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Unions Lose Respect

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Arr!

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I have often argued that American labor unions enjoy much more respect than they deserve. In February the Pew Research Center released [the results of its latest nationwide survey](#)^[1] of public opinion regarding labor unions. It seems that, at last, labor unions are suffering significant losses of respect.

Table 1 shows the percentage of Americans who gave unions favorable and unfavorable ratings in the years 2001, 2005, 2007, and 2010. These results are consistent with earlier Gallup polls that showed that in 2008, 59 percent of Americans approved of unions while in 2009, only 48 percent approved. They are also consistent with a Rasmussen poll released in March 2009 that showed that only 9 percent of union-free workers would prefer to unionize.

Table 2 shows the percentage of Americans who agreed and disagreed with the proposition that “unions are necessary to protect workers” in the years 2003, 2007, and 2009. While the figures for 2009 show that more study is needed on this question, the trends are encouraging.

Table 1: Americans’ Opinions of Unions

| Year | Favorable | Unfavorable |
|------|-----------|-------------|
| 2001 | 63% | 28% |
| 2005 | 56 | 33 |
| 2007 | 58 | 31 |
| 2010 | 42 | 41 |

Table 2: “Unions are necessary to protect workers.”

| Year | Agreed | Disagreed |
|------|--------|-----------|
| 2003 | 74% | 23% |
| 2007 | 68 | 28 |
| 2009 | 61 | 34 |

Table 3 shows the percentage of Americans who agreed and disagreed with the proposition that “unions have too much power” in the years 1999 and 2009. This trend is also encouraging. The perception that government has too much power is growing. Since government-employee unions (GEUs) are becoming the dominant face of American unionism, I expect even more people to conclude that unions have too much power.

Table 3: “Unions have too much power.”

| Year | Agreed | Disagreed |
|------|--------|-----------|
| 1999 | 52% | 40% |
| 2009 | 61 | 33 |

The Winter 2010 issue of [The Cato Journal](#)^[2] provides excellent reading on this matter. It consists of 12 articles addressing the question “Are Unions Good for America?” The authors argue persuasively that the answer is no. In the concluding article I imagine what might replace the National Labor Relations Act (NLRA) when unions have lost enough respect to make it possible to repeal that law. What

follows are some highlights of the other papers.

Armand Thieblot surveys American union history and concludes that, because labor law bestowed coercive powers on unions, “many individual union members simply found themselves beholden to a different set of bosses, who took part of their pay for dues.” Under current union law, unions have almost run out of rent-seeking opportunities in the private sector. They now have turned to two types of political rent-seeking. They have diverted most of their organizing energy to the capture of government employees (51.3 percent of all union members are now government employees), and they lobby for even more coercive power over private-sector workers—for example, card check. Thieblot wonders “whether there can be any way to stop or divert substantive union control over the economic activities of the entire country.” In my view, President Obama’s appointment of Andy Stern, former president of the SEIU, to his National Commission on Fiscal Responsibility and Reform makes Thieblot’s point.

Project labor agreements (PLAs) and prevailing-wage laws are two other forms of political rent-seeking. PLAs are schemes to strip away any advantages that union-free construction firms have over their union-impaired rivals when bidding on construction projects by requiring union-free firms to pay union wages and benefits, use union hiring halls to obtain workers (even workers who are already their employees), and submit to union work rules. PLAs also force all workers to pay union dues and to contribute to union pension plans. They are usually imposed by state and local governments, but by executive order Obama has forced them on federal construction projects. David Tuerck critically examines the arguments unions use to justify PLAs and finds them all spurious. On average they raise the cost of government construction projects 12–18 percent.

Prevailing-wage laws also apply to taxpayer-funded construction projects. The federal Davis-Bacon Act (1931) was the first such imposition. Since then 31 states have adopted their own versions. These laws require all firms that work on government construction projects to pay union wages and benefits. Thus union-free firms cannot compete on the basis of worker compensation. *Freeman* book review editor George Leef dissects all the arguments that unions have used to lobby for such laws and examines the historical record of their effects. He concludes that they all should be repealed.

Randall Holcomb and Jim Gwartney explain how American labor law has resulted in significant declines of economic freedom and prosperity. The authors explain the precipitous decline of private-sector union density and the disastrous effects of American unions in the auto and railroad industries, and they provide useful international comparisons.

Opportunistic behavior by private-sector unions eventually results in capital flight from heavily unionized cities. Capital flight causes declines in both population and real income in such cities. Stephen Walters analyzes the carnage, paying particular attention to Detroit.

According to the Pew survey, the demographic group most supportive of unions in America is blacks. Paul Moreno gives an extensive account of how unions have long “used racial discrimination as an economic weapon.” While blacks are no longer excluded from unions, many of them are subjected to more subtle forms of discrimination through such union-based institutions as seniority rules.

The “high-wage doctrine” is the belief that unemployment comes from lack of spending, which is in turn the result of insufficient money wages. So when faced with unemployment the remedy is to increase money wages. Those who believe this silliness and also think that unions increase money wages are likely to approve of unions. Lowell Gallaway destroys the high-wage doctrine and in doing

so eliminates one of the most effective arguments in favor of unions.

Unions used to endorse free trade because it lowers workers' cost of living. Now unions oppose it ostensibly to protect American jobs. Daniel Griswold explains how free trade actually increases jobs and worker compensation. The problem for unions, of course, is that under free trade "unionized firms just fade away."

Unions abhor right-to-work laws because in those states that have them, unions cannot force workers to pay union dues. Moreover, unions find it more difficult to organize in those states. Richard Vedder explains how right-to-work laws promote liberty, prosperity, and quality of life.

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[1] the results of its latest nationwide survey : <http://www.tinyurl.com/y4vuv2s>

[2] *The Cato Journal*: <http://www.tinyurl.com/y4d4mc7>

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