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World

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ANALYSIS AIR DATE: March 1, 2011

Protests in Wisconsin, Elsewhere Stir Debate on Public vs. Private Pay, Benefits

SUMMARY

Wisconsin public employees continued another week of protests as Gov. Scott Walker presented his budget plan for the coming year to the state Assembly. Jeffrey Brown talks with Harley Shaiken of the University of California, Berkeley, and the Cato Institute's Chris Edwards about public- vs. private-sector benefits and pay.

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Transcript

JEFFREY BROWN: Next, to the Wisconsin showdown and the question of public sector pay.

PROTESTERS: Kill the bill! Kill the bill!

JEFFREY BROWN: The two-week-old battle in Wisconsin over collective bargaining rights for union workers remained at a standoff today, with no signs of a deal in sight.

Even as that played out, this afternoon, Gov. Scott Walker presented his budget plan for the coming year to the state assembly.

GOV. SCOTT WALKER (R-Wis.): The facts are clear. Wisconsin is broke. And it's time to start paying our bills today, so our kids are not stuck with even bigger bills tomorrow.

(CHEERING AND APPLAUSE)

JEFFREY BROWN: Outside the capitol, hundreds of angry protesters continued to march against the governor's plan to help close the state's deficit by curbing or ending bargaining rights for most public sector workers.

NARRATOR: It's a sea of red ink in Madison.

JEFFREY BROWN: Walker got some support today in the form of a television ad put out by the Republican Governors Association.

NARRATOR: In Wisconsin, leaders don't run away from tough problems, like the Senate Democrats. Instead, they stand and lead, like Gov. Scott Walker.

JEFFREY BROWN: That came after President Obama reiterated his support for public employees yesterday.

U.S. PRESIDENT BARACK OBAMA: I don't think it does anybody any good when public employees are denigrated, or vilified, or their rights are infringed upon. You know, we need to attract the best and the brightest to public service. These times demand it.

JEFFREY BROWN: In fact, two new national polls offered some comfort to embattled unions. A New York Times-CBS News poll found that 60 percent of Americans oppose efforts to weaken the collective bargaining rights of public employee unions. Thirty-three percent support the effort.

And a Pew Research poll released yesterday found 42 percent of adults surveyed nationwide sided with the unions, while 31 percent sided with Gov. Walker in their dispute.

A key issue in the national debate: Do public-sector workers do better than those in the private sector, or to put it more bluntly, are state and municipal employees overpaid? Numerous studies have been done, but researchers draw different conclusions, partly due to factors that make direct apples-to-apples comparisons difficult.

Those include differences in salaries based on education level and wide variations in compensation packages among states and municipalities, and how to weigh the benefit of a traditional pension versus the riskier 401(k) or less tangible benefits, such as increased job stability?

In the meantime, the debate over unions continues to spread beyond Wisconsin. In Ohio today, thousands of protesters converged on the state capitol, where legislators are considering taking up a bill this week that would end collective bargaining rights for all public workers and eliminate their right to strike.

And we take up the contentious question of public- versus private-sector pay with Harley Shaiken of the University of California, Berkeley, where he specializes in labor issues, and Chris Edwards, who works on tax and budget issues at the Cato Institute, which is dedicated to free markets and limited government.

Harley Shaiken, let's put our cards on the table first. You don't see public-sector employees as being overcompensated, right?

HARLEY SHAIKEN, University of California, Berkeley: Absolutely not.

And I think there's ample data that indicate that they are not overcompensated. The average public worker in the United States earns about \$49,000. But when you adjust for, as you put it earlier, education, experience, the character of the job, public workers earn -- their wages are 11 percent less than those in the private sector.

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