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Strike: A risk worth taking?

Experts said SEPTA workers had little to lose because they could not easily be replaced.

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When 62 pipe and steel workers at Precision Tube Co. in North Wales walked off the job Aug. 7, the economy had just dropped 274,000 jobs. Unemployment was nearing 10 percent, and almost 14.5 million people were out of work.

"I know it sounds crazy to go out on strike during a recession," said Donna Ulrich, unit president of United Steelworkers of America Local 6816-01. "It was really scary, because I knew there were no jobs out there."

Striking during a recession? Is it crazy?

That depends, experts say, on the financial health of the business, the skill of the workers, the availability of qualified replacements, and, in large part, whether the union represents public- or private-sector employees.

Ulrich's steelworkers, out until Sept. 21, probably faced greater risks than Local 234 of the Transport Workers Union, which sent 5,100 SEPTA drivers and operators out on strike Tuesday.

None of Ulrich's members crossed the picket line. But Precision Tube, which did not return several calls for comment, hired temporary workers who did.

Hiring replacements is rare in the public sector.

"I can't think of a single situation where workers were permanently replaced on the public sector," said Gordon Pavy, national collective-bargaining director for the AFL-CIO in Washington.

There is a notable exception, and it made labor history.

In 1981, when members of the Professional Air Traffic Controllers Organization walked out, President Ronald Reagan replaced nearly all of them, breaking the union.

"I think a public employer would be hard-pressed to do that," Pavy said. "We like to think of our government agencies and quasi-government agencies as being more fair-minded than private employers who are out for a profit."

That gives public-sector unions an unfair advantage, said Chris Edwards, an economist for the conservative Cato Institute in Washington.

"There is no downside for public-sector unions to push too far because they always have their jobs," he said.

"With private-sector unionism, there is a tug and pull between employer and employee," Edwards said. "There is an economic struggle.

"Public-sector unions have government officials in a tight spot. It's not their money they are playing with."

In 2008, 12 percent of all employees were members of unions. In the private sector, the percentage was 8, but in the public sector, more than a third of employees, 37 percent, were in unions.

"Public employers are more sensitive to political pressure, and unions are able to generate political pressure," said Paul Clark, professor of labor studies and employment relations at Pennsylvania State University. "In the private sector, if a union used its political resources to pressure an employer, the employer wouldn't care. But public employers are elected."

Public or private, striking in a recession still requires careful strategic calculations, especially now that unemployment has topped 10 percent with 15.7 million out of work.

"Historically, unions have tended not to have a great bargaining advantage in a recession because of the high unemployment that accompanies it," Clark said. "With high unemployment, it does present the possibility of hiring replacement workers."

However, in a recession, employers might be less likely to risk even one day of missed production or botched production with unskilled substitutes.

"It would be very difficult to replace an entire force of professional bus drivers," Clark said.

In the end, "overall economic conditions are not as important as the financial conditions of the particular employer," Pavy said. "Unions and workers in general are reluctant to strike in any situation, whether the economy is healthy or weak, but it really depends on the health of that employer."

Unions tend to hold back if companies are ailing - many workers have agreed to concessions in this economy. But if revenues and profits are up, it's a different situation.

That was the point that 27,000 members of the International Association of Machinists and Aerospace Workers made when they went on strike against Boeing Co. in September 2008, stunning observers who wondered why a manufacturing union would picket when the sector was shedding jobs.

Even as the recession deepened from its December 2007 start, the company had been doing well, the union argued.

The strike lasted eight weeks.

"This contract gives the workers at Boeing an opportunity to share in the extraordinary success this company has achieved over the past several years," Mark Blondin, the union's aerospace coordinator and chief negotiator, said in a union news release when workers returned to the job.

In Philadelphia, the Transport Workers Union has also been making that argument in its dispute with SEPTA.

"Yes, there's a general recession," union spokesman Jamie Horwitz said, "but not everyone hurts in a recession." SEPTA, the union said, is doing well despite the recession, with increased ridership and an infusion of federal stimulus money.

Not surprisingly, SEPTA's management disagrees, citing declining ridership in recent months, endangered state subsidies, and increased operating costs.

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