

# **The Canadian Experience**

Internships in the School-to-Labour Market  
Transition

# Overview of Presentation

- This presentation is focused on internships in Canada.
- Points I am going to cover: (1) provide an overview of Canada's youth labour market; (2) highlight the legal architecture in Canada in relation to internships/traineeships; and, (3) where is Canada headed in terms of regulating the school-to-labour market transition.
- Where did this research come from? Developed from my LL.M. dissertation at Osgoode Hall Law School, which is focused on the legal regulation of the school to labour market transition.

# What's Happening in Canada's Economy and Labour Markets?

- Canada is facing a low-growth environment.
- Labour markets trends rooted in regional narratives, broadly speaking Canada has five regional labour markets: British Columbia, Prairies, Ontario, Quebec, and Atlantic.
- Economy: degree of deindustrialization in Ontario and Quebec, growth of resource extraction in Alberta, Saskatchewan, and Newfoundland. Growing reliance on services to drive growth.
- Highly flexible, low level of protections, continuing structural adjustments, undergoing period of austerity.
- Aging labour force, slowing population growth, low birth-rate.

# What's Happening in Canada's Youth Labour Market?

- Youth unemployment is high in the Atlantic provinces, Central provinces, and British Columbia.
- Youths are facing relatively high levels of unemployment and underemployment, some parts of the country have youth unemployment rate exceeding 20%.
- Prairie provinces have low level of youth unemployment (below 10%).
- Increasing level of non-standard employment, growth of precarious work.

# What's Happening within School to Labour Market Transition?

- Overall Canada has high level of participation in post-secondary education, mainly driven by attendance at two-year colleges or one-year career college.
- Youth unemployment and training has not a policy priority at the Federal or provincial level, starting to see more interest.
- Students are paying to gain experience in the labour, both within academic programs and with private work-experience providers.
- Gendered dynamic, females are participating in post-secondary education at a higher rate than males, this mirrors a deeper trend of rising level of female labour market participation.

## Who Are the Interns?

- Interns are mainly youths (18 to 30), skew towards female,
- Interns generally come from middle class to wealthy families, need to be able to access money to undertake unpaid labour.
- Students and recent graduates, higher level of educational attainment than regular population.
- Also seeing international students on exchange doing internships.
- Not just limited to youths, to a lesser extent: immigrants needing Canadian work experience, returneeships (women returning to labour market), mid-career professional switching careers, and injured workers in retraining programs.

# Where are the Interns?

- Live in urban centres (pop. 200,000+), mainly in Ontario, Quebec, or British Columbia.
- Mainly an urban issues, rural youths largely left out.
- Key ingredients: multiple post-secondary institutions; large youth population; diversified economy.
- Can find internships in any sector of the economy, but largest numbers are found in the knowledge, creative, and service sectors.
- Typically found in companies with under 100 employees.
- Industries: media, p.r., advertising, social work, law, teaching, fashion, nursing, nutrition, architecture, non-profits, and arts.

# Impact of Internships on labour markets

- Driving down wages, increasing the requirements for an entry-level (two years), hurting social mobility, increasing income inequality, slowing economic growth, and allowing employers to replace paid employees with unpaid.
- Increasingly a barrier to entering the labour market for socially disadvantaged youths
- Impacting demographic trends, such as household formation, house purchasing, number of marriages, birth-rate, boomerang kids.
- Women face double hit as income security in old age is linked to number of years spent in labour market, interns don't make contributions.



## Explanation of Legal Framework

- Canada utilizes federalism, under our Constitution regulation of labour markets is mainly a provincial level responsibility.
- Provincial level: employment standards, labour relations, human rights, occupational health and safety. Federal regulation in: taxation, privacy, employment insurance, and the Charter (equality rights).
- Education is a provincial issue and little coordination at Federal level. Canada is the only G8 nation without a Federal education dept.
- Two sets of protections: statutory and common law
- Common law grew out of English jurisprudence and provides another level of rights, but it's difficult to access, typically only unionized and professional employees with high incomes.

## Statutory and Policy Architecture

- Series of statutory exclusions that places certain parts of the school-to-labour market transition outside of the critical protections (i.e. employment standards, occupational health and safety, etc.).
- Exclusions can either be partial or complete.
- Internships and traineeships undertaken in the context of post-secondary education are often excluded, either explicitly or by bureaucratic fiat (particularly problematic as this isn't documented anywhere).
- Governments and Courts do recognize the increased vulnerability of young workers.

# Regulatory Environment

- Either little regulation or complaints based regulation, impetus is on intern to file complaint (party with least power). Reality is that Canada has 300,000+ illegal unpaid internships with few complaints per year.
- Core issues: wage theft and employee misclassification.
- No proactive enforcement, minimum wage laws are simply not being enforced. Interns face heightened risks in workplaces.
- Youths have an extremely poor understanding of their rights.
- Interns face difficulty in accessing complaints process as there's a degree of risk that they will hurt their career prospects.

# Problems with Canada's Current Approach

- Regulatory failure, placing youths totally outside critical labour protections.
- Little role of third parties in intern-employer relationship, lack of oversight from unions, student organizations, post-secondary institutions, and government.
- Government regulators have little understanding of the on-the-ground reality, no real interest in addressing the core problems.
- Lack of regulation has been linked to at least one death in Canada.

## Where is Canada headed?

- Increasing public awareness and interest about internships, youths are becoming cognizant of their rights (or the lack thereof).
- Governments are coming under increased pressure to act from a variety of groups (opposition parties, student organizations, NGOs).
- The use of statutory exclusions is increasingly unpopular.
- This week new legislation was proposed at the Federal level to increased regulation over internships.
- Increased litigation and collective action from interns themselves.
- Growing interest from unions is addressing growth of unpaid labour.
- Formation of intern rights groups and international coalitions.