence also suggested a lack of satisfaction with HMRC’s management of complaints.

93. *ibid.*, p.98.

94. *ibid.*

The other group calls for the creation of a separate arrangement for interns – either by exempting interns from NMW legislation or setting a specific minimum intern rate.<sup>94</sup> Actaeon Films, for example, did not support the view that unpaid internships were a barrier to social mobility and have stopped offering internships since the “recent focus on the minimum wage”.<sup>95</sup> They proposed exemption from the minimum wage be made for internships of up to 160 hours.<sup>96</sup> Similarly, the British Chamber of Commerce (BCC) proposes a new category of intern worker be created who would not be entitled to NMW in order to encourage more firms to offer internship opportunities. The LPC also refer to CIPD’s proposal of a training wage of £2.50 an hour mentioned earlier

95. *ibid.*, p.83.

96. *ibid.*, p.100.



97. *ibid.*, p.83.

98. *ibid.*, p.101.

99. *ibid.*

100. *ibid.*, p.105.

101. *ibid.*

and Interns Anonymous's stated rejected of this proposal.

Overall, the LPC recommend stronger action needs to be taken on enforcement accompanied with better understanding of "when a legitimate unpaid work experience opportunity becomes a work placement that should be paid at least the NMW".<sup>98</sup> They advise the government raise awareness of the rules and recommend these rules be enforced by HMRC using their investigative powers.<sup>99</sup> They also point to their recommendation in 2009 for the government to implement a 'name and shame' policy, which was put in place in January 2011.<sup>100</sup> The aim of this policy is to expose employers who show a wilful disregard for the NMW in order to "raise the profile of enforcement and to create an effective deterrent". However, they also point out that the criteria for naming may have been set too tightly and mean few employers will be caught and named.<sup>101</sup>

## Literature by think tanks / industry

### **2.1 Internship Charter (CIPD September 2009a) and 2.2 Internships that work: A guide for employers (CIPD December 2009b)**

102. Published in September 2009 on their website: [www.cipd.co.uk/publicpolicy/\\_promoting-productive-internships-internship-charter.htm](http://www.cipd.co.uk/publicpolicy/_promoting-productive-internships-internship-charter.htm)

The Chartered Institute of Personnel and Development (CIPD) is a membership body representing the HR sector. Their guide to internships is aimed at employers and expands on from their Internship Charter.<sup>102</sup> The 'Internship Charter' is a voluntary code of practice consisting of six principles: recruitment, payment and duration, induction, treatment, supervision and reference and feedback. 'Internships that work: A guide for employers' suggests how organisations can address each of these points and gives a checklist for employers to use when assessing the quality of their

internship programme and a voluntary 'internship agreement' that formalises the internship and commitment to the Charter.

103. Chartered Institute of Personnel and Development (CIPD). December 2009b. *Internships that work: A guide for employers*. London: CIPD. p.3.

They identify the business benefits to having a quality internship programme as gaining a new motivated member of staff, bringing new skills and perspectives and potentially improving productivity.<sup>103</sup> CIPD also refer to the Final Report of the Panel on Fair Access to the Professions in both documents, stating that they welcome many of the principles and recommendations outlined in that report. In the Guide for Employers they highlight the Panel's recommendation that each profession should make employers aware of a code of practice for high-quality internships, which their Charter and guide for employers aims to do. Another of their motivations for producing the Charter and Guide was to help deliver the 2009 Backing Young Britain campaign which aimed to bring businesses, public and voluntary sectors together to tackle rising graduate unemployment and prevent young people becoming a lost generation. Part of this programme and the government's solution to this problem was to encourage businesses to offer more internships to graduates and non-graduates.<sup>104</sup> CIPD therefore wanted to promote good management practice as more organisations consider taking on interns due to these government policies.

104. *ibid.*

105. Chartered Institute of Personnel and Development (CIPD). September 2009a. *Internship Charter*. London: CIPD.

Their 'Internship Charter'<sup>105</sup> states that "ideally an intern should be paid a salary" of at least the NMW or LLW but that "the quality of the experience for the intern is the most important factor" as they think the short-term costs can be offset by long term advantages. In the Charter, they suggest that as a bare minimum work-related expenses should be covered but also point out that if an intern is 'contributing to your company, has a list of duties and is working set hours then technically they should be paid the NMW'.<sup>106</sup> They also point out that if a business has more than one intern at the same time, they should all be offered the same deal. The Guide highlights that interns should be allowed time off to attend job interviews and that they 'strongly recommend' not to ask interns to carry out basic or menial tasks as this may be preventing the person from being employed by someone else

106. *ibid.*, p.5.

107. CIPD 2009b, *op. cit.*, p.7.

that can offer them a workload “commensurate with their set of skills”.<sup>107</sup> The CIPD see their Charter as the beginning of a longer process of making internships “fairer, more accessible and more productive” and would like to see a regulated kitemark scheme that would help interns chose the best internships and give businesses a set of guidelines to work to.

## **2.3 Internships: to pay or not to pay? Policy analysis and recommendations (CIPD June 2010)**

Six months on from publishing ‘Internships that work: Guide for Employers’, CIPD produced the report ‘Internships: to pay or not to pay?’ This report, written by Tom Richardson, Policy Advisor on Skills at the CIPD, attempts to clarify some of the confusion around the issue of whether internships should be paid or not and presents three recommendations: a ‘training wage’ for interns, that unpaid internships be treated as a breach of NMW legislation and that a code of best practice for internships be published.

108. HM Government 2009, *op. cit.*

109. BIS 2010a, *op. cit.*

110. Chartered Institute of Personnel and Development (CIPD). June 2010. *Internships: to pay or not to pay? Policy analysis and recommendations*. London: CIPD. p.2.

III. *ibid.*

The report refers to the Panel on Fair Access to the Professions<sup>108</sup> and ‘Government evidence to Low Pay Commission on the economic effects of the NMW’<sup>109</sup>, stating the argument for not paying or poorly paying interns is based on the fact that the intern accept lower pay in anticipation of an increase to their earnings and secure employment in the future.<sup>110</sup> That the delayed payment should therefore “outweigh the short-term costs of taking on an unpaid position” is reliant on there being a long-term increase to someone’s earnings. They go on to state that there is concern that if employers were forced to pay interns the number of intern places would decrease as “organisations become unable, or simply unwilling to provide them”.<sup>111</sup>

They also outline the counter argument presented by, for example, NUS and TUC, that all interns should be paid at least the NMW. They outline the ‘dilemma’: ‘allow employers not to pay interns and risk scaring off people from less affluent backgrounds, or make employers pay the NMW and risk losing

112. *ibid.*, p.3.

a large number of internship opportunities'.<sup>112</sup>

113. *ibid.*

The CIPD recommend a middle ground: to treat internships like apprenticeships which have their own pay system (£2.50 an hour in 2010, £2.60 in 2011). Despite the concerns raised about the reduction of internship places if organisations were forced to pay interns, they state that paying apprentices “has seldom met with opposition among employers”.<sup>113</sup> In a previous survey CIPD found that 63% of employers paid their interns at least the minimum wage with 92% of this group of employers pay above the NMW.<sup>114</sup> This sample, however, focused on bigger, commercial organisations; no arts organisations were included.

114. *ibid.*, p.2.

115. *ibid.*, p.4.

They recommend existing apprenticeship minimum wage legislation cover internships as a new ‘training wage’ (with regional weighting), regardless of industry sector, size of employer or nature of the work in order to “offer young people and employers a fair deal, promote social mobility, provide young people with valuable experience and help minimise exploitation in the workplace”.<sup>115</sup> This would mean interns are covered, as are apprentices, in terms of workers’ rights, such as entitlement to at least 20 days paid holiday a year in addition to bank holidays, entitlements to sick pay, rest breaks and weekly working hours.<sup>116</sup> They also recommend that the programme must last between 3 and 12 months and that all unpaid internship positions (based on their proposal of a ‘training wage’) be treated as a breach of NMW legislation. They also suggest a national internship code of practice should be drawn up to improve the quality of internship provision.

116. *ibid.*, p.14.

## **2.4 Why Interns Need a Fair Wage (IPPR July 2010)**

Kayte Lawton of the think tank, Institute for Public Policy Research (IPPR) and Dom Potter of the social enterprise Internocracy co-published their briefing paper ‘Why Interns Need a Fair Wage’ in July 2010 to examine the role a nature of

unpaid internships. Their paper argues for the gradual phasing out of unpaid internships and discusses options for increasing access to paid internships.

The authors suggest that informal systems of unpaid internships tend to be concentrated in sectors that are 'competitive and attractive', that 'wield enormous power', that offer above-average wages and are often associated with higher socio-economic classes such as politics, creative industries, law and media industries.<sup>117</sup> The authors argue that while internships are seen as 'career-changing opportunities'<sup>118</sup>, the practice of not paying interns actively excludes young people who are unable to work for free, thus perpetuating inequality and "dampening opportunities for social mobility".<sup>119</sup> Furthermore, they argue that "unpaid internships play a small part in helping to perpetuate the exclusion of people from certain backgrounds from influential roles and continuing inequalities in power".<sup>120</sup> They go on to suggest that interns are unlikely to raise concerns about their employment situation (for example via the HMRC helpline) because they enter the schemes voluntarily, are unclear in the first instance as to if/how NMW applies to them and because they are keen to maintain good relations with their employer.<sup>121</sup> This means there is a lack of data on the experiences and types of internships out there.

They point to this missing data on internships, and that they have based their research on conversations with former and current interns. They also draw on CIPD's data<sup>122</sup> and points made in the Final Report of the Panel on Fair Access to the Professions.<sup>123</sup> They remind the reader that the latter report found that internships often operate in an 'informal economy' where opportunities depend on who you know rather than proven ability or potential.<sup>124</sup> They also quote the Low Pay Commission's 2010 report, which concludes "there is systematic abuse of interns, with a growing number of people undertaking 'work'; but excluded from the minimum wage".<sup>125</sup>

The authors critique the above-mentioned CIPD reports as not making significantly clear the case for paying interns and reject their proposal for a separate 'training wage'

117. Institute for Public Policy Research (IPPR). July 2010. *Why Interns Need a Fair Wage*. London: IPPR. p.6 and 8.

118. *ibid.*, p.7.

119. *ibid.*, p.4.

120. *ibid.*, p.8.

121. *ibid.*, p.10.

122. CIPD 2010, *op. cit.*

123. HM Government 2009, *op. cit.*

124. IPPR *op. cit.*, p.7.

125. *ibid.*, p. 9.

126. *ibid.*, p.12.

127 *ibid.*, p.10.

128. *ibid.*

129. *ibid.*, p.6.

for interns of £2.50.<sup>126</sup> They believe these reports should “contain stronger messages about intern pay”, and not only recommend that employers cover work-related expenses as a minimum.<sup>127</sup> They stress that these CIPD documents do not make clear that interns are eligible for NMW if they are doing ‘work’, regardless of how long they are working for. Employers should, they argue, start from the assumption that internships should be paid.<sup>128</sup> The authors also refer to the Graduate Talent Pool (launched in July 2009), flagging up that this resource does not require internships to be paid and that it is left to the employer to check they are complying with the NMW legislation.<sup>129</sup>

130. *ibid.*, p.4-5.

131. *ibid.*, p.5.

They describe what they understand to be a typical picture of an internship as lasting 3-12 months, that it usually involves a set number of hours, often on a full-time basis, that interns are often university graduates looking for a job in a particular industry and are expected to carry out a specific piece of work during an internship (often to deadline) and that they might have their performance monitored and evaluated.<sup>130</sup> Importantly, they also point out that interns usually conduct work that could have been carried out by a paid member of staff and therefore make a significant and valuable contribution to an organisation.<sup>131</sup> Work experience or placements, on the other hand, often only last a few weeks and primarily involve work shadowing. Based on this definition of an internship, they propose that many interns currently working in the UK could be defined as workers under NMW legislation.

132. *ibid.*, p.9.

133. *ibid.*

134. *ibid.*, p.10.

They go on to present the implications of the NMW Act on internships in the private sector and charities, voluntary and statutory bodies. Private companies are not allowed to employ ‘voluntary workers’ and therefore, the authors argue, if internships are to be understood as a form of work, employers are legally required to pay their interns NMW.<sup>132</sup> They believe employers often mistake internships as a ‘grey area’ in terms of payment, but state that the law is clear and that “the problem is a failure of enforcement”<sup>133</sup>, suggesting that HMRC have been turning a blind eye due to focusing on sectors where more vulnerable workers are at risk.<sup>134</sup>

135. *ibid.*, p.11.

With regards to charities, voluntary organisations and statutory bodies, ‘voluntary workers’ can be employed on the same terms as workers with the only difference being that they are not entitled to any monetary payment except reasonable expenses. While these organisations therefore do not have a legal obligation to pay interns, the authors argue that they have a ‘social obligation’ “to play their part in ensuring valuable employment opportunities are available to young people from different backgrounds”.<sup>135</sup> They point out that a charitable objective, such as reducing inequality or improving opportunities for disadvantaged people, “cannot be squared with employment policies and practices that actively exclude the very people who are supposed to be an organisation’s beneficiaries”.<sup>136</sup>

136. *ibid.*

The paper ends with four recommendations and practical suggestions for phasing out unpaid internships and establishing high quality, paid programmes:

- **Fair payment for interns:** They want to see all interns receiving at least the minimum wage; that government should phase out all unpaid internships in publicly funded organisations and that BIS and CIPD ensure the private sector is fulfilling its legal obligations (by, for example, improving clarity of information). This, they say, will help businesses avoid future legal claims and improve the reputation of the sector and that unions share more successful test cases of employment tribunals for interns. They also suggest young people’s charities should show the way by looking at the feasibility of phasing out unpaid internships. They believe charities should be upfront with funders about what they get in return for paying interns.
- **Help employers pool resources and cut costs:** “Having more paid internships does not mean having fewer internships”. Organisations should pool resources and organise training collectively. They suggest this could be done with sector-specific or regionally based organisations. There could be ‘time-share interns’ employed between larger private/public and smaller organisations.
- **Widening access – pay is not enough:** They have found that “despite paying interns the London Living Wage, many interns still come from the top universities and from families



137. *ibid.*, p.14.

that have a strong tradition of working in politics or the professions”<sup>137</sup>, They recommend to help interns by using cheap university accommodation during the summer. They also suggest employers increase the transparency of the recruitment process by making sure they are widely advertised and appointed through a formal recruitment process. Sector-based outreach programmes could also ensure internships are widely understood and university careers services should be fully up to speed on internships (legal status etc.).

- **Better data on interns and internships:** They recommend a national intern audit be carried out (they suggest funders such as ESRC or European Commission for this).

## 2.5 Disconnected: Social mobility and the Creative Industries (SMF 2010)

This report by the think tank Social Market Foundation (SMF) consists of an analysis of the role of unpaid internships as an entry route to the creative industries based on a poll of 16–25 year olds followed by four essays reflecting on the reasons for “poor social mobility in the UK’s creative industries”. SMF describe their approach to policy as taking a ‘pro-market’ rather than ‘free-market’ approach and researching ways to ‘marry markets with social justice’. They refer specifically to the creative industries because the Coalition Government has identified this as a ‘growth sector’ in the UK. This focus on the creative industries, they report, is due to the generation and exploitation of intellectual property, their immunity from price competition and growing overseas demand. The creative industries are also predominantly ‘knowledge driven’, which has also been identified as a key area of economic growth due to the demand for new technologies.<sup>138</sup>

138. Social Market Foundation (SMF). 2010. *Disconnected: Social mobility and the Creative Industries*. London: SMF. p.15–16.

They report on their YouGov 2010 poll which found that of 42% of young people who were interested in pursuing a career in the creative industries, a “substantially greater number of young people from deprived backgrounds than affluent backgrounds report wishing to work in the creative industries”.<sup>139</sup> The report also highlights findings by the

139. *ibid.*, p.17.



140. HM Government 2009, *op. cit.*

141. SMF, *op. cit.*, p.18-19.

142. *ibid.*, p.21.

143. *ibid.*, p.24.

144. *ibid.*, p.26.

145. *ibid.*, p.27.

146. *ibid.*, p.24-25.

147. *ibid.*, p.13.

148. *ibid.*, p.19.

149. *ibid.*

150. *ibid.*, p.29.

‘Unleashing Aspiration: Final Report of the Panel on Fair Access to the Professions’<sup>140</sup> that increasingly, journalists are coming from wealthy backgrounds and that fewer people from lower socio-economic backgrounds are entering the profession.<sup>141</sup>

Unpaid internships are often the entry route into the creative industries. Nearly half of those in the creative workforce report having done an unpaid internship.<sup>142</sup> They state that there are an increasing number of unpaid internships being undertaken in the creative industries with 20% of employers planned to hire interns in summer of 2010 compared to 13% in summer of 2009.<sup>143</sup> They state that,

“Doing unpaid internships will increase a young person’s chances of getting a good, well-paid job in the long-term. Evidence suggests that art and design graduates have better employment prospects if they have undergone work experience prior to entering the labour market...generally therefore, young people are making a sound investment doing an unpaid internship.”<sup>144</sup>

But, they suggest, “credit constraints prevent young people from lower socio-economic groups being able to afford to undertake unpaid internships”.<sup>145</sup> They ask: is it fair in principle that people should work for no pay; and if so, does the unpaid nature of the work mean that opportunities are distributed only to those from more affluent households?<sup>146</sup>

The reasons they give for poor social representation in the creative industries include the fact that entry to professions is often dependent on having a degree<sup>147</sup> and that there is poor careers advice. They also point to the issue that the unstable, precarious employment patterns in the creative industries make the career less viable for those without a financial safety net.<sup>148</sup> For example, 34% of the creative workforce is freelance and short-term contracts and project-based work are commonplace.<sup>149</sup> They also highlight that the lack of access to social networks and the informal ‘who you know’ recruitment process “put[s] those who lack the right networks at a huge disadvantage”.<sup>150</sup>

151. *ibid.*, p.27.

152. Ball L, Pollard E, Stanley N, Oakley J. 2010. *Creative Career Stories*. London: Centre for Learning and Teaching in Art and Design, University of the Arts London.

153. Taylor, S. and Littleton, K. 2008. *Creative Careers and Non-Traditional Trajectories*. London: National Arts Learning Network.

154. SM, *op. cit.*, p.28.

155. *ibid.*, p.36.

156 *ibid.*, p.38.

157. *ibid.*, p.21.

158. *ibid.*, p.42.

They go on to claim that “the question of fairness around unpaid internships therefore, is not one about whether they should be paid or not. Rather, it is about whether the lack of payment restricts opportunities to the better off”.<sup>151</sup> They refer to evidence in the reports: ‘Creative Career Stories’<sup>152</sup> and ‘Creative Careers and Non-Traditional Trajectories’<sup>153</sup>, that suggest that “unpaid internships could be having a detrimental impact on social mobility in the creative industries” due to ‘credit constraints’.<sup>154</sup>

They carried out their own poll through YouGov that had responses from 712 16 to 25 year olds in September 2010. The poll found that “57% of young people from a low socio-economic group report not being put off from a career that requires unpaid work to get into, compared to 59% of young people from high socio-economic group”.<sup>155</sup> From this survey, they conclude that

“credit constraints in particular are not decisive in preventing most young people from low-socio-economic groups undertaking unpaid internships. The majority, even among those from low income backgrounds, are clearly finding ways to be able to afford to do unpaid work”.<sup>156</sup>

They finish with a series of policy options and recommendations. They suggest policy should focus on ‘boosting aspiration’ and ‘equalising opportunities’ for access and improving information to young people about “the value of the unpaid work they are undertaking”.<sup>157</sup> Their focus is on equalising access to unpaid internships: “many poorer young people may simply not be accessing certain types of unpaid internship”.<sup>158</sup> They also suggest a national study backed by government and industries should be carried out to find out the details (such as length, location, sector, number undertaken, type of employment interns go on to). They also suggest a government backed National Internship Kitemark Scheme based on, for example Internocracy Star Internships Programme (I.SIP). The kitemark would be for organisations offering unpaid internships that demonstrate transparent, fair and open recruitment processes, that are time-limited (to prevent interns from “investing any further time and

159. *ibid.*, p.44.

160. *ibid.*, p.43.

161. *ibid.*, p.44.

162. *ibid.*, p.45.

163. *ibid.*, p.46.

164. *ibid.*, p.81.

165. *ibid.*, p.88.

166. *ibid.*, p.89-90.

money in what may turn out to be a fruitless activity”), that involve induction and performance reviews and a guaranteed reference letter or an interview to gain employment in the organisation.<sup>159</sup> This kitemark, they suggest, would provide “more reassurance to young people that unpaid internships are a worthwhile investment”.<sup>160</sup> The kitemark would be not obligatory and ‘impossible to enforce’.<sup>161</sup> They suggest that government could provide the financial support currently available to interns to those involved in a kitemark scheme<sup>162</sup> and that loans should be made available to “those from deprived backgrounds...whilst undertaking unpaid internships”, but only those internships covered by the kitemark scheme.<sup>163</sup>

The report includes a number of commissioned essays in response to the findings of SMF’s survey and policy recommendations. The text by Stephen Overell, for example, cites the survey by Shooting People that found that 81 % of its members wanted to see posting for unpaid jobs on their website with 86% prepared to work unpaid and 78% objecting to being told they should not work for free.<sup>164</sup> Counter to the SMF’s suggestion that a kitemark would be impossible to enforce, Overell suggests that “if enforcement [of employment law] was more active unpaid internships would probably begin to whither”.<sup>165</sup> Based on the evidence that the creative industries are currently socially unrepresentative, “hindering rather than helping social mobility”, in his judgement, internships are work and should be paid as such.<sup>166</sup>

## **2.6 Common Best Practice Code for High-Quality Internships (GPCF July 2011)**

167. HM Government 2010, *op. cit.*

The Gateway to the Professions Collaborative Forum (GPCF) is an ‘ad hoc’ advisory body representing approx. 60 organisations. The Forum was re-launched in January 2010 following recommendations from the Panel on Fair Access to the Professions.<sup>167</sup> The purpose of the Forum is to identify and expand routes into ‘the professions’, particularly non-

168. *Gateway to the Professions Collaborative Forum (GPCF)*. July 2011. *Common Best Practice Code for High-Quality Internships*. London: Trades Union Congress. p.2.

169. *ibid.*, p.3.

170. *ibid.*

171. Specifically, 'Internships that Work', 2009b, *op. cit.*

172. GPCF, *op. cit.*, p.4.

173. *ibid.*, p.6.

174. *ibid.*, p.8.

175. *ibid.*, p.9.

176. *ibid.*, p.12.

university routes; identify internships and work opportunities; give information, advice and guidance on professional careers and broaden the criteria for acceptance into university courses feeding into key professions.<sup>168</sup>

The focus of the document is similar to that of 'Unleashing Aspiration' in that the Forum supports the idea of improving social mobility and that this is enabled by employers drawing on a 'diverse pool of talent' in order to 'unlock untapped aspirations'.<sup>169</sup> This is seen as necessary in order to 'drive tomorrow's economy and improve social progress'. They identify that unpaid internships are preventing some of the 'most disadvantaged individuals' from realising their aspirations.<sup>170</sup>

Their Code draws on the work of CIPD<sup>171</sup> and the work of the Panel on Fair Access to the Professions. The Code is presented as a 'collective commitment' from the members of the Forum to provide transparent internships that are open to all, irrespective of background.<sup>172</sup>

They define an internship as where an individual works to gain relevant professional experience before embarking on a career. They suggest the typical length of an internship is approx. 3 months and that a 'high quality' internship is usually based on a specific project.<sup>173</sup> They distinguish an internship from other forms of work that are unrelated to the pursuit of a professional career, placements that are part of a course or work shadowing which does not involve carrying out work for an organisation.<sup>174</sup> They state that internships must comply with current employment legislation and be paid at least the NMW and reimbursed for any necessary work-related expenses, suggesting that employers paying above the NMW are more likely to attract 'high calibre candidates'.<sup>175</sup> While the document suggests interns are classified as workers ("they should be treated with exactly the same degree of professionalism and duty of care as regular employees, including access to disciplinary and grievance procedures"<sup>176</sup>), they point out that there are exceptions to NMW legislation for students undertaking placements as part of a course and volunteers (which they define as having "no obligation to

177. *ibid.*, p.9.

perform work or carry out instructions...and can come and go as they please; they have no expectation of and do not receive any reward for the work they do”<sup>177</sup>).

The document goes on to identify six principles that are necessary for interns and employers to benefit from the process. These are preparation (e.g. understanding the rights and responsibilities both of employer and intern and ensuring the employer has the capacity to accommodate and support the intern), recruitment (e.g. adverts should specify the expected hours and remuneration offered), induction (e.g. outline the structure, objectives and values of the organization to the intern), treatment (e.g. consider part-time internships so as to provide opportunities for those who have responsibilities as carers), supervision and mentoring (e.g. agree and revise learning objectives with the intern and conduct a formal performance review with the intern) and certification, references and feedback (e.g. provide a reference letter and opportunity for the intern to feedback to the organisation about the quality of their experience).<sup>178</sup>

178. *ibid.*, p.10-14.

## Literature by self-organised/activist groups

### 3.1 Are you Free? (Intern Aware 2009)

Intern Aware is a campaign and pressure group focusing on promoting fair access to the internship system. It was initiated as a Facebook group named ‘Interns Must Be Paid The Minimum Wage’. The group’s main objective is making sure that interns are paid at least the National Minimum Wage. The group is lobbying the government to remove the loopholes that allow companies to pay interns nothing. They describe themselves as a ‘non-partisan campaign group’.<sup>179</sup>

179. See, [www.internaware.org/faqs](http://www.internaware.org/faqs)

180. HM Government 2009, *op. cit.*

Aimed at interns and/or potential/future interns themselves, the report is written in response to 'Unleashing Aspiration: The Final Report on Fair Access to the Professions'.<sup>180</sup> The paper concedes that this report failed to link the need to ensure social mobility through a fair internships scheme with the legal requirements of the National Minimum Wage, and this is what the group is proposing. The report also points out that while the report promised another Low Pay Commission review in 2010, the previous attempts to rectify the interns' position by the LPC were unsuccessful. The group vows to fight for removal of loopholes and implementation of the NMW law.

Shortly after its publication, Intern Aware ran an internship awareness campaign during the Labour Party leadership elections, and succeeded in convincing Ed and David Miliband, as well as Andy Burnham and Ed Balls, to back the group's pledge for employers to ensure their interns are being paid fairly. Diane Abbot is also on the list of MPs they approached, but no mention of whether she joined the pledge or not is made by the group. Despite the partial success of the campaign, 18 cases of unpaid internships with the Labour Party have been noted since.<sup>181</sup>

181. See, [www.internaware.org/labour-leadership-are-you-internaware](http://www.internaware.org/labour-leadership-are-you-internaware)

The document provides an overview of the internship field in 2009, reviews the 'Unleashing Aspiration' report and the 'Interns Contract' (drawn up by James Green as part of Phil Willis' campaign in favour of fair Parliamentary Internships), compares different internship schemes from around the UK (such as Project Scotland, University of Dundee, Graduates Yorkshire, The Social Mobility Foundation), and gives a brief overview of the field in the US and Finland. The document also discusses how internships are dealt with in different employment sectors and how employment in general is affected by internships, as well as other existing campaigns dealing with the subject: Interns Anonymous and Internocracy, Parliamentary Internships as well as groups in France and Germany.

The report is written in plain, clear language and explicitly addresses/identifies the semantic confusion surrounding

182. *Intern Aware. 2009. Are you free? London: Intern Aware. p.2.*

183. *ibid.*

the definitions of internships and work placements, and the significance of this confusion: “the idea of an ‘internship’ is often used interchangeably with ‘work experience’”<sup>182</sup> leading to “the different ‘deals’ that companies offer to their interns. Although some companies provide lunch and travel expenses, others do not”.<sup>183</sup>

184. *ibid.*

They state that National Minimum Wage legislation is not being observed in regards to internships, stressing that campaigning for minimum wage for interns is not intended to prevent people offering their services for free at NGOs or charitable organisations as volunteers.<sup>184</sup> ‘Grey areas’ regarding definitions of work, workers, and volunteers are problematic, as are the exceptions from the NMW law. A concern with the effects of recession, allowing employers to exploit unpaid staff during the economic downturn could affect issues of social mobility for decades to come. The recession should not be used as an excuse to get people to work for free. A need for more outreach in advertising positions, so that a broader variety of candidates have a chance to apply, is also identified.

Intern Aware’s main recommendations are to implement the NMW for interns and remove legislation loopholes. While they support the government’s internship scheme in the short-term, as a means to allow people from less privileged backgrounds access into the professions, they suggest that this could cause employers to exploit unpaid work of interns at the expense of the state:

“The measures that the Government suggest work to alleviate current employment problems but remove responsibility from companies to operate on the principle that work should be remunerated.”

### **3.2 Surviving Internships: A Counter Guide to Free Labour in the Arts (Carrot Workers Collective 2011)**

The Carrot Workers’ Collective, based in the UK and mainly



operating in London, organises around the issue of unpaid internships. The name of the group comes from the metaphor of the proverbial carrot dangled in front of [emerging] art and cultural workers and graduates, with the promise that working for free (accepting unremunerated work) will eventually lead to them being offered a paid position. The group consists of artists, educators, cultural workers and interns themselves, who have been working together around the issue of unpaid labour within the arts and the creative sector since 2007.

The report consists of four different sections. Section 1 of the guide is addressed to those considering an internship and/or looking for an alternative to a traditional internship. Section 2 is for those currently undertaking an internship; Section 3 is aimed at employers who have or want to take on interns. Section 4 explores 'How to Fight Back?' that moves beyond the case of internships to look at the systemic problems that permit exploitative labour situations by addressing myths and doubts and suggests collective practices to resist individualisation and competitiveness in the creative industries.

The document was published in summer 2011. Rather than from a need to respond to a particular piece of policy or legislation, it came from the collective's desire for assembling, in one place, all the tools and resources that the group works with, gathered over a number of years of organising, staging events and carrying out research. The guide is intended to serve as a survival guide for those who are already undertaking internships, whilst also making links between interns, employers and the larger system. The guide draws on real-life situations and experiences and offers tips and tools for navigation and negotiation of the world of internships.

The group identifies internships as a structural necessity within the post-recession, austerity-era cultural sector in the UK. In this context, the group sees exploring some commonly held myths about creative careers as necessary and asks a number of questions designed to explore the idea of what it might mean to 'work' in the creative and cultural sector. ("Is unpaid interning essential for a job in the creative sector? Does



185. Carrot Workers Collective.  
2011. *Surviving internships: A  
Counter Guide to Free Labour  
in the Arts*. London: The Carrot  
Workers Collective. p.7.

186. *ibid.*, p. 22.

187. *ibid.*, p.33.

188. *ibid.*

189. *ibid.*, pp.22-4.

interning and free labour automatically lead to paid work? Do those who work [intern] in the creative industry actually do creative work? Why do we often think that cultural work isn't 'real work?'<sup>185</sup>)

The first section includes a useful test/checklist, "Is an internship the best way to get what you want?", a brief history of work experience and internships in the UK and abroad, excerpts from the history of radical education, a breakdown of the composition of the UK arts and cultural sector, as well as a brief overview of relevant employment laws and the NMW. The middle part focuses, for the benefit of current interns, on strategies of negotiating the workplace, as well as ethics of performing unpaid work. The final section provides a checklist for employers and an 'Are you good with your intern' test.<sup>186</sup> All three sections make use of the medium of 'photo-romance' to introduce issues such as complicity, personal ambitions or ways in which arrival of an intern can disturb others in the workplace. All this is intertwined with mini case studies, testimonies, problem solving suggestions, cartoons, drawings and mapping exercises.

The guide does not make any concrete policy or legislation recommendations; instead it offers tools for imagining other models of internships and work. They propose a contract for an ethical internship to be agreed and signed by the employer and employee.<sup>187</sup> This includes clauses such as 'the intern shall not be given repetitive tasks' and "consideration should be given to potential interns who cannot afford to work full time for free opening opportunity to workers from all economic backgrounds" (e.g. limiting work hours during week, limiting length of internships, stipends if the hours required exceed a certain amount<sup>188</sup>).

The guide includes a breakdown of the differences between the definitions 'volunteer', 'intern' and 'worker'.<sup>189</sup> In the section on 'Interns', they refer to the TUC's reference for all interns to be considered workers, but they ask, "What's Wrong With This Picture?" They suggest "while this designation demands rights for interns as workers, it does very little in requiring internship placements to provide the very learning

190. *ibid.*, p.24.

191. *ibid.*

192. *ibid.*, p.23.

193. *ibid.*, p. 55-56.

194. *ibid.*, pp. 57-59.

experience in the name of which internships were developed and by which they are frequently justified".<sup>190</sup> With regards to the definition of 'workers', they state that the minimum wage "discriminates on the basis of age and that even for its top contenders (people over 21) it amounts to between 10,000 and 12,000 per year i.e. totally unliveable!"<sup>191</sup> They also point out the problem of 'volunteer worker' status which means those working for the public sector or charities 'have very few rights, including those of learning, training and pay'.<sup>192</sup> The guide finishes with a call for action – how to organize, how to refute myths surrounding unpaid internships<sup>193</sup> and how to think about alternatives to meaningless internships.<sup>194</sup>

### **3.3 Emerging Workers: a fair future for entering the creative industries (The Arts Group 2010)**

'Emerging Workers' is a lobbying document providing information for employers within the creative sector dealing with interns. It also serves as the initial announcement of (and the basis for) a lobbying campaign by The Arts Group, a student Mission Group bringing together elected representatives of students from UK Further Education and Higher Education institutions and faculties with a specialist interests in the Arts. The group provides "Representation & Action for Students of the Arts in the UK" for circa 50,000 students from around Great Britain. The report was written mainly by Kit Friend, the Chair of The Arts Group, with extensive contributions by members Andrea Strachan and Niki Haywood.

195. The Arts Group. 2010. *Emerging Workers: a fair future for entering the creative industries*. London: The Arts Group. p. 2.

The document was published in 2010 following the formation of the Art's Group's decision to "adopt a formal stance in regards to emerging workers within the creative industries". The group recognises it must "defend its emerging workers"<sup>195</sup>, as well as creative education in general: "We must, of course, defend the validity and worth of our creative and cultural contribution on grounds other than cold financial return, it is this that saves our economic worth and input becoming

196. *ibid.*

an exercise in box-ticking and accountancy”.<sup>196</sup> At the same time, action must be taken against: “this astonishingly low worth attributed to the labour of our graduates and can be “illustrated by simply walking into many media businesses and fashion houses where one would observe a large number of unpaid and low-waged interns that seem to power much of the entrance level departments” (*ibid.*).

197. *ibid.*, p. 3.

This lobbying document is aimed mainly at the creative sector employers and the government, and specifically the relevant government bodies such as the Department for Work and Pensions or the Department for Business, Innovation and Skills. The group makes two recommendations. Firstly, that government implement the existing law: “The affirmation of existing legislation, and (where absent) the creation of new employment legislation to limit the activities whereby organisations, businesses and individuals are allowed to make use of individuals’ services (whether graduates or otherwise”.<sup>197</sup> And, secondly, that further regulation to legislation concerned with the practice of work experience, internships and placements: ‘Government action is needed in order to protect students and graduates in the arts and creative industries, through, “creation of a national body with responsibility of defining, implementing and administering the above measures”.<sup>198</sup>

198. *ibid.*, p.4.

The group also calls for a creation of a fund for sponsoring interns: [governmental] funding and bursaries should be made available to employers so that they are able to continue to offer internships that are genuine training and development opportunities. The Group recognises that: “With the creative sector set to be one of the fastest developing in our economy, and aspirations for an increasing number of graduates to be produced, it is our responsibility to make sure that legislation and an imperative exists for them to be able to earn a decent living from their talents.” They believe arts graduates in general, not just the small number of celebrities, should be able to make a living from their profession. Basic standards and good practice guidance that reward rather than encourage self-exploitation, competitiveness and poor practice are needed in order to build a dynamic job market [within the arts

and the creative sector] that will be both empowering and accessible for employers, emerging and established workers alike.

The Group introduces the following definitions:

**Work Experience:** To a maximum of 4 weeks unpaid (or reasonable equivalent, e.g. 160 hours). Must contribute to travel expenses. Should include dedicated support provision from the host. Must be offered with a clear indication of what the placement candidate will gain from the experience. If unpaid must have no fixed hours of work or duties enforced. If paid must offer at least the National Minimum Wage

**Internships:** Up to a maximum of 3 months. Must be paid at a rate equivalent to the applicable local living wage

**Work Placements:** Must be carried out as part of an accredited course. Should be paid at least NMW or delivered with a full financial student support package at least equivalent to during study

## **Literature by education-related organisations**

### **4.1 Work Placement Toolkit (LCACE February 2008)**

This document was commissioned by Arts Council England and developed by LCACE in collaboration with the help of academics Professor Mustafa Ozbilgin, University of East Anglia and Dr Ahu Tatli, Queen Mary, University of London, in consultation with the arts and cultural sector and with the Higher Education sector. The aim of the toolkit was to provide a source of guidance and support for: arts and cultural sector organisations who host or wish to host work placements to

students in higher education, universities who endorse work placements as part of formal and informal learning processes, and students who wish or are required to undertake work placements in arts or cultural sector organisations as part of their university course.

199. London Centre for Arts and Cultural Exchange (LCACE). February 2008. *Work Placement Toolkit*. London: LCACE. p.7.

The document begins with a glossary of terms.<sup>199</sup> Written in 2008, it focuses mainly on work placements and terms alternative to it, with the use of 2006 National Council of Work Experience data. Perhaps unsurprisingly, other reports written from 2010 onwards point out that the shift from that term to the more commonly used term internships has already happened. In 2008 ‘internship’ was still described as a “phrase that is increasingly used by large companies and refers to a placement within their organisation, usually over 6-12 weeks during the summer holiday.” The language shift has taken place, the phrase is now ubiquitous and describes anything from: “Up to a maximum of 3 months. Must be paid at a rate equivalent to the applicable local living wage”<sup>200</sup> or: “as a set period, often around three months, of employment in a junior (often graduate level) role”.<sup>201</sup>

200. *The Arts Group*, *op. cit.*

201. National Union of Students and University College Union (NUS/UCU). 2011. *Internships: Advice to students unions and UCU members*. London: NUS.

202. LCACE, *op. cit.*, p. 8-9.

The toolkits include a set of clearly designed, easily customisable guidelines and templates designed to help the HEI’s, students and host institutions manage the placements. Almost 30 documents are included<sup>202</sup>, covering health and safety and equality advice, appraisal and monitoring checklists, workplace learning and personal learning guides and so on. There is no specific section detailing whether the student should be classified as a worker or not, no specific section on employee rights and pay, no specific section on expenses and travel costs etc. This section amounts to almost 50 pages of paperwork templates recommended for use in setting up / monitoring a placement, with attention given to the fact that a specific tutor at the student’s HE institution would be responsible for receiving both student and host institution feedback and, if necessary, liaising between the two in order to ensure the placement is a success.

The templates are followed by case studies (similarly to the University of the Arts, 2011 report) of a few HE institutions,

host institutions and student who have undertaken placements (PHILPOTT Design Ltd, The Circus Space, London International Festival of Theatre, Ravensbourne College of Design and Communication, Norwich School of Art & Design, Trinity College of Music Cultural and Creative Industries, King's College London, and five students). All accounts are positive, there is no mention of any possible problematic situations for which solution / survival strategies could be outlined. Interestingly, one of the students interviewed mentions that she extended her three-month placement to six months, in order to take part in the process of recruiting volunteers for the charity she was placed at.

## **4.2 Creative Graduate Internship Programme Report (University of the Arts London 2011)**

This report is the summary of an internship programme carried out by the UAL in 2010. The Graduate Internship Programme was a Higher Education Funding Council (HEFCE) sponsored scheme to support both recent graduates and targeted employers in the provision of high quality paid internships. At the end of the programme, around 100 employers registered internships opportunities. Places were funded by HEFCE at £1,600 per opportunity. In that year HEFCE spent almost £14 million for Universities to manage around 8,500 internships in the UK.

The internships were funded by a £100 per week subsidy for the employer, which the employers could claim via an invoice. An agreement ensuring that employers signed up to paid, meaningful internships was drawn up. The clause in the contract regarding 'Graduate Intern Wage' reads:

"The Company shall pay each of its Graduate Intern(s) for the fixed term duration of the Graduate Internship a gross salary [equivalent to the National Minimum Wage (as may be applicable from time to time)] OR [of £.... Per month] - If you pay the intern more than NMW please state how much

you are paying so we can include in the internship advert]. We will subsidise this internship £ 100 per week (funding provided by HEFCE).”

The internship opportunities were promoted via a specially set up GIS website, Twitter, Facebook, and The Creative Opportunities website / newsletter. A Creative Careers Blog was also set up, where students shared their experiences. To participate in the scheme, the employers – creative /digital sector companies employing less than 50 people – had to provide a contact person for the duration of internship, provide a suitable project for the intern to work on, perform all the required pre-employment checks and pay the intern a salary of (at least) the NMW. The report includes a copy of the Creative Graduates Internship Agreement written by UAL and signed by them and the host organisation. The document details the responsibilities of both sides, as well as support (mentoring, training, support, evaluation and feedback), the intern is promised to get throughout/after completing their projects.

Under the scheme summarised in the report, the UAL was to deliver 30 eight- and twelve-week-long internships, by end of March 2010, and subject to fulfilling this initial quota, a further 70 by the end of December 2010. In the end they worked with 64 employers, most of whom (84%) opted for offering 12-week internships, with the remaining 16% offering 8-week places. Of the 25 internships completed towards the end of March 2010, 54% of graduates had secured employment with their host employers. 29% of employers had offered the graduates full time positions and a further 25% were offered freelance or contractual work.

Before embarking on the programme, UAL conducted a survey amongst a sample of creative sector employers and found that of that sample 85.9% were interested in offering a 3-6 month placement but only just over half said they would be able to pay the intern. According to their report, UAL set up 100 internship places. As mentioned above, 64 of these are finished or ongoing but 36 were discontinued. They do not go into detail about why these internships were discontinued



and at which stage of the process, but they do offer some suggestions, such as no applications received, unable to find suitable candidates, employers no longer having funds available, employers employed non eligible graduate instead, graduate not able to complete entire internship, No PAYE system in place, went with another graduate internship scheme (graduate salary fully subsidised), employer discovered to have used more than one graduate internship scheme for funding and unable to recruit before the deadline.

The report takes note of the type/kind of employers that took part in the scheme: “Employers included sole traders working in jewellery and fashion accessories as well as a range of small design, advertising agencies and film companies”<sup>203</sup>, and their economic background: “businesses with less flexible profit margins”.<sup>204</sup> They state that, “just over 60 London based creative/digital small businesses who may not have been able to offer a paid and professionally relevant internship were able to sustain invaluable internships”.<sup>205</sup> However, no mention is made about the age, background of the students who took place; the report and the blog created for the project contain only two student testimonies, both positive.

203. University of the Arts London (UAL). 2011. *Creative Graduate Internship Programme Report*. [Unpublished]. p. 3.

204. *ibid.*, p. 7.

205. *ibid.*, p.1.

### **4.3 Work Placements in the arts and cultural sector: Diversity, equality and access (Equality Challenge Unit 2010)**

Equality Challenge Unit (ECU) is the higher education equality unit that works to further and support equality and diversity for staff and students in higher education across all four nations of the UK, and also in further education in Scotland. The report constitutes a summary of research commissioned by ECU to examine the equality issues associated with higher education work placements undertaken in the arts and the cultural sector, with the aim of developing practical tools to address the challenges faced by students.

The report recognises the benefits, for both students and employers, of work placements. However, it points to

206. *Equality Challenge Unit (ECU). 2010. Work Placements in the arts and cultural sector: Diversity, equality and access.* London: ECU. p. 2.

challenges that students, especially “disabled students, black and minority ethnic students, and those from disadvantaged socioeconomic backgrounds”<sup>206</sup> experience while trying to access or complete a work placement or an internship. The report addresses the fact that such difficulties may have negative consequences for the arts and cultural sector in general, for example by marginalising potential audience appeal and limiting sector expansion. Barriers and lack of diversity, as well as lack of equality of access must be overcome.

The report and its accompanying toolkits are intended to serve as an aid for employers, higher education institutions’ staff and students to work collaboratively and recognise the great value work placements – as long as they are positive and inclusive – bring to the arts and cultural sector.

The scope of the research covered in the report is very wide and covers three sections: work placement arrangements in the case study HEIs, employer’s work placement arrangements, and student experience: overarching and specific equality issues.

One of the problems with the research, recognised by the authors of the report, is that it does not take into account those unable to secure an internship / a work placement: “[it is focussed] on the equality issues experienced by those students who had undertaken placements. This research was therefore unable to speak directly about the equality issues faced by students who are excluded at the very point of accessing work placements”.<sup>207</sup>

207. *ibid.*, p. 70.

The report makes an extensive list of recommendations, split into 4 sections:

Collaborative working and reviewing procedures. Key findings:

- Equal access to and delivery of work placements needs to be recognised as an equality issue
- HEIs should review work placement arrangements and policies to address equality issues in accordance with guidance provided by the existing public sector duties

- Feedback and monitoring data should be analysed regularly to inform policies and procedures
- Equality and diversity training should be developed specifically to attend to equality issues in work placements
- HEIs should consider developing an equality policy that is specific to work placements
- Equality procedures need to go beyond dealing with overt cases of discrimination to recognising and attempting to overcome the ways in which the institutional systems and structures in place might create inequalities.

Developing equality and diversity discourse. Key findings:

- HEIs should think about how they can assist students to discuss, identify and address issues of inequality.
- HEIs should think about how they can embed a language of equality and diversity more broadly within the curriculum. Enabling students to identify and think about equality and diversity now gives them the potential, as the future workforce, to transform and have a positive impact on their practices within the future workplace and as cultural producers. This might take the shape of a module on equality issues in the arts and cultural sector.
- HEIs should develop dialogue with employers about equality issues and the opportunities for diversity within the sector.

Better support for students. Key findings:

- HEIs should work to develop and widely promote funded placement opportunities for students and graduates, such as bursaries, Access to Work funds or other government initiatives.
- HEIs should identify and promote work placement schemes specifically targeted at particular groups, such as BME or disabled students.
- HEIs resources available to manage work placements could be used to provide the maximum support for students on placement.
- HEIs should ensure students are aware of their legal rights and what is acceptable practice regarding pay, hours and fair treatment in the workplace. This should be embedded in preparation for placements, for example in seminars and

tutorials.

- It is not just placement and careers staff that can help students when looking for placements. Academic staff can provide essential knowledge and industry contacts, and staff should think about how these can be shared openly and equally with students.

Wider recommendations. Key findings:

- Better publication of the legislation around pay during work placements, for both employers and HEIs.
- Better publication of social class inequalities as identified by this report and that of the Panel on Fair Access to the Professions, and a move towards formal recognition of issues around work placements as an equality issue.

#### **4.4 Internships: Advice to students unions and UCU members (NUS/UCU 2011)**

Written in 2011, at the height of the public / media debate surrounding internships, and shortly after publication of Ross Perlin's recent book, *Intern Nation* (quoted twice in the document), this report is an accessible, straightforward summary of the current legal status and ongoing discussion of internships in the UK.

As its starting point, this report takes the recognition of the growing presence of internships, the growing concern that they can be seen by employers as a way of taking advantage of free labour, and the idea that internships "exploit those who can afford to do them, and exclude those who cannot".<sup>208</sup>

208. NUS/UCU, *op. cit.*, p. 3.

The purpose of the report is to inform the NUS and UCU members as well as students (of which only 10% are aware of the fact that unpaid internships are illegal, the report quotes) about the rights of interns, the NUS and UCU policies on the subject of internships, and information and advice the NUS and UCU should be providing students with.

209. *ibid.*, p.6.

The report concedes that there is currently no official or agreed definition of what an internship is, and describes internship as a set period, often around three months, of employment in a junior (often graduate level) role. It points out there is no definitive data on the overall number of internships currently operating, but studies suggests they are on the increase since the start of the recession.<sup>209</sup> The report also addresses the relatively new phenomenon of third party agencies that charge companies to find interns, the instances of internships being auctioned (where the intern pays for an opportunity of an unpaid internship) and internships abroad are being sold.<sup>210</sup>

210. *ibid.*, p.8.

211. *ibid.*, p.9-10.

They point out that a large number of internships are illegal, with many opportunities being in direct contravention of National Minimum Wage legislation. The report goes on to clarify the current NMW rules – who qualifies as a worker<sup>211</sup> and all the exceptions to the NMW law – the self-employed, students undertaking work experience as part of a UK-based higher education course (or the placement is under one year in length), interns of compulsory school age, as well as voluntary workers – those working at charities, voluntary organisations, associated fund raising bodies or statutory bodies.<sup>212</sup>

212. *ibid.*, p.11.

213. *ibid.*, p.12-14.

The report encourages UCU and NUS to encourage students to keep records of the arrangements so that registering a complaint about not receiving NMW is possible, and mentions the successful NUJ and BECTU backed tribunal case.<sup>213</sup>

214. *ibid.*, p.14.

The report points to the significant role played by universities and colleges and university careers services in advising on / facilitating internships - while some schemes provide meaningful and accessible opportunities, others are criticised for their complicity – “advertising unpaid opportunities, creating unpaid opportunities internally for graduates, and working with third parties who charge employers to find unpaid interns”.<sup>214</sup> The HEFCE scheme for internships, discussed above in the University of London Graduate Internship Scheme section is mentioned here, and the HEFCE review is expected to be published shortly.

The report ends with a call for action: with youth unemployment at a record high, the rights of young workers must be defended – student unions and UCU branches should push for valuable and accessible opportunities for students and graduates, as well as educate them on their rights at work.