IPS

INTERVIEWS 19.02.2019

# I'm not lovin' it

## The International Labour Organization is working with McDonald's to promote youth employment. Lukas Hochscheidt thinks that's a bad idea

*Read this interview in German or Russian.*

**You're vehemently criticising the joint initiative of the International Labour Organization (ILO) and McDonald's to promote youth employment. Why is that?**

At first glance, the ILO collaboration with McDonald's that began some months ago looks promising. The company has agreed to invest $2 million in education and training programmes to help prepare young jobseekers to get a good start to their career. Under the label 'Youth Opportunity', it aims to create 43,000 new apprenticeships by 2025 as part of the UN's Global Initiative on Decent Jobs for Youth.

**What's so reprehensible about a big corporation like McDonald's tackling youth unemployment?**

What sounds good at first looks lousy when you consider the company's attitude towards trade unions. For years, McDonald's has not been cooperating with trade unions. It forbids its employees from unionising and engaging in collective bargaining to combat wage dumping and poor working conditions. McDonald's also rejected the 'Fight For Fifteen' campaign that the fast-food sector in the US launched in 2012 to demand an hourly wage of $15 and the right to organise. The campaign has been calling for strikes, such as the one in October 2018 in Chicago that brought out more than 1,000 workers.

McDonald's reaps billions in annual profits, while in Europe alone, between 2009 and 2013 it saved some €1 billion through aggressive tax avoidance strategies. McDonald's can easily pay better wages. It's scandalous for a big anti-union corporation to try to pass as a socio-political patron – and receive the ILO's social partnership seal of approval.

**What's American policy with regard to McDonald's, and how do other multinational corporations treat the issue?**

It's not just civil society but also American Democrats who are resisting wage dumping. Senator Bernie Sanders is leading the campaign for Congress to more than double the national minimum wage, from $7.25 to $15 per hour. Last autumn, when Amazon's low-wage policy was attacked, the world's largest online retailer reacted quite differently to McDonald's: on 1 November, it introduced a minimum wage of $15 per hour for its 350,000 employees in the US. Sanders has made every effort to get McDonald's to do the same but without success. While many states raised the minimum wage on 1 January 2019, without Congress backing a national minimum wage of at least $15, big corporations like McDonald's have a duty to pay fair wages.

**You're criticising the increase in private funding for UN projects, which is being discussed in the context of recent UN reforms. In times of tight budgets and various governments' poor payment practices, could private co-financing provide a way out?**

No. This is a major fallacy that threatens the ILO's independence. Private donors pursue their own financial interests – which influence the choice and direction of projects, as well as the weighting of trade unions within the UN system. McDonald's is no exception. The company is very concerned about its image, and not at all about improving its workers' lot. The United Nations agency ILO has no intrinsic value for McDonald's: it's just a means to an end.

The UN's financing reform includes reducing the volume of funds tied to specific projects, which should make it easier to flexibly and more efficiently use existing funds. Whenever the ILO shares a budget with other UN agencies, however, it must ensure that its long-term projects, such as training employee representatives and developing dialogue formats for new social partnerships, don't lose out to other projects like digging wells, renovating school buildings and developing new agricultural land. To be sustainable, UN development policy must promote both physical and social infrastructure. This can only be done when funding is free of private economic interests and trade union projects aren't at a disadvantage.

**What exactly are you demanding of the ILO?**

The ILO should be very cautious in giving national governments more say in setting UN development cooperation priorities. Although that could more closely align UN projects with a country's needs, it could also diminish union access and influence, and result in anti-

union governments closing the door to the ILO. In the past two years, three important donor countries – the US, Italy and, more recently, Brazil – have elected right-wing populist and nationalist governments. A lot is at stake, not just for the ILO, but for the entire multilateral system.

**The ILO is celebrating its centenary this year. What's the ILO's role in the age of globalisation and digitalisation? Do we still need it?**

Oh, yes. The ILO is the only place for making working people's voices heard internationally. As a political and norm-setting organisation, its achievements are beyond question. No other international organisation has workers' organisations *and* trade unions seated at the table *with* national governments – not just as experts but as decision-makers. This is both a great opportunity and a major responsibility. That said, if the ILO wants to continue to wield political influence, it has to be true to its fundamental principles and prove its integrity. I say, 'ILO: Right on, right now!'

*Claudia Detsch conducted the interview.*

---



**Lukas Hochscheidt**
Berlin

Lukas Hochscheidt has been a research assistant in the Department of European and International Trade Union Policy atthe German Trade Union Confederation since October 2018. He is currently studying Political and Social Sciences at Sciences Po Paris and the Free University of Berlin.