

## **Should I study or should I work? Internships, job seeking and job placement in Italy**

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The inclusion of intra-curricular internships within university programs is a widespread practice in universities. The aim pursued lies in combining academic knowledge with experience gained on the field to strengthen the employability of future graduates and facilitate the transition to the labour market. Overcoming issues of unpaid work more related to extra-curricular internships, internships at an earlier stage may offer a plurality of benefits: trainees have the opportunity to apply theoretical knowledge to daily work in a real organizational structure, they can build a network of useful contacts and clarify and reformulate career goals.

From a theoretical perspective, there are multiple channels through which internships impact employment outcomes. Doing an internship can directly impact the development of soft and hard skills, increasing the productivity and salary of graduates (Becker, 1964) or, once included in the resume, it can give a signal about productivity potential to the recruitment process (Spence, 1973; Stiglitz, 1975). Moreover, the functioning of the internship can rely on the network built during the training experience (Granovetter, 1973).

While theory suggests a positive influence, latest international empirical works that have studied the relationship between internship and earlier market outcomes report mixed results. Di Meglio et al. (2022) highlight that internship experience facilitates the university-to-work transition in Spain in the short run with weak evidence on job matching and wages few years later. Unlike Margaryan et al. (2022), Klein & Weiss (2011) and Weiss et al. (2014) find zero effects of curricular internships on job search duration and wages for German graduates. Baert et al. (2021) show that applicants with internship experience have a higher probability of being invited to a job interview in Belgium.

The experience of internships within the university curriculum has assumed a crucial role also for higher education programmes in Italy, serving as a bridge between the academic and professional worlds. In the century of permanent crisis when Italy is one of the European countries most affected by poor performance in the youth labour market, analysing the impact of such internships is of significant importance to understand their contribution to job seeking and job placement of Italian graduates. Italy is an interesting case for two reasons. First, to the best of our knowledge in Italy this field of research is under investigated and it lacks a comprehensive analysis at national level. Second, because

of the lack of simultaneous study and work experience that leaves graduates behind in the human capital accumulation process and without ties to the business world (Salas-Velasco, 2007), internships in tertiary education often represents the first work experience that most university students carry out in their educational path.

Using two official surveys, the Graduates' Profile Survey and the Graduates' Employment Status Survey conducted by AlmaLaurea, we apply causal methods to disentangle the internship effect on (i) the intention to stay in education and (ii) a set of relevant aspects in job seeking by the time of graduation; (iii) being employed or being NEET, (iv) the time it takes to find the first job, (v) monthly wage and (vi) the skill and educational matching one year after graduation.

The richness of this database allows us to control for cohort, university and class of degree, besides variables that affect the student's socio-economic background and university performance.

Overall, the findings underscore the importance of internships in facilitating the choice to enter the labor market with further differences based on the cycle of study. For second-cycle degrees, internships significantly increase post-graduation employment prospects while, for first-cycle degrees, internships do not directly impact employment rates but encourage job seeking or further education and training, reducing inactivity. Additionally, internships enhance skill and educational matching with job requirements, particularly for bachelor's graduates.