

Labor Day is not Union Day

by
Charles W. Baird*

On Labor Day we celebrate labor, not just union labor. In the mid-1950s 37% of private sector workers were union members. By 2004 only 7.9% were. In 1900, before union-friendly New Deal legislation, the figure was 7%. Unions no longer constitute a labor movement. In the private sector they are only a union movement, and the movement is in one direction – decline.

Many firms in industries that remain heavily unionized – e.g., autos, steel and airlines – are on the verge of bankruptcy. Increasing globalization of commerce and competition means that enterprises saddled by union-imposed rigidities lose out to union-free firms that are able rapidly and efficiently to adapt to constantly changing market conditions. Most workers recognize that union-impaired firms cannot offer real job security so they increasingly vote against unionization. For example, Wal-Mart workers have voted against unionization in every certification election that has been held except one. Moreover, employers know that treating productive employees well is good for the bottom line, so they avoid giving workers reasons to unionize.

In August three unions, representing 36% of AFL-CIO membership, broke away from the Federation. At least three other unions are likely to join the dissidents' Change to Win Coalition (CWC). The dispute is all about what unions should do to arrest their private sector decline. Since becoming president of the AFL-CIO in 1995, John Sweeney has tried to round up more dues payers by giving money to union-friendly politicians in exchange for changes to union law which would make it more difficult for workers to remain union-free. This strategy has not worked, so Andy Stern and other leaders of the

CWC have decided to focus on recruiting new members. Stern's strategy will have no more success than Sweeney's.

If the CWC strategy is simply to try to sell unionism by convincing workers of its benefits, it is a sensible and long overdue return to basics. But recruiting by peaceful persuasion is not likely to work because employers and employees have increasingly come to see themselves as partners rather than adversaries.

Some unions, including Stern's SEIU, have recently tried to "recruit" dues payers through corporate campaigns leading to card check certification. A union, often with the help of naïve community and religious groups, pressures a target firm's investors, creditors and suppliers to boycott the target. It then offers to cease the boycott if the target agrees to accept the union as the monopoly representative of its employees without a secret ballot certification election. If community pressure doesn't work unions threaten the target with costly litigation. In any other context this would be called extortion, but in union law an employer can legally impose unionism on workers if a majority of them sign cards requesting union representation. Union organizers collect signatures on a face-to-face basis with individual workers. Inasmuch as union organizers have a well deserved reputation for being less than gentle with workers who refuse to sign, a majority of signatures does not imply majority support for a union. Card check certification is coercive and should be illegal.

Unions have been much more successful in the government sector. Since 1983 the percent of government workers who are unionized has fluctuated between 36% and 39%. In 2004 it was 36.4%. The percent of union workers employed by government has

increased steadily to 47.1% in 2004. In contrast, only 16.1% of all civilian workers are government employees.

The main reason for this success is that government sector unions and employers sit on the same side of the bargaining table. Both are eager to obtain and spend other people's (taxpayers') money. Agency heads want bigger budgets and bigger staffs. Union heads want more dues money and are happy to help agency heads expand their budgets, and their staffs. Agency heads know that politicians cater to the interests of organized interests at the expense of the public interest, so they are delighted to promote unions in their workplaces. Politicians, too, are delighted to play the game in exchange for organized financial and in-kind electoral support. Only taxpayers and government employees forced to pay for unwanted union representation lose.

Unions will continue to decline in the private sector. They will at least maintain their share of workers in the government sector while government union workers as a percent of all union workers will continue to grow. Soon the union movement will consist mainly of government workers eager to pick the pockets of private sector workers whether unionized or not.

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