INDIAN JOURNAL OF LEGAL REVIEW

VOLUME 4 AND ISSUE 2 OF 2024 INSTITUTE OF LEGAL EDUCATION



INDIAN JOURNAL OF LEGAL REVIEW

APIS - 3920 - 0001 | ISSN - 2583-2344

(Free and Open Access Journal)

Journal's Home Page – <u>https://ijlr.iledu.in/</u>

Journal's Editorial Page - <u>https://ijlr.iledu.in/editorial-board/</u>

Volume 4 and Issue 2 of 2024 (Access Full Issue on - <u>https://ijlr.iledu.in/volume-4-</u> and-issue-2-of-2024/)

Publisher

Prasanna S,

Chairman of Institute of Legal Education (Established by I.L.E. Educational Trust)

No. 08, Arul Nagar, Seera Thoppu,

Maudhanda Kurichi, Srirangam,

Tiruchirappalli – 620102

Phone: +91 94896 71437 - info@iledu.in / Chairman@iledu.in



© Institute of Legal Education

Copyright Disclaimer: All rights are reserve with Institute of Legal Education. No part of the material published on this website (Articles or Research Papers including those published in this journal) may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher. For more details refer https://ijlr.iledu.in/terms-and-condition/



APIS – 3920 – 0001 *(and)* ISSN – 2583–2344

https://iledu.in

INTERNSHIPS THROUGH THE LENS OF LABOUR LAW: A CRITICAL ANALYSIS

AUTHORS - KARTIKEYA AMITABH MISHRA & ASTHA SAMANTA, STUDENTS OF NATIONAL LAW UNIVERSITY, JODHPUR

BEST CITATION – KARTIKEYA AMITABH MISHRA & ASTHA SAMANTA, INTERNSHIPS THROUGH THE LENS OF LABOUR LAW: A CRITICAL ANALYSIS, *INDIAN JOURNAL OF LEGAL REVIEW (IJLR)*, 4 (2) OF 2024, PG. 33–43, APIS – 3920 – 0001 & ISSN – 2583–2344.

Abstract:

In an era of hyper globalisation where domestic employers have to compete at international levels, interns/legal trainees have become extremely important given the fact that they are a significant source of cheap and flexible labour, thereby reducing potential labor costs. Internships are very important for Indian graduates from an employment perspective with statistics showing that a significant portion of Indian graduates chose to pursue internships for employment purposes. Since internship falls at the edges of legal protection and generally beyond the labor law protection; concerns arise regarding the social well-being of the interns and their potential exploitation for work as cheap labor. Issues also arise with regards to the conversion rates of internships into employment, socio-economic discrimination, sexual exploitation, etc. Therefore the authors have decided to make a research project on this issue. The author has adopted a comparative approach to critically analyze the phenomena of internships and their impact on employability outcomes within India.

I. Introduction:

The world is undergoing significant changes hyper-globalist, due to the advent of consumerist and tech-savvy innovations that have stripped down traditional boundaries and completely transformed human relationships. The labour market has also changed significantly with lower social security benefits for labours in a hyper-competitive market.69 Internships have become extremely important from the labour market perspective. Internships are important for prospective employees since they allow them to be better trained and equipped with rapidly changing labour needs that require continuous up-skilling and reskilling to remain relevant. Internships allow the employers to gauge the efficacy of their prospective employees and form the basis for a cheap source of labour which can be highly beneficial in reducing labour costs.

Institutions around the world including the Organisation International Labour have recognised the importance of Internships from employability perspective.⁷⁰ the However, concerns have been raised from the point of social security.⁷¹ Interns often work in harsh environments without any social security and may be subjected to undue stress and exploitation from the employer. Furthermore, interns may also be entitled to some remuneration for their labour but merely denied by the fact of them being interns despite significantly contributing to the labour of the organisation. Internships are in vogue and therefore it is also important to ask whether internships actually improve employability prospects.

Internships have become extremely important in India with over 80% of graduates opting for some sort of an internship experience for

⁶⁹ T.C.A. Anant et. al., "Labour Markets in India: Issues and Perspectives", Labour Markets in Asia: Issues and Perspectives, Palgrave Macmillan UK, Pg. 205-300, 2006

⁷⁰ International Labour Office, "The Youth Employment Crises: A call for action", ILC, Session No. 101, Geneva, 2012

⁷¹ Andrew Steward et al, "*The Regulation of internships: A comparative study*", Working Paper No. 240, , International Labour Office, Employment Policy Department, Geneva, 2018



VOLUME 4 AND ISSUE 2 OF 2024

APIS - 3920 - 0001 (and) ISSN - 2583-2344

employability purposes.72 Internships and similar work-experience schemes fall outside the edges of labour law protection and may be privy to rampant exploitation and discrimination. Therefore the authors have chosen to conduct a research and come with a response the phenomena policy to of internships within India which not only provides social security but also improve employability prospects of future employees within India.

II. Understanding the relevance and Utility of Internships:

Internships similar and work-experience programmes have become an integral part of higher education and are beneficial to both the employees and employers. However, there is a need to comprehensively understand the relationship between internship participation and employability outcomes among Indian Graduates. There is a significant gap with to understanding the specific regards mechanisms through which internships actually influence job prospects and career trajectories. Social security in internships and work for hire programmes is completely unheard even in an era of welfare state.

- 1) Internship Participation: Recent reports clearly highlight the relevance of internships for Indian graduates for employment opportunities.73 Therefore, it is important to understand the extent of internship participation of undergraduate and graduate students across various disciplines within India. This also includes understanding key factors that influence student's decisions to participate in internships and similar work experience programmes such as institutional support, socio-economic considerations, personal motivations etc.
- 2) **Employability Outcomes:** It is important to critically assess the employability

outcomes of graduates who have completed internships compared to those not. who have This involves an examination of factors such as employment rates, job satisfaction, salary levels and career advancement opportunities internship among participants and non-participants.

- 3) Skill Development and Transferability: Internships become relevant from the labour perspective only when they provide enough opportunities to acquire skills and competencies that can be easily transferable to the workplace. This includes both technical skills relating to the industry or profession as well as soft inter-personal skills including team work, communication, problem-solving etc.
- 4) Institutional Factors: The role of Educational institutions in obtaining and facilitating internship experiences and optimizing employability outcomes for their students is significant. This involves a thorough examination of their internship programmes, the extent of support services provided by them and the balance of internship requirements with the academic rigours.⁷⁴
- 5) **Equity and Access:** India is a modern welfare state and constitutional а republic. The Indian Government is obligated to ensure a quality of life and working conditions for its citizens. It becomes essential to investigate the potential existing disparities with regards to access to internship opportunities. Internship participation and employability outcome has to be therefore also examined from the point of view of factors such as socio-economic status, race, gender, geographical locations etc. A comprehensive analysis will allow us to understand how disparities existing within the Indian Society impact equitable

<u>https://iledu.in</u>

⁷² Manya Rathore, "Internship preference among graduates in India From 2016 to 2024", Statista, March 22, 2024

⁷³ Confederation of Indian Industry, 'India Skills Report 2023: Roadmap to India's Skills and Talent Economy 2030", Pg. 38, 2023

⁷⁴ Confederation of Indian Industry, 'India Skills Report 2023: Roadmap to India's Skills and Talent Economy 2030", Pg. 24-25, 2023



APIS - 3920 - 0001 (and) ISSN - 2583-2344

access to internship opportunities and employability opportunities within India.

6) **Social Justice:** Since internships involve work experience programmes even before the completion of graduation, it also opens up vulnerable youth to experience the rigours of Indian work-culture. Issues such as exploitation and harassment can easily arise given the minimal status that an intern enjoys in a workplace. Therefore the idea of social justice requires that even interns engaging with prospective employers to obtain work experience enjoy a bare minimum level of social security that allows them to improve their skills and thereby their chances of employability.

III. Defining Internships under Indian Law:

An internship can be defined to be an arrangement within an office, any business or any organizational setup within which students or people of that specific field are being recruited as trainees with the primary purpose of learning the work for which they joined the office, to have a real-life work exposure, gain experience, skill and to build connection and possible job prospects for himself.⁷⁵ Interns mostly volunteer in the office by providing their service without any remuneration mostly with the hope of increasing his future job prospects or employability in the future. In this way internship also has got to do something with volunteering.

Work Experience programmes can be primarily categorised into three separate categories; an *"internship"*, a *"traineeship"* and *"apprenticeship"*.⁷⁶ Even though no specific definition of an intern has been provided for under Indian legislations, it is easier to determine who an intern is by considering the definitions of an *"apprentice"* or a *"trainee"*. This

https://iledu.in pprentices and trainee also signify

Published by

Institute of Legal Education

is because apprentices and trainee also signify labour relationships that fall outside the realm of the traditional employer-employee relationship.

Indian Labour jurisprudence does not clearly differentiate between an apprentice, a trainee and an intern. The Indian Courts have surely provided us with some guidance in this regard. As far as the labour law is concerned, according social security benefits within any industry depends largely on the existence of the employee-employer relationship.

Reliance has been placed on the Judgement of *Lord Ram Krishna Bank Ltd* wherein the court discussed the implications of being a trainee or apprentice vis-à-vis an employee under Labour law. The bank had hired certain trainees for a period of six months. The issue was whether they should also be enrolled under the Provident Fund Act, 1963.

The court explained that apprenticeship and traineeship programmes constitute mere *"engagements"* as opposed to *"employment"*. An *"apprentice"* is excluded from the purview of the EPF Act, 1963. Therefore the court had to first decide whether a differentiation can be made between the role of a *"trainee"* and an *"apprentice"*. The court went on to answer the same in the affirmative. The court went on to hold that all apprentices may be considered as trainees but all *"trainees"* are not *"apprentices"*.

The court then went on to explain that the role of the *apprentice* is different from that of the *employer* in the sense that the apprentice is engaged in work so that he may get to learn and develop skills necessary to be employable within that industry. An employer is paid wages in lieu of the utilisation of the fruits of labour as a matter of right. Contribution of labour by the apprentice on the other hand is merely incidental while the primary objective is learning from the work that the apprentice does during his engagement period.⁷⁷

⁷⁵ Andew Steward et al, *"Internships: A policy and regulatory challenge"*, Internships, Employability and the Search for Decent Work Experience, Edward Elgar Publishing, Pg. 2-16, 2021

⁷⁶ Mala Mohandas Goplani et. al, "A Study of Internship on Regular Studies of Undergraduate Students", International Journal of Advance and Innovative Research, Vol. 7, Issue 1 (X): January-March, 2020.

⁷⁷ Lord Krishna Bank Ltd. & Anr. v. Regional Provident Fund Commissioner, 1979, SCCONLINE KER 187



VOLUME 4 AND ISSUE 2 OF 2024

APIS - 3920 - 0001 (and) ISSN - 2583-2344

The Hon'ble court in other cases such as Eastern Coalfield Ltd⁷⁸, ESI Corporation⁷⁹, S. Arunachalam⁸⁰ and Orissa Mining Corporation Lta^{B1}has followed the same line of reasoning. Reference has been made to the Judgement of RCC Sales Pvt. Limited wherein the court has provided some guidance towards the subject matter. Herein the court had to decide whether trainees would be entitled to benefits under ESI Act? The court concluded that the ESI act would include certain categories of trainees that are neither covered under the apprenticeship act, 1961 nor under the standing orders act. Therefore the court pronounced that the trainees would be entitled to receive benefits of the employee state insurance act, 1948.

In the case of Irel (India Limited), The Hon'ble court had the occasion to consider whether a trainee would be entitled to claim the benefits of gratuity. It was contented that a "trainee" is the same as an "apprentice" and therefore disqualified from seeking the benefits of the Gratuity Act, 1972. The court however rejected the arguments by holding that the trainee would be entitled to the benefits of the gratuity act given that fact that he had performed functions similar to that of the regular employee. Therefore the designation of the person engaged in the performance of the work as a trainee is irrelevant if the work extracted from him is similar to that of a normal employee.

It is important to point out the fact that even though the courts do acknowledge the presence of circumstances wherein the person undergoing training may be an *"employee"* however, the court refused to lay down parameters to identify such relationships within the industry. In fact the Apex court has recently quashed an application demanding the provisions of social security benefits for interns

based on the reasoning that they cannot be equated to a trainee or an apprentice.⁸²

Furthermore, the Employees Provident Fund Organisation has issued circulars laying down criteria's to identify whether any trainee/internship is actually fulfilling the parameters of an employee-employer relationship. The parameters include the time period of engagement, institutional enrolment of the trainee/intern, number of trainee/intern as a percentage of the total workforce of the concerned establishment among other things.

It is undeniable that the focus within the Indian Jurisprudence has been on the identification of the employee-employer relationship in order to application trigger the of labour laws. Engagements in the nature of internships/traineeships are yardsticks which remain completely unregulated. Given the arowing relevance and importance of internships for the purposes of employment, the authors are of the opinion that the Indian Labour jurisprudence needs to evolve accommodate the realities of the Indian Labour Market.

IV. Internship Opportunities and Employability Outcomes Within India: A Comparative Perspective

A. Social Security of Interns: India vis-à-vis Germany

The Indian Position closely mirrors to that of the German position with a slight difference being that under the laws of Germany, not only is the training given to the interns compulsory and required to be undertaken by the employers but also it does provide for additional social security benefits to the interns. Unlike the Indian law, German legislations covers intern within its legislation.⁸³ It is important to note at this juncture that the differentiation between that of

⁷⁸.Shambunath Chatterjee v. Eastern Coalfields Ltd., 2013 SCCONLINE CAL 22791

⁷⁹ E.S.I. Corporation v. TATA Engineering, AIR 1976 SC 66

⁸⁰ S. Arunachalam v. Managing Director, Southern Structural's, 2001 SCCONLINE MAD 645

⁸¹ Orissa Mining Corporation Limited (Rep. by Chairman-cum-managing director) v. Controlling Authority, 1995 (1) LLJ 381

⁸² Shruti Kakkar, "Supreme Court Dismissed Plea Seeking to Count Interns as Trainees & Consider them for stipend, Working Horus, Leave and Other Legal Protections", Livelaw, January 8, 2022.

⁸³ See, Section 22 (3), Minimum Wage Act, Federal Law Gazzette I, p. 1348, August 11, 2014, Accessed at: <u>https://www.gesetze-im-internet.de/englisch_milog/englisch_milog.html#:~:text=(1)%20Each%20w orker%20is%20entitled,12%20euros%20gross%20per%20hour.</u>



VOLUME 4 AND ISSUE 2 OF 2024

APIS - 3920 - 0001 (and) ISSN - 2583-2344

an apprentice, an employee, a trainee and that on an intern is still maintained under the German laws in a similar fashion to that of the Indian Labour Laws ⁸⁴however, protections have still been provided explicitly under the idea of fair dealing.

The German law treats internships as fixed term contracts and lays specific emphasis on three aspects; firstly, is the employer providing instructions to the interns; secondly, is the work done by the intern in excess of the work required to be done under a formal contract; and *finally* is the contract providing for internship placing the intern in an undue or a detrimental position?⁸⁵ Unlike the Indian jurisprudence on the subject matter, the German laws actually recognise that interns are vulnerable to exploitation and potential employees may take their undue advantage. In fact the German Courts have held that the interns may be entitled to monetary remuneration, sick leaves and other protections available to employees under the German Labour laws.86

B. Internships Programmes vis-a vis Labour Market Outcomes:

Internships are mostly categorized into paid and unpaid internships. Both of them have certain concerns related to them. For instance case of paid internships, the in the remuneration that interns get might be less than the minimum wage that is being prescribed for that work in that state or in the specific legislation of the state or what is generally given to the employee of that office or organization.87

Though in most of the internships the employer or the regulator of the office has the defense that they are interns and therefore are not entitled to the same rights and wages as that of a regular employee, the defense is diluted when the work pressure on an intern is similar to that of a regular employee. This problem is grave in the case of unpaid internships wherein work without payment with the same pressure as a regular employer can sometimes lead to forced labor. The problem is more glaring in the US, with around half of them requiring to do atleast one unpaid internship.⁸⁸

Researchers have found that paid internships actually lead to better employability outcomes in comparison to unpaid internships.⁸⁹ Paid interns normally get additional training and are more involved in real life technical work which allows them to learn more. Therefore, it can be concluded that efforts should be made to ensure that more opportunities regarding paid internships are available for prospective internees.

A comparative research undertaken within the automobile industry of Spain, Germany and UK found that a rigorous internship programme under which the obligation of training is specifically undertaken by the employer that leads to; Firstly, a larger supply of readily available labor; Secondly, interns so trained were found to be more technically skilled than UK and Spanish counterparts. their The employability prospects of interns in Germany were also found to be higher than their UK and Spanish counterparts.⁹⁰ The Indian Government has introduced schemes to up-skill its workers⁹¹ but the issue of unpaid internships still remains unregulated.

https://iledu.in

⁸⁴ Decision of the federal labour court, BAG, 6 AZR 844/14, 2015; Decision of the federal labour court, BAG, 6 AZR 564/01, 2003

⁸⁵ Bernd Waas, "Rights and Obligations in context of internships and traineeships: A German Perspective", Internships, Employability and the Search for Decent Work Experience, Edward Elgar Publishing, Pg. 123-126, 2021
⁸⁶ Id.

⁸⁷ Philip C. Rothschild & Connor L. Rothschild, "The Unpaid Internship: Benefits, Drawbacks and Legal Issues", Administrative Issues Journal, Article 5, Vol. 10 Issue. 2, 2020

⁸⁸ John Yang, "Why Unpaid internships still exist despite hardships for young workers", PBS Online,

Accessed at: https://www.pbs.org/newshour/show/why-unpaid-internshipsstill-exist-despite-hardships-for-young-workers

⁸⁹ Will Hund & Charikliea Tzanakou, "The (non) instrumental character of unpaid internships: Implications for regulating internships", Internships, Employability and the Search for Decent Work Experience, Edward Elgar Publishing, Pg. 92, 2021

⁹⁰ Robert Gray et. al, "Building apprentices skills in the workplace: Car Service in Germany, the UK and Spain", Centre for Vocational Education Research, CVER Discussion Paper Series-011, December 2017.

⁹¹ See: Ministery of Skill Development and Enterpreneurship, National Apprentice Promotion Scheme, Accessed at: https://msde.gov.in/en/schemes-initiatives/apprenticeship-

maining/naps#:~:text=National%20Apprenticeship%20Promotion%20Sche me%2D2%20(NAPS%2D2)%20aims,advocacy%20assistance%20to%20the %20stakeholders



APIS - 3920 - 0001 (and) ISSN - 2583-2344

C. Internships vis-à-vis Social Justice and Equity:

Internship is mostly based on the discretion of the employer in India and thus interns can be subjected to a huge workload without a minimum wage which may impact their productivity.92 If there is a financial motivation, there is a natural tendency that the interns will deliver their work to the best of their capabilities. Therefore, internships with unregulated stipends put the intern in a very vulnerable position. The problem with internship arises mostly in the cases of internships which are in the private unorganized sectors in comparison to any government undertaking where there is a secured stipend or payment after the successful completion of the work at least with reference to India.

In India unpaid internships are not illegal and neither are they regulated by law. This poses serious concerns discourage as they meritorious students from lower income groups to accept them and thus most of these internships are taken by the wealthy students who do not mind doing unpaid internships. This creates a disparity in the diversity of students within the office, organization where there is culture of unpaid internships. This deepens the gap between students of higher and lower income groups and restricts them from having equal opportunity and equal exposure.

If we investigate the labor legislations within our country, there is no law that mentions about internships, or any such protection given to internship. However, through construction the same can be brought within the Apprenticeship Act 1961. It defines 'Apprenticeship' which means undergoing "any person apprenticeship training" and 'Apprenticeship training' as 'a course of training in any industry or any establishment undergone in pursuance of a contract of a apprenticeship and under prescribed terms and conditions which may be different in different categories of apprenticeship apprenticeship'. Therefore,

training could have been equated to that of an internship. Even in internship it is a training that is being undergone in an establishment or organization under a contract with certain terms and conditions.⁹³

However, the scope of giving a broad ambit to the act was rejected by the Apex Court in the case of *MD Imran Ahmed.*⁹⁴ The writ petition that was filed has been rejected by the SC without hearing the matter. SC denying going into the merits of the case requires a reconsideration given the fact that the issues of interns are grave and require deeper consideration.

In internships programmes, the interns function according to the internal autonomy of the employers and therefore work life balance, the amount of work given could be discriminatory. It has been many a times seen that the interns are subjected to mental harassment, work pressure more than that of the employees and may have negligible time for leisure even during the weekends.

Unpaid internship work and arbitrary manner for selecting intern not only affects economic prospects and opportunities for certain sections of interns but is also a violation of fundamental right to livelihood under article 21⁹⁵. The Indian Constitution under Article 39⁹⁶ obligates the states to undertake measures that ensure that the communitarian resources are distributed in manner that serves the common good. Furthermore, the operation of the economic system should not result in concentration of wealth or means of production. The constitution also enshrines the principle of equal pay for equal work. ⁹⁷

The authors are of the opinion that access to internship opportunities form a valuable resource for the common citizenry given their significant impact on their future employability

⁹⁶ Art. 39, Indian Constitution, 1950 ⁹⁷ *Id.*

⁹³ The Apprentices Act, 1961, Notification No. G.S.R. 246, Gazzettee of India, Extraordinary, Part II, SEC. 3(i), February 12, 1962

 ⁹⁴ MD. Imran Ahmed & Anr v. Union of India & Ors, NGT CK 009, (2009)

⁹⁵ Art. 21, Indian Constitution, 1950



VOLUME 4 AND ISSUE 2 OF 2024

APIS - 3920 - 0001 (and) ISSN - 2583-2344

prospects. Employability prospects in turn determine viability of their livelihood. Therefore access to internship opportunities must be considered in light of the right of the common citizenry to earn a decent livelihood. In the OlgaTellis case the SC expanded the scope of right to life and said that right to livelihood is an important facet of right to life as no person can live without a means of living.98Therefore it is high time that the state formulates policies that allow students from differential backgrounds to have equal access to the internship opportunities.

Problems remain even in case of paid internships since the stipend amount is not considered to be a part of the basic wages and thus the payment of stipend is not considered to be compensation for work. Meager stipend amounts fail to provide monetary support for the expenses that have been incurred by the intern while coming to do the offline internship such as food, lodging, travel and other miscellaneous purpose etc. Therefore the extent of stipend paid most of the time remains insufficient though situations might arise where the intern is doing more work than the employee.

Therefore, broadening the ambit of 'principle of equal pay for equal work of equal value' is extremely important as far as the internships are concerned. Many a times it is found that the companies or the corporation to cut down their cost, hire interns who do the work of the employees but are paid very low stipend. There is no legal protection for the interns neither there is any legislation in place that keeps a check on this discrimination. This principle of the 'equal pay for equal work of equal value' therefore should not be applied only in case of employees who are hired for the same work but paid differential wages without any reasonable classification but also in the case of such interns who perform the role of an employee.

Published by Institute of Legal Education

<u>https://iledu.in</u>

D. Interns as Employees: A Comparative Analysis of the US and the Indian Position

Within the United States of America ("US"), the position of interns are clearly defined and delineated within labour law. Both paid and unpaid internships are regulated by the Fair labour standards.⁹⁹ The purpose of payment and non payment of wages is clearly defined. If the internship is paid then in that case, it is assumed that the person will be engaged in a work similar to that of a paid employee and is therefore considered to be beneficial for the employee under the US Fair Labor Standards Act. In such case the intern is entitled minimum wage.¹⁰⁰

Unpaid internships are however not illegal and are also regulated provided it is the intern who is the primary beneficiary and not the employer. However to determine whether an internship is for the primary benefit of the intern or not is based on a variety of factors which include:

- 1. Knowledge of the intern that it is going to be unpaid.
- 2. The training is comparable to the training received in their academics.
- 3. Internship is tied to the intern's current academic programme.
- 4. The internship is according to the gaps mentioned in the academic calender.
- 5. The interns work is complementing and not replacing the work done by an employee.
- 6. The internship does not promise a job at the end.¹⁰¹

The approach adopted herein has been cemented and ensdorsed by the courts of USA. For instance in the case of *Fox Searchlight*, threefold criteria was laid to down to determine whether the unpaid interns would receive the

⁹⁹ The Fair Labour Standards Act, 1938, 29, U.S. Code, Ch. VIII

¹⁰⁰ Id.

¹⁰¹ US Department of Labour, "Fact sheet #71: Internships Programmes under the Fair Labour Standards Act", January, 2018, Accessed at: https://www.dol.gov/agencies/whd/fact-sheets/71-flsa-internships

⁹⁸ Olga Tellis v. Bombay Municipal Corporation & Ors, 1985 SCC (3) 545



APIS - 3920 - 0001 (and) ISSN - 2583-2344

same benefits as that of a regular employee. These included; First, consideration received by the unpaid intern in lieu of the work done; Second, the economic reality between the unpaid intern and the employee regarding wages and; Third, the role performed by the unpaid intern within the organisation.¹⁰² Therefore if the unpaid intern is working for the benefit of the employer, then he would be entitled to labour law protections.¹⁰³ Therefore, unpaid interns within US have been held to be employees if they have been victims of unpaid labour.104

In contrast to the FLSA, differentiating between a paid and unpaid intern, for purposes of applicability of labour standards and protection; India does not have any comparable legislation. The EPFO has released 2 circulars in 2012 and 2022 where in they have laid down the guidelines for distinguishing an employee from a student-trainee/intern.¹⁰⁵ However the application of the circular is limited to the applicability of the EPF act and does not address the problem of paid and unpaid internships.

Therefore the Indian Approach which focuses on the establishment of employee/employer relationship stands in stark contrast of the primary beneficiary test employed by the US. The approach adopted by USA therefore affords better protection to interns as compared to the Indian approach.

E. Collective Bargaining Model: India vis-àvis Foreign Jurisdictions

An important point for discussion is whether the gaps within the Indian jurisprudence regarding internships and similar work experience programmes can be plugged though the introduction of *"collective bargaining models"*. It

is important to note that the idea of collective bargaining in of itself is couched in the acceptance of the phenomena of unequal bargaining position between the employee and the employer.¹⁰⁶

It can be argued that the interns are in an even more vulnerable position than that of an employee. They have no assurance of future employment in comparison to that of an employee. The terms and conditions of their engagement are not fructified through any legal instruments. They are not entitled to any social security benefits. Recourse to courts is also difficult given the fact that they generally fall outside the preview of labor law. On the other hand, the opportunity to intern is invaluable since it forms the basis of an intern's employability prospects and thereby future livelihood. Therefore the intern is at an extremely vulnerable position and depends on the whims of the employer for the success of his internship programme.

Foreign jurisdictions have employed collective bargaining models to various degrees. For instance, Germany allows for conclusion of collective agreements on behalf of quasiemployees.¹⁰⁷ Collective bargaining also forms an integral part of the Sweden labor market. Also policy measures have been introduced to ensure that newly introduced labourers are highly skilled and trained enough to do technical work.¹⁰⁸ Furthermore the Swedish government also undertaken has policy measures to ensure that youth's lacking professional experience have access to opportunities. This employment included negotiation of short time working arrangements (less than 12 months) for young workers also termed as introduction agreements. The idea is to quickly absorb migrants and unemployed

¹⁰² Glatt v. Fox SearchLight Pictures Inc, 13-4478, 2nd Cir. (2015)

¹⁰³ Walling v. Portland Terminal Company, 330 U.S. 148 (1947)

¹⁰⁴ Eberline v. Douglas J. Holdings, 982 F.3d 1006 (2020)

¹⁰⁵ Employees Provident Fund Organisation, "*Clarification on status of student trainees of educational/technical institute recognized by a competent authority vis-à-vis the Employees' Provident Funds & Miscellaneaous Provisions Act, 1952*", Ministry of Labour and Employment, Jly 27, 2022, Accessed at: https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2022-2023/Circular training_schemes_State_Govt_28072022.pdf

¹⁰⁶ B.R. Patil, "Collective Bargaining and Conciliation in India", Indian Journal of Industrial Relations, Vol. 12, No. 1, Pg. 41-60, 1976

¹⁰⁷ Section 12a, Collective Agreement Act, August 25, 1969, Accessed at: <u>https://www.gesetze-im-</u>

internet.de/englisch_tvg/englisch_tvg.html#:~:text=(1)%20Parties%20to%2 0a%20collective,relevant%20authority%20to%20do%20so.

¹⁰⁸ Mia Ronmar & J. J. Votinius, "Internships and apprenticeships in Sweden, Collective bargaining and social partner involvement", Internships, Employability and the Search for Decent Work Experience, Edward Elgar Publishing, Pg. 146-162, 2021



APIS - 3920 - 0001 (and) ISSN - 2583-2344

individuals lacking professional experience within the Swedish workforce. It is important to note that the Swedish government also agreed to provide support to this initiative.¹⁰⁹

In the Indian context, collective bargaining models can give better rights to the interns and make the internship programmes more fruitful for both the employer and the intern. Collective bargaining models would not only protect the interests of the interns but also accommodate the requirements of the employer in regards to such working arrangements. The government can step in and facilitate the formation of intern unions and associations. This can be done by providing for registration of such associations and formally recognizing them.

Therefore the authors are of the opinion that the introduction of collective bargaining model for Indian interns would significantly enhance their working conditions, social security and career prospects. The employers also benefit in terms of a ready pool of attractive talent and improved productivity. Indian Labour market will also benefit since such models will allow for a faster absorption of young talent within the Indian workforce.

V. CONCLUSION:

A critical analysis of Internship regulation within India vis-a-vis other jurisdictions clearly shows that the social security benefits and jurisprudential development within India is seriously lacking. Interns are entitled to some minimum standards of social benefits in foreign jurisdictions.

The authors are of the opinion that the interns need not be treated as employees in order to be accorded with the benefits of social security. The current regulation of internships also perverts the idea of equity and social justice since individual from the lower echelons of the society does not have any equitable access to internship opportunities which further dampens their future employment and livelihood prospects. A4 <u>https://iledu.in</u> India can adopt the principles of the German and the American jurisprudence on the subject matter where the focus is on: the ultimate

Published by

Institute of Legal Education

and the American jurisprudence on the subject matter where the focus is on; the ultimate beneficiary of the work done by the intern and; whether the internship programme is placing the intern in any undue or disadvantageous position.

It is pertinent to note that the bid to remain competitive in the global markets has not only eroded the social security standards of Indian labors but has also brought the development of jurisprudence for greater recognition of intern and trainees within India to a grinding halt. It is therefore pertinent for the government to reevaluate their educational policy and labor policy in order to create space that allows for an equitable access for internship opportunities. lt is undeniable that good internship opportunities not only benefit the interns and their employability prospects but also the employers thereby contribute to industrial harmony and efficiency which is one pillars of Indian Labor law jurisprudence.

VI. References:

 T.C.A. Anant et. al., "Labour Markets in India: Issues and Perspectives", Labour Markets in Asia: Issues and Perspectives, Palgrave Macmillan UK, Pg. 205-300, 2006

Accessed at: https://link.springer.com/chapter/10.1057 /9780230627383_5

- 2. International Labour Office, "The Youth Employment Crises: A call for action", ILC, Session No. 101, Geneva, 2012
 - Accessed at: https://www.ilo.org/resource/recordproceedings/ilc/101/youth-employmentcrisis-call-action
- Andrew Steward et al, "The Regulation of internships: A comparative study", Working Paper No. 240, , International Labour Office, Employment Policy Department, Geneva, 2018

¹⁰⁹ Id.



VOLUME 4 AND ISSUE 2 OF 2024

at:

Institute of Legal Education

<u>https://iledu.in</u>

APIS - 3920 - 0001 (and) ISSN - 2583-2344

Accessed at: https://papers.ssrn.com/sol3/papers.cf m?abstract_id=3319596

4. Manya Rathore, "Internship preference among graduates in India From 2016 to 2024", Statista, March 22, 2024. Accessed at: https://www.statista.com/statistics/1320

https://www.statista.com/statistics/1320 012/india-internship-preferencegraduates/

- 5. Confederation of Indian Industry, "India Skills Report 2023: Roadmap to India's Skills and Talent Economy 2030", 2023 Accessed at: https://do3n1uzkew47z.cloudfront.net/sit eassets/pdf/ISR_Report_2023.pdf
- 6. International Labour Organisation, Internships, Employability and the Search for Decent Work Experience, Edward Elgar Publishing, 2021 Accessed at:

https://www.ilo.org/sites/default/files/w cmsp5/groups/public/@dgreports/@dc omm/@publ/documents/publication/w cms_799773.pdf

 Mala Mohandas Goplani et. al, "A Study of Internship on Regular Studies of Undergraduate Students", International Journal of Advance and Innovative Research, Vol. 7, Issue 1 (X): January-March, 2020.
 Accessed at:

https://papers.ssrn.com/sol3/papers.cf m?abstract_id=3551445

- 8. Shruti Kakkar, "Supreme Court Dismissed Plea Seeking to Count Interns as Trainees & Consider them for stipend, Working Horus, Leave and Other Legal Protections", Livelaw, January 8, 2022 Accessed at: <u>https://www.livelaw.in/topstories/supreme-court-interns-</u> <u>apprentices-act-trainees-internshiplegal-protection-189066</u>
- Philip C. Rothschild & Connor L. Rothschild, "The Unpaid Internship: Benefits, Drawbacks and Legal Issues",

Administrative Issues Journal, Article 5, Vol. 10 Issue. 2, 2020 Accessed at:

https://dc.swosu.edu/cgi/viewcontent.c gi?article=1313&context=aij

- 10. John Yang, "Why Unpaid internships still exist despite hardships for young workers", PBS Online,
 Accessed at:
- https://www.pbs.org/newshour/show/w hy-unpaid-internships-still-existdespite-hardships-for-young-workers
- 11. Robert Gray et. al, "Building apprentices skills in the workplace: Car Service in Germany, the UK and Spain", Centre for Vocational Education Research, CVER Discussion Paper Series-011, December 2017.

Accessed

https://cver.lse.ac.uk/textonly/cver/pubs /cverdp011.pdf

12. Ministery of Skill Development and Enterpreneurship, National Apprentice Promotion Scheme, Accessed at:

Accessed at: https://msde.gov.in/en/schemesinitiativ es/apprenticeshiptraining/naps#:~:text= National%20Apprenticeship%20Promotio n%20Scheme%2D2%20(NAPS%2D2)%20ai ms,advocacy%20assistance%20to%20th e%20stakeholders

 US Department of Labour, "Fact sheet #71: Internships Programmes under the Fair Labour Standards Act", January, 2018,

Accessed at: https://www.dol.gov/agencies/whd/fact -sheets/71-flsa-internships

14. Employees Provident Fund Organisation, "Clarification on status of student trainees of educational/technical institute recognized by a competent authority vis-à-vis the Employees' Provident Funds & Miscellaneaous Provisions Act, 1952", Ministry of Labour and Employment, Jly 27, 2022,



VOLUME 4 AND ISSUE 2 OF 2024

APIS - 3920 - 0001 (and) ISSN - 2583-2344

Published by

India,

Institute of Legal Education

<u>https://iledu.in</u>

of

collective, relevant%20authority%20to%20

Gazzettee

Extraordinary, Part II, SEC. 3(i), Februrary

26. The Apprentices Act, 1961, Notification No.

<u>do%20so</u>.

246,

G.S.R.

12, 1962

Accessed at: https://www.epfindia.gov.in/site_docs/P DFs/Circulars/Y2022-2023/Circular_training_schemes_State ______Govt_28072022.pdf

 B.R. Patil, "Collective Bargaining and Conciliation in India", Indian Journal of Industrial Relations, Vol. 12, No. 1, Pg. 41– 60, 1976

Accessed at: https://www.jstor.org/stable/27765576

- 16. E.S.I. Corporation v. TATA Engineering, AIR 1976 SC 66
- S. Arunachalam v. Managing Director, Southern Structural's, 2001 SCCONLINE MAD 645
- Orissa Mining Corporation Limited (Rep. by Chairman-cum-managing director) v. Controlling Authority, 1995 (1) LLJ 381
- 19. MD. Imran Ahmed & Anr v. Union of India & Ors, NGT CK 009, (2009)
- 20. Olga Tellis v. Bombay Municipal Corporation & Ors, 1985 SCC (3) 545
- 21. Glatt v. Fox SearchLight Pictures Inc, 13-4478, 2nd Cir. (2015)
- 22. Walling v. Portland Terminal Company, 330 U.S. 148 (1947)
- 23. Eberline v. Douglas J. Holdings, 982 F.3d 1006 (2020)
- 24. Section 22 (3), Minimum Wage Act, Federal Law Gazzette I, p. 1348, August 11, 2014, Accessed at: <u>https://www.gesetzeim-</u> internet.de/englisch_milog/englisch_mil og.html#:~:text=(1)%20Each%20worker%2 Ois%20entitled,12%20euros%20gross%20p er%20hour.
- 25. Section 12a, Collective Agreement Act, August 25, 1969, Accessed at: <u>https://www.gesetze-im-</u> <u>internet.de/englisch_tvg/englisch_tvg.h</u> <u>tml#:~:text=(1)%20Parties%20to%20a%20</u>

43 | P a g e