

Guest column: State needs more flexibility to deal with unions

By **Kristina Rasmussen and Chris Edwards**

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If you were running a failing business, would you hand out 7 percent pay raises, a two-year “no layoff” guarantee, a pledge to close no branches, and then another round of pay hikes topping 8 percent?

No private-sector business facing bankruptcy would countenance this scenario. Private-sector unions would think twice about making such demands for fear of killing the golden goose. It’s another story if you live in Government Land.

News broke this week that Gov. Pat Quinn, a Democrat, reached a deal with AFSCME to stop any real attempts to constrain state labor costs in exchange for a measly \$50 million in savings (Illinois has a \$4.7 billion payment backlog). The deal came just days after the union endorsed Quinn over his Republican challenger.

When asked how the “no layoff” guarantee would tie the hands of the next governor, a union spokesman responded that it’s a simple reality of collective bargaining.

If the end result of collective bargaining for government employees is a state on the brink of fiscal insolvency, and a place where union bosses prosper at the continual expense of taxpayers and where political quid pro quos determine policy, we have to ask ourselves: Is it time to review the underlying system?

A common denominator of many states in bad fiscal shape — such as Illinois and California — is powerful and inflexible public-sector unions. In Illinois, 50 percent of state and local government employees are unionized. Nationwide, 39 percent of state and local workers are members of unions, compared with 7 percent in the private sector. They’re among the most powerful special interest groups, pushing for increases in government spending that they’ll personally benefit from.

It hasn’t always been this way. Before the 1960s, unions represented less than 15 percent of the state and local work force. Courts generally held that public-sector workers did not have the same union privileges as private workers had under the 1935 Wagner Act, such as collective bargaining. A flood of pro-union laws triggered a dramatic rise in public-sector unionism during the 1960s and 1970s. Many states passed laws that encouraged or required collective bargaining in the public sector, along with laws to impose compulsory union dues and fees.

Today, about 26 states have collective bargaining for essentially all state and local workers. A further 12 states have OK’d bargaining for a portion of their work force, and the remaining 12 states do not have public-sector collective bargaining.

Taxpayers foot the bill for public-sector unions. Statistical analyses of union versus nonunion wages in the public sector typically find about a 10 percent union advantage. Unions have also pushed for generous pension packages, with about \$3 trillion in unfunded costs nationwide.

With their large war chests, public-sector unions are very active in political campaigns. Over the last two decades, AFSCME was the second-largest campaign contributor in the U.S.

Too many politicians won’t push hard for union concessions because they’re dependent on union support for re-election.

Like other private groups, unions have free speech rights to voice their public policy opinions. But collective bargaining gives unions a monopoly in government labor markets and a privileged advocacy position.

Our state is in rough shape. With the many fiscal challenges facing Illinois, policymakers will require a maximum of flexibility in coming years.

We should consider the successful policies of Virginia and North Carolina, which have blocked public-sector collective bargaining. Government employees should be free to join worker associations, but they should not be given a special legal status and handed extra power to block the fiscal reforms Illinois so desperately needs.

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