

Unpaid Interns – is it legal?

A [new report](#) from ippr and campaign group Internocracy on why interns need a fair wage spells out how employers almost certainly break the law with interns. Unpaid internships are common in politics, media and the fashion industry and enable young people to get a head start in their career.

The report makes the following key points:

- Employers mistakenly believe there is a 'grey area' around internships in the National Minimum Wage legislation and that they are allowed to take on unpaid interns so long as both sides know it is a voluntary position – but they are wrong. The law is in fact very clear and this is simply not the case.
- Many private sector organisations offer unpaid, expenses-only internships that almost certainly could not be described as 'work experience'.
- Some surveys have found that only half of the organisations that use interns pay them at least the adult minimum wage. But just under a fifth of them (18%) pay no wage whatsoever, and just under a third (28%) pay less than the adult minimum wage.
- Talented but less well-off young people lose out on the chance to get really valuable experience in sectors seen as exciting – such as the media, fashion, publishing and advertising – because they cannot afford to take internships offering no or very low pay.

Kayte Lawton, report co-author and research fellow at ippr, said:

“Too many employers don't understand the law when it comes to hiring interns. There is a mistaken belief that employers can take on people on a voluntary basis if both sides agree – but that's not what the law says. If an intern is doing work for

a company, then they need to be paid – it's as simple as that.

“In practice, this isn't what happens because employers don't understand the law and enforcement agencies are turning a blind eye. This is a real shame for all those hugely talented young people who can't rely on their parents to fund an unpaid internship. We should be doing much better for these young people.”

Dominic Potter, report co-author and director of Internocracy, said:

“We now have entire industries that rely on the willingness of young people to work for free. In the long run this is bad for business because it damages the reputation of these industries and makes it difficult for them to recruit from the broadest pool of talent. It also means that young people from well-off backgrounds or with good family connections have an instant advantage when it comes to finding a permanent job.”

ippr and Internocracy's report explains that confusion among employers leaves them open to claims for back-dated pay from former interns – and cuts off opportunities for many young people.

Their report argues that government, unions and employers' organisations need to provide clearer guidance to employers about their legal obligations. The report also suggests some ways in which employers could be encouraged to offer more paid internships, such as sharing interns between companies to reduce costs.

It also proposes that unpaid internships in Parliament and MPs' constituency offices should be banned as part of the Independent Parliamentary Standards Agency's (IPSA)

consultation on MPs' expenses.

Why Interns Need a Fair Wage by Kayte Lawton and Dominic Potter is free to download from www.ippr.org/publicationsandreports/publication.asp?id=765